

*Oral Questions***ATLANTIC CANADA OPPORTUNITIES AGENCY**

VETTING OF APPLICATIONS

Mr. George Baker (Gander—Twillingate): Mr. Speaker, all applications of over \$1 million to the Atlantic Canada Opportunities Agency have to go to a board. Unfortunately the members of that board who decide on the applications over \$1 million are, in some cases, the very people who are applying for the money.

Is the Government aware of this? Is the Government aware of the fact that the Minister in charge of ACOA, Senator Lowell Murray, is going about actively encouraging board members to apply to themselves for money, and then rejecting their offers to resign, and that some board members make the ultimate sacrifice and absent themselves temporarily from a board meeting while their applications are being dealt with by their seat-mates?

Is this an ethical manner in which to be distributing government funds?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, you can see the increasing difficulties of getting independent people from the private sector to act on boards or agencies as their public duty when this type of insinuation is made about them.

The Atlantic Canada Opportunities Board has adopted rules for cases of potential conflict of interest. The rule is that any member who has an actual or potential conflict of interest in respect to any matter, issue, application, or project that comes before the board shall immediately declare such conflict of interest and remove himself or herself from discussion, consideration, deliberation or review of the subject matter, issue, application, or matter.

That is what happens with the Atlantic Canada Opportunities Agency and the Atlantic Enterprise Board. There have been no violations of those rules, they are perfectly proper rules, and they have been carried out.

May I also point out to the House that on a region wide basis ACOA is receiving and processing ten times as many applications for aid as were handled by all its predecessors together, and has spent or committed a total of \$200 million to date in the four Atlantic provinces. It is becoming the most widely used federal program ever put in place in that region, despite the opposition of the Liberal Opposition, and the Senate, which is also controlled by the Liberal Party.

REQUEST THAT GOVERNMENT AMEND BILL

Mr. George Baker (Gander—Twillingate): Mr. Speaker, several ACOA board members, such as Dorothy Sutherland from Nova Scotia, Donald Deacon and Francis MacAulay of Prince Edward Island have stated that it is a conflict of interest. Ms. Sutherland stated: "It would never enter my mind to apply to myself for money". Other board members

who applied for money and got it said that they did so with the encouragement of the Minister.

Is the Government aware that Mr. David Ganong, part owner of Ganong Brothers of New Brunswick, resigned last month, not because he had received a \$75,000 grant for his company to modernize from ACOA, but because he had submitted a further application, to use his words, "for several millions of dollars"? Is this Minister aware that the Senator in charge then phoned him and said that it was not necessary to resign from the board of which he was a member while his application was being processed? Will the Government amend that Bill, sew up that gigantic loophole, and censure that Senator?

• (1500)

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, there are several dozens of private citizens who are on the boards of the Atlantic Canada Opportunities Agency and the Atlantic Enterprise Institute. In every case they have followed and are following the conflict of interest directions and rules.

Some Hon. Members: Oh, oh!

Mr. Crosbie: I am not going to be shouted down, Mr. Speaker.

Mr. Tobin: Utter foolishness!

Mr. Crosbie: I am asked this question. I am entitled to answer it. The reputations of these people are at stake.

Miss MacDonald: They just think it is slander.

Mr. Speaker: The Chair has allowed the Hon. Member to put a complex question, and to put it in considerable length. I think that Hon. Members ought also to give the Minister a chance to give it an appropriate reply. The Hon. Minister has the floor.

Mr. Crosbie: Mr. Speaker, with respect to the case of Mr. Ganong, he wrote a Member of the Upper House, Senator Murray, who is in charge of the agency, and told him that he had a major proposal going before ACAO for consideration and before the AEB, a large project that would involve his active and personal involvement. Under those circumstances he thought that he should submit his resignation.

The Senator wrote back to him in a letter dated April 7 regretting that he was tendering his resignation, pointing out that the rules did not require him to resign but stating that in view of the circumstances and the fact that the primary responsibility for carrying the application would fall to him as President, he thought in all the circumstances he could not disagree with his suggestion that he should resign. That is the record of this transaction, which is perfectly proper.

Might I just finally say that the Atlantic Provinces Chamber of Commerce has called for this Bill to be passed as it is, and