

*Conflict of Interest*

are being asked not to accept outside office or employment that could place on them demands inconsistent with their official duties or call into question their capacity to perform those duties in an objective manner. In the performance of their official duties, public servants must take great care to ensure that no preferential treatment is given to relatives or friends or to organizations in which they or their relatives or friends have an interest, financial or otherwise.

● (1410)

*[Translation]*

Our policy, Mr. Speaker, clarifies for the public service responsibilities, which although they are not new or additional to the traditional ones long understood by public servants, are being made clear and formally published at this time. In order to assist public servants in determining where areas of conflict of interest may arise, particularly in areas related to business, commercial or financial interest, we are asking that public servants disclose in confidence, all business, commercial or financial interests where such interests might conceivably be construed as being in actual or potential conflict with their official duties. The onus to disclose such interests and to determine where such interests might be construed as being in conflict with official duties, is being clearly cast upon the public servant himself. Only those matters which the public servant believes are in actual or potential conflict of interest will require disclosure.

As with public servants, it is our belief that, for their guidance and for the protection of the public interest, those appointed to office by the Governor General in Council should be provided with guidelines. Officials appointed by order in council will in general be required to adhere to standards which will approximate those which have been decided upon for Cabinet ministers. These additional standards, and indeed all standards, must be viewed not as abrogating from any specific legislative provisions, but as complementary to them.

There is a broad range of positions to which appointments are made by order in council. Five broad groupings have been made: appointments to judicial and quasi-judicial boards, agencies and tribunals; appointments to positions where the holders report, or are directly responsible, to Parliament (servants of Parliament); appointments to senior positions in Crown corporations and autonomous agencies; appointments to the major operational and policy positions of the government; and appointments to a host of miscellaneous positions which do not clearly fit into any of the other groups.

The nature of the duties performed by these officials, with few exceptions, set this group apart from the rest of the public service and require that more stringent rules apply to them in dealing with their personal affairs. We believe, Mr. Speaker, that generally no less stringent standards than apply to Cabinet ministers should apply to this group.

In more specific terms, the servants of Parliament, and appointees to the major operational and policy positions, should have precisely the same standards apply to them. Appointees to senior positions in Crown corporations and autonomous agencies should also be the subject of the

[Mr. Trudeau.]

same general guidelines as for Cabinet ministers, with specific requirements to be promulgated by the ministers responsible to Parliament for a Crown corporation or agency. For miscellaneous positions, which cover a broad range of duties, functions and responsibilities, responsible ministers are being asked to examine the particular positions falling under their jurisdiction with a view to promulgating such guidelines as seen best to meet the needs of the position itself.

*[English]*

With regard to appointments to judicial or quasi-judicial boards, agencies and tribunals, it is our hope to extend the same general guidelines. There are, however, some legal problems. I have asked that the Minister of Justice (Mr. Lang) review this matter with a view possibly to recommending amendments to existing legislation to bring it into conformity with established standards of conduct.

Members will recall that in my statement to the House in July I indicated that ministers would have three options open to them in dealing with property other than residences, automobiles and other things of a personal nature of that kind. These were: total divestment, the use of a frozen trust or the use of a blind trust. After further consideration, the government has decided that a fourth option should be added to the three just mentioned. This fourth option will apply to cabinet ministers and to Order in Council appointees who are being included under the ministerial guidelines.

The option will provide for the registration of a declaration of ownership of property with a registrar who will be appointed for this purpose and for the purpose of assisting ministers and others in dealing with matters covered by the government's policy on conflict of interest. It will be possible for a minister, or other persons under the same rules, to deal with property so registered. Declarations and the details of the property covered by them will be open for public inspection in the office of the registrar. The property which may be registered under this fourth option will depend on a number of factors including the nature of the property, whether its value might be affected by decisions of government policy and whether the property could even remotely give rise to a conflict of interest situation. This arrangement, and the scope for individual management it provides, will not be available for stocks and securities traded on public stock exchanges.

The government has also decided that the categories of property exempt from treatment under one of the four options should be extended to include bank balances, Canada savings bonds and securities of any level of government in Canada and agencies of any government. It is apparent that a conflict of interest cannot arise from any such holdings.

*[Translation]*

We have concluded, Mr. Speaker, that as a matter of policy the subject of standards and procedures for employees of Parliament should also be considered at an appropriate time. We would recommend that standards and procedures for employees of the House of Commons be referred to the Commissioners for Internal Economy and for employees of the Senate, to the Committee on Internal Economy, Budgets and Administration. It is our