

The amount of each agreement approved by the board under subsection (3) and the name of the person, firm or corporation with whom the agreement is entered into shall be included in the annual report that the corporation is required to submit under subsection 75(3) of the Financial Administration Act.

I submit that paragraph (4) of motion No. 3 seeks to do what paragraph (5) of motion No. 2, which I have just read, seeks to do. This is a good provision, as it ensures that agreements envisaged in the amendment will be made public. In the last analysis, publicity is the public's best protection in matters of conflict of interest.

The hon. member also deals with the situation in which the beneficial interest of those concerned exceeds 50 per cent. He recognizes that total prohibition is not acceptable and tries to provide a cut-off line, a 50 per cent beneficial interest. If a person has a greater than 50 per cent beneficial interest in a firm or corporation on whose behalf an application is made, that person shall not be eligible for a loan. Clearly, as precedent shows, loans may be granted to such interested persons, in certain circumstances, so long as disclosure is made. The amendment provides for this protection in order to avoid conflict of interest. I think the hon. member for Gatineau made this point clear.

My last point concerns the president. He, as chief executive officer of the corporation, is in a position different from that of regional advisers or councillors or directors. It is not anticipated that the ten directors who will come from the private sector will be full-time employees, nor is it envisaged that the number of regional advisers or councillors who have been referred to will be full-time members of the advisory council. On the contrary, it is expected that they will be part-time members and their responsibilities with respect to the advisory council will be added to their other responsibilities. That being so, we require conflict of interest provisions which will take cognizance of the fact that they are serving part time on the council and have other interests. Clause 13(1) provides:

Where a person who is appointed as president has (a) a direct or indirect ownership of any shares in a lending institution or in a company authorized to provide management counselling, or (b) a pecuniary or proprietary interest in a business or firm that provides management counselling, he shall divest himself of that ownership or interest within three months after the date of his appointment and shall not during his term of office acquire any such ownership or interest.

Clearly, the president's position is a special one and the bill deals with his position in a special way.

**Mr. Clark (Rocky Mountain):** Mr. Speaker, would the minister permit a question? Will he say what, in motion No. 2 as amended by the hon. member for Gatineau (Mr. Clermont), will prevent a director from having fellow directors look after his interests or the interests of anyone associated with him, in his absence, on the understanding that there is to be reciprocal treatment in cases where he remains on the board and one of the other directors is absent?

**Mr. Gillespie:** Mr. Speaker, I am not a legal authority and I do not think one has to be to realize that such practice would be illegal and very likely criminal. That kind of collusion would constitute a criminal offence.

**An hon. Member:** An exceedingly hard thing to prove.

### B.C. Telephone

**Mr. Gillespie:** Second, proposed section 36(5) requires disclosure in cases where interested persons enter into transactions. The subclause provides:

... the name of the person, firm or corporation with whom the agreement is entered into shall be included in the annual report ...

**Mr. Clark (Rocky Mountain):** But the bill will not prevent what I suggest may happen.

**Mr. Deputy Speaker:** Order, please. As it is five o'clock, we must proceed to private members' business unless members decide not to see the clock.

**Some hon. Members:** Five o'clock.

● (1700)

## PROCEEDINGS ON ADJOURNMENT MOTION

[English]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**Mr. Deputy Speaker:** It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North Centre (Mr. Knowles)—Social security—Government intention with regard to economic position of those over sixty-five; the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Housing—Request for funds for low rental housing; the hon. member for Edmonton-Strathcona (Mr. Roche)—Immigration—Possible increase in number of Chilean refugees admitted—Government position.

Order. It being five o'clock, the House will now proceed to the consideration of private members' business, namely, notices of motions (papers), private bills and public bills. There being no item under the heading notices of motions (papers), the House will now proceed to private bills.

## PRIVATE BILLS

[English]

BRITISH COLUMBIA TELEPHONE COMPANY

The House proceeded to the consideration of Bill S-11, respecting British Columbia Telephone Company, as reported (without amendment) from the Standing Committee on Transport and Communications.

**Mr. Reid:** I rise on a point of order, Mr. Speaker. I draw Your Honour's attention to the second report of the Standing Committee on Transport and Communications, printed in *Votes and Proceedings* of November 21, 1974. In this report the committee recommended that the charges of \$200,400 paid by the B.C. Telephone Company in accordance with Standing Order 91(4) be held in abeyance until the House had disposed of Bill C-29.