

One way that has been suggested of meeting this problem is that a minister should put his or her investments into a frozen trust. This is definitely not a satisfactory solution to the problem, because although the minister cannot change his or her securities, he or she knows what those securities are, and the value of them can be affected very materially by decisions the minister may take if the operations of the company concerned come under his or her particular responsibility.

Another suggestion that has been put forward for meeting this problem is that a minister should put his securities into a blind trust where the owner is unaware of any changes made in the portfolio from time to time. Mr. Speaker, this method is equally impractical for meeting this very serious problem. Any member of this House who is a practical man or woman will realize that no agent into whose care such investments are entrusted will make any change in a portfolio without first checking with the owner through a third or fourth party. Therefore, Mr. Speaker, a blind trust becomes nothing more than a frozen trust and, as I have said, that is not a satisfactory solution. We should ask ourselves then what is a practical method of handling this very real problem which all governments face?

To begin with, for many years in the parliament of Canada it has been an unwritten rule that because of the great influence which the position of the Minister of Finance has on business affairs throughout the country, upon taking over his portfolio such minister should divest himself of all common stocks, and invest the funds that are realized through those sales in government bonds. I believe this procedure should become a formal requirement for the Minister of Finance, and also for the Prime Minister and the Minister of Industry, Trade and Commerce, because of the great influence their decisions have on the value of common stocks generally.

I also think that it is obvious that the Minister of Transport upon taking over his portfolio should divest himself of any stocks in transport companies. I believe too that the Minister of Energy, Mines and Resources should divest himself of any stocks in energy or mining operations upon taking office. As well, the stocks of any minister of the government which could possibly come under his own jurisdiction in the operation of the companies concerned, should be sold and the funds realized placed in some other investment. In this way when carrying out the duties within their responsibility, ministers would be free of suspicion of influencing in any way the value of stocks in companies which came under their particular department's authority.

Finally, Mr. Speaker, I believe that all ministers should declare their holdings in a written statement to the President of the Privy Council, and notify him by letter of any change that is made in their holdings. This would enable the President of the Privy Council, as the watchdog of the operations of cabinet—because the Prime Minister is obviously too busy to concern himself with details of this kind—to make sure that no changes are made in any portfolio as a result of cabinet discussions regarding various areas of business activity.

An obvious example of this is, of course, the discussions on the budget, in which all members take part before it is

### *Conflict of Interest*

presented to parliament. In this way the holdings of cabinet ministers would not become public knowledge, and of course there is no justifiable reason why they should become public knowledge. It would also ensure that ministers would be precluded from making an increase in the value of their holdings due to information available only to them before an economic event takes place.

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Finally, I wish to speak about cabinet ministers receiving gifts from those whose operations come within their jurisdiction. It is obvious that all ministers must be careful not to allow themselves to be put in a position in which it might appear that their decisions are influenced by the gifts they have received. If a minister is so foolish as to allow himself to be put in such a position, he has demonstrated that he did not possess sufficient judgment and common sense to warrant his appointment to the cabinet in the first place. Unfortunately, several members of cabinet have demonstrated just that in the past few days.

**Mr. Heward Grafftey (Brome-Missisquoi):** Mr. Speaker, at the outset let me make it clear that the questions I have directed to the ministry and the Prime Minister (Mr. Trudeau) during past months to do with conflict of interest guidelines for ministers, and the sentiments which prompted my participation in this debate tonight, have nothing to do with any fishing expedition relating to any individual minister.

If any person wishes to be overly dramatic and suggest that I make specific charges either inside or outside the House, let me say I have none to make. I repeat, what I have to say does not involve any fishing expedition relating to the morality of the cabinet in general or any individual minister in particular. However, let me say that the conflict of interest guidelines proposed by the Prime Minister are nothing less than an insult to our intelligence. My remarks tonight will pertain purely to those guidelines, as they relate to ministers of the Crown.

No person, be he eventually a minister of the Crown or an ordinary member of parliament, swears an oath of poverty when he decides to run for public life. As the Minister of Regional Economic Expansion (Mr. Jamieson) suggested, assets accumulated from the practice of a profession or private business should not bar one from public life. We are wrestling with that problem in Canada, and they are wrestling with it in the administration of the United States and the United States Congress.

**An hon. Member:** But that is a different situation.

**Mr. Grafftey:** I know the situation is different, but we are still wrestling with it. Just as judges, school teachers, rabbis, priests and other ministers of religion adhere to certain standards which are not ambivalent, so should members of parliament. Although we should not swear an oath of poverty, we should swear to serve the people in the truest and best fashion. For this reason I suggest that conflict of interest rules as proposed by the Prime Minister should be up-to-date and meaningful.

I was interested to hear the Minister of Regional Economic Expansion say how hard it is to build up a private business. I felt almost sorry for him as he pleaded. How-