

Mr. Howard (Skeena): Sometimes, Mr. Speaker, the assistance one obtains does not help a great deal.

An hon. Member: That applies to both sides of the house.

Mr. Howard (Skeena): The hon. member for Winnipeg North Centre (Mr. Knowles) was thinking of one aspect of the operation of the committee and I was thinking of another. If you have more than 5 per cent of the shares of a company, you cannot be a member of the committee; "you are not pure enough", says the government to such a person. Five per cent of the shares plus one share makes you impure, suspect, and ineligible to be a member of this great committee. But if you sell that share to your wife, law partner or somebody else, this makes you pure enough to get on the committee and everything will be all right.

Mr. Knowles (Winnipeg North Centre): A share holding of 4.9 per cent is pure.

Mr. Howard (Skeena): Five per cent is purity; 5 per cent plus one share is impurity, as far as the government is concerned, in terms of conflict of interest. This matter was explored even further in the standing committee. As a result of a coalition between the Liberals and the Conservatives, which is not unusual and is certainly not surprising but it has never been quite so direct and in the open as it was in this case, they decided they had better go a bit further with regard to purity and impurity. As a consequence they said: Even though you have 5 per cent of the shares of a company, even though that makes you qualified to sit on the committee, we think we should do something else. We will prevent you from voting on any issue affecting the company in which you have 5 per cent of the shares.

Incidentally, as is well known, in the oil and gas industry the element of competition does not exist to a very strong degree. There is a great element of friendliness in the oil and gas industry, a great element of price fixing and the like; maybe not such that can be ascertained under the Combines Investigation Act, because they operate in a rather secret way, but there is the element of extremely close friendship in this industry which militates against the interest of the consuming public.

The committee, in effect, said to an individual who may be on the committee that he may hold 5 per cent of the shares in company X but he could not vote on an issue

Oil and Gas Production and Conservation affecting company X. He would be able to vote on an issue that affected the parent company of the company in which he held the shares, a subsidiary of the company in which he held the shares, a so-called competitor, or a friendly company with which his company had an agreement.

All the amendment seeks to do is say to the government: If you are really serious about the matter of conflict of interest exhibit that seriousness by taking the next logical step and accepting the amendment proposed by the hon. member for Winnipeg North Centre on behalf of the hon. member for Battleford-Kindersley (Mr. Thomson). If the government does not accept the amendment, all it is doing is window-dressing the idea of conflict of interest and this provision is included in the bill just to look good; the government does not really mean it. If the amendment is not accepted, it simply means that the government is once again exhibiting the fact that it is controlled by the industrial giants of this nation and the individual member of the consuming public will get what is left over, if anything.

[Translation]

Mr. Chrétien: I just want to give the necessary explanation.

If one reads the clause carefully, one realizes that there must not be any conflict of interest. We allowed members to hold shares in companies not directly involved in the Canadian North, up to 5 per cent. Of course, this is an arbitrary percentage, and since it is a part-time agency and since we want experts in oil research to sit on it, we do not object to some of them holding a few shares in industries not doing any business in the North. The clause covers this point very well. There must be no conflict of interest between the business of an appointee to the board of directors and his official duties.

[English]

Mr. Speaker: Mr. Knowles (Winnipeg North Centre), for Mr. Thomson, seconded by—

Mr. Burton: Mr. Speaker—

Mr. Speaker: Order, please. Is it the wish of the house that we continue?

Mr. Knowles (Winnipeg North Centre): Six o'clock.

Mr. Speaker: It being six o'clock I do now leave the chair.

At six o'clock the house took recess.