

Conflict of Interest

than being incorporated in the independence of parliament act.

The new proposals falling under the heading of prohibited fees would prevent members of the House of Commons or Senate from accepting a fee or reward for intervening on behalf of constituents or members of the public before government boards or tribunals, public servants or fellow members of parliament.

The proposals relating to incompatible offices would make the holding of nearly all federal and provincial offices incompatible with membership in the House of Commons and Senate, even if there is no salary attached to these offices. The only necessary exception would be those offices especially provided for in an act of parliament.

Perhaps the most important area in which proposals are made is the area of government contracts. It is proposed that legislation be passed which would generally prohibit members of the House and Senate from participating or deriving any benefit from government contracts. The prohibition would apply to the holding of a contract personally or participating indirectly as a shareholder in a company or as an officer, director or manager of a corporation with a government contract.

The variety and range of various relationships which can exist between governments and individuals makes it essential, however, that members of parliament receive some relief from this very wide-ranging provision. There are seven general exceptions proposed to this general prohibition. It is in relation to these exemptions that members would be required to comply with a system of annual registered disclosure of specified interests.

These disclosure requirements will fulfill the objective of apprising the public of those private interests which members have which are of relevance or potential relevance in the administration of their public duties, but at the same time will ensure the privacy of the individual member with respect to those interests which are not relevant to conflicts of interest.

It is in the area of financial interests that it is proposed the other commonly used form of disclosure be applied. This is the verbal disclosure which members will be required to make at the relevant time. We are proposing resolutions from both Houses requiring members to ensure that they do not benefit, or appear to benefit, from the use of information which may have been provided to them as members of parliament on a confidential basis.

There is a special group of proposals in the green paper which outline the sanctions to be applied and the administrative machinery necessary to ensure that the proposed scheme is workable.

With regard to any rules contained in the Standing Orders of the House of Commons and Rules of the Senate, the respective bodies would be responsible for their administration.

What I consider to be central to the success of the others is the recommendation that a standing committee of each House be designated and charged with a permanent reference to investigate all questions of conflict of interest, to provide members on request with advisory opinions and to advise the House on a regular basis of any changes which

[Mr. MacEachen.]

are needed in the rules governing conflict of interest. There will be a continuing need for observation and reform.

These committees would also be empowered to grant dispensation or relief to any member from the application of certain provisions of the proposed act if it is thought that a particular provision would create undue personal hardship for the individual member or not be in the public interest.

In addition, the independence of parliament act would contain penalties applicable to those who knowingly violated its provisions. Members of the House of Commons who refused to divest themselves of prohibited conflicts would be automatically disqualified within a short period of time and Senators would be subject to a fine severe enough to discourage them from remaining as Senators.

Mr. Speaker, this has been a somewhat cursory abbreviation of the proposals contained in the green paper. It is the intention of the government that this paper be referred to a parliamentary committee for discussion and examination and that out of this discussion a commonly accepted system of dealing with conflicts of interest could evolve. The proposals put forward here are not advanced as unalterable but as a foundation upon which further discussion could take place. I do hope, however, that they will provide at least a framework which would serve as a guide in the consideration of the question of conflict of interest and that the eventual rules will assure the Canadian public that their interests are primary. I also hope the development of such rules will assist hon. members in a very difficult and complicated area.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I welcome the fact that the government, through the President of the Privy Council (Mr. MacEachen) has at long last acceded to the pressure placed upon it by producing these proposals. I am not saying this in any too critical way. It is a very difficult problem. I know the government had before it a proposal by Professor Williams of the University of Alberta made in 1969. Four years have gone by, and the government has finally produced its document.

I thank the minister for having given me as much notice as he could. This is a very lengthy and detailed document and I have not been able to absorb it to the extent I would have liked. I may say I am very glad it is in the form of a green paper and not a white paper. This is one of the wonderful benefits of having an election in store. Certain advantages accrue from the situation. Instead of a white paper being produced with all the celestial certainty the government once had, a green paper is put forward containing tentative proposals for the House to discuss. That is the way in which the government ought to proceed.

Mr. Trudeau: On energy policy, too?

Mr. Baldwin: I would suggest that the government proceed along these lines, by way of green papers instead of white papers, in many more fields of activity, in which case it will live more happily during the very brief period which still remains to it.

As the minister said, there are problems connected with the avoidance and disclosure of conflict of interest and, of course, there are certain exemptions provided. It would be presumptuous of me to attempt to deal in detail or at any