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CONFLICT-OF-INTEREST RULES FOR FEDERAL LEGISLATORS

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CONFLICT-OF-INTEREST RULES FOR FEDERAL LEGISLATORS*

ISSUE DEFINITION

Conflict of interest is one aspect of public-sector ethics, and Canadian legislatures and governments have developed legislation and codes of conduct that show a wide variety of approaches to the issue. This paper will focus on the most important developments at the federal level. Although the emphasis here is on federal legislators, other federal public officials – such as public-service workers and judges as well as members of administrative agencies, tribunals and Crown corporations – are also affected by conflict-of-interest rules.

Our society expects that individuals should be as free as possible to pursue their economic goals, but also expects that those in positions of public trust should not act in their public capacity on matters in which they have a personal economic interest. Even an appearance of a conflict affects the public's confidence in office holders generally.

For many years, there have been suggestions that Parliament should adopt more comprehensive rules covering conflict of interest. Against this are concerns that such a step would deter qualified or desirable people from accepting or running for public office. The difficulty of striking a balance, while also protecting the privacy interests of legislators, helps to explain why all four bills on this issue presented in the 33rd and 34th Parliaments died on the *Order Paper*, and why a Parliamentary Committee Report in the subsequent Parliament was not acted upon until the 37th Parliament.

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* The original version of this Current Issue Review was published in August 1979; the paper has been regularly updated since that time.

BACKGROUND AND ANALYSIS

There are a number of possible definitions of conflict of interest. Mr. Justice W. D. Parker, who presided at the inquiry into conflict-of-interest allegations against Sinclair Stevens, defined a *real* conflict of interest as a "situation in which a minister of the Crown has knowledge of a private economic interest that is sufficient to influence the exercise of his or her public duties and responsibilities." An *apparent* conflict of interest "exists when there is a reasonable apprehension, which reasonably well-informed persons could properly have, that a conflict of interest exists." Some definitions concentrate on "decision-making" rather than "situations," while some regimes prefer to leave the term undefined.

The principles underlying conflict-of-interest rules are impartiality and integrity: a decision-maker cannot be perceived as being impartial and acting with integrity if he or she could derive a personal benefit from a decision. Public confidence in governmental institutions is closely allied to public belief that decisions will be taken and laws will be enacted, and subsequently applied and administered, fairly and objectively, free of personal biases and considerations. That said, it is not clear how far the principle of impartiality extends, particularly when partisan politics are involved. Nor is it clear that the personal interests involved are necessarily purely economic ones.

Today, governments intervene in virtually all sectors of the economy, either through direct control or through regulatory agencies, safety and health legislation, tariff and tax policies, or federal subsidies. Thus, it is not unusual for legislation introduced in Parliament to affect the general economic interests of Members of Parliament in some way.

Some conflicts are unavoidable. An *inherent conflict* arises out of the position of the Parliamentarian as an individual in society, i.e., as a homeowner, parent or consumer. Parliament continually deals with legislation affecting these interests and, as the Parliamentarian is affected like other citizens, there is a low risk of an adverse consequence. Also unavoidable is the *representative interest* conflict which arises when Members share personal interests, for example in farming, fishing and resource development, with the constituency electing them. Other interests, however, may in some cases substantially affect the independence of a legislator, particularly when he or she enters Cabinet. Family businesses pose problems, but so do a wide range of assets, liabilities and financial interests. Conflict-of-interest rules generally deal with these latter kinds of interests.

To what extent, then, should a Parliamentarian be able to retain personal economic and other interests? The rules must not be so stringent as to discourage persons of ability and experience from entering public life, yet must be stringent enough to deter unethical practices and maintain the good reputation of Parliament and its Members. The rules also must make some distinctions between Private Members and Senators, who individually may have little influence over the decision-making process, and Cabinet Ministers and their staff.

A. Techniques of Control

A number of methods are available to control conflicts of interest.

- *Disclosure* requires that legislators reveal their assets, typically first confidentially to a designated official, and then publicly so that a personal interest becomes public knowledge and Parliamentarians are inhibited from acting for their personal benefit. Public disclosure also informs the legislator's constituents and colleagues of the situation so that they can consider its implications.

- *Avoidance* requires legislators to *divest* themselves of interests or relationships that might impair their judgement, either by a sale at arm's length or by use of a trust administered by a trustee independently of the legislator; in the latter case, it must be ensured that the trust is beyond the Parliamentarian's control.

- *Withdrawal* (also called *recusal*) requires Parliamentarians to refrain from acting on matters in which they have personal financial interests.

Typically, conflict-of-interest regimes incorporate a combination of the above controls.

B. Types of Interests

The more common types of interests that can put a legislator into a conflict situation are outlined below.

> Investments: Investments usually considered unlikely to give rise to a conflict of interest include government bonds, guaranteed investment certificates and open-ended mutual funds. Even here, conflicts may arise; for example, the Commissioner in Ontario has ruled that the Treasurer should not hold provincial bonds because he is responsible for setting the interest rates. Which investments that present conflicts are suitable for placing in a trust?

Debts: Liabilities, as well as assets, are potential sources of conflict, because the creditors of persons in public office may give the appearance of having influence over their debtors.

Corporate Positions: A legislator may find that Parliament is considering measures that would affect him or her as an officer, director or employee of a company or affect the interests of the company. As a director, he or she is required to act in the best interests of the company, yet the role of legislator is a multi-faceted public one.

Outside Employment: To what extent should Parliamentarians be able to carry on their law practices, businesses, or other types of employment? Cabinet Ministers are now prohibited from such activities. Parliamentarians dealing with laws that may affect their business clients could be put in a position of apparent, or real, conflict of interest. Moreover, a legislator might attract more clients if the latter believed he or she would increase their influence with the federal government.

Lobbying: Dealing with government officials on behalf of constituents is a normal function of legislators. What about legislators who use their position to further personal interests or who are paid to act on behalf of others? Should they be able to make representations or appear before government boards or commissions or federal courts in their personal capacity, or would the appearance of influence be too strong? What is the position of legislators who receive indirect benefits as lawyers, employees, or financial advisors of persons or companies for whom they act? Is it sufficient for legislators to reveal their interests to government officials with whom they correspond, or must they avoid any contact with such persons and bodies except in the course of their duties as representatives of their constituents?

Government Contracts and Activities: Should legislators be able to participate with other Canadians in government programs, or would the appearance of influence be too strong and the possibility of conflict too high? To what extent should Parliamentarians be allowed to own or invest in businesses that have government contracts?

Gifts and Honoraria: Should legislators be permitted to accept free vacation trips or other gifts from acquaintances, businesses or foreign governments? Should there be a restriction on the amount that can be accepted? Should disclosure be the only requirement? “Honoraria” can be disguised gifts.

Inside Information: Are controls necessary to deter legislators from using for personal advantage any information that comes to them in their official capacity?

Spouses and Dependent Children: To what extent should the above interests be divulged if they are held by those with close family ties to the Parliamentarian? The legislator is as likely to be influenced by family interests as by his or her own.

C. Statutory and Parliamentary Rules

Most conflict-of-interest rules for federal legislators are found in three Acts of Parliament (the *Criminal Code*, the *Parliament of Canada Act* and the *Canada Elections Act*) and in the Standing Orders of the House of Commons and Rules of the Senate. (The Prime Minister's Conflict of Interest and Post-Employment Code for Public Office Holders will be discussed below.)

Bribery, the most extreme form of conflict of interest, is a criminal offence. The *Criminal Code* provides for 14 years' imprisonment for a Parliamentarian who accepts or attempts to obtain any form of valuable consideration for doing or omitting to do anything in his or her official capacity. In addition, Standing Order 23(1) of the House of Commons considers it a high crime and misdemeanour that tends to subvert the Constitution if a Member is offered any "advantage" for promoting any matter before Parliament. The *Parliament of Canada Act* prohibits a Parliamentarian from receiving outside compensation for services rendered on any matter before the House, the Senate or their committees. The Act excludes persons with remunerated employment in the federal government and certain officials at the provincial level from being eligible as Members of the House of Commons, although there are exceptions. The *Parliament of Canada Act* makes a Member of a provincial legislative assembly ineligible to be a Member of the House of Commons. The *Canada Elections Act* disqualifies the above office holders from candidacy for the House of Commons as well as Members of the Council of the Northwest Territories, the Council of the Yukon Territory or the Legislative Assembly of Nunavut, and certain office holders who are not entitled to vote.

The *Parliament of Canada Act* also provides that a person is not eligible to be a Member of the House of Commons if he or she holds a government contract or agreement, either directly or indirectly, in which public money is to be paid. A similar prohibition applies to Senators. It is possible that an individual who receives no public funds but receives a benefit in another form from the contract might not be caught by this section, but this is by no means clear. In addition, if a Parliamentarian is a shareholder of an incorporated company that has a contract with the government, the prohibition is not applicable unless the contract involves the building of a public work. This would seem to permit the incorporation of business interests, thereby avoiding the prohibition and representing a significant loophole. Moreover, government contracts for public works today form only a small portion of the total number of federal

contracts. Also excepted, for a 12-month period, are contracts that devolve upon a Parliamentarian by descent, limitation or by marriage or for which the Parliamentarian is an executor.

Another section of the *Parliament of Canada Act*, however, requires a provision in every government contract that no Member of the House of Commons be admitted to any share or part of such contract, or to any benefit arising therefrom. This would suggest that a Member cannot be party to a federal government contract if he or she receives any kind of benefit whatsoever, whether or not public money is spent or the contract is with a corporation. **These contracting provisions were removed for Members of the House of Commons by virtue of Bill C-4 and the House's adoption of a Conflict of Interest Code. They remain in force for Senators (see Parliamentary Action, below) until that chamber adopts its own Conflict of Interest Code.**

With the introduction of the Conflict of Interest Code for Members of the House of Commons at the beginning of the 38th Parliament, MPs will, for the first time, be required to disclose publicly certain financial and other interests, as well as those of their spouses and dependent children. (In the latter case, the onus is on the Member to make reasonable efforts to provide the required information.) In cases of possible conflict, Members will be precluded from participating in proceedings and from voting. There are rules about the acceptance of gifts and sponsored travel. In the case of sponsored travel, the new rules will replace the existing, more limited, provision in the Standing Orders. There are also rules precluding the furthering of Members' private interests, or improperly furthering the private interests of others. The Code will be administered by the Ethics Commissioner established by Bill C-4. (See below.)

For Senators, the current, limited provisions in the *Rules of the Senate* regarding conflict of interest will continue until the chamber adopts a Conflict of Interest Code. Existing rules do not require general disclosure of financial and other interests, and there are only limited provisions precluding the furthering of Members' private interests, or improperly furthering the private interests of others. There is no rule regarding sponsored travel.

D. Conflict of Interest and Post-Employment Code for Public Office Holders

This Code, on the order of the Prime Minister, applies to Cabinet Ministers, Parliamentary Secretaries and other senior public office holders. First introduced by the federal government in September 1985, it was slightly modified by Prime Minister Chrétien, and more extensively by Prime Minister Martin. It requires that, on appointment to the included offices, the office holders are to arrange their private affairs so as to prevent real, potential or apparent conflicts from arising. With limited exceptions, they are not to solicit or accept money or gifts; not to assist individuals in their dealings with government in such a way as to compromise their own professional status; not to take advantage of information obtained because of their positions as insiders; and, after they leave public office, not to act so as to take improper advantage of having held that office. Beginning in 1994, information relating to the spouses and dependent children of Ministers, Secretaries of State and Parliamentary Secretaries became relevant.

The Code suggests that public office holders, in order to reduce the risk of conflict of interest, should, depending on the asset or interest in question, use avoidance, confidential report, public declaration, divestment, or recusal. Divestment can include making an asset subject to a trust or management agreement. In relation to outside activities, the public office holder is not to engage in the practice of a profession, actively manage or operate a business or commercial venture, retain or accept directorships or offices in a financial or commercial corporation, hold office in a union or professional association, or serve as a paid consultant. The Code also deals with public office holders after they leave office, proscribing Ministers for two years and others for one year from certain activities in order to ensure impartiality while in office and to avoid preferential treatment upon leaving office.

Prior to May 2004, the Code was administered by the Office of the Ethics Counsellor, an office often criticized because it was not independent from the government. With the passage of Bill C-4, the Prime Minister's Code will be administered by the Ethics Commissioner, whose statutory base, secure tenure, and new powers of inquiry should contribute to a significant increase in the credibility of the Code and its enforcement.

E. Report of the Task Force on Conflict of Interest, 1984

The Task Force on Conflict of Interest, chaired by the Hon. Michael Starr and the Hon. Mitchell Sharp, was appointed by the federal government and charged with devising a regime dealing with conflict of interest whereby public confidence would be ensured and the integrity of the political process protected; at the same time, the Task Force had to recognize the need to attract candidates of high calibre to public office. The Task Force's Report identified nine activities as involving conflicts of interest and recommended that these forms of conduct be dealt with, depending on the severity of the conflict, by: the use of a code of conduct; legal or quasi-legal procedures; or the implementation of additional codes of procedure, general or specific to the agency in question. The Task Force recommendations would have applied only to Cabinet Ministers and Parliamentary Secretaries, not to Private Members or Senators.

The procedures to minimize conflicts of interest would have been in the form of regulations made by the Governor in Council. A major recommendation was the creation of the Office of Public Sector Ethics, which would have had an advisory, administrative, investigative and educational role. Although the Task Force also made recommendations governing the post-employment period, it acknowledged the difficulty of enforcing such rules after a Parliamentarian's departure from office.

F. Recommendations of the Parker Commission

In his 1987 Report regarding the allegations of conflict of interest involving Sinclair Stevens, Mr. Justice William Parker suggested discontinuation of the use of blind trusts to satisfy conflict-of-interest guidelines. He declared that in some instances the "blindness" of such trusts was a fiction and that their use could be subject to abuse. He recommended that conflict-of-interest guidelines require public disclosure. Assets, interests and activities should be clearly set out, as should the assets of spouses. He also suggested that, in the interest of protecting privacy, certain personal assets would not have to be disclosed. These could include a residence, automobiles, cash and savings.

The disclosure statement would have been placed in a public registry and made available to the general public. Judge Parker also favoured divestment by a Minister of his or her private assets where these could lead to obvious conflict of interest, and recusal in situations where, despite preventive measures, a conflict arose.

PARLIAMENTARY ACTION

Various attempts have been made for 30 years to deal with conflict-of-interest issues. In 1973, the federal government issued a Green Paper entitled "Members of Parliament and Conflict of Interest," which proposed to consolidate and extend the existing rules. The Green Paper was studied by committees in both the House of Commons and the Senate, each of which made numerous recommendations. In 1978, the government tabled the Independence of Parliament Act, which would have extended the provisions in the Green Paper and incorporated some of the recommendations of the two committee reports. The bill received second reading but died on the *Order Paper* when Parliament was dissolved in 1979.

A. Register of Members' Interests

On 25 November 1985, the House of Commons Standing Committee on Management and Members' Services was asked to consider matters related to the establishment of a Register of Members' Interests. The Committee was to look at whether Members should disclose their remunerated directorships of public and private companies and other remunerated positions, offices, trades and professions. This matter was also referred to the Senate Standing Committee on Standing Rules and Orders.

After consultation with Members of all parties, the House Committee concluded that a Register of Members' Interests was not warranted and that the current law relating to conflict of interest for Members was adequate. Furthermore, the Committee concluded that such a Register would accomplish little more than intrude into Members' privacy. In contrast, the Senate Committee recommended a complete review of conflict of interest as it applied to Parliamentarians.

B. Members of the Senate and House of Commons Conflict of Interests Act

Four bills to regulate conflict of interest for federal legislators were introduced in the 33rd and 34th Parliaments; all of them died on the *Order Paper*. (See the chronology at the end of this paper for the legislative history of the bills.) The proposed legislation, which was similar to that being pioneered in a number of provinces, would have provided for an annual declaration of the private interests of Senators, Members of the House of Commons, and their spouses and dependent children to an independent three-member Conflict of Interests

Commission. The Commission would have had extensive discretionary power to advise Parliamentarians on their financial holdings, require public declarations of assets, provide opinions on appropriate conduct, and hold inquiries in response to allegations that the rules had been breached. Proposed penalties for non-compliance ranged from fines to loss of the Member's or Senator's seat, but their imposition would have remained in the hands of the Member's chamber.

The Commission would have consisted of a Chief Commissioner chosen after consultation between the Prime Minister and other party leaders, a member chosen by the government from a list submitted by the opposition, and a member chosen by the government. It would have been able to investigate alleged conflicts on its own initiative or in response to a request from the Prime Minister or a majority in the Senate or House of Commons.

The bills would have curbed the fees that might be accepted by Ministers and Parliamentary Secretaries. For a period of time after leaving the House or the Senate, former Ministers or Parliamentary Secretaries would not have been able to accept government contracts and would have been precluded from certain lobbying activities for one year.

The bill was criticized on two grounds: it did not require political aides to disclose their assets, and Parliamentarians would not have had to declare benefits received from political parties. Also controversial was the requirement for spouses to disclose their interests to the Commission. It should also be noted that the full disclosure recommended by the Parker Commission was not included in the bills; instead, an official called the Registrar of Interests would have prepared a summary of the confidential information disclosed to the Commission, subject to regulations made by it and approved by the Governor in Council.

C. The Special Joint Committee on Conflict of Interests

On 22 November 1991, the government introduced the third of the bills, Bill C-43. Without proceeding to second reading, the subject matter of the bill was immediately referred to a Special Joint Committee of the Senate and the House of Commons for a comprehensive review, including a consideration of conflict-of-interest approaches used in other jurisdictions.

The Special Joint Committee on Conflict of Interests tabled its Report on 10 June 1992. The Committee's views differed in a number of respects from the policy choices reflected in Bill C-43. Instead of a three-member Commission, the Report recommended the

appointment of a "Jurisconsult," to serve as advisor and investigator. As in Bill C-43, public disclosure of financial interests would have been required, although disclosure of monetary values would not. Spousal disclosure would have been potentially greater under the Committee's proposed regime than under that proposed in Bill C-43.

The Committee also recommended techniques of compliance additional to those required in Bill C-43, such as declaration of an interest and withdrawal from discussion or voting. Finding the existing conflict-of-interest provisions in the *Parliament of Canada Act* "inconsistent and hopelessly out of date," the Committee proposed that they be overhauled and that its draft bill be included in that Act, rather than becoming a separate statute. Another recommendation was to amend the *Criminal Code* to clarify that Parliamentarians are not "officials," but are covered by its breach of trust provisions.

On 11 March 1993, the government tabled the fourth bill, C-116. In a somewhat surprising development, the bill would have enacted as a separate statute many of the provisions of the former Bill C-43, although restricting them to Ministers, Parliamentary Secretaries and certain other public office holders. On the other hand, most of the Special Committee's recommendations would have been adopted as amendments to the *Parliament of Canada Act*, but would have been generally restricted to Senators and Private Members of the House of Commons. The result would have been a separate agency to oversee each group.

When it was referred to Committee, it became clear, for numerous reasons, that Bill C-116 was unacceptable and the Committee declined to proceed with it. Bills C-34 and C-116 both died on the *Order Paper* when Parliament was dissolved on 8 September 1993.

The election of October 1993 brought a change of government. The new Liberal government stressed ethics as an important aspect of its mandate and appointed the Hon. Mitchell Sharp as ethics adviser. Mr. Sharp vetted prospective Cabinet members for conflicts of interest in personal interviews prior to their appointment, a process that apparently led to the screening out of two individuals.

The Throne Speech in January 1994 stressed that integrity and public trust were essential to the government and that an ethics counsellor would be appointed (as had been promised during the election campaign). The counsellor would advise Ministers and public-service workers on their ethical responsibilities and would examine the need for legislation.

On 16 June 1994, the government announced that the new Ethics Counsellor would be Howard Wilson, then Assistant Deputy Registrar of Canada and as such responsible for the administration of the previous Code. His mandate was expanded to cover lobbying. At the same time, a revised *Conflict of Interest Code* was released. It differed little from the previous Code, although spouses and dependants were now covered explicitly, rather than by additional directives as had formerly been the case. In relation to conflict of interest, the Ethics Counsellor continues to be under the general direction of the Clerk of the Privy Council, has no independent investigatory powers, and continues to report to the Prime Minister.

In June 1995, the House passed a motion to establish a Special Joint Committee of the House and Senate to develop a Code of Conduct. The following month, the Senate passed a similar motion. In March 1997, the Committee presented to Parliament its proposed Code of Official Conduct, which came to be known as the Milliken-Oliver Report. The Committee emphasized the following as important goals for the Code: the maintenance of public trust and confidence in Parliament, and the provision of guidance for Parliamentarians in how to reconcile their private interests with their public duties. Specific rules were proposed for Parliamentarians which would have prohibited them from furthering their own private interests or those of their families, and from using insider information; the rules would also have regulated the receipt of gifts and personal benefits, sponsored travel and contracting with the government.

The heart of the Committee's report was its proposal that all Parliamentarians should disclose their financial assets, liabilities, sources of income, and positions. The interests of spouses and dependants would also be included. Disclosure would be made confidentially, after which a summary would be prepared and made public. The summary would not include small interests, purely personal interests, or interests unlikely to result in any conflict of interest.

The Committee recommended the creation of the position of Jurisconsult, a parliamentary officer who would be appointed jointly by the Senate and the House of Commons upon the recommendation of the Speakers, following consultation with the leaders of all recognized parties. The Jurisconsult would receive Parliamentarians' confidential disclosures, prepare the public disclosure statements, and advise Parliamentarians on the interpretation of the

Code. Upon receiving a complaint, the Jurisconsult would investigate; matters requiring a full inquiry would be referred to a new joint committee of the Senate and House, which would also have general oversight of the Jurisconsult and the Code.

The Committee recommended against a legislated approach. Thus, the Code could be adopted by each House either by way of resolution or by concurrence in the report, with the rules of each chamber being modified as needed to establish the position of Jurisconsult, his or her duties, and the new committee.

In the 36th Parliament, the government took no action on the report. In that Parliament, and in the 37th, several Private Members' bills were introduced to provide for a Code of Conduct for all Parliamentarians, or for Ministers alone. None were proceeded with.

In the Auditor General of Canada's October 2000 Report, one chapter was entitled "Values and Ethics in the Federal Public Sector." After summarizing the history of unsuccessful attempts to develop a code of conduct for Parliamentarians, the Auditor General recommended that Parliamentarians try again, arguing that it was important to show ethical leadership for the public sector as a whole.

In May 2002, in the course of a debate in the House of Commons on ethics in government, Prime Minister Chrétien announced that the government would introduce an ethics initiative in the fall that would include a Code of Conduct for Members of Parliament. That initiative was tabled in draft form in both chambers of Parliament in October 2002 and consisted of two parts. The first part was a draft bill to amend the *Parliament of Canada Act* to establish an Ethics Commissioner, whose jurisdiction would encompass members of Cabinet and Parliamentary Secretaries, Members of Parliament, and Senators. The second part of the initiative was a proposed Code of Conduct, modelled closely on that recommended in the Milliken-Oliver Report of 1997.

Committees of each chamber reviewed the draft bill and proposed changes to it in early April 2003. Most of their recommendations were accepted, and later in that month the government tabled Bill C-34, an Act to amend the Parliament of Canada Act (Ethics Commissioner and Senate Ethics Officer). The House passed the bill at the beginning of October 2003. Although the Senate Committee to which it was referred (the Standing Senate Committee on Rules, Procedures and the Rights of Parliament) dealt with it quickly, during third reading debate it became clear that there was considerable opposition to the bill. Senators from both recognized

parties passed an amendment, thus sending the bill back to the House. Parliament was prorogued a few days later and the bill died on the *Order Paper*.

The bill was reintroduced in identical form as Bill C-4 at the beginning of the 3rd session and referred immediately to the Senate. (For a detailed summary of the bill, see the item by Margaret Young under "Selected References" at the end of this document.) This time, proposed amendments failed and the Senate passed the bill.

As for the proposed Code of Conduct based on the Milliken-Oliver Report, at an early point it was clear that each chamber was to have its own Code, just as each was to have its own officer to enforce it: the Ethics Commissioner for the House, and the Senate Ethics Officer for the Senate. The House of Commons Committee on Procedure and House Affairs studied the proposed Code intensively. It heard from expert witnesses and consulted Members of Parliament in a variety of ways. In October 2003, it tabled its final report on the Code in the House and recommended that it be adopted as a Conflict of Interest Code, although because of the demise of Bill C-34 and prorogation, this did not happen. The report was, however, readopted, tabled and concurred in as the 25th Report in the 3rd session.

In the Senate, the proposed bill was extensively debated in the chamber before referral to the Committee, and so the Committee study of the proposed Code was not far advanced when the 2nd session ended. Work resumed in the 3rd session but was not completed when the 37th Parliament ended.

CHRONOLOGY

17 July 1973 - The Green Paper entitled "Members of Parliament and Conflict of Interest" was tabled in the House of Commons.

18 July 1973 - Prime Minister Trudeau revealed additional guidelines for Cabinet Ministers in a statement in the House of Commons. Ministers would be required to resign certain corporate positions, sever business associations, and dispose of certain financial interests while placing others in a trust.

18 December 1973 - Conflict-of-interest guidelines for public-service workers were outlined in the House of Commons by the Prime Minister.

January 1974 - The Election Expenses Act was given third reading. It limited the amount that could be spent during an election campaign, required the

reporting of expenses and contributions and the public disclosure of donors who contributed more than $100, and provided for the partial reimbursement of expenses to candidates.

10 June 1975 - The House of Commons Standing Committee on Privileges and Elections tabled its report on the Green Paper, generally endorsing the provisions but recommending some changes.

29 June 1976 - The Senate Legal and Constitutional Affairs Committee tabled its report recommending amendments to the Green Paper proposals.

26 June 1978 - Bill C-62, the Independence of Parliament Act, was introduced in the House of Commons along with Proposed Standing Orders of the House and Rules of the Senate. The bill died on the *Order Paper*.

16 October 1978 - The Independence of Parliament Act was reintroduced with minor amendments, as Bill C-6. The Proposed Standing Orders of the House and Rules of the Senate were tabled in the Commons on 30 October 1978. The bill was referred to Committee on 8 March 1979 but died on the *Order Paper* when Parliament was dissolved on 26 March 1979.

1 August 1979 - New conflict-of-interest guidelines applicable to Cabinet Ministers, their spouses and dependent children were issued by Prime Minister Joe Clark. Personal assets and those of a non-commercial nature (e.g., residences, savings bonds, works of art) were exempt; assets considered to be non-conflicting (e.g., family businesses, farms, corporate securities not publicly traded) were to be publicly disclosed. Other assets had to be sold or placed in a blind trust and certain professional, corporate and commercial activities were prohibited altogether.

1 May 1980 - Conflict-of-interest guidelines for Cabinet Ministers were tabled by the Liberal government (Sessional Paper No. 321-7/3). The guidelines were similar to those of August 1979 but did not specifically apply to spouses and dependent children; however, Ministers were not to transfer their assets to their spouses or dependent children to avoid the guidelines.

7 July 1983 - Appointment of a Task Force on Conflict of Interest by the federal government for a major review of the policies and procedures on conflict of interest, their evolution, and whether new approaches to this problem should be devised.

May 1984 - Release of the Report of the Task Force on Conflict of Interest entitled *Ethical Conduct in the Public Sector* (the Starr-Sharp Report).

9 September 1985 - Establishment by the government of the Conflict of Interest and Post-Employment Code for Public Office Holders.

26 March 1986 - Report to the House of Commons of the Management and Members' Services Committee on the Register of Members' Interests.

7 May 1986 - Report of the Senate Standing Committee on Standing Rules and Orders on the Register of Senators' Interests.

3 December 1987 - Release of the report of the Parker Commission on Conflict of Interest.

24 February 1988 - First reading of Bill C-114, the Members of the Senate and House of Commons Conflict of Interests Act.

21-22 September 1988 - The Legislative Committee on Bill C-114 held three meetings but was unable to complete deliberation on the bill prior to dissolution of Parliament on 1 October 1988.

9 November 1989 - First reading of Bill C-46, the Members of the Senate and House of Commons Conflict of Interests Act. (This bill was essentially the same as Bill C-114, with a few minor changes.) The bill died on the *Order Paper* when Parliament was prorogued on 12 May 1991.

22 November 1991 - First reading of Bill C-43, the Members of the Senate and House of Commons Conflict of Interests Act. (This bill was virtually the same as Bill C-114 and Bill C-46.) On the same date, the subject matter of the bill was referred to a Special Joint Committee of the Senate and the House of Commons.

10 June 1992 - Report of the Special Joint Committee on Conflict of Interests.

11 March 1993 - First reading of Bill C-116, the Conflict of Interests of Public Office Holders Act, which included amendments to the *Parliament of Canada Act*.

30 March 1993 - Second reading of Bill C-116 in the House and its referral to a Special Joint Committee similar to the committee that had reported in June 1992.

3 June 1993 - Report of the Special Joint Committee to the House of Commons recommended that Bill C-116 not be proceeded with. A similar report was made to the Senate on the same day. Both Bill C-43 and Bill C-116 died on the *Order Paper* when the 34th Parliament was dissolved on 8 September 1993.

18 January 1994 - The Throne Speech announced that an ethics counsellor would be appointed to advise Ministers and public-service workers and to examine the need for legislation.

16 June 1994 - Howard Wilson was appointed Ethics Counsellor, in charge of lobbying and conflict of interest. A new Code, little changed from its predecessor, was also released.

June-July 1995 - The House and Senate passed motions to establish a Special Joint Committee to develop a Code of Conduct.

20 March 1997 - The Special Joint Committee on a Code of Conduct tabled its proposed Code of Official Conduct, the Milliken-Oliver Report.

15 March 1999 to 2002 - Bill C-488, a Private Member's bill to establish a Parliamentarians' Code of Conduct, was introduced. The bill died on the *Order Paper* when the first session of the 36th Parliament ended on 17 September 1999. Reintroduced as Bill C-226 in the next session, the bill again died on the *Order Paper* when an election was called and the 36th Parliament ended in October 2000. In the 37th Parliament, Bill C-299 was introduced to enact a Parliamentarians' Code of Conduct, and Bill C-388 to enact a statute governing Ministers. Neither proceeded.

17 October 2000 - The Auditor General of Canada recommended that Parliamentarians revisit the issue of conflict of interest/code of conduct.

23 May 2002 - The Prime Minister announced that the Milliken-Oliver Report would form the basis of a Code of Conduct for Members of Parliament and Senators, to be developed in the fall.

23 October 2002 - A draft bill to establish the position of Ethics Commissioner and a proposed Code of Conduct for Parliamentarians were tabled in Parliament.

10 April 2003 - The House of Commons and Senate committees to which the draft bill had been referred reported to their chambers.

30 April 2003 - Bill C-34, an Act to amend the Parliament of Canada Act (Ethics Commissioner and Senate Ethics Officer) and other Acts in consequence, received first reading in the House of Commons.

1 October 2003 - Bill C-34 passed the House of Commons.

2 October 2003 - Bill C-34 was given first reading in the Senate.

30 October 2003 - The Standing Committee on Procedure and House Affairs presented its 51st report to the House; it contained a proposed Conflict of Interest Code for Members of the House of Commons.

7 November 2003 - Bill C-34 was amended by the Senate at third reading and a message sent to the House to that effect.

12 November 2003 - Parliament was prorogued and Bill C-34 died on the *Order Paper*.

11 February 2004 - Bill C-34 was readopted by the House of Commons as Bill C-4, deemed passed and referred to the Senate.

30 March 2004 - Bill C-4 was passed by the Senate and given Royal Assent the following day (S.C. 2004, c. 7). All substantive sections of the Act except sections 1-4, which deal directly with the appointment and mandate of the Senate Ethics Officer, came into force on 17 May 2004.

26 April 2004 - The House of Commons Standing Committee on Procedure and House Affairs adopted the 51st report of the 2nd session of the 37th Parliament – the Conflict of Interest Code – as the Committee's report in the 3rd session and presented it in the House the following day.

26 April 2004 - The House of Commons Standing Committee on Procedure and House Affairs recommended that the House ratify the appointment of Bernard Shapiro to the position of Ethics Commissioner.

29 April 2004 - The House of Commons approved the appointment of the first Ethics Commissioner, Bernard Shapiro of Montréal.

29 April 2004 - The House of Commons concurred in the 25th Report of the Standing Committee on Procedure and House Affairs, thus ensuring that the Conflict of Interest Code for Members of the House of Commons would be appended to the Standing Orders of the House, to come into force at the beginning of the 38th Parliament.

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