

hope that an examination of those groups may be undertaken at an early date.

With regard to the employees of Crown corporations, whether appointed by order in council or not, we are of the view that standards similar to those which I am announcing today for the public service should be developed. Crown corporations and agencies will be urged to develop further standards and procedures within their own organizations, which in the view of the corporation or agency and the minister responsible for it, best meet the operational requirements of the corporation or agency and the employee positions within it.

These guidelines will not, of course, be any substitute for the qualities of honesty and integrity, long recognized as a hallmark of Canada's public service. But we are confident, Mr. Speaker, that they will assist public servants and officials in the performance of their official duties and in knowing with greater certainty what limits must be imposed on their private interests. Details of the administrative arrangements are currently being worked out by the President of the Treasury Board. He will shortly be sending a circular letter to all heads of departments and agencies explaining the administrative arrangements which are required to give effect to the guidelines.

[*English*]

**Hon. Robert L. Stanfield (Leader of the Opposition):** Mr. Speaker, at the outset may I suggest that since the guidelines the Prime Minister has tabled are quite short they be printed in *Hansard*? I wonder whether this would meet the approval of the House.

**Mr. Speaker:** Is this agreed?

**Some hon. Members:** Agreed.

[*Editor's Note: For text of Order in Council containing guidelines, see Appendix A.*]

[*Translation*]

**Mr. Stanfield:** Mr. Speaker, I welcome wholeheartedly the Prime Minister's statement. It deals with a most important subject. I recognize that it is not possible to eliminate entirely all possibilities of conflict of interest. Still, I should like to make a few comments on the Prime Minister's statement.

● (1420)

[*English*]

With regard to the part of the declaration related to the public service in general in which provision is made for the disclosure of conflict of interest, the Prime Minister makes it very clear that the onus to disclose such interest and to determine where such interest might be construed as being in conflict with official duties is clearly being cast upon the public servant himself.

I recognize the high quality of our public service. I recognize that ultimately, in the final resort, the elimination of conflicts of interest depends upon the exercise of our own final, fundamental judgment. Nevertheless, I recognize also that in many ways a person may be the poorest possible judge of potential conflicts of interest in his own case. Therefore I have to say I am not satisfied with leaving it entirely to the public servant himself or

### *Conflict of Interest*

herself to be the sole judge whether or not there is a potential conflict of interest, since I think such a person is not a sufficiently good judge of that situation. I should like to see the appropriate committee of the House examine this problem, which I recognize is complex and difficult, to see whether or not there is not some more satisfactory way in which it can be resolved.

I must also say that, as was the case with the guidelines laid down for ministers, there is nothing concerning the spouse or minor child of a public servant. I believe a case of conflict of interest is just as likely to arise as a result of property or investments owned by one's spouse or, indeed, one's minor child or children, as in the case of an individual. Therefore I must say that this also appears to me to be another instance of gross inadequacy in the guidelines.

I note, too, that there does not seem to be any particular reference to the staffs of ministers or even to the senior staffs in the offices of ministers, though in the statement of Prime Minister Pearson in 1964 this was a matter of special concern. It may be that staff attached to a minister are intended to be covered by the rather omnibus clause under which it is to be left to the judgment of the individual minister to decide what are the appropriate guidelines. But even if such personnel were covered by this omnibus reference, I would not regard this as adequate in view of the importance of the position of those on the personal staffs of ministers. I regard this also as another defect in the guidelines put before the House today.

Since the guidelines for Order in Council appointments are the same as those for ministers, I must repeat that one of the options, that of the frozen trust, mentioned by the Prime Minister in his previous statement does not seem to me to be appropriate unless it is also associated with disclosure. In other words, I would not regard a frozen trust as an appropriate device for overcoming possible conflicts of interest unless it is also associated with disclosure. I am distinguishing in this connection between a frozen trust and a blind trust. I repeat that, since these guidelines apply to all Order in Council appointees as well as to ministers, the failure to deal with the spouses and the minor children of these appointees is a very grave shortcoming in respect of these guidelines as it was in respect of the guidelines the Prime Minister originally laid down for ministers.

While I am pleased to hear this statement and regard it as a substantial step forward in dealing with a problem of great public concern, I believe the guidelines outlined by the Prime Minister today have the substantial shortcomings I have mentioned. I should like to see these matters considered further by the appropriate committee of the House, and I would certainly be disappointed if the guidelines are left in this state which I consider quite unsatisfactory.

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, we welcome the concern of the government about the problem in respect of conflict of interest which has been reflected in the fact that we now have been given three statements on the subject. We had the statement and the green paper presented to the House by the President of the Privy Council (Mr. MacEachen) on July 17 concerning members of parliament, we had the Prime Minister's state-