

If we look ahead and if MacDonnell-Douglas is the successful bidder, what will be the perception as far as the Government of Canada is concerned? This will put the government in a very peculiar position, and the perception is going to be unfortunate. The perception might be that the contract was awarded to a company which had on its board of directors someone with access to and influence with the government over and above the normal lobby one might expect from competitors.

The point I was trying to make to the Prime Minister when I was asking the question was twofold. I think there is a very good reason to say that technically and unfortunately Mr. Macdonald has breached the guidelines which the Prime Minister laid down. Under the guidelines, and I quote:

A former office holder must not, within the relevant time period—

Which is two years.

—accept appointment to the board of directors of a commercial corporation which was, as a matter of course, in a special relationship with the department or agency with which he was last employed, where "special relationship" means regulation of the corporation by the department or agency—

The fact is that as minister of finance Mr. Macdonald would have had a special relationship with MacDonnell-Douglas and other companies such as Shell Canada Limited and Boise Cascade. Because he was minister of finance, he was technically responsible for the Anti-Inflation Board in relation to the aircraft company and quite possibly Shell, I do not know. He was also responsible for the Anti-Dumping Tribunal, which is responsible for protecting the production of materials in Canada and for making sure that there is no unfair importation of goods produced in other countries.

If we want to look at this technically, I suggest there was a breach of the guidelines. Quite apart from that, I suggest that the spirit of the guidelines has been breached in this situation because Mr. Macdonald was surely very keenly involved in cabinet deliberations respecting the expenditure of \$2.3 billion. It goes without saying that as minister of finance he would have had to have very great interest in whether the government should expend that amount of money for fighter aircraft. He would have been involved in the decision-making process, so to say that he was not minister of national defence for some years and therefore the two-year period lapsed I think is begging the issue.

We have to have a serious look at what kind of rules we should have, if we are going to have rules, to bind office holders and former office holders so that there can be no question that there is preferential treatment being afforded some commercial corporation because of a particular connection of a former office holder. This is the submission I was making to the Prime Minister. I think this is a matter of public trust and confidence. If there are going to be guidelines which are worthless, why bother—

Adjournment Debate

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. gentleman but his allotted time has expired.

Mr. Rod Blaker (Parliamentary Secretary to Solicitor General): Mr. Speaker, if I recall correctly, in 1975 an all-party committee of the House of Commons unanimously recommended conflict of interest guidelines. I remind the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) that his present leader was one of the members who worked on that committee. My recollection is that the recommendations of the committee to parliament were unanimously agreed upon.

In 1976 the Prime Minister (Mr. Trudeau) tabled guidelines respecting conflicts of interest relating to ministers. Last April post-employment guidelines were tabled in this House. They are public knowledge and within the awareness of the hon. member.

The hon. member indicates that there was a technical breach of the guidelines with respect to Mr. Donald Macdonald and the aircraft company mentioned. I have read those guidelines and I am of the same opinion as others who have said that there is no breach whatsoever and that the former minister of finance is perfectly within the spirit as well as the letter of those guidelines.

● (2217)

If the argument presented by the hon. member had any validity at all, it would absolutely deny former ministers and members of parliament participation in public life because of the most far-fetched possible connection that can be found. The minister has observed the rules, as the Prime Minister has indicated, and since the hon. member opposite has made a point of saying that he does not raise a question as to the good faith of the former minister, he should not argue that on the appearance of the matter there might be some apparent conflict of interest. He himself has stated that he is satisfied as to the good faith of the individual, so I do not think he does the institution of parliament any good when, despite his own faith in the former minister, he raises the question of appearance. I do not think he can have it both ways.

These guidelines are amongst the most stringent in the world, as I am personally aware as a result of being chairman of the Standing Committee on Privileges and Elections which has studied the guidelines on conflict of interest. I, too, from that position can say that I am perfectly satisfied that there is neither an apparent nor a real conflict of interest.

The Acting Speaker (Mr. Ethier): Order, please. A motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 11 a.m.

At 10.20 p.m. the House adjourned, without question put, pursuant to Standing Order.