

*Conflict of Interest*

family basis for holdings of cabinet ministers; a family consists of a minister's spouse and his minor children.

The Prime Minister has made some suggestion about the sanctity of the individual—the government House leader did so again this afternoon—and the desirability of enabling a spouse to pursue an independent career. I have to say quite bluntly that this is dignifying the loophole. I want to see as little interference as possible with the life, opportunity and anything else of the spouse of a minister; but I say very emphatically that total exemption or ruling out of any consideration of what may be held by a spouse or minor children really makes conflict of interest, when applied to the property of a minister, a farce.

The government House leader said today, for example, that transfers from a minister to a spouse would have to be disclosed; they would come within the conflict of interest rules and guidelines. But supposing there is a transfer of something that is completely innocuous—say cash? What is to prevent a conflict of interest situation arising subsequently, depending upon the manner in which the spouse invests that money and the knowledge of the minister as to how it is invested? By all means let the committee try to leave as much freedom for the spouse as possible, in terms of a career, but let us not make a complete farce of the conflict of interest rules being applied to ministers by eliminating the spouse and minor children completely from any consideration.

Then there is the question of gifts to ministers. There appear to be no guidelines at all with regard to gifts. What about forgivable loans and loans in general to ministers? These should be covered in a very strict way that is spelled out publicly. There can be just as much a conflict of interest involved in a loan situation as in connection with ownership and, again, this situation should be covered in relation to the spouses and minor children of ministers.

I understand that the last time I spoke in this House about a particular gift—that was some weeks ago—the Prime Minister took it as a below the belt, personal attack. I am sorry the Prime Minister is not here today, but through you, sir, I assure him sincerely—as I attempted to do when I commented on it—that I was not attributing motives or suggesting anything remotely sinister in that particular case. I am not dealing in innuendo or smear when I say as strongly as I can that I believe this to be, in principle, an inappropriate practice, and I am obliged, because of the position I hold in this House, to draw this to the Prime Minister's attention.

**Some hon. Members:** Hear, hear!

**Mr. Stanfield:** Recent events in the House, that we might refer to as the SIU matter, have created further instances of emotional distress and ill-feeling which can only serve to cloud the issue. The issue should be clear. It should also be clear, and it is vital that it be clear to the public, that the government is prepared to respond to the issue in a way which is not open to misunderstanding, suggestion, doubt and suspicion.

There is another group which I wish to touch on very briefly. I refer to senior staff people in ministers' offices. This group becomes of greater and greater concern as the government makes more and more senior staff appointments and deputy minister appointments under what

seems to be a concept of interchangeability. Obviously, the principle should be that the same standards which apply to cabinet ministers should apply to ministerial senior staff appointees and to deputy ministers and other high level appointees.

This principle was clearly and emphatically discussed in a letter dated November 30, 1964, by the then prime minister, the Right Hon. Lester B. Pearson. I am not going into the background of that letter, but apparently some senior staff in the ministry had been up to strange things, or were alleged to have been, and the government was in a large vat of hot water as a result. Mr. Pearson wrote to his cabinet colleagues, in part:

There are several things that should be stressed. The central one is that a minister's staff must be subject to exactly the same high code of conduct that is recognized for ministers themselves.

It is by no means sufficient for a person in the office of a minister—or in any other position of responsibility in the public service—to act within the law. That goes without saying. Much more is required. There is an obligation not simply to observe the law but to act in a manner so scrupulous that it will bear the closest public scrutiny.

There is an interesting similarity of language, parts of it verbatim, in what the present Prime Minister said on December 18, 1973, when he made his statement to the House on guidelines for public servants and order in council appointees. As recorded in *Hansard* at page 8837, the Prime Minister said:

Central to our policy is the principle that it is not sufficient for a public servant merely to act within the law. We believe that there is an obligation to act in a manner so scrupulous that it will bear the closest scrutiny.

So we see the phrase “there is an obligation to act in a manner so scrupulous that it will bear the closest scrutiny” used word for word by two different prime ministers almost ten years apart. The significant difference is that one prime minister in 1964 said that this worthy principle should apply equally to ministers, their staff and others in positions of responsibility within the public service, whereas the present Prime Minister in 1973 talked about this strict principle only in relation to the public servant and not to a member of the government. It is a not very subtle change in emphasis over the years between the approaches of the two right hon. gentlemen to conflict of interest.

In the wake of the present government's approach to senior appointments a corollary problem has become evident. Some long service, senior public servants are apparently displeased with the approach and are simply leaving the service because there does not seem to be room at the very top for other than the government's political friends. These very capable public service people are going into the private sector, as we call it. I presume that in many cases they will go into jobs in the same fields that they dealt with in the government service.

What guidelines are given to them on leaving the public service? Is there a system, or a set of rules, or is each person who leaves the public service from these high levels left largely to the dictates of his conscience to interpret the demands of the oath widely or narrowly? Surely it is a second element of unfairness to these people who have given years of service to have a situation so loose that they can feel placed under a cloud if they decide to take a particular job when they leave the service. The