

*Conflict of Interest*

tracts, and financial interests. The offence of bribery would remain in the Criminal Code, and a supplementary provision prohibiting the receipt of fees by members of both houses for the advocacy of personal, private or professional matters among members of parliament, senators or public servants, or before any government board or tribunal, is recommended. A Standing Order and rule for the House and Senate, respectively, are proposed to prohibit such fees.

Second, it is proposed that members and senators should be prohibited from holding nearly all federal or provincial offices, since to permit them to do so would constitute a conflict of interest, violate the supremacy of parliament or violate the concept of the division of power between federal and provincial jurisdiction.

Third, it is suggested that members of parliament and senators not be permitted, directly or indirectly, to participate in or derive benefits from government contracts. Reasonable and necessary exceptions are provided, but public disclosure would be required of members choosing to take advantage of the suggested exemptions.

In the fourth area, financial interests, disclosure is also required. To deal with possible conflicts in this area we are proposing resolutions from both houses to require members to disclose any special pecuniary interest which they may have in the subject matter of a debate or of a communication with ministers, other members or public servants. It is also recommended that a further resolution be adopted to require members of the House of Commons and of the Senate to exercise care in the management of their private investments so as not to benefit or appear to benefit from the use of confidential information. Sanctions are provided for violations. The respective chambers would, of course, police their own orders, while the Attorney General of Canada would be charged with the enforcement of the independence of parliament act.

Hon. members will recall that my predecessor in office emphasized the importance of the proposed role of a special committee that is advocated in the green paper. Let me quote from his statement appearing on page 5688 of *Hansard* for July 17, 1973:

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 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 of 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.

This green paper is advanced as a possible framework for discussion of this most complex and difficult matter. It is, we believe, of the utmost importance that recommendations first be formulated which would govern the conduct of all members of both chambers. As the Prime Minister mentioned in his statement of July 18, 1973, to this House, the rules and laws applicable to members of parliament and senators will be the foundations upon which the special guidelines applicable to ministers of the Crown will rest. It is, therefore, all the more crucial that stand-

[Mr. Sharp.]

ards be developed for members of parliament as a starting point for the guidelines applicable to ministers and to public servants.

● (1530)

The government believes that the recommendations contained in the green paper represent a code of conduct which, if followed, would result in a standard of behaviour in which all Canadians could place their complete confidence. The proposals, however, do not attempt to canvass in detail or specific terms all possible unethical activities of members of parliament and of senators. In this, as in many areas of human conduct, rules may become less effective as they become specific.

In the final analysis, the spirit and the principles which underlie the rules we may adopt will be of paramount importance. We must not forget the fact that no rules, however wise and however just, will ensure the highest standards of conduct. The strength of our system of government will depend, as it always has, on the continued and wholehearted effort of each and every one of us to meet his responsibility to conduct himself in an honourable way.

Before concluding these remarks, Mr. Speaker, let me refer to the standards that are being applied to cabinet ministers and to public servants. The Prime Minister dealt with these matters in two statements to the House in the last parliament—on July 18, 1973, relating to ministers, and on December 18, 1973, relating to public servants and order in council appointees.

May I make a few general comments on the question of ministers and conflict of interest. As a Privy Councillor since April, 1963, I can testify that the guidelines now applying to cabinet ministers represent a considerable advance over anything required heretofore—

**Mr. Stanfield:** From your point of view.

**Mr. Sharp:** From the point of view of a cabinet minister who has served in other administrations. This is not so much in spirit, because we were always conscious of the particular responsibilities that were placed upon us, but in terms of specific action such as the creation of trusts. I say this because I heard one hon. member opposite say something to the effect that there has been no change. I can testify, as a cabinet minister—and can probably speak for all my colleagues who have been in cabinet as long as I have—that there has been a great improvement in the specificity of the guidelines as they apply to cabinet ministers.

What has been lacking, however, has been a foundation upon which to build these ministerial guidelines. I think it is fair to say that the cabinet has moved well ahead of parliament. We do not know yet what kind of standards the two Houses of Parliament wish to apply to their members, as members. The Prime Minister dealt with this point in his statement on July 18, 1973, when he said:

... ministers will be governed by whatever decisions parliament arrives at with regard to members of the House and senators. It is our belief that, by combining the requirements of law and of parliamentary resolution with the guidelines, a clear standard will be in place against which the conduct of members of the government can be measured ... Much of what I have outlined with regard to the conduct of ministers