

*Federal Business Development Bank Act*

over loans which quite justifiably might be made to members of the board of directors or to regional councillors.

The rules in motion No. 2 are not easy to overcome, and I think the necessary protection will be provided in this bill. Unhappily, the hon. member for York-Simcoe has brought in an amendment which, so far as the bill is concerned, would put the members of the board of directors and of the regional councils into a kind of economic straitjacket.

**Mr. Stevens:** Nonsense.

**Mr. Cullen:** The same is the case with firms of which they are shareholders. This is precisely what would happen. It would put that kind of restriction on people who served on the board of directors or on a regional council. The impact that this would have on their particular business enterprise is just absurd to consider. So I think my words are correctly chosen: these people would be put in an economic straitjacket by the kind of wording suggested in motion No. 3.

I have not heard much in the way of substance in the hon. member's argument. We hear the raised voice, the suggestion that there is a condoning here of a conflict of interest. We see an illustration of phony anger across the floor, but a failure to recognize how difficult it would be to get a loan under motion No. 2 in some kind of underhand way, a loan to which they were not entitled. I think the amendment put forth by the minister, as he undertook to the committee to do, adequately protects the taxpaying public.

**Mr. Clark (Rocky Mountain):** It doesn't do a thing.

**Mr. Cullen:** The hon. member shouts from his seat that it does not do a thing. That is the kind of intervention we might expect. Obviously he does not even want to read the clause. The hon. member for York-Simcoe says that all one has to do is to get on the board of directors, and the gates are open and you can take out any kind of loan. With respect, that is Watergate thinking, and the businessmen of Canada do not operate in that way.

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, I find it interesting that the first member to make reference to Watergate is the hon. member who has just taken his seat. He suggests that the members on this side have Watergate on their minds. It is obvious that Watergate is on his mind.

The Parliamentary Secretary to the Minister of Finance (Mr. Cullen) also said that these people are gentlemen, and that therefore we do not need—

**Mr. Cullen:** And ladies too.

**Mr. Knowles (Winnipeg North Centre):** Did the hon. member say that?

**Mr. Cullen:** Yes, I did.

**Mr. Knowles (Winnipeg North Centre):** So he said "gentlemen and ladies." Despite the newfangled approach, I would still prefer to say ladies and gentlemen. Therefore, said he, it is better to trust them than to make these ironclad arrangements.

[Mr. Cullen.]

I am going to refer to a conversation that took place between a minister and myself some time ago. It really does not matter when, because it is the kind of conversation that has taken place a good many times since I have been here. On this particular day there was a certain government document that some of us felt it was proper for at least one member of each opposition party to have in advance. For a while we were refused, with the statement that, "It is not that we don't trust you; you are gentlemen. We are doing this for your own protection". I think that is a good argument. I would say that in this matter my friends to the right, and they will probably be surprised to hear me support them for a change—

● (2030)

**Mr. McKinley:** Not at all; you are learning every day.

**Mr. Knowles (Winnipeg North Centre):** I think my friends to the right have made a good case for the proposition that the provisions regarding conflict of interest should be precise and definite. I also feel that my friends to the right have been quite justified today in seeing in this, not just the issue as it pertains to this legislation, but the issue as it pertains to the question of conflict of interest as a whole.

I do not think one needs to go over this argument in great detail. The difference between Motion No. 2 and Motion No. 3 is quite clear. In Motion No. 3 there is an absolute prohibition against certain interested parties, or against certain people with whom there is a conflict of interest, getting loans from this bank. In Motion No. 2 this is simply made difficult. The Parliamentary Secretary to the Minister of Finance, may say it is very difficult but, no matter how difficult it is, it is still possible. That is the simple difference between the two approaches, and I think the House should have the chance to decide between those two.

This leads me to express a concern about the announcement from the Chair earlier today as to how we would deal with Motion No. 2 and Motion No. 3. Maybe I am late in raising it, and perhaps I should have raised the point when His Honour made the announcement. As I recall what happened, he said there would be a vote on No. 2 and, if it was an affirmative vote, that would take care of the matter and there would then be no need to vote on No. 3.

The hon. member for York-Simcoe (Mr. Stevens) is calling for a vote on No. 3 rather than on No. 2.

If there is a vote on No. 2 and No. 2 carries, there will be no vote on No. 3. It seems to me this matter might be reconsidered by the Chair in that No. 3 goes further than No. 2. Surely the logical thing is to decide first if the position in No. 3 is what we want, then if the vote is yes that settles it. If the vote is no, it is then in order to retreat, as it were, to the position in No. 2. It seems to me that would be a much fairer way than that proposed earlier by the Chair, because if we vote on No. 2 and it is carried we get no chance in respect of the proposition in No. 3. I would hope, therefore, that that aspect of the matter might be reconsidered.

**Mr. Bill Kempling (Halton-Wentworth):** During the dinner hour I examined the amendment put forward by the hon. member for Gatineau (Mr. Clermont), and I