

Conflict of Interest

believe the statement goes too far in watering down the very good proposals contained in the document.

Let me cite as an example, although in this case it is not an instance of relying on general words but is a specific proposal. In the case of members being prohibited from having shares in a company which enters into a contract with the government, there is the exemption that if the member's holdings are less than 5 per cent of the total shares of the company then the prohibition does not apply. It strikes me that there could be cases where a holding of 4.9 per cent of the shares of a company could be a very substantial holding. I suggest we should go a lot further in that regard.

Likewise I find references to what are popularly called blind trusts. I think greater use could be made of this practice than is suggested in the document. I also feel that more could be said about the whole question of being directors of companies. I find references to the holding of shares in companies, but I do not find, so far as members of parliament and of the other place are concerned, a prohibition against being directors. We know that in the other place this practice is almost an abuse. When one member of the other place can be a director of more than 20 companies, it is that sort of situation which raises the whole question of conflict of interest to serious proportions.

● (1430)

I contend that the document and any legislation or rules that are laid down in this respect should have something to say about directorships in companies, whether or not they are in companies that have contracts with the government. Of course, you would not expect me to leave this phase of the matter without saying that I think the simplest way to avoid conflict of interest so far as members of the Senate are concerned is to abolish it.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I am not surprised at the fact that my own colleagues have applauded that statement, but I appreciate the fact that there has been applause from some of the other quarters of the House as well.

I feel that the statement is also deficient, and so is the proposed legislation, in that it makes no reference to conflict of interest so far as senior public servants are concerned. I dealt with this in a bill of mine, Bill C-38, which has been on the order paper since the beginning of this session, and I believe that my proposals in that respect should have been included in the bill proposed in this green book. After all, those senior public servants who are involved in policy making decisions can be just as deeply involved in what might be called a conflict of interest as members of parliament. As a matter of fact, I suggest that they can become more involved than private members of parliament. That, of course, leaves open the question of what should be done with respect to cabinet ministers, but I understand that a statement in that area is coming later.

I am about to conclude my remarks, Mr. Speaker. The final statement that I want to make is that I think all of us have to face up to the fact that when we are talking about

[Mr. Knowles (Winnipeg North Centre).]

conflict of interest we are talking not just about the dollars that can accrue to an individual because a company with which he is connected has a contract with the government but we are talking in much larger terms about the social directions in which legislation can go. It is for this reason that I firmly believe that the disclosure procedures of any legislation should be very full. The public has the right to know what are the social and economic interests of all the members in this place, as I say, not just so that they will be on guard against their making a few dollars out of a contract but so that they will know the kind of legislation that we can expect out of parliament, whether it be legislation in the interest of the financial and business community or legislation in the interest of people as a whole. In the final analysis, the voters make the decision as to what kind of persons they want here, but I believe it is our responsibility to make it clear that it is known what the interests of all members of this place are. The only reason I did not refer to the other place as well is that I have already indicated what we should do with it.

We welcome the introduction of this subject. A couple of years ago the Prime Minister said they had looked into it but that nothing more needed to be done. I am glad to see that he has come to the realization that something needs to be done, and we hope that action will be taken at the earliest possible date.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, on behalf of my colleagues and my own behalf, I thank the minister for having made his statement to the House today on conflicts of interests in the case of members of parliament and senators.

Mr. Speaker, the minister mentioned a while ago that part of the problem with regard to the control of conflicts of interests lies in the fact that such conflicts are difficult to define, particularly for legislative purposes. The minister divides in four categories the points on which there can be conflicts of interests.

First of all, corrupt practices and prohibited fees. I believe all hon. members will agree on this.

Second, incompatible offices. A member cannot be, I feel, deputy minister on Bronson while representing a riding in the House of Commons. His duties as deputy minister would be incompatible with those of a member of parliament; everyone will also recognize this.

The third group refers to government contracts. Now, if a member of parliament became a contractor to obtain contracts from the Department of Regional Economic Expansion, for example, I think that nobody would accept that, including the senators, I suppose.

Finally, mention is made of financial interests. It is especially on that point, I feel, that the interpretation of the legislation by government officials is wrong and I will merely give you a personal example.

I am the president of a company in Rouyn-Noranda, the Garage Joyal Limitée and at certain times during the year, I could hire additional labour to help fight efficiently against unemployment. However, my competitors can apply to the manpower centre in Rouyn and perhaps create half a dozen jobs, the manpower centre contribut-