

Oil and Gas Production and Conservation

and the Minister of Indian Affairs and Northern Development (Mr. Chretien) heard me read those last words which begin with the phrase "provided further". They are not in the printed copy of the bill and I suppose that is why they did not hear me read them. Those words are to be found at page 1047 of *Votes and Proceedings* for Tuesday, May 20.

It seems to me that the committee, when it added those words, admitted that this clause did not go far enough in terms of dealing with the question of conflict of interest. The addition of those words was a clear admission that the stricture imposed on a person having any kind of an interest in a property to which this act applies did not go far enough in reference to people who owned up to 5 per cent of the issued shares of any particular oil or gas company.

Realizing that this was not good enough, the Standing Committee added the words to the effect that persons who do own shares up to 5 per cent shall not vote when any question affecting the company in which they have an interest is before the committee. How ridiculous can this be? We say to people that they can be on this committee and own up to 5 per cent of the shares of a company, but if a matter affecting the interest of the company in which the member owns shares comes before the committee the member shall not vote. But he can still vote if these matters affect some other company which is before the committee. A member must not protect his own interest. He cannot protect his own interest by voting directly on the affairs of his own company, but he is in a position where he can vote in respect of the affairs of some other company.

Mr. Howard (Skeena): Which may be a subsidiary.

Mr. Knowles (Winnipeg North Centre): That other company might be a subsidiary of the company in which the member has an interest. Even if it is an independent company, in so far as these companies can be independent, I suggest that this concoction that was added at the end is utterly meaningless. If the charge of the hon. member for the Northwest Territories was correct, that our members did not happen to be at the committee on that occasion, let me say I am sorry they were not there. I am sure that anyone with half an eye could have seen how meaningless it was to add these words, supposedly thereby coping with the problem of conflict of interest.

[Mr. Knowles (Winnipeg North Centre).]

Therefore, Mr. Speaker, we contend that if the government insists on this right to own shares up to 5 per cent, a few words should be added to this clause, namely "or any of its competitors in the oil and gas industry". If this amendment were accepted clause 6 would then read:

No member of the committee shall have a pecuniary interest of any description, directly or indirectly, in any property in oil or gas to which this act applies or own shares in any company engaged in any phase of the oil or gas industry in Canada in an amount in excess of 5 per cent of the issued shares thereof, provided further that no member who owns any shares of any company engaged in any phase of the oil or gas industry in Canada shall vote when a question affecting such a company or any of its competitors in the oil and gas industry is before the committee.

• (5:50 p.m.)

If you are going to keep the clause there at all, I believe the words I included should be added. That is why I have pleasure in moving this amendment on behalf of the hon. member for Battleford-Kindersley (Mr. Thomson).

Mr. Speaker: Is the house ready for the question?

Mr. Frank Howard (Skeena): Mr. Speaker, we thought the minister would rise and at least put up some sort of argument on this question, or agree with the amendment. Perhaps I could expand a little on the argument advanced by the hon. member for Winnipeg North Centre (Mr. Knowles) in order to indicate how ludicrous is the position of the government. In clause 6 of the bill the government indicated that it was concerned about conflict of interest. The minister points to the bill, Mr. Speaker. He loves to point to the bill to indicate what is going on.

An hon. Member: It is a good bill.

Mr. Howard (Skeena): My hon. friend says it is a good bill. I cannot account for his inability to grasp what is going on here. The government recognized in clause 6 that there was an element of conflict of interest, or might be, and it had better be controlled. The government said: We will control that element of conflict of interest by saying that if you have more than 5 per cent of the shares—

Mr. Knowles (Winnipeg North Centre): Up to 5 per cent.

Mr. Howard (Skeena): —you cannot be on the committee.

Mr. Knowles (Winnipeg North Centre): Up to 5 per cent.