

Conflict of Interest

Mr. Nunziata: Madam Chairman, the Hon. Member says that a cocaine spoon is no different from any other spoon. Has he ever tried to eat Shreddies from a cocaine spoon? There is one use for a cocaine spoon and that is for the purpose of using cocaine.

Mrs. Sparrow: Space-size Shreddies.

Mr. Nunziata: Yes, space-size Shreddies. Seriously speaking, to set the record straight, I was on the committee that dealt with the Private Member's Bill to outlaw drug paraphernalia. The New Democratic Party did not participate at any of the meetings. There was not a single New Democratic Party Member who attended the meetings. In addition to that, they tried to obstruct in this House the passage of the legislation which would outlaw drug paraphernalia. I say that only to set the record straight.

The Assistant Deputy Chairman: Order. I must call the committee to order. That which happens in standing committees does not have a place here. The rule of relevancy is being abused today and I believe we should get back to the Bill we are studying.

● (1610)

Clause 1 agreed to.

Title agreed to.

Bill reported, concurred in, read the third time and passed.

* * *

MEMBERS OF THE SENATE AND HOUSE OF COMMONS CONFLICT OF INTEREST ACT

MEASURE TO ENACT

Hon. Doug Lewis (for the Prime Minister) moved that Bill C-114, an Act to provide for greater certainty in the reconciliation of the personal interests and duties of office of Members of the Senate and of the House of Commons, to establish a Conflict of Interest Commission and to make consequential amendments to other Acts, be read the second time and referred to a legislative committee.

He said: Madam Speaker, I welcome the opportunity to participate today in the debate on Bill C-114, which is known as the Members of the Senate and of the House of Commons Conflict of Interest Act. This Bill is important not only to Parliamentarians themselves, to whom it is principally directed, but also to the Canadian public who want the operation of their Government to work properly, fairly and above reproach for the benefit of all Canadians.

I believe it is fair to say that at all levels we want that for our democratically elected institutions. Canadians are concerned about the issue of ethics in government and high standards of behaviour in Canadian public life. I suggest that no one Party has a monopoly on that concern, nor does any one Party have a monopoly on solutions. We must work together to develop these solutions.

Because of these concerns and the public interest in the integrity in the Government decision-making process, this has given rise to ever increasing demands for openness and accountability in the conduct of Government. Parliament and all of its Members, both in the House of Commons and the Senate, is under an intense and very legitimate scrutiny, scrutiny by the media and by the people of Canada, on this very important issue.

Our Government welcomes this scrutiny with all of its consequences. It is right and appropriate that we who hold public office should be judged against very high standards of conduct, standards which Canadians believe demonstrate the health, vigour and integrity of our parliamentary democracy.

The principle that no one in public office should use that office to further his or her private interests is fundamental to those standards and to our system of democratic parliamentary Government. This basic principle is one which the Bill before us is designed to uphold and to strengthen.

[Translation]

Madam Speaker, the Bill before the House of Commons today seeks to strike a delicate but necessary balance: to preserve and respect the individual responsibility and privacy of every Member of Parliament, while maintaining and promoting the highest standards of conduct among all Parliamentarians in the performance of their duties.

[English]

As we all understand, and as Chief Justice Parker noted in his report to the Government on the issue of conflict of interest, ethical conduct is fundamentally a matter of personal conscience and individual behaviour. In his comments on this question, Chief Justice Parker said "Public trust and confidence in the integrity of Government depends upon the integrity of individual public office holders and their individual sense of honour".

[Translation]

Canadians have a right to expect Members of the House of Commons and Senators to be persons of honour and integrity. The purpose of these new proposals to deal with conflicts of interest is to help those who are well-intentioned to conform to our standards, while at the same time as far as possible respecting the right of those who choose to serve the people of Canada to a minimum of privacy.

In short, Madam Speaker, this piece of legislation is unprecedented in Canada's federal public sector. It is unprecedented in that its purpose is to help Members of Parliament to avoid conflict of interest situations. It is unprecedented because it provides for administrative assistance, and it is unprecedented because it invites all Parliamentarians to close ranks and show the public that we are determined to maintain the highest standards of conduct in Canadian public life. There is, of course, other legislation besides this Bill that deals with the matter.

Conflict of Interest

Finally, Madam Speaker, it is very important to be aware of the underlying principles on which this Bill is based, and of this Government's commitment to ensure that all Parliamentarians meet the expectations of Canadians.

[English]

In our debate today, we must not lose sight of the fact that the spirit of this Bill is in accord with the policies that have been adopted by this Government since it assumed office in September, 1984. In my comments today I want to set the context of the Bill in a wide scope so that Canadians will understand not only its important provisions but its place in the comprehensive approach our Government has taken on the question of integrity in public life.

Since 1984, my colleagues in caucus and Cabinet have been diligently working on a number of political reforms to ensure fairness and openness in government. I believe if you examine what we have done and what we are trying to do, it can be said that this is a Government committed to reform and more active in that respect than any of its predecessors.

I want to deal with some of the reforms that we have initiated and their implications for Parliament in particular and for Canadian political life in general. For years, the most significant development in our system of Government has been the perceived increase of Cabinet power, with the apparent resultant decline in the influences and effectiveness of Parliament. It is a favourite subject of editorialists. They lament the fact that there has been a loss of power by the Members. But I believe we have been the first Government in our history to try to reverse that trend with any measurable degree of success, and we have done that since 1984.

● (1620)

I want to point out some examples. I start with the McGrath committee. As a result of an exhaustive study and non-partisan effort—I point out this was a committee of all Members of the House and there were excellent contributions from all sides—what we did through that committee was strengthen the role of the Member of Parliament and parliamentary committees. We enhanced both the position of the Member of Parliament and his or her contribution and effectiveness on committees. I see here today the Hon. Member for Mississauga South (Mr. Blenkarn) who epitomizes what has been done by this Parliament and what can now be done by a parliamentary committee under the new rules.

Some Hon. Members: Hear, hear!

Mr. Lewis: Under the chairmanship of my colleague there have been far-reaching reforms with respect to what a parliamentary committee can do. We all know the leading role that has been taken by the Standing Committee on Finance and Economic Affairs, under my friend's chairmanship, and what we want to see in the next Parliament is a continuation of

that role and an expansion of all standing committees. Members of Parliament will then have that sense of fulfilment that has been prevalent in the finance committee and other committees. That was the first step. The second step, and it has been referred to today, was to give parliamentary committees the power to review appointments, to bring appointments of the Governor in Council and Government before a parliamentary committee and have it examine the background of the person. Why is he or she an appropriate appointment for this committee?

I have to say there was some concern that we would find this process devolving into the way it is handled in the United States. I make no criticism of our neighbours to the south, but I find their appointment review process to be something I would not want to see copied in Canada. The appointment review system is a very good examination of some people. The Opposition has acted very responsibly. It has not called for every appointment to come before a committee. It has chosen to examine some appointments and not others. I think that has been healthy for the political process.

As you will know, Madam Speaker, the House of Commons now chooses the Speaker itself with a free vote by all Members. That was an excellent process and we ended up, I might say, as one of the combatants, with an excellent representative of all the Members of the House. Our Speaker has served the House well from the day of his election. And I think the election itself was healthy. We wanted to do that.

I have to say that there have been times through the process of appointments, and through the efforts of my friend, who was so energetic on the Finance Committee, when there was a little discomfort on the part of Government. There were things being done that caused several phone calls to my office. The caller usually started out by asking: "Why are they doing that?" I would try to explain to someone why they were doing that and the phone calls soon stopped. I think the whole process is healthier because of that.

I suggest to you, Madam Speaker, that there have been many other changes, minor changes, which have affected the way Parliament works. It is my personal opinion that this Parliament will be remembered for many things, but basically because of the Prime Minister's (Mr. Mulroney) complete and absolute determination to change the way things worked.

Mr. Rodriguez: Don't make me laugh.

Mr. Lewis: It is not difficult to make my friend laugh. It is easily done.

[Translation]

It is our objective to make the political process easier to implement and easier to understand for political Parties and their candidates and for Canada's electorate.

Conflict of Interest

Our goal must be to encourage well-intentioned people to seek public office and to prevent such office from jeopardizing the reputation and solvency of the incumbent.

The proposed legislation is part of our effort to have a political system where the views and desires of Members are taken into consideration in the debate that takes place in Parliament and in the decisions that are made there.

To have an open, fair and equitable political system, the Government has tabled legislation to regulate the activities of professional lobbyists.

The Bill was passed by the House of Commons and is now in the other Chamber, where we hope the Senators will adopt the legislation without delay.

We feel it is important for the public to know what lobbyists are and what interests they represent, if our system of government is to function in an open and fair manner.

It is therefore important that this legislation should become effective as soon as possible.

[English]

There have been other initiatives of reform. Some time ago the Government announced a new system for the selection of federally Governor appointed judges. In designing and developing the process, we were acutely aware of two principles by which Canadians expect their judicial selection process to be governed. First, to ensure that the outcome of the process will be judicial appointments of outstanding capability and undoubted merit. The second principle is to ensure that the workings of the process be fair and open, moreover, that they be seen to be fair and open. Similar principles, merit and value, fairness and openness, have guided our thinking in fashioning a series of improvements to the federal Government's procurement process. In designing these improvements, we have been determined to ensure that at all times suppliers receive a fair opportunity to compete for government contracts and that they are made aware of the rules of the game so they can see for themselves they are being dealt with fairly and even handedly by the Government.

I want to say something about appointments. There have been various allegations of patronage to which the media has devoted so much attention.

Mr. Boudria: And government back-benchers.

Mr. Lewis: One should know that government appointments to agencies, boards, commissions and foreign service postings, are the exclusive prerogative of the Prime Minister, as they have been in the past. There has been no change in that system. The Government in Council appointments involve some 2,613 jobs on government agencies, boards and commissions. That is 1.1 per cent of the total Public Service population of some 231,000. Of the 2,613 appointments to these agencies, boards and commissions, only 377 are full-time jobs. Therefore, the Prime Minister of Canada, whether it is the present Prime Minister or past Prime Minister, has the authority to appoint 0.2 per cent of the number of full-time

public servants. It is not as though that is all a Prime Minister spends his or her time doing.

I could review for the House a list of outstanding appointments, but I just want to refer to the last two. The last two appointments are the appointment of Yves Fortier to be the Canadian Ambassador to the United Nations—

Mr. Rodriguez: How about McDermott?

Mr. Lewis: I will get to Mr. McDermott in a moment—or Ian Deans. And Donald Macdonald who will be the Canadian High Commissioner to the United Kingdom.

Mr. Boudria: I want to hear all about Gil Christie.

Mr. Rodriguez: Yes, Gil Christie.

Mr. Lewis: That demonstrates the Prime Minister's commitment to make appointments that are firmly based on merit and not political affiliations. Both my hon. friends opposite may want to denigrate the appointments of Yves Fortier, Ian Deans and Dennis McDermott, but I do not think that is fair. All those gentlemen served their country. My friends may want to denigrate their appointments, but I do not think it is fair. They are not here to protect themselves. I am rather disappointed that the Hon. Member for Nickel Belt (Mr. Rodriguez) and the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) would want to denigrate those appointments in that way.

● (1630)

[Translation]

Madam Speaker, we have before the House today a piece of legislation dealing with conflict of interest. As soon as the Bill becomes law, it will affect all Parliamentarians, both in the House of Commons and in the Senate. As my colleagues have explained in greater detail, the Conflict of Interest Commission, an independent body consisting of three members, will monitor the implementation of these provisions. The Commission will report to Parliament. Members of Parliament, their spouses and their dependents will be required to disclose fully all personal interests to the Commission.

[English]

The Act is quite complete. It provides, for example, for definitions to conflict of interest and permitted private interests. It details the obligations of Members of Parliament. It details how contracts and benefits to former Members of Parliament should be handled. It prohibits the carrying on of business by certain Members of Parliament. It establishes a conflict of interest commission, as I said, to oversee the Act, to regulate, to provide opinion, to investigate and to report. Members will be required to furnish a personal information statement within 60 days of their election, and they must report material changes. Any infractions under the Act have to be reported to the House of Commons, and they must be considered by the House of Commons within 15 sitting days.

Conflict of Interest

Before I wrap up my speech I wish to refer to my experience in my business career prior to becoming a Member of Parliament. I want to suggest that no one should enter public life with the idea that there is a great deal of money to be made unjustly, or that there is an influence to be used unjustly. I think it is fair to say that we all seek to serve the public and hope that during our years of service we will emerge with our reputations unscathed. Unfortunately, that is not always possible, whether by reason of human frailties, unfortunate circumstances or a lack of knowledge of the rules. The rules of conflict of interest are, unfortunately, not always as clear as one might think. Errors in judgment can be made in good faith which, examined in retrospect, indicate a potential conflict of interest which was not there on the first examination.

As a lawyer in a small city I was often faced in business with potential conflicts of interest. Usually, they were easy to determine and we could avoid the conflict. We might get into an action, a proceeding or a transaction on behalf of a client and find that the lawyer on the other side was a partner. That would be an immediate conflict of interest, no difficulty in determining it. So we would have to resolve it, whether by advising all concerned of the conflict of interest and securing agreement to go ahead, or in the alternative by saying: "Look, someone has to seek advice from another source". Occasionally, we even started out knowing that there was a conflict of interest but had the agreement of the clients on all sides for us to act on both sides because they wanted either me or my firm to put the deal together.

Those were situations in which we knew what the conflict was. It was evident at the start, or it became evident. I say to you, Madam Speaker, that when I practised law I knew where the conflicts of interest were. But I say to you, Madam Speaker, at the same time, that in politics, acting as an elected representative, it is not always that easy to determine at the start. I have compared it, if one looks for a comparison which can be understood, to playing football on a field where the goal-lines are easy to determine but the sidelines are either indistinct or continually being redrawn.

Everybody who enters public life and runs for office seeks to reach the goal-line at the end of one's career. That goal-line is to end up one's career without any conflicts of interest, without besmirching one's reputation. But often we find that the sidelines are either disappearing on us or being redrawn. I think it is fair to say that in the past four years of my life as a Member of Parliament there has been more found out about conflict of interest and potential conflicts of interests than in the first five years because we are learning. We are learning how to protect ourselves and how to see those sidelines while still seeking the goal-line. We all do. But we are learning more about how to draw the sidelines so that we protect ourselves and do not go out of bounds. I suggest that that is what we are going to do with this Bill. Nobody would suggest it is perfect. However, it is an effort.

The other personal thing I want to say is that there may be even yet other areas that we should look at, not within this Bill but I want to go back to my days as the Chairman of the Public Accounts Committee when we examined the report of

the Auditor General with respect to Canadair. Members from all sides on the committee found that there were some potential conflicts of interest which did not even involve money or influence. This is where public servants were appointed to the boards of Crown corporations and there was a very definite conflict of duties, not with any compensation, not with any intention that anybody do anything incorrect or favour one rather than the other. Public servants were being placed in untenable positions. I suggest that we are still learning about conflict of interest.

There are some who think that these new requirements will discourage Canadians from seeking public office because maybe the regime we propose is too rigorous. I am confident that that will not be the case. My conclusion is that after the conflict of interest regulations and requirements are put in place people will become familiar with the regime, it will be accepted and be welcomed as a necessary part of political life. There are sacrifices to be made, but I think there are many men and women of good will and dedication who will accept these discomforts as part of what one has to do in order to serve the interests of Canada.

I think that we have managed to strike a sensible balance between the public need for openness and the politician's acceptable right to some privacy in their private and financial affairs. I believe that the record of this Government will show, with our acknowledged imperfections and human failings, that we have made good beginnings in this important area of political reform. We understand and we appreciate that there is more to be done. But we expect that this Act will address the expectations of all Members of Parliament. We invite discussion in committee as to how it might be improved. We also hope that Canadians will put these reforms in perspective and appreciate the efforts which our Government has made over the course of the last four years.

We have made these efforts to fulfil our commitments and to respond to the concerns of the public. We believe that we have listened to the hopes and wishes and the criticisms of Canadians. In doing so we will continue the reform process of the political system, a commitment made by the Prime Minister prior to his being elected, a commitment which I think has distinguished this Government from its first days in office.

We do not suggest for a minute that all of the work is done. But with the support of Canadians our Government will continue to make effective political reform a reality for Parliament and for Canada.

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, it is with mixed emotion that I speak today on Bill C-114. In a way I am happy to say that the Government is proposing in a certain measure some of the things that I have been advocating for some time. The Bill, of course, is not complete, and I will get into the details of how it is deficient later.

Conflict of Interest

There is in one part that sense of happiness. But there is also a sense of sadness that, in fact, such legislation is required at all. Unfortunately, the legislation is required.

Why is it required? We could speculate on that for the rest of the afternoon and probably for the next weeks and months and never arrive at a final conclusion. In so far as I am concerned, I am of the opinion that these stricter rules are necessary because of the fact that rules in the past have been looked through much like an accountant goes through the taxation Act, in other words, attempting to find loopholes rather than the spirit of the legislation. When that happens it is unfortunate because, of course, if one Member of the House is found to be in a situation of conflict of interest in a certain measure, albeit not totally, that casts a dark shadow over all Members of Parliament.

• (1640)

Nevertheless, as an opposition Member, if we on this side of the House, or for that matter, a government Member is of the opinion that another Member has in any way abused the privileges that were given to him or her by the electors, it is of course his or her duty to report that publicly in order that the people of Canada can judge upon it. It is also the duty of that Member not to make allegations which would be unfounded, because that would cast the dark shadow, to which I referred earlier, unnecessarily and without foundation. That would ultimately ruin the credibility, not only of the person who made the accusation, but also many times of an innocent victim.

Today we are discussing Bill C-114, a Bill introduced in the House on February 24, 1988. How did we get into this mess? Well, it is difficult to say. Let me read a few quotes which would perhaps assist the House and Canadians in understanding about conflict of interest, abuse of power, and patronage.

On May 24, 1983, a prominent Canadian stated: "There'll be jobs for Liberals and NDPers too after I've been Prime Minister for 15 years and I can't find a living breathing Tory in the country". That was printed in *The Globe and Mail* on May 24, 1983.

On July 9, 1984, the same prominent Canadian stated: "I commit myself to set up criteria for quality which will impress the Canadian people. I think that what took place is completely unacceptable in an open democratic society. We are going to reform this instrument of our national life", referring to patronage.

On July 16, 1984, the same prominent Canadian said about patronage that it is a "fraud, a deceit and a sham". On that same date, the same prominent Canadian stated: "The method of making appointments could be corrected by dramatic measures . . . We are going to bring in a brand new dimension to them of objectivity and representation and fairness for all Canadians". On the same day, this Canadian, referring to his previous speech of May 24, 1983, stated: "I was talking to Tories then and that's what they want to hear. Talking to the

Canadian public during an election campaign is something else".

Mr. Rodriguez: Who said that?

Mr. Boudria: An Hon. Member asks who said that. In July, 1984, the same person said about a political appointee: "There's no whore like an old whore".

Mr. Rodriguez: I know who that is.

Mr. Boudria: I am not sure if those words are parliamentary, but I am sure of who made the statements to which I have just referred.

Mr. Rodriguez: Now I know.

Mr. Boudria: Let me quote a statement made on July 19, 1984, considering patronage. The same individual stated that he would "never resort to that kind of attitude". On July 20, 1984, the same prominent Canadian stated: "The overriding criteria will be competence and a willingness to serve Canada". Again, that statement was about patronage.

When talking about 19 political appointees on July 25, 1984, the same Canadian stated to his opponent in a television debate: "The least you should do is apologize for having made these horrible appointments".

I think the Hon. Member for Nickel Belt (Mr. Rodriguez) has already guessed who this prominent Canadian is. I think you have also, Madam Speaker, and I think most Canadians have. Indeed, the gentleman who made all those statements is now the Prime Minister (Mr. Mulroney) of our country. Perhaps that explains in part why we are in the mess that we are in regarding the credibility of public office holders, and regarding the attitude that public office holders are to have *vis-à-vis* conflict of interest.

Mrs. Mailly: Nonsense. We are in this mess because you are irresponsible.

Mr. Boudria: The Member opposite can say "nonsense". I challenge her to rise in her place and tell me which one of those quotes is erroneous.

Mrs. Mailly: Or out of context.

Mr. Boudria: I challenge the Hon. Member, and she knows, as I do, that every one of those quotes is precise, not out of context, and made to the people of Canada, or for the people of Canada to hear or read.

[*Translation*]

Madam Speaker, no legislation can be effective enough to prevent the abuses we have witnessed in the last few years. However, as a Member of Parliament, I accept this new legislation, although with some reservations that I will mention in a moment. The legislation is somewhat like Ontario's, except that Ontario's is superior, in my opinion, to what the Prime Minister has presented to us. The legislation covers Members as well as Ministers. It covers spouses to a lesser degree and, unfortunately, it does not cover the political assistants of Ministers and Members at all.

Conflict of Interest

As I said, we have some concerns about the way the Bill applies to spouses. I still feel that the Bill should require public disclosure of Members' assets, instead of secret statements. I believe that the parliamentary committee should have some powers, and we know that the committee's powers are not too clear in the Bill. For compliance measures to work, public statements should be required, and the legislation is rather confusing on this point.

[English]

Some people will claim that, if conflict of interest rules are strict, or if government ethic rules are strict, this would discourage people from seeking public office. To all those people who are of the belief that stricter rules discourage people from seeking public office, I wish to quote from the Hon. W. D. Parker's *Commission of Inquiry into the Facts of Allegations of Conflict of Interest Concerning the Honourable Sinclair M. Stevens* which states at page 350:

By all accounts the U.S. disclosure requirements are working reasonably well. There have been criticisms relating to investigation and enforcement, but the requirements in principle have received wide-ranging approval.

I was particularly interested to learn that the disclosure requirements have not discouraged "good people" from entering politics or running for public office. For example, a study of members of the U.S. House of Representatives and Senate conducted by the Center for Responsive Politics in 1985 found no one who felt that financial disclosure affected his or her decision to seek public office.

In other words, there is no evidence to support the contention that some people might have that conflict of interest rules, in particular public disclosure of assets, would discourage people from seeking public office.

I would like to argue the contrary, that, in fact, good and appropriate rules would probably encourage people to seek public office, knowing that their reputation will be enhanced once they are in office rather than observing the sad spectacle which we sometimes see today. One of the things that this Bill does not do, as I said previously, is that it does not provide for public disclosure. Justice Parker, in his report, insisted that this be a component of any new legislation or code regarding conflict of interest. He also said that public disclosure has to apply not only to the spouse and to the Parliamentarian, but that there should also be a disclosure of assets for spouses of Parliamentarians.

● (1650)

I read here from page 357 of the Parker Commission report, where His Honour, Justice Parker, said:

In light of these views, and despite any apparent unease men may have about being publicly scrutinized because of their wives' public profile, I am satisfied that a modern conflict of interest regime requires public disclosure of the financial interests of spouses, whether male or female. I am fortified in this conclusion by the fact that all Canadian provinces with rules for disclosure by office holders apply a disclosure requirement to spouses as well.

In other words, what Justice Parker is telling us is that, at the provincial level, where rules exist concerning the disclosure

of assets by public office holders, the spouse of the public office holder is always covered.

What the Government is proposing in this Bill is a mild form, if you wish, of the same thing. It is interesting to note that it is that proposal in the legislation which has caused the most uproar, particularly from spouses of Members opposite.

The Minister seemed to suggest a while ago that in fact this Government had invented rules on public sector ethics, as if it was a normal process of evolution of Governments whereby this Government established all kinds of new rules and that it is the fault of not having rules there which made the situation what it is today. First of all, that is totally incorrect. This Government did not invent the rules. I must say that in my opinion this Government needs more rules than any other. Be that as it may, the first conflict of interest guidelines that were introduced—and I have a copy of them at hand—were introduced in Parliament on November 8, 1974—

An Hon. Member: There was no law for 18 years.

Mr. Boudria: —by then Prime Minister Trudeau. On August 7, 1979, the Right Hon. Secretary of State for External Affairs (Mr. Clark), when he was the Prime Minister, introduced a new set of guidelines. They were not a law either, but we forgive him for that. He introduced guidelines in 1979, when he was the Prime Minister of Canada. I now hear Conservatives across the way saying, "Those were not laws". That is true. It is quite correct to say that the Right Hon. Secretary of State, when he was Prime Minister, failed to introduce a law, just like everyone else. So if the Parliamentary Secretary, who is making these funny noises across the way, is suggesting that, I agree with her.

On April 28, 1980, the Liberal Government, when it came back into power, introduced new and tougher guidelines. These guidelines were getting more and more complex, as they should have been in order to ensure that Governments were behaving in the way that they should. The same Government commissioned a working group in order to produce a report.

[Translation]

I have in my hand here a copy of the report from the conflict of interest task force chaired by the Hon. Michael Starr and the Hon. Mitchell Sharp—they were co-chairmen—and the executive director of the project was a man by the name of J. Patrick Boyer, who is now a Member of this House. This report was tabled in Parliament and it recommended reforms of ethics in the public sector. Well, all this to say, Madam Speaker, that this matter has been under consideration for a long time. Several successive Governments have presented different initiatives. So the Minister who just presented his Bill to us was a little mistaken, to say the least, when he suggested that his Government had invented the wheel. This Government has not invented much, as we know, Madam Speaker.

Now, on September 9, 1985, after a series of scandals embarrassed this Government, the Prime Minister rose in the House and presented a new code of conduct for public office holders. He presented this whole package, this new morality kit, all wrapped in a blue ribbon, and set it here on the Clerk's Table in the House. I have in my hand this so-called code of conduct for public office holders. It is quite an interesting document and we know that Judge Parker addressed the issue of how well or badly some Ministers followed the code presented in September 1985.

Now, in September 1985, the Prime Minister made some statements. On one hand, he sent a letter to MPs and Senators; on the other, he also proposed measures related to public morality in areas not covered by the code of conduct for public office holders. First, he proposed a code governing conflicts of interest; second, on September 9, 1985, he proposed new rules for the awarding of jobs or contracts. This concerned Ministers—I won't name anyone—who were sometimes tempted to hire their relatives, like their son as a lawyer, say, or their brother, brother-in-law, sister-in-law, and so on. This has happened in some cases.

There was also a new code of ethics for MPs and Senators set forth in a letter the Prime Minister sent to them. Another provision of this code of ethics was parliamentary review of Order-in-Council appointments. So this was established.

There was a Bill on lobbying. Madam Speaker, I am sure you remember it took me 15 questions in the House, over a period of two years, to convince the Government to proceed with this measure. Finally, it did. There were further steps, such as the advice to Crown corporations to stop hiring lobbyists. We all know that Frank Moores was hired by a number of Crown corporations to lobby the Government, and this while Mr. Moores was a friend of the Prime Minister, and so forth.

In concluding, the Prime Minister said in his letter, and I am quoting here from page 11—he mentioned this new code of ethics. He said: "This package of reforms is evidence of the Government's intent to adopt ethical standards worthy of the respect of the Canadian people . . .". And we know what happened next. In so doing, we wish to further the process of national renewal by revitalizing the faith of the citizens of this country in their institutions of government. Many of these steps are long overdue, and heaven knows this Government has had cause to regret their absence." That is well said, Madam Speaker." But now they are in place, or in the process of being put in place, and we can look forward together to the dawning of a new day of trust and confidence." That was September 9, 1985.

Later on I will talk about what has happened since September 9, 1985. I may remind all Members of this House and all Canadians of what I just read: The dawning of a new day of trust and confidence.

Conflict of Interest

So as of September 1985, we had this set of codes, a set of new rules governing or regulating the conduct of public office holders, and so forth.

• (1700)

[*English*]

If one did not know any better and if one had left Canada that day or perhaps had left the planet for somewhere else and come back this afternoon, one would believe that everything worked well after September 9, 1985, that no Conservative Cabinet Minister got himself or herself into trouble, that no accusations of conflict of interest had been made that a contract had been awarded improperly—

Mrs. Maily: That is garbage!

Mr. Boudria:—that no people were charged with criminal wrongdoing or anything of the sort. We cannot comment on the people who have been charged individually except that the process will take care of itself. We know that has happened. We can talk about the other issues, particularly those involving conflict of interest.

I see the Member across the way is becoming rather excited because I am talking about the conflict of interest rules. I know it is an exciting topic. Perhaps her colleagues can contain her for a few minutes while I finish my remarks.

Mr. Siddon: What you are doing is cowardly slander!

Mr. Boudria: I want to read from a September 9, 1985 article that appeared in *The Ottawa Citizen*. This was two days before the code of September 9 was introduced. The article is entitled "Firm Hires PM's Pal, \$200,000 Job Follows." It reads like this:

A Toronto law firm was awarded \$200,000-a-year worth of federal government legal work shortly after one of Prime Minister Brian Mulroney's closest friends joined it earlier this year, *The Citizen* has learned.

It goes on to describe how Mr. Sam Wakim was hired by a Toronto law firm and by coincidence a lot of government contracts followed in that direction.

On October 2, 1986 there was another article—

[*Translation*]

Ms. Maily: Point of order, Madam Speaker.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Gatineau (Ms. Maily), on a point of order.

Ms. Maily: Madam Speaker, I am starting to wonder about the relevance of what the Member is saying. He makes allegations about what some people who are not Members of Parliament might have done. The Bill we are considering today concerns conflicts of interest involving Members of Parliament and their spouses. I believe that he is having a great time, but I do not think it has anything to do with the Bill. Besides, it is his irresponsible attitude that has put us in the situation we are in today and not the Bill.

Conflict of Interest

[English]

Mr. Boudria: Madam Speaker, I am sorry if the Hon. Member is not hearing clearly what I was saying. I will attempt to speak more slowly to make sure she understands everything in the future.

Mrs. Mailly: Go outside and say it.

Mr. Boudria: Again, perhaps I will repeat so that even the Hon. Member for Gatineau (Mrs. Mailly) will understand.

The Member across the way and some of her colleagues are saying that I am insinuating and making false accusations.

Mr. Siddon: Total innuendo.

Mr. Boudria: I suppose the RCMP is making false accusations and that the Conservative Members of Parliament who, over the last 10 days, have made all kinds of comments in the House are making false accusations. In other words, the Member is probably suggesting that everyone who disagrees is crazy but everyone who agrees with her is all right.

Mrs. Mailly: What you have just said is morally bankrupt.

Mr. Boudria: That "I am all right, Jack" attitude, Madam Speaker, is totally inadequate. Canadians have had enough of it.

I have a newspaper article for September 23, 1987. I can provide this article for Members opposite if it pleases them. In this one we read:

At 8.45 a.m. this morning, David Kilgour was still stewing.

He has been stewing now for 173 days, ever since that Saturday in April when he warned the government it had better clean up its act or else.

The article continues:

Kilgour said he would either cross the floor or else quit altogether if the government failed to meet his two conditions: (i) Pay attention to the economic woes of Western Canada, and (ii) Come up with some suitable conflict-of-interest guidelines.

An Hon. Member: What are you referring to?

Mr. Boudria: I think I am referring to conflict of interest guidelines. I am even referring to a request that a Conservative Member made. Surely I have the right to make that speech and I have the right to be heard. If the Member wants to be heard, I can yield the floor to her momentarily, she can make her point and I can come back to my speech provided that time is deducted from the amount of time that has been allotted to me. I know she will have ample opportunity to speak later.

As I was saying, the Hon. Member for Edmonton—Strathcona (Mr. Kilgour) was saying that the Government had to come up with some suitable conflict of interest guidelines. Those remarks came from a September 23, 1987 newspaper article from *The Ottawa Citizen* written by one Roy MacGregor. This was not the only case. There have been others. I could read on and on from newspaper clippings of various cases involving conflict of interest. I could refer to Members individually but it is not the purpose of what we are doing

today. We are trying to propose rules which are better. If I am provoked by the Member across, we could get into this further.

I want to indicate to the House and to the Government that what is proposed to us today may be part of the answer, but it is certainly not the full picture. The Government has offered us only a partial set of rules involving conflict of interest, not a total package, and it has left many questions unanswered.

I have been asking myself, Madam Speaker, and you have probably wondered about this too, as I am sure most Canadians have, why this Bill was presented to us on February 24, 1988. Shortly before that, in 1988, there had been a number of issues raised in the House of Commons concerning conflict of interest. The Prime Minister, in the Throne Speech of 1986, had promised a new set of conflict of interest rules. It is interesting to note why we needed a new set of conflict of interest rules in 1986 when the Prime Minister had invented a new set in 1985 which he said were the best in the western world. If they were the best, how would they need to be fixed up? In any event, in 1986 in the fall Throne Speech here we were again with the Government committing itself to new rules regarding conflict of interest.

Lo and behold, the Government forgot about the necessity of having new conflict of interest rules until a few other problems arose, namely the Commission of Inquiry into Facts of Allegations of Conflict of Interest Concerning the Honourable Sinclair M. Stevens. This report was tabled last year and after it was tabled the Government presented us with a Bill on February 24, 1988, the same Bill that we are reviewing today, Bill C-114, entitled an Act to provide for greater certainty in the reconciliation of the personal interests and duties of office of Members of the Senate and of the House of Commons, to establish a Conflict of Interest Commission and to make consequential amendments to other Acts. This is the Bill that was presented to us on February 24, 1988.

• (1710)

On that date, the Prime Minister wrote to the Leader of the Opposition (Mr. Turner), and presumably to the Leader of the third Party as well, and this is what he said in the letter that he sent to my Leader:

Dear Mr. Turner,

I enclose a copy of a Bill dealing with conflict of interest for Members of the Senate and the House of Commons, which I intend to table later today.

The Bill sets forth the Government's proposals in respect of conflict of interest. Its provisions, which affect the rights and privileges of all Parliamentarians, address some of the most difficult and complex issues facing persons in public life today. It deserves the most careful scrutiny by all Parliamentarians, and I invite you, as I am also inviting Mr. Broadbent, to join with me in asking all our colleagues in both Houses to review these proposals in the constructive spirit with which they are being put forward by the Government.

Listen to the next sentence, Madam Speaker:

Conflict of Interest

I believe it is in the public interest that consideration of these proposals should proceed expeditiously so that the Bill may be enacted and proclaimed as soon as is prudently possible—

A few weeks later, I rose in my place in the House of Commons and asked the Prime Minister why it was that if this Bill had to be dealt with expeditiously, we were not proceeding with it. The Prime Minister ignored the question, answered something insignificant and just kept on going. The issue died. We did not hear about it for months.

Then a member of the governing Party, a former member of the government Cabinet, started making very serious allegations to the media, not to a Member of this House but to the media. After that, the Prime Minister decided that this Bill has become an urgent issue again. One must wonder, is the Bill urgently required because it is required or is it required because the media have started to ask questions once again? I do not know the answer, but I will let you speculate on it, Madam Speaker.

One must also ask what was the cause of the delay between February 24, 1988, and today, August 31 of the same year, in dealing with a Bill that was supposed to be urgent. I think there are answers to that question. Let me describe what I believe are some of those answers.

I have a newspaper article here entitled "Tory MP calls ethics law 'monstrosity' ". The article indicates that a Conservative Member of Parliament from Nova Scotia claimed that this Bill was a monstrosity and that it violated the Charter of Rights and Freedoms. This was not a member of the Opposition but a member of the Government. He said, according to the article, the following:

"As far as I'm concerned, this bill runs totally against the fundamentals of Parliament," he said.

I read further from the same article written by Stephen Bindman:

One Conservative MP, who did not want to be identified, told Canadian Press he questions whether the government wants a vote on the stiff new rules, considering the possibility of a caucus split.

The article concludes:

And former speaker John Bosley said in an interview there is "quite a bit" of opposition in the Tory caucus to the legislation as it stands.

It appears that some Members of Parliament were objecting and objecting strenuously to the passage of this Bill. Some people would be misled into believing that it was members of the Opposition who were obstructing the Bill. Sometimes people believe that of members of the Opposition, but that was not so. Every one of the Members of Parliament mentioned in this article are members of the governing Party.

It appears quite clearly that Members of Parliament on the government side did not want the enactment of this legislation.

Mrs. Mailly: Who says that? It's in a newspaper.

Mr. Boudria: The Hon. Member for Gatineau has asked me who said that. These are quotes of individual Members of Parliament.

Mrs. Mailly: In a newspaper.

Mr. Boudria: I will go further, if the Hon. Member for Gatineau would calm down and listen for a minute. I myself participated in a debate at CJOH Television in Ottawa. I was there with the wife of a Conservative Member of Parliament and she was there to present a case on behalf of the Conservative Spouses' Association as to why we should never enact Bill C-114. That is available on video tape. I was there supporting the Government's Bill.

Mr. Turner (Ottawa—Carleton): Who was that, Mrs. Who?

Mrs. Mailly: It was her right, it's a democracy.

Mr. Boudria: I can certainly state who it was. It was the President of the PC Spouses' Association.

Mr. Turner (Ottawa—Carleton): Who's that?

Mr. Boudria: The lady's name was Mrs. Schellenberg, and I am sorry, but I forget her first name.

We had this debate on CJOH and the person in question was saying that these rules should not be enacted. The point I am making is that it is that kind of lobbying in the background from Conservative Members of Parliament and from the PC Spouses' Association which has caused this Bill not to have been called for second reading debate until today. It was not because members of the Opposition would not co-operate.

The minute we were asked to go along with the passage of this Bill, we agreed to it and we will deal with this Bill in two short days of debate in the House of Commons. We will have three hours of debate on second reading of this very important piece of legislation. That is the co-operation the Opposition has given to the Government, and I do not take credit for that myself. It is the same for all opposition Members. This has been unanimously agreed to. However, it took almost seven months for the Government to move on this Bill, no doubt because of the lobbying it was subjected to from Conservative Members of Parliament and from the PC Spouses' Association.

This does not mean that the Bill as proposed is perfect, because obviously it is not. Like most things that Members of Parliament look at, we want to offer amendments to it and we want to offer our input into trying to make the Bill better. In the short minutes left to me, I will just describe some of the amendments for which I am looking.

First, this Bill does not require full disclosure. The amount of disclosure is set by Cabinet. The Bill does not prohibit blind trusts, which I do not think work in any circumstances. Chiefs of staff are not included but the spouses and children of Members of Parliament are. I think that is inconsistent and we need a statement by the Government as to whether or not chiefs of staff will remain covered by the present conflict of interest code.

Tabling of Documents

Members are allowed to accept fees and gifts as long as these gifts are disclosed. We will want to examine practices in other jurisdictions to see if we should not prohibit the acceptance rather than require disclosure. I think that should be examined in committee, and I invite the input of all Hon. Members. The Bill does not prevent such things as loans or gifts from political Parties. Need I remind Hon. Members of the bill paid to redecorate 24 Sussex Drive? That particular issue involved the sum of \$308,000.

The Bill in question is vague. We will want to tighten it up sufficiently. In closing, I want to thank you, Madam Speaker, for the time that has been given to me today. I invite all Hon. Members to support speedy passage of this Bill. Let us send it to committee so we can have full and thorough hearings on this very important piece of legislation.

Mr. Layton: Madam Speaker, I rise on a point of order. I believe that there is consent from all my colleagues on all sides of the House for me to present a report from committee.

The Acting Speaker (Mrs. Champagne): Is there unanimous consent that the Hon. Member table a report from a committee?

Some Hon. Members: Agreed.

• (1720)

ROUTINE PROCEEDINGS

[English]

BROADCASTING ACT

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Hon. Bob Layton (Lachine): Madam Speaker, I have the honour to present, in both official languages, the report of the legislative committee on Bill C-136, an Act respecting broadcasting and to amend certain Acts in relation thereto and in relation to radiocommunication.

[Editor's Note: See today's Votes and Proceedings.]

GOVERNMENT ORDERS

[English]

MEMBERS OF THE SENATE AND HOUSE OF COMMONS CONFLICT OF INTEREST ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mulroney that Bill C-114, an Act to provide for greater certainty in the reconciliation of the personal interests and duties of office of Members of the Senate and of the House of Commons, to establish a Conflict of Interest Commission and to make consequential amendments to other Acts, be read the second time and referred to a legislative committee.

Mr. John R. Rodriguez (Nickel Belt): Madam Speaker, I want to participate in this debate because I have been a close

observer of what was supposed to be a brand new era. The Tories swept out the Liberals because the Liberals had done so many bad things. They had established bad practices like toll-gating, patronage, and pork-barreling. I was here when the Liberals were in power and every time they got up we sang "Roll Out the Barrel".

We all remember very vividly when, in the leadership debate, the Prime Minister (Mr. Mulroney) recited the list of appointments which Mr. Trudeau had made, to which the Leader of the Liberal Party (Mr. Turner) had not objected. He pointed at him and said those memorable words, "You had an option, Sir". Everyone said that that was the turning point, and I believed it because I observed that debate. The Prime Minister established himself as a harbinger of new beginnings, of a clean slate. There would be no more of this dirty stuff, we were going to have Mr. Clean in spades. The honeymoon of the Tories with the people of Canada lasted six short months. Then we saw the deluge.

I listened to the Minister who introduced this second reading debate. To hear him tell it, Bill C-114 is somehow or other a normal evolutionary process of Conservatives on the way to becoming clean, cleaner, and cleanest. That is the impression he left. The Prime Minister is lying on his bed crying out for absolution. He is saying, "*Mea culpa, mea culpa, mea maxima culpa, ideo precor beatam Mariam virginem*". That has not been brought about by any evolutionary process but because of a list of scandals.

We had the Sinc Stevens scandal. The taxpayers of this country know full well that the Parker inquiry has cost them millions of dollars. They know who picked up Mr. Stevens' bills. It was the taxpayers of Canada. They know of the stonewalling that went on in this House for weeks by Erik Nielsen. He stonewalled day after day as the Opposition ferreted out the facts one after the other. The Government was pushed into establishing the Parker Commission inquiry.

We have not forgotten the Bissonnette affair, the Côté affair, the Frank Moores affair, or the toll-gating claims made by the former Minister only a couple of weekends ago. The most recent one happened in July and was raised in the House today. The wife and daughter of the Minister for International Trade (Mr. Crosbie) accepted two freebie tickets worth over \$5,600. The Minister said that she does not have to declare that.

In an open letter to me and to all Members of Parliament written on September 9, 1985, the Prime Minister said the following about ethics: "It is a great principle of public administration, I could even say an imperative, that to function effectively the Government and public service of a democracy must have the trust and confidence of the public they serve. In order to reinforce that trust, the Government must be able to provide competent management and, above all, to be guided by the highest standards of conduct".