

sure of holdings in such a frozen trust, and public disclosure at that.

Some would argue for full public disclosure going beyond this kind of situation, but I would suggest that public disclosure should certainly be considered very seriously in light of the kind of frozen trust the Prime Minister is suggesting as one of the options. At the very least, there should be disclosure to the Prime Minister when this option is selected, and I would hope the Prime Minister would clarify as to precisely what he intends in respect of this option referred to as a frozen trust. As a general rule I would not insist on full disclosure, with the exceptions I have mentioned. It would be my attitude that a minister, as a general rule, should have the option of selecting a blind-trust or making full public disclosure.

I am not pleased that there is not some real extension of some stringent rules in respect of spouses, at least of ministers, and I would suggest this should also apply to dependent children. I see no reason why the requirements in respect of a blind-trust should not be extended to spouses and dependent children. I do not believe the guidelines will be fully credible or, perhaps more accurately, fully acceptable to the public without some such provision, and surely public acceptance is a very important consideration.

There is also nothing in the guidelines announced today respecting ministers' senior staff people. In Mr. Pearson's letter of 1964 he covered the staff situation in more detail and with very heavy emphasis. Surely, senior ministerial staff should be covered by some sort of guidelines along the same line.

● (1420)

The sum of the proposals put forward yesterday by the government House leader and the guidelines issued today by the Prime Minister do not, of course, cover the whole field in terms of protecting the public interest. There are still to be covered all senior public servants, members of federal boards and commissions, Crown corporation officials and businessmen—I would emphasize this—temporarily coming into government service on exchange programs. I understand there is a committee composed of Privy Council and departmental representatives which has been discussing conflict of interest policy for senior public servants. I believe this policy should be announced in working paper form as soon as possible. I would then hope that a joint committee of this House and the other place would be set up to study and make recommendations on both the proposals put forward yesterday and those relating to senior public servants, although I do not make anything of the point about it being a joint committee or a committee of this House.

This committee should also consider the matter of persons in the other categories I mentioned which have not been covered to date. I have said on previous occasions—and I shall quote myself if I may be excused—that “I do not think anybody could devise a system of regulations or guidelines which would eliminate altogether the possibility of conflict of interest”. There will always be some imperfections in any guidelines that may be devised. I recognize that but I believe we can go a good deal further in terms of coverage than the measures produced and

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proposed thus far by the Prime Minister. I commend the Prime Minister and the government on finally taking a first step in this process, and I trust that we can move on quickly from here to improve and implement a system which will carry the confidence of the Canadian people.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I thank the Prime Minister for having made available during the noon hour a copy of the statement he has just made to the House. We welcome in particular his assertion that in this area of conflict of interest the standards which apply to cabinet ministers must be the very highest that can be devised. We are aware of the fact that this is a problem that has been considered for many years, and any attempts to resolve it, any steps forward, are welcome even though some of us may feel that we should go still further.

The first comment I wish to make is that if the Leader of the Opposition can say there are murky areas in the green paper that was tabled yesterday I think that same word “murky” applies even more strongly to the statement that has been given today. The very fact that the proposal so far as cabinet ministers are concerned is that there be only guidelines, only a statement promulgated by the Prime Minister, leaves this whole matter in a vague and uncertain situation. I believe the position of cabinet ministers should be very clear and the way to be sure it is clear is to write some of those rules and regulations which must apply to cabinet ministers into the law. I would hope, therefore, that when there is brought before parliament the proposed independence of parliament act there can be a part in that act that will apply directly to cabinet ministers. There could also be appropriate provisions in the Senate and House of Commons Act or in the Salaries Act, which is the act that determines the salaries of members of the cabinet.

The second thing I want to say is that, just as yesterday in the green paper it was established as a first priority that conflict of interest should be avoided if at all possible, I would say that in respect of cabinet ministers it should be avoided, period. This means, in my view, no directorships at all, no shares directly held. I am prepared to agree to trusts, blind trusts or frozen trusts, but I think it must be made very clear that cabinet ministers must not know where their investments are so that there can be no conflict of interest at all.

I also want to support in this connection the suggestion made by the Leader of the Opposition that the Prime Minister's statement is too weak with respect to spouses and the families of cabinet ministers. When I refer to families, I refer particularly to dependant children. I do not like the suggestion in the statement that spouses and dependant children are to be exempt from the strict rules that are being set out for the ministers themselves. I think that that area of the whole matter should be tightened up.

I agree with the Leader of the Opposition that if there are any areas of conflict at all there must be full disclosure, and one particular point of disclosure that I emphasize has to do with the connections that ministers had before they became ministers. I am particularly conscious of this because in every parliament in the last three decades I have placed questions or notices of motions on the order paper seeking information about cabinet minis-