

regard to a number of instances involving clear conflict of interest, when we as parliamentarians should say very clearly and succinctly that certain people shall not participate in the benefits of a federal program if they themselves are determining who should get the benefits of the program. In this case, the directors of the Federal Business Development Bank, the people sitting on the council, and their spouses, in my opinion should not be able to get the benefits of the legislation that is before us.

I strongly urge members of the House to look very closely at motion No. 3, which sets out explicitly those people who will not participate in receiving benefits from the legislation. The motion names the people concerned—for example, a director of the council, the spouse or child, brother, sister, or parent of a director, and so on. I think we should not hesitate to take this step. I hope that when the hon. member for Gatineau (Mr. Clermont) moves his motion, he will bring us closer together than motion No. 2, presently suggests. In closing, may I say I am glad the legislation is before the House. I am happy to see the federal government, through an agency like a Crown corporation, competing in the banking field with private banks. This is long past due and we should expand this concept rather than be cautious about it.

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I join the hon. member for Yorkton-Melville (Mr. Nystrom) in commending the hon. member for York-Simcoe (Mr. Stevens) on his motion No. 3 which is clearly a step in the right direction. Because of the concern many Canadians have expressed over the last while—a concern many members of the House have expressed—about the question of conflict of interest, this House has the responsibility of ensuring that everything possible is done to prevent conflict of interest on the part of members of parliament or public servants.

I have been dismayed over the past few days, in the discussions we have had with respect to conflict of interest, to discover that the government's attitude is that any substantive action taken by the House to try to restrict or reduce conflict of interest is against the wishes of the government, whether this action be by legislation relating to members of parliament, regulations relating to civil servants or to people in Crown corporations such as the one under discussion.

The minister's proposal in motion No. 2 would simply institutionalize conflict of interest as opposed to forbidding it. I do not think it is too much to ask of people who have the honour to serve an agency such as this that they be as clean as possible—as clean as a hound's tooth. It is not good enough to suggest that, when these people are involved in questions of conflict of interest, the facts should be pointed out publicly; it is important that the conflict be prevented entirely.

As I say, it is an honour to be associated with such an agency so I do not think it is asking too much of people who would be so honoured to maintain minimal standards of behaviour with respect to conflict of interest. I point out to the minister that there are 22 million people in this country, so he should not have great difficulty in finding persons willing to serve who have not had any dealings with the bank. I think it is a rather shocking situation if the minister is suggesting that it is very difficult to get

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people free of possible conflict of interest to serve on the board and the only people who would want to serve would have a conflict of interest.

As I say, I do not think the hon. member for York-Simcoe is in any way asking too much. As he pointed out, some \$2.2 billion worth of assets of the bank will be controlled and I think the public is justifiably concerned about how this will be done. The hon. member was also quite correct in pointing out that there is a double standard that the minister would institutionalize, that of requiring the president of the bank to divest himself of any holdings of the bank or business that might involve conflict of interest, but not requiring this of other people who serve with him. That is an anomaly I cannot understand.

The confidence of the public and the integrity of people who serve in public institutions are very frail and fragile tissues which are easily torn apart. My regret is that the government, in its actions both with respect to the legislation now before us and other proposals dealing with conflict of interest, has taken action that can only exacerbate the problem we have, that can only serve to destroy people's confidence in our public institutions and bring into question the integrity of people who serve either in the public service or in our parliament. I strongly urge the members of this House to support motion No. 3 moved by the hon. member for York-Simcoe.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I support motion No. 3 wholeheartedly, and in doing so I should like to say a few words. First of all, I am rather shocked—

Mr. Deputy Speaker: Order, please. I wonder whether the hon. member would allow me at this time—this should have been done earlier—to read motion No. 3 into the record. We are moving from one motion to another and only motion No. 2 has been put on the record. People reading *Hansard* will then be able to refer to motion No. 3 more directly. So, with the consent of the House, I will put motion No. 3.

The hon. member for York-Simcoe (Mr. Stevens) moves:

That Bill C-14, an act to incorporate the Federal Business Development Bank, be amended by deleting lines 28 to 42 at page 15, being clause 36, and substituting the following:

"36. (1) The corporation shall not make a loan to, a guarantee to, a guarantee of a loan to, an underwriting agreement with, or a purchase from

- (a) (i) a director or a member of a regional advisory council
- (ii) the spouse or a child, brother, sister or parent of a director or a member of a regional advisory council, or
- (iii) the spouse of a child, brother sister or parent of a director or member of a regional advisory council, or
- (b) a firm or corporation in which the beneficial interest of any person or persons described in paragraph (a) exceeds 50 per cent individually or collectively.
- (2) A director shall not vote on a resolution relating to, or be present at a meeting of the board during the time at the meeting when the board is considering, a loan to, a guarantee to, a guarantee of a loan to, an underwriting agreement with, or a purchase from a firm or corporation in which the beneficial interest of that director or any person described in subparagraph 36(1)(a)(ii) or (iii), as the case may be, does not exceed 50 per cent individually or collectively.