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Industry Canada
Office of the Ethics Counsellor

Industrie Canada
Bureau du conseiller en éthique

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LOBBYISTS' CODE OF CONDUCT

ANNUAL REPORT

for the year ended March 31, 1997

Canada[!]



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June 30, 1997

The Honourable John Manley, P.C., M.P.
Registrar General of Canada
House of Commons
Ottawa, Ontario
K1A 0A6

Dear Sir:

I have the honour to present to you the second Annual Report on the *Lobbyists' Code of Conduct* for transmission to Parliament and in accordance with section 10.6 of the *Lobbyists Registration Act*. The Act requires the Ethics Counsellor to table a report on the exercise of the powers, duties and functions related to the *Lobbyists' Code of Conduct*. The report covers the fiscal year ending March 31, 1997.

Yours sincerely,

Howard R. Wilson
Ethics Counsellor

Canada 



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INTRODUCTION

This is the second Annual Report on the exercise of the powers, duties and functions conferred on the Ethics Counsellor under the *Lobbyists Registration Act* for the *Lobbyists' Code of Conduct*.

As the *Lobbyists' Code of Conduct* came into effect on March 1, 1997, this report will focus on the events leading up to the Code's publication and its content. This report covers the period April 1, 1996 to March 31, 1997.

BACKGROUND

In order to promote public trust in the integrity of government decision-making, the *Lobbyists Registration Act* was significantly amended in July of 1995. The amendments greatly increased the information which all paid lobbyists must disclose and provided stronger measures for compliance and enforcement. Furthermore, the amended Act directed the Ethics Counsellor to develop a code of conduct for lobbyists in consultation with interested parties.

CONSULTATION PROCESS

As a first step, the Ethics Counsellor released on January 31, 1996, a discussion paper to over 3,000 individuals and organizations, including all registered lobbyists as well as parliamentarians, journalists, academics and others interested in the issue. They were invited to provide their views on both the structure and content of the Code. A wide range of written submissions were received and the Office of the Ethics Counsellor met with a large number of organizations and individual lobbyists.

On August 6, 1996, an initial draft of the Code was released and widely circulated. This first draft also gave rise to a substantial number of written comments, discussions and meetings. On the basis of these interventions, a second draft of the *Lobbyists' Code of Conduct* was prepared and then referred to the Standing Committee on Procedure and House Affairs on November 19, 1996. Most of the comments expressed by the committee members were incorporated into the final version of the Code, which was published in the *Canada Gazette* on February 8, 1997.

An extract from the *Canada Gazette* with the full text of the Code, along with a press release, was distributed to all registered lobbyists and parliamentarians and to all those who had contributed or expressed their interest. The Code was also made available via Strategis, Industry Canada's Internet site at <http://strategis.ic.gc.ca> under "The

Marketplace: Services, Laws and Regulations”.

The *Lobbyists' Code of Conduct* came into effect on March 1, 1997.

PURPOSE AND DESCRIPTION OF THE LOBBYISTS' CODE OF CONDUCT

The purpose of the *Lobbyists' Code of Conduct* is to assure the Canadian public that lobbying is done ethically and with the highest standards with a view to conserving and enhancing public confidence and trust in the integrity, objectivity and impartiality of government decision-making.

The Code is founded on the same four underlying concepts found in the *Lobbyists Registration Act*, which states that:

- Free and open access to government is an important matter of public interest;
- Lobbying public office holders is a legitimate activity;
- It is desirable that public office holders and the public be able to know who is attempting to influence government; and
- A system for the registration of paid lobbyists should not impede free and open access to government.

The Code establishes standards of conduct for all lobbyists communicating with federal public office holders and forms a counterpart to the obligations that federal officials must honour in their codes of conduct when they interact with the public and with lobbyists.

Like most professional codes, the *Lobbyists' Code of Conduct* begins with a preamble which states its purpose and places it in a broader context. Next comes a body of overriding principles which set out, in positive terms, the goals and objectives to be attained without establishing precise standards. They are intended as general guidance. The principles of integrity and honesty, openness and professionalism thus represent goals that should be pursued.

The principles are then followed by rules that set out specific obligations or requirements. The rules are in three categories: transparency, confidentiality and conflict of interest. Under the rule of transparency, lobbyists have an obligation to provide accurate information to public office holders and to disclose the identity of the person or organization on whose behalf the representation is made and the purpose of the representation. They must also disclose to their client, employer or organization, their obligations under the *Lobbyists Registration Act* and the Code itself. Under the rule of confidentiality, lobbyists cannot divulge confidential information nor use insider

information to the disadvantage of their client, employer or organization. And finally, under the rule of conflict of interest, lobbyists are not to use improper influence nor represent conflicting or competing interests without the consent of their clients.

COMPLIANCE

Lobbyists have a legal obligation to comply with the Code. Where, on reasonable grounds, the Ethics Counsellor believes that a rule has been breached, the Act provides that the Ethics Counsellor shall investigate and the results of that investigation must be tabled in Parliament. The Code has only been in force since March 1, 1997. During the period under review no complaints were received.

ADVISORY ROLE OF THE OFFICE

Since a major objective of the Code is to promote public trust in the integrity of government decision-making, the Office places a high priority on providing guidance and clarification on the Code to lobbyists and their clients and, more generally, the public. This will be facilitated by using future annual reports to circulate more widely the guidance offered as well as to report on any investigations or other ethical issues that may have arisen during the year under review.



Office of the
Ethics Counsellor

Bureau du
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A N N E X

Lobbyists' Code of Conduct

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**Ethics Counsellor
Ottawa, Canada**

PREAMBLE

The *Lobbyists' Code of Conduct* is founded on four concepts stated in the *Lobbyists Registration Act*:

- . Free and open access to government is an important matter of public interest;
- . Lobbying public office holders is a legitimate activity;
- . It is desirable that public office holders and the public be able to know who is attempting to influence government; and,
- . A system for the registration of paid lobbyists should not impede free and open access to government.

The *Lobbyists' Code of Conduct* is an important initiative for promoting public trust in the integrity of government decision-making. The trust that Canadians place in public office holders to make decisions in the public interest is vital to a free and democratic society.

To this end, public office holders, when they deal with the public and with lobbyists, are required to honour the standards set out for them in their own codes of conduct. For their part, lobbyists communicating with public office holders must also abide by standards of conduct, which are set out below.

Together, these codes play an important role in safeguarding the public interest in the integrity of government decision-making.

PRINCIPLES

Integrity and Honesty

Lobbyists should conduct with integrity and honesty all relations with public office holders, clients, employers, the public and other lobbyists.

Openness

Lobbyists should, at all times, be open and frank about their lobbying activities, while respecting confidentiality.

Professionalism

Lobbyists should observe the highest professional and ethical standards. In particular, lobbyists should conform fully with not only the letter but the spirit of the *Lobbyists' Code of Conduct* as well as all the relevant laws, including the *Lobbyists Registration Act* and its regulations.

RULES

Transparency

1. Identity and purpose

Lobbyists shall, when making a representation to a public office holder, disclose the identity of the person or organization on whose behalf the representation is made, as well as the reasons for the approach.

2. Accurate information

Lobbyists shall provide information that is accurate and factual to public office holders. Moreover, lobbyists shall not knowingly mislead anyone and shall use proper care to avoid doing so inadvertently.

3. Disclosure of obligations

Lobbyists shall indicate to their client, employer or organization their obligations under the *Lobbyists Registration Act*, and their obligation to adhere to the *Lobbyists' Code of Conduct*.

Confidentiality

4. Confidential information

Lobbyists shall not divulge confidential information unless they have obtained the informed consent of their client, employer or organization, or disclosure is required by law.

5. Insider information

Lobbyists shall not use any confidential or other insider information obtained in the course of their lobbying activities to the disadvantage of their client, employer or organization.

Conflict of interest

6. Competing interests

Lobbyists shall not represent conflicting or competing interests without the informed consent of those whose interests are involved.

7. Disclosure

Consultant lobbyists shall advise public office holders that they have informed their clients of any actual, potential or apparent conflict of interest, and obtained the informed consent of each client concerned before proceeding or continuing with the undertaking.

8. Improper influence

Lobbyists shall not place public office holders in a conflict of interest by proposing or undertaking any action that would constitute an improper influence on a public office holder.