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• (1630)

[English]

The Chair (John Brassard (Barrie South—Innisfil, CPC)): I call this meeting to order.

Welcome, everyone, to meeting six of the House of Commons Standing Committee on Access to Information, Privacy and Ethics.

[Translation]

Pursuant to Standing Order 108(3) and the motion adopted by the committee on Wednesday, September 17, 2025, the committee is resuming its consideration of the Conflict of Interest Act.

[English]

Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders. Members are attending in person. We will have someone on Zoom in the second hour.

I have a few comments for the benefit of members and witnesses. Please make sure that the headsets are placed away from the microphones. We want to make sure that we don't cause any damage to our interpreters, so be mindful of that. There are little stickers on the desk.

We are going to start with our first hour today. I want to welcome, from Democracy Watch, Mr. Duff Conacher, co-founder, board member and chairperson of the government ethics coalition.

Mr. Conacher, you have up to five minutes for your opening statement—

Leslie Church (Toronto—St. Paul's, Lib.): On a point of order, Mr. Chair, I have a question about the agenda. We have three witnesses today, but they haven't been allocated equal times in our agenda. Is it possible that we are allocating our witnesses equal time as we proceed during this study?

The Chair: I don't quite understand the question. We have three witnesses today. We have two coming in the second hour—Ms. Turnbull and Mr. Stedman—and we have Mr. Conacher for an hour today. It was an hour and an hour. The original intent and goal was to have two witness per hour, but it didn't end up that way so we ended up like this.

Leslie Church: Thank you, Mr. Chair. In future, I think it would be good for all our witnesses to have an equal opportunity to speak at committee.

The Chair: They will. Certainly, in the second hour they will.

Mr. Sari, is it on the same point of order?

[Translation]

Abdelhaq Sari (Bourassa, Lib.): Yes, Mr. Chair.

I understand that the time allocation was not based on the subject, since there is only one.

We have three witnesses. The first will speak for half the time, and the other two will share the other half. Why didn't we allocate speaking time equally among the three witnesses?

It's the same subject in any case. It would have made sense to allocate speaking time in one-hour slots per subject if there had been two subjects to cover, but the three witnesses will in fact be speaking on the same subject.

On what basis was this decision made?

[English]

The Chair: It's a fair question. In the absence of any witness lists from any of the parties, we were working with the witness list from the analysts and the invitations went out. Mr. Conacher was available for this hour, and Ms. Turnbull and Mr. Stedman were available for the second hour. That's how.... It is difficult sometimes to manage and manipulate the way that witnesses are going to appear, but this is the way it's happening today.

As well, as a reminder to all parties, we need that witness list by today if you haven't sent it in.

We're going to start.

Mr. Conacher, you have five minutes. Go ahead, please.

Duff Conacher (Co-founder, Board Member and Chairperson, Government Ethics Coalition, Democracy Watch): Thank you, Chair and committee members, for the invitation and opportunity to testify on the Conflict of Interest Act, one of Canada's most important laws for ensuring democratic good government.

[Translation]

I need to practise my French frequently. This topic involves many technical terms.

[English]

For these reasons, I will present mainly in English, but I welcome your questions in either language.

Democracy Watch is Canada's leading democratic reform, government accountability and government ethics advocacy organization. We have been operating since 1993, 32 years this week, and we have 41,000 supporters across the country. I'm also here representing the government ethics coalition, a coalition of citizen groups pushing for ethics reforms.

It's great the committee is holding open hearings, unlike the secretive, behind-closed-doors hearings that another House committee held in 2022 to review the MP ethics code.

Conservative MPs and Bloc MPs, you were asking some good questions, better questions about the act than have been asked by MPs at this committee in the past 20 years. It's great to see that, but you are still missing some key loopholes and flaws and not cutting through the obscurities and misleading haze about the act that the Ethics Commissioner, Konrad von Finckenstein, creates whenever he talks about the act.

Hopefully, Liberal MPs on this committee, you will set aside your talking points and prepared questions the cabinet and research bureau have prepared for you and actually listen and think about the seriously unethical, undemocratic and bad government actions that are currently legal under the Conflict of Interest Act and why long-overdue changes need to be made to ensure democratic good government now and into the future.

The Conflict of Interest Act, the related MP code and Senate ethics code and the codes that apply to federal government employees are among the most important laws and codes for ensuring democratic good government. Unfortunately—and Democracy Watch's written submission to the committee will provide all of the details section by section—the Conflict of Interest Act is a sad joke that, because of huge loopholes in the law, doesn't apply to 99% of the decisions and actions of the most powerful people in the government. The Conflict of Interest Act really should be called, because of these loopholes, the “Almost Impossible to be in a Conflict of Interest Act”.

The Conflict of Interest Act, which covers cabinet ministers, their staff and top government officials, does not prevent, prohibit or penalize conflicts of interest. It's truly Orwellian. In fact, the act is full of loopholes that allow powerful politicians and public officials in the federal government to have secret investments, to secretly participate in decisions when they have a clear financial conflict of interest and to secretly profit financially from their decisions. The act is weaker than the rules for senators and federal government employees and as weak as the rules for backbench MPs, which makes no sense at all. It is simply perverse that the most powerful politicians and office-holders in Canada's federal government have much weaker ethics requirements and standards than the least powerful public servants.

If you support the Conflict of Interest Act in its current form and if you support the weak and in some cases dangerous proposals for amendments that Ethics Commissioner von Finckenstein has put forward, you support protecting private interests, you support politicians and public officials profiting financially from their decisions, and you support unethical and corrupt policy-making, all of which clearly violates the public interest.

As The Globe and Mail put it in an editorial in June, a plan to make changes to make the Conflict of Interest Act actually effective is missing in action—“MIA”. The Conservatives made some promises in their election platform, but they were a bit vague and focused pretty much only on the Prime Minister's role and position. The Liberals, Bloc and NDP made no promises. The Globe's editorial also criticized the Ethics Commissioner's very limited recommendations in his annual report, which you have heard about from him, and in some cases those recommendations, again, would weaken the law.

Hopefully, instead of keeping this sad joke of a law that has done very little to clean up federal politics in the past almost 20 years, all federal parties will work together and go beyond the Ethics Commissioner's mostly bad recommendations to finally close all the loopholes in all federal political ethics laws and codes and strengthen enforcement and penalties, so that politicians and their staff and top government officials are no longer allowed to make unethical, self-interested decisions or secretly profit from their decisions.

● (1635)

I will now provide a quick summary of the “dirty dozen” loopholes in the act. Similar loopholes exist in the MP ethics code and the Senate ethics code, along with enforcement flaws. Again, Democracy Watch's written submission will provide all the details, including a link to my 900-plus-page Ph.D. thesis, which analyzed the act, codes and other federal democracy laws and recommended key changes, in case you want even more details.

I welcome your questions about anything concerning effective government ethics standards and enforcement after I briefly list the loopholes in enforcement. [*Technical difficulty—Editor*] rule requiring honesty.

The Chair: I'm sorry, Mr. Conacher. We have five minutes, and we're over that time.

I'm going to suggest that if you want, you can refer to it if you're brief or if it comes up in questioning, but I'm going to have to stop you there.

Duff Conacher: That's fine.

The Chair: We're going to start with our first round of questioning.

I apologize for that, sir, but we want to get to the questions.

Mr. Cooper, you have six minutes.

Go ahead, sir.

Michael Cooper (St. Albert—Sturgeon River, CPC): Thank you very much, Mr. Chair.

Mr. Conacher, Mr. Carney's ethics disclosure states that he's entitled to carried interest payments, a.k.a. future bonus pay, in respect of the performance of Brookfield's global transition funds, which he co-led efforts to raise billions of dollars of capital for.

What is missing from Mr. Carney's disclosure are the holdings in this fund of the companies that this fund is invested in. Would you agree that this is a significant and material omission from the standpoint of knowing the extent of Mr. Carney's conflicts of interest?

• (1640)

Duff Conacher: Yes. Unfortunately, though, the disclosure rules allow for secret investments, essentially. The details are not provided.

Michael Cooper: It's a material omission. Would you agree?

Mr. Carney handpicked the holdings in the companies the fund is invested in, and therefore the companies that his future performance pay, worth potentially tens of millions of dollars, is tied to. Is that correct?

Duff Conacher: Yes.

When you have these kinds of general funds—again, it's legal to invest in some types of mutual funds and keep it secret—the details of what you're actually invested in is known to you but not disclosed to the public.

Michael Cooper: Mr. Carney, therefore, knows which public policy decisions will impact these holdings, which in turn impacts the future performance of the fund, which in turn affects the value of his future bonus pay. Meanwhile, Canadians are left in the dark.

Mr. Carney, as it pertains to his future bonus pay, is hiding his conflicts of interest from Canadians—isn't he?

Duff Conacher: Yes.

Again, it's legal to do that. What's even worse is that, because of the biggest loophole in the act, he's allowed to participate in decisions that affect his investments 99% of the time, because the definition of "private interest" in the act says that you are not in a conflict and the act does not apply when you are dealing with a matter that applies generally. Because 99% of the decisions the Prime Minister, cabinet ministers and top government officials make apply generally, the act only applies 1% of the time to very specific decisions.

As a result, it's almost impossible to be in a conflict of interest under this act.

Michael Cooper: I agree with you on that point.

To be clear, with respect to disclosure, there's nothing that prevents Mr. Carney from disclosing the companies and the holdings of these funds. If he wanted to be transparent, he could simply disclose that information to Canadians.

Duff Conacher: Of course, you can always go beyond what's required in terms of disclosure and also compliance.

Michael Cooper: However, Mr. Carney, of course, hasn't been transparent.

The global transition fund is listed in Mr. Carney's so-called ethics screen, but the holdings and the companies the fund is invest-

ed in, to which Mr. Carney's future performance pay is tied, have not been disclosed by Mr. Carney.

How possibly can the ethics screen function to screen out Mr. Carney from making decisions where he has conflicts of interest?

Duff Conacher: The ethics screen never works, again because of this huge loophole.

Ethics screens are a smokescreen that actually violate the law, because the act requires disclosure whenever you recuse yourself or step aside from participating in a decision, discussion or vote. The ethics screen allows you to not do that, so you're violating the law. What's hidden is that, in fact, you're participating 99% of the time in decisions that affect your investments, because of this huge loophole.

Again, you do not have to step aside when you're dealing with a matter that applies generally, and 99% of decisions apply generally, so the screens are a smokescreen that hides conflicts of interest. They do not stop them or prevent them in any way.

Michael Cooper: Do you have concerns about the fact that this screen is basically set up on the basis of trust in the Prime Minister's chief of staff and the Clerk of the Privy Council—to just trust them even though they answer to the Prime Minister and they serve at the pleasure of the Prime Minister?

Duff Conacher: Yes, very much so. Anyone who's serving at your pleasure is not independent.

I was very disappointed to hear Ethics Commissioner Konrad von Finckenstein claim that they share the same interests as the Prime Minister in terms of keeping him away from conflicts of interest. Actually, the interest they share with the Prime Minister is covering up conflicts of interest.

These ethics screens, again, were created by the Ethics Commissioner. It's a loophole that's not in the act; it's created by the commissioner. Tomorrow, Konrad von Finckenstein could require full transparency under that ethics screen of every single time Mr. Carney is actually stepping aside from a decision. He could impose that as part of the conditions of the screen. It's really his screen. He sets the terms of it.

What it would show, if there was transparency, is that 99% of the time Mr. Carney is participating in decisions that affect his financial interest because the law allows for that, as the Ethics Commissioner acknowledged when he was testifying.

Michael Cooper: Mr. Carney has said that there's nothing to see here and everything is on the up and up because he's put his assets into a blind trust.

When we look, for example, at the funds in which he has future bonus pay waiting for him, what good is a blind trust when the Prime Minister is hardly blind to policy decisions that will impact his future bonus pay?

• (1645)

The Chair: Give a very quick response, please.

Duff Conacher: Blind trusts are not blind at all. You choose the trustee. You can also give them initial instructions. They can give you regular updates, and you know what you put in the blind trust.

Further, for Prime Minister Carney, the holdings are actually outside the blind trust. For the Brookfield conglomerate—the 103 companies—he knows that he owns them. He knows that he owns stock options in Brookfield until 2033. He knows he's in a financial conflict of interest, and there's nothing preventing, prohibiting or penalizing it.

The Chair: Thank you, Mr. Conacher.

Ms. Church, you're starting with six minutes.

I understand you're sharing your time with Mr. Saini. I'm going to give you a little extra time too, because we went 30 seconds over on that one.

Go ahead.

Leslie Church: Thank you, Mr. Chair.

Thank you for being with us today, Mr. Conacher.

Can you talk to me a little about what you see as the difference between and the nature of having both a Conflict of Interest Act and a code for members, and whether it is useful to have two separate systems governing conflict of interest for members of the government and members of Parliament?

Duff Conacher: A lot of the provinces have one law, but they have special provisions for the members of the executive—cabinet ministers, their staff, top government officials and all cabinet appointees. Even if you combine it into one law, you should have a sliding scale of accountability and standards. The more power you have to make decisions, the higher the standard you should have to meet. It doesn't really matter whether you have two laws or one.

We also have a Prime Minister's code, which is separate. There used to be a code that covered cabinet ministers and the Prime Minister, etc. When the act was created in 2006, some of the key rules from the code were taken out and put in the Prime Minister's code, which has been maintained since then. They're very strong rules. You can't be in an apparent conflict of interest under that code. It's required. There are no exceptions. There is no general application loophole like there is in the act. However, it's enforced by the Prime Minister and the Prime Ministers have not been enforcing it.

In fact, the current version of the code that is up on the Prime Minister's website is from 2015 and signed by Justin Trudeau. Mr. Carney has not even re-enacted the code in his own name. Maybe he's planning to weaken it or cancel it.

Those rules from the PM code should just be added to the act. Any Prime Minister would do that if they were serious about having ethical standards that were enforceable for all top government officials.

Leslie Church: You mention an “apparent conflict of interest”. I'm curious because of the approach you have described and your preference for the types of reforms that should be made.

Can you describe to me what you see as the difference between an apparent conflict of interest and an actual conflict of interest? What's the distinction between the two?

Duff Conacher: It's well defined. It's been defined by the Supreme Court of Canada, by the Parker commission and by the Starr-Sharp report. Both the Parker commission in 1987 and the Starr-Sharp report in 1984 recommended that office-holders be required to sell their investments as the only way of getting rid of a financial conflict of interest. Also, both recommended that blind trusts should be prohibited because they were just a sham facade.

Their definitions.... It's essentially known for judges as reasonable apprehension of bias. For an apparent conflict of interest, a reasonable person who is reasonably well-informed would perceive that there is a conflict of interest.

Leslie Church: Is it your position, then, that any public office holder should divest themselves of the entirety of their financial investments?

Duff Conacher: Yes. That's the only way to solve financial conflicts of interest. Any other solution will leave a financial conflict of interest. It will leave the system open.

The Conservatives propose selling the investments and then giving the money to a trustee, who would reinvest them, but you would still be invested and the trustee could easily communicate to you, even if it was prohibited.

It's just better to sell them. That's what was recommended in 1984 and 1987 by a federal government task force.

Leslie Church: Are you talking about all types of financial investments? Are you talking about RRSPs? Are you talking about mutual funds?

Duff Conacher: If those are going to be something that you have any role in directing or you know what the investments are, then yes, you would have to do that.

Konrad von Finckenstein said that this was going to cause a huge tax hit or tax implications. The better way to solve that is to give exemptions from those tax hits for people who enter public office. That would actually be an incentive to serve the public.

As long as you allow financial investments, you are allowing financial conflicts of interest. There is no other way of stopping it. That's why it was recommended in 1984 and 1987 as the solution.

● (1650)

Leslie Church: Mr. Conacher, how do you reconcile that with the purpose of the act, which actually specifically delineates that part of the reason for having this conflict of interest regime is to encourage experienced and competent persons to seek public office and, especially, to facilitate the interchange between the public and private sectors? How do you balance those objectives of the act with a position that would ask everyone who seeks public office to relinquish all of their financial investments?

Duff Conacher: Preventing conflicts of interest is paramount because if you don't, you are allowing private interests to trump the public interest and you are allowing corruption. The Supreme Court of Canada said that if the Conflict of Interest Act and other similar laws are not enforced strictly and strongly, we are not a democracy. That's the priority.

You can facilitate and actually incent competent people. Lots of competent people are not wealthy, but the ones who are can still come into public office. It would actually be an incentive because they could cash in their investments without a capital gains tax or with a reduced tax on that, put their money into GICs and government bonds, earn a fixed rate of interest with no conflicts of interest financially while they serve the public.

These people are paid in the top 1% to 5% of salaries in the country. They have one of the best benefit and pension plans. How greedy are they? Do they really want to serve the public? If so, you have to leave your financial interests behind and cut ties to businesses. It's not just by leaving boards but by actually cutting your financial ties, because financial conflict of interest is the most serious type of conflict of interest. This law has to prevent them, prohibit them and penalize them. Otherwise, we are not a democracy.

That's what the Supreme Court has said in several rulings.

The Chair: You have 20 seconds left of the six and a half minutes.

Gurbux Saini (Fleetwood—Port Kells, Lib.): I am very concerned about the way Mr. Conacher spoke at the beginning when he said that the Liberals should not be looking at the prepared points.

Why are you picking on one party when there are members of the other parties sitting here? It seems you have a very biased opinion before you even start as a witness.

The Chair: I need a quick response to that, Mr. Conacher.

Duff Conacher: I watched the first two hearings and saw the questions asked by the various sides. That's why I expressed what I expressed, hoping that you will open your minds to the fact that this act currently allows unethical, corrupt behaviour. If you support it the way it is now, you are supporting that it should be allowed.

I had heard prepared questions and prepared statements. I'm hoping you're opening your minds to actually changing this act, finally.

The Chair: Thank you, Mr. Conacher.

[Translation]

Mr. Thériault, you have the floor for six and a half minutes.

Luc Thériault (Montcalm, BQ): Thank you, Mr. Chair.

Mr. Conacher, I just want to clarify my position: One of the pillars of my political commitment is to reintroduce ethics into politics, not the other way around. In that sense, I think we agree.

Several things bother me. I'm sure you'll agree with me when I say that ethics are more demanding than the law. It is often said that just because something is legal does not mean it is moral. The revision of the Conflict of Interest Act, which we are undertaking as members of Parliament, is serious work.

The first thing that bothers me about the position taken by the Conflict of Interest and Ethics Commissioner is the second objective he mentioned. He said that public officials needed help managing their conflicts of interest so that the most competent and qualified people could join the public service. To me, that is secondary. What is important is to define the criteria that we consider optimal so that there is no appearance of a conflict of interest and no conflict of interest. This is important because people's trust in institutions is at stake. Furthermore, is someone from the private sector more competent than someone who does not have money and does not come from the private sector? I don't think so. In my opinion, this is a position that should not be taken and is very secondary.

What do you think?

[English]

Duff Conacher: I would remove the other purposes from the act, because they contradict what the act is entitled. The Conflict of Interest Act is supposed to prevent conflicts of interest. The Supreme Court standard is that conflicts of interest have to be prevented to the point where the public not only perceives that the whole system has integrity but that it actually has integrity.

Unfortunately, the current Ethics Commissioner and past ethics commissioners, but especially the current Ethics Commissioner, Konrad von Finckenstein... If you focus on facilitating people with big business interests and investments entering public service as the main focus of the Ethics Commissioner and ignore that the purpose of the act is to prevent, prohibit and penalize conflicts of interest, you're essentially facilitating unethical behaviour that will corrupt policy-making.

This act is the Conflict of Interest Act. If it doesn't prevent, prohibit and penalize conflicts of interest, just get rid of it. It doesn't do that 99% of the time now. It's pretty much useless. It's a sad joke. Fulfill that purpose first. If you need to facilitate people getting into the business other ways, do it, but never in a way that sacrifices preventing, prohibiting and penalizing conflicts of interest.

• (1655)

[Translation]

Luc Thériault: This is something that really bothers me. They claim that there is no conflict of interest when it comes to general application. They talk about Mr. Carney, but that's one specific case. It's an unusual situation. We have never seen such a large apparent conflict of interest. I know you are aware of this, so I will not go back over these examples. We are faced with a scenario that should be studied.

Don't you think that certain profiles are incompatible with the office of prime minister?

[English]

Duff Conacher: Yes. We don't actually know whether we've had a situation like this in the past because there was even more secrecy before. Certainly, Paul Martin owned a shipping company and had many other investments. We don't know the extent of them.

We do know the extent to some degree in this situation. When it's the Prime Minister, you have another problem. All cabinet ministers, all cabinet appointees and staff, serve at the pleasure of the Prime Minister. When they have these conflicts of interest, does the cabinet not also share those conflicts of interest? How do you escape them?

Again, that's why the only solution is divestment, actual divestment, not these sham blind trusts that aren't blind and ethics smoke-screens that just hide conflicts and don't prevent them. For the Prime Minister, it's even more important, because of the Prime Minister's power over other public office holders, who, again, all serve at the Prime Minister's pleasure.

[Translation]

Luc Thériault: It's not necessarily about focusing on the Prime Minister. He was elected, but it was under a law that was full of loopholes. Today, we must try to ensure that this does not happen again without the individual having to choose between becoming prime minister and ensuring that they are not caught up in a web of potential conflicts of interest. That's no small thing.

Let's say I'm the head of Brookfield, which has interests everywhere, and I introduce Bill C-5, which says we need to rebuild Canada's economy because we're in a tariff war. This was presented as if there were a link between the two, when in fact there is no link at all. Once we reach an agreement on the Canada–United States–Mexico Agreement, or CUSMA, there will no longer be a problem and everyone will be able to continue with their activities. Now, as luck would have it, I have a financial interest in all of these investments. With the blind trust, I don't know how much I will gain from these decisions, but I do know that I will gain.

Is the filter sufficient? What kind of filter would be needed? Shouldn't we expect the Office of the Conflict of Interest and Ethics Commissioner to periodically monitor how the two people under Mr. Carney's supervision are managing the conflict of interest filter?

[English]

The Chair: I need a quick response, Mr. Conacher, please, if you don't mind.

Duff Conacher: I had mentioned that tomorrow the Ethics Commissioner could require full transparency in how this ethics smoke-screen is working. Every time you step aside, you have to disclose it, which is what the act says and requires. Get rid of the smoke-screen, and let's have transparency.

It's going to show the “general application” and “broad class of persons” loopholes, which mean that Prime Minister Carney is never stepping aside. He's taking part in all sorts of decisions that affect Brookfield and other companies he's invested in.

• (1700)

The Chair: Thank you, Mr. Conacher.

[Translation]

Thank you, Mr. Thériault.

[English]

That completes our first round.

We're going to the second round, and I am sticking on time.

We're going to start with Mr. Hardy for five minutes, followed by Mr. Sari, but we are going to be on time for each line of questioning.

[Translation]

Mr. Hardy, you have the floor for five minutes.

Gabriel Hardy (Montmorency—Charlevoix, CPC): Mr. Conacher, thank you very much for being here today. Your dedication to ethics over the past 32 years is very honourable.

Do you consider the Prime Minister's personal investments to be a serious ethical issue? I think we know the answer, but I would still like to hear your opinion.

Duff Conacher: Can you repeat your question? My earpiece isn't working.

Gabriel Hardy: Okay. Do you think the Prime Minister is currently in a blatant conflict of interest, whether apparent or actual? The way you analyze it, do you see a lot of conflicts of interest?

[English]

Duff Conacher: Yes, the Prime Minister, pretty much any time he's making a decision that affects businesses in Canada, is in a financial conflict of interest.

[Translation]

Gabriel Hardy: Do you think our current structure is able to handle a conflict of interest? Do you think the Conflict of Interest and Ethics Commissioner is equipped enough to deal with a situation like this that has never been seen before?

[English]

Duff Conacher: The Ethics Commissioner has recommended expanding the number of secret investments you can have. He views an investment in an ETF, because you don't control it, to not be a financial conflict of interest. Of course, it is. Just because you don't control it...but you know what it's invested in. An ETF can be industry-specific, so can a mutual fund, and he wants to allow those to be invested. He also wants to expand the “broad class of persons” loophole to match what is in the MP code.

Both of those are going to weaken the act and make it even more possible to participate in decisions when you have financial conflicts of interest and to have secret investments—which you know about but the public doesn't know about—that cause financial conflicts of interest. He's saying, “No, when you're making a general decision, you're not in a conflict of interest because it's not about one company.” Yes, it is, because it's about your investments and you could profit from that decision. His attitude is negligently weak, unfortunately, concerning conflicts of interest, and he enforces the Conflict of Interest Act.

[*Translation*]

Gabriel Hardy: Do you think that, for the first time in history, the door is being opened to people who enter politics to use the system to enrich themselves and further their personal interests rather than those of Canadians? Are we trying to attract these people instead of people who are truly committed to improving the living conditions of Canadians in every province? Do you think that a loophole is being opened?

[*English*]

Duff Conacher: Yes, very much so. Hopefully, the committee will look at the entire list of “dirty dozen” loopholes, close them all and also strengthen enforcement in key ways—and the penalties. There are zero penalties. The Ethics Commissioner has recommended a maximum \$3,000 fine. That's meaningless, as most of these people the act covers are making \$220,000-plus. A maximum \$3,000 fine is not going to discourage anyone.

[*Translation*]

Gabriel Hardy: I'm glad you brought this up, because I wanted to talk about it.

In our system, the consequence of a demonstrated conflict of interest is like a slap on the wrist compared to all the money the conflict of interest may have brought in. I gather you think the conflict of interest laws should be much stricter.

For example, if someone made money on the backs of Canadians, not only should the person have to pay it all back, but they should also have to pay a penalty based on a percentage of the amount that was paid back. In short, we should be stricter.

[*English*]

Duff Conacher: Yes, the laws across Canada for parking illegally are more clear and effective, the fines are higher and parking illegally almost never causes a problem, except when you're in front of a hydrant and there's a fire—then your windows get broken by the firefighters. The laws for parking illegally across Canada are stricter and stronger, and the penalties are higher for violating them than for violating this law, even though it's one of the most important laws protecting democratic government in Canada. That's why I call it a sad joke of a law.

It also doesn't apply 99% of the time, so it's almost impossible to be in a conflict of interest. When you're caught, you get a report saying you're in a conflict of interest. There has to be a sliding scale of penalties that are mandatory and go up with the more power you have, to really discourage these violations.

Also, all the loopholes have to be closed. If apparent conflicts of interest were added to the act, it would be meaningless because you're still allowed to be in an apparent conflict of interest 99% of the time. Unless you close the “general application” and “broad class of persons” loopholes, you are doing nothing to change the status quo, which allows for unethical, corrupt behaviour.

• (1705)

The Chair: Thank you, Mr. Conacher.

[*Translation*]

Thank you, Mr. Hardy.

[*English*]

As a former firefighter, there were lots of times when I wanted to break the glass of cars that were parked in front of a water main. I never did, though.

Monsieur Sari, go ahead.

[*Translation*]

Abdelhaq Sari: Thank you, Mr. Chair.

Mr. Conacher, thank you for your testimony and for being here today. You mentioned parking regulations. Unfortunately, in Canada, people don't always respect them, or for that matter the lanes reserved for firefighters and buses.

That said, one of my colleagues and you said today that the ultimate goal was to avoid or outright eliminate what is called “the appearance of conflict of interest”.

Can you tell me quickly, yes or no, whether it's possible to eliminate the appearance of a conflict of interest?

[*English*]

Duff Conacher: It is a perception standard. It is subjective, but you do have an enforcer of the law who would be making the decision as to how a reasonable person, reasonably well informed, would view the situation. The Ethics Commissioner would be the one drawing the line.

It does exist in British Columbia as a standard in their conflict of interest act for members of the B.C. legislature.

[*Translation*]

Abdelhaq Sari: Yes, but it's a perception standard or decision, as you said yourself.

I want to go back to the terminology itself. This is very important, because we are talking about the technical details, which is your area of expertise.

The term “general application exemption” is often, as you rightly said, a loophole. This makes it possible to set aside the interest analysis, including the pecuniary component, which is significant. As an expert in the field, what specific, less subjective and operational replacement language would you recommend?

The Chair: One moment, please.

Luc Thériault: There is a technical problem with the interpretation.

[English]

Duff Conacher: This is not working.

The Chair: We'll have to take a time out here and figure out what's going on.

[Translation]

I've stopped the clock, Mr. Sari.

[English]

We'll make sure everything is working.

[Translation]

You can try again now.

Abdelhaq Sari: I can do a little test.

The Chair: Yes, please.

Abdelhaq Sari: Hello, Mr. Conacher. Can you hear me okay?

The Chair: I think we're good now.

Mr. Sari, I stopped the clock at three minutes just now.

Abdelhaq Sari: I'll be sharing my time with Ms. Lapointe. I just want to get back to my question and then I'll let her take over.

The Chair: Okay. In my notes, Ms. Lapointe's name is last.

Abdelhaq Sari: Okay. In that case, I will not be sharing my time with her.

The Chair: You have three minutes. You may begin.

• (1710)

Abdelhaq Sari: Mr. Conacher, the general application exemption is often seen, as you rightly said, as a loophole. This makes it possible to set aside the interest analysis, including the pecuniary component, which is significant.

What replacement language, technically specific and operational, would you recommend so that it can no longer neutralize the assessment of a material interest that is pecuniary, predictable and separate from any decision-maker?

[English]

Duff Conacher: With regard to the “general application” loophole, certainly if you have any kind of financial interest you should not be able to participate in the decision-making process, even if it does apply generally. That would be a solid line to draw that would improve things greatly, but again, a divestment of investments is the real way to solve that problem.

If you have an interest with a broad class of persons and entities, you could define the list there. Obviously, taxes are changed. Taxes apply to everybody. There are income taxes and some other taxes. That could be one of the defined things where you're allowed to participate. However, if you had a specific financial interest or other type of private interest that would in any way distinguish or have a significant effect for you beyond what would affect an average person, then that would be another line that could be added to those provisions to narrow them down so that the law applies more than just 1% of the time.

[Translation]

Abdelhaq Sari: I will give an example that is of interest to all Canadians, the key interest rate. I know that, fortunately, most Canadians also have RRSPs and know where those RRSPs are invested. If I understand your position correctly, since these people know the companies in which they have invested, they should sell their RRSPs or get rid of them. If that's the case, I don't think a lot of people would run for office.

[English]

Duff Conacher: They would if they had an exemption from the tax implications of doing that, and then they could invest in GICs and government bonds for the time period that they are serving the public, which would give them a fixed percentage return. They could then return to having their financial interests that are specific to them after they leave. I don't see any problem with that.

If good people want to serve the public, they should be happy while they are serving the public to leave their financial conflicts of interest and effectively set them aside. If not, they are essentially saying, “I want to have the opportunity, which the act currently allows, to profit from my decision-making and my role as a person serving the public. I want to serve myself just as much.” You don't want people like that in office; you want good people who want to serve the public.

The Chair: Thank you, Mr. Conacher.

[Translation]

Thank you, Mr. Sari.

We have 15 minutes left.

Mr. Thériault, you have five minutes to ask your questions. Then it will be the Conservatives' turn, then the Liberals'.

Luc Thériault: Thank you, Mr. Chair.

I'll bring up the topic of recusal. Let's say it happens 1% of the time. In the case of the conflict of interest screen that the commissioner put in place, the recusal itself is managed by the Prime Minister's chief of staff and the Clerk of the Privy Council. This is not a recusal by a mere minister at the cabinet table. The Prime Minister appointed these people. Can we really believe that the ministers at the table will make decisions that go against the Prime Minister's intentions and interests? Isn't there something nonsensical or inadequate here?

A minister may be in a conflict of interest because they have a company that bids on a call for tenders. In such a case, if the Prime Minister is in the room and thinks there is a conflict of interest or the appearance of a conflict of interest, the minister in question will leave the room and the contract will not be concluded. However, the Prime Minister is the person who makes all the political decisions.

The new Prime Minister has just opened the door to potential conflicts of interest. Shouldn't we be stricter and more rigorous with people who hold the position of Prime Minister? Also, what is a recusal really worth?

• (1715)

[English]

Duff Conacher: Yes, it is a difficult problem when it is the Prime Minister because of the number of people who serve at the Prime Minister's pleasure. Even if the Prime Minister recused himself, people would know what his interest is, mostly because of the disclosure. Would they go against him? They would be in a conflict of interest when doing so because they serve at his pleasure, which means serving to please him. He's the boss in this situation; hopefully, sometime in the future we'll be able to say, "She's the boss."

Again, the solution with investments is actual divestment: selling them. Anything less and you'll leave this situation where conflicts of interest are allowed and legalized—including the worst kind, which are financial conflicts of interest—through the decision-making process, and that's going to taint it.

As an aside, I'm very surprised that Mr. Carney has created this situation. He could have cashed out his investments and he would still have had millions. He would have been fine for the rest of his life investing in GICs and government bonds. Instead, he's created a situation where pretty much every week someone in the House can stand up and ask, "Did you participate in this decision? You have an interest in it." Why would he want every single policy and decision he's making to be tainted by this when he could have easily removed the problem in the only effective way that it can be removed?

Again, it was recommended by a federal government task force in 1984 and in 1987 and has been ignored ever since.

[Translation]

Luc Thériault: You're talking about the Parker commission and the Starr-Sharp task force, among others.

In your opinion, why didn't we go in that direction? Why has it become more and more permissive over the years?

[English]

Duff Conacher: I can only guess that it was like, "Well, good people are wealthy people and wealthy people are good people, and we want them in office, so we have to facilitate their coming into office. Why would we think about some system, like giving them a tax break, to get rid of their financial conflicts? Let's just let them have the financial conflict of interest. Keep it secret initially. Now it's disclosed, but it's still there." They design the act so they can still do whatever they want.

What can I say? Politicians write the rules for themselves. They wrote rules that work for them so that they can profit from their decisions. No party has stood up and said to stop it for everyone, because it also has to be for opposition party leaders, who are almost as powerful in a minority government and who can introduce bills that can pass because the opposition parties hold the majority of seats in a minority Parliament. It has to be on a sliding scale, but you have to remove these financial conflicts of interest for everyone if they have any decision-making power at all.

I don't know. Again, you would not be able to find the discussions as to why these loopholes have been left open since 1984.

The Chair: Thank you—

Duff Conacher: I guess cabinet minutes would be disclosed now—30 years have passed—but they wouldn't give the details as to why.

The Chair: Thank you, Mr. Conacher.

[Translation]

Thank you, Mr. Thériault. Your five minutes are up.

[English]

Mr. Majumdar, you have five minutes. Go ahead, please.

Shuvaloy Majumdar (Calgary Heritage, CPC): Thank you.

Sir, I sense your frustration. In the interest of time, I'm going to ask you some quick questions, if that's okay, for some clarity. You've raised a lot here.

When Prime Minister Carney set up his blind trust, he knew exactly what went in it. Is that correct?

Duff Conacher: Yes.

Shuvaloy Majumdar: It's unlikely that the assets that went into the blind trust have changed significantly in such a short period of time. Is that correct?

Duff Conacher: Ethics Commissioner von Finckenstein acknowledged that most trustees will not change their holdings, so I agree with that. They won't, and even if they did, they're going to be investing in big businesses in Canada, and you're going to know that they're investing in big businesses in Canada. We have conglomerates, industry sectors, that are dominated by big businesses, and you're going to be invested in them because that's what everyone in Canada invests in.

Shuvaloy Majumdar: I spent some time in the investment world before I put my name on a ballot. He co-lead efforts to raise billions of dollars of capital for these funds. Is that correct?

Duff Conacher: Yes.

Shuvaloy Majumdar: The holdings in these funds have not been disclosed to the public. Is that correct?

Duff Conacher: That's right, not all of the details.

Shuvaloy Majumdar: That's remarkable, but the Prime Minister knows what's in them. Is that right?

Duff Conacher: Yes.

Shuvaloy Majumdar: Okay, let me just try to get a sense of this. These aren't some sort of middle-class holdings. These aren't the modest savings of somebody who is making their way through the world. These are millions of dollars, to our best estimation. Is that correct?

• (1720)

Duff Conacher: Yes, according to the best estimate, including the value of the stock options.

Shivaloy Majumdar: Would you say that the Prime Minister is entitled to future carried interest payments based on the performance of those funds?

Duff Conacher: I wouldn't say the infamous phrase that he's entitled to his entitlements, but yes, he's entitled to that and to the value of the stock options when they eventually mature in 2033-34.

Shivaloy Majumdar: It's a remarkable throwback. I appreciate that very much, sir.

Let me ask this. In New York, when the Prime Minister was there just last week, he met with a variety of investment managers, all of whom are implicated in funds that he holds. That places him in a pretty precarious position of conflict. Is that correct?

Duff Conacher: Yes.

Shivaloy Majumdar: Now, if it's highly likely that Mark Carney's Liberal government has made or will make public policy decisions that will impact the success of the holdings in these funds, Canada is at risk of entering a massive conflict of interest scenario. Is that correct?

Duff Conacher: In Canada's policy-making process...? Yes, because of the central role of the Prime Minister, who is, in the end, the boss over all policy-making processes.

Shivaloy Majumdar: Mr. Conacher, shouldn't the Prime Minister be absolutely required to disclose the assets that exist within these funds?

Duff Conacher: Yes, there should be full disclosure. It adds a bit of transparency, but it doesn't resolve the conflict of interest. Transparency is transparency, and removing a conflict of interest is removing a conflict of interest. The one does not do the other.

Shivaloy Majumdar: It's a devastating indictment that you've laid out here in terms of the risk that the Prime Minister is in. It's very well documented. In your research, have you been able to identify another Prime Minister who may have been anywhere remotely close to this level of conflict?

Duff Conacher: The only one we know the details about, because there was not disclosure of investments until the act came into effect, is former prime minister Paul Martin with his shipping company and other investments. We did not know the details. We just knew for sure about the shipping company. It was a conglomerate itself.

Otherwise, no, we don't know of any Prime Minister being in this kind of position because of secrecy in the past.

Shivaloy Majumdar: I appreciate that.

Let me thank you for your testimony today. Let me thank you for your riveting honesty and for your clarion call for accountability and transparency in something that obviously poses a great risk to the integrity of our government.

Thank you very much, Mr. Conacher.

The Chair: Thank you, Mr. Majumdar.

[Translation]

Ms. Lapointe, you have the floor for five minutes.

Linda Lapointe (Rivière-des-Mille-Îles, Lib.): Thank you, Mr. Chair.

Welcome to our committee, Mr. Conacher. It's nice to meet you.

You stated before this committee in 2020 that blind trusts should be banned—and you said so again today—as should conflict of interest screens. Some of your concerns were around potential conflicts of interest in those situations. However, in his presentation to this committee a few weeks ago, the Conflict of Interest and Ethics Commissioner expressed concern that such measures could discourage people from certain backgrounds, particularly in the private sector, from running for public office.

Do you share that concern?

I'm going to make a connection with what you said earlier. You seemed to be saying that good people who want to serve the public sector should not come from the private sector. I'd like you to tell us more about that.

[English]

Duff Conacher: I'm sorry. I didn't catch the end.

I think more good people would be encouraged to enter politics if they knew that the ethics standards across the board were strong for everyone. Then, knowing that conflicts of interest are prevented, prohibited and penalized, and therefore discouraged, they would know they wouldn't be tainted as being guilty by association with some other public office holder who is there to serve themselves and is caught and exposed.

Again, I think it's entirely possible through tax breaks to create an incentive for people who are wealthy and have investments to enter the public service. Just give them a tax break for serving the public on the capital gains they have from their investments. That would be a great financial windfall for someone entering the public service. Invest in GICs and government bonds, earn a fixed rate of interest while you're here, serve the public and then leave. When you leave, go back to serving yourself.

• (1725)

[Translation]

Linda Lapointe: You talked about the perception that a person is subjective. I come from a family that had businesses, including a family business. You're saying that people should sell their family business before they go into public service. For them, it would be the end of the company and they would have to start from scratch once they left the public sector.

I think what you're suggesting is quite harsh. You're saying that people are all subjective and have bad intentions as soon as they run for office and put their name on a ballot.

[English]

Duff Conacher: No. I'm sorry. I've never said that everyone has bad intentions. What I've said is that you need to have a system that prevents, prohibits and penalizes conflicts of interest. You need a system that the public will have confidence in and perceive that it has integrity, and a system that actually has integrity.

There would be an exception, and thank you for pointing this out. As the Parker commission set out, you would not have to sell a family business, but you would have to recuse yourself whenever you're in the appearance of a conflict of interest concerning that family business with no exception—no “general application” exception and no “broad class of persons” exception.

That's what Justice Parker recommended, because of course you can't penalize your entire family by forcing the sale of a family business just because you've decided to enter into public service.

Otherwise, in terms of investments and shares and other financial instruments, the rules should be divestment, as the two federal government task forces that were set up to look at this issue in the last 40 years both recommended.

[Translation]

Linda Lapointe: Thank you.

I'm going to continue in the same vein because I sincerely believe that the House of Commons benefits when people come from different backgrounds and have different experiences. I think we have to find and attract different people.

Your organization has been gaining experience and skills for 32 years. Which country are you looking toward to come up with the conflict of interest rules that you would like us to look at?

What do you have in mind?

[English]

Duff Conacher: Actually, there are two international standards. As I mentioned, politicians write the rules for themselves, worldwide, and generally have written rules that facilitate these kinds of financial conflicts of interest. However, the international standards that Canada signed on to, under the United Nations Convention against Corruption, state that conflicts of interest need to be prohibited, prevented and penalized. You don't have a law that does that now. You know about it; MPs have known about it for 28 years, which was the first time I presented on this. No one has done anything about it.

If you look at the polls that show only about 20% of Canadians trust politicians, you shouldn't wonder why. You know a law allows for financial conflicts of interest and unethical activities. All the federal parties have known about it for 28 years, in detail, and they have not closed any of the loopholes. In fact, they've increased the loopholes. Why would the public trust politicians when they know that they're leaving these kinds of loopholes open.

[Translation]

Linda Lapointe: Someone mentioned Tanzania the other day.

You never suggest other countries' rules?

[English]

Duff Conacher: There are some countries that have put in place certain standards, but they're not complete and not very specifically focused on the loopholes that are in our law, which are specifically designed with this idea of the ethics screens, and things like that. Those are Canadian creations, so the reforms that we need to implement in Canada need to be designed to close the specific “dirty dozen” loopholes in our law.

The Chair: Thank you, Mr. Conacher and Madame Lapointe.

Mr. Conacher, I have one question, and it relates to something that Mr. Majumdar asked. I can only cite this example because, over a period of a week, the Prime Minister said that he had met with institutional investors, investment bankers and community, both in New York and in London. As you are aware, the Prime Minister has 103 declared conflicts of interest. He was asked whom he met with, but he was rather evasive in that response.

Do you believe that Canadians have the right to know, given the scope and scale of the conflicts of interest that the Prime Minister has declared, whom he met with and why? Why do you think that?

• (1730)

Duff Conacher: Yes. Even if there wasn't this scope of conflicts of interests, I think the public has a right to know what public officials are doing on the job, including who they're communicating with, in detail, especially when you have financial conflicts of interest, which again are the worst types of conflicts of interest. You need full transparency.

I suggested as well, for the ethics screen, how much more transparency could be added tomorrow by the Ethics Commissioner if the Ethics Commissioner were taking the issue of financial conflicts of interest seriously.

The Chair: Thank you, Mr. Conacher. That concludes our first hour of testimony. I want to thank you for being here today.

We're going to suspend, briefly. I understand Mr. Stedman is online and ready to go. I see our other witness is here as well.

We're going to suspend for a couple of minutes and prepare for the second panel.

Thank you.

• (1730)

(Pause)

• (1735)

The Chair: Welcome back, everyone, to the greatest show on earth.

I'd like to welcome everyone for our second hour.

Appearing as individuals today, we have Ian Stedman, who is an associate professor at York University. Lori Turnbull is also here. She is a professor in the faculty of management at Dalhousie University.

Mr. Stedman, I'm going to start with you. You have up to five minutes to address the committee.

Go ahead, sir. Thank you.

Ian Stedman (Associate Professor, York University, As an Individual): Thank you so much.

Good evening, everyone. I'm sorry I can't be there in person with you. Let me start by thanking the members of this committee for inviting me to contribute to this review of the act.

The issues outlined in the motion are very familiar to me. I've had occasion to think about them quite a bit over the past four or five months. I'm glad to see that you've also had a chance to speak to Dr. Conacher. That's nice. There are some matters on which I will align with your other witnesses, including both Dr. Conacher and Dr. Turnbull, and there are some on which I have a different perspective to offer.

Let me start by saying that I think that every elected official needs to care about avoiding the perception of being in a conflict of interest. It's no longer good enough to do good; you must—and I'm sure I don't have to tell anyone here this—be seen to be doing good.

Should the commissioner be given the power to investigate allegations of potential or apparent conflicts? Eventually, yes, is my opinion, but I think that this should be a multistep development. I would first like to see the act amended so that it is clear that the commissioner can and should be giving advice about potential and apparent conflicts. I think we need to establish some strong behavioural customs, and then we should revisit whether and how to enforce the avoidance of potential or apparent conflicts.

First, we have to socialize the new standard quite well—advice now, enforcement later.

This ability to give advice about compliance with the act and about avoidance of conflicts—whether real, perceived or potential—could extend to candidates for public office. The commissioner's office should be available for consultation with candidates, and parties should encourage, if not require, that serious candidates consult with the office. In making that recommendation, I do worry about overburdening the commissioner's office without also providing that office with adequate resources. However, I think the office should definitely be available for anyone seriously considering becoming a candidate or taking a position or an appointment.

The commissioner's office would be able to tell people what is and isn't covered in the ethics rules, but then it could also give them advice about how to get their affairs in order and advice about what being seen to be doing good might look like for them in particular. I would hate to think that some people are becoming candidates or accepting positions without having their eyes wide open to the unique challenges of public life, which your previous witness explained quite a bit about.

Speaking of candidates, I do think that the ability to get this kind of advice should also apply to leadership candidates, even if they don't currently hold a seat. Of course, the Ethics Commissioner should be expected to meet with them to discuss their obligations, and those obligations should be at least the same as they are for elected officials currently under the act.

Should the rules for leaders be more onerous? That's probably the biggest question everyone has been trying to wrap their head

around lately. Are blind trusts good enough? That was very much the theme of the previous hour. This is where I might differ from your other witnesses.

I don't think that blind trusts are enough to make it so that a public office holder can no longer make decisions that they will benefit from. As Dr. Conacher noted, the only way to do that is to have no assets at all and, as Mr. Poilievre suggested, to force all market assets to be liquidated and the resulting cash put in a blind trust for an arm's-length trustee to then reinvest. That's the only way the public office holder would not know what's going on. I think that this should be an option, but I don't actually think it's an appropriate or suitable approach for every circumstance.

Currently, we do have a very interesting case of a Prime Minister having options in a company that has an interest in basically every major industry of our economy. Depending on the potential value of those options, is someone really going to give them up for the privilege of taking on public office? I think that's a tough question, and we really don't have much data on it. As Dr. Conacher noted, we haven't had anything like this in the past that we can point to. We haven't learned from anything similar. My guess is that forcing the sale of assets, particularly a robust portfolio of unique assets, might serve as a disincentive to people running for office.

For me, the better route is to educate all candidates about what makes public service ethics different from other domains of ethics so that they can understand what the risks are and make informed choices about what kind of scrutiny might be coming their way if they take office with their assets in their current order.

● (1740)

Next, let me address the question of whether we should enhance transparency.

My answer to this is always going to be yes, but I do think it has to be within reason. As a member of the general public, I don't need to know what a member's brother's father-in-law does for a living, but I do need to be reassured that the member knows they're not to make decisions that improperly benefit their brother's father-in-law. I need to be reassured that they have received adequate education about the expectations we have of them so I can feel like it's okay to be angry with them and hold them accountable if they do the wrong thing.

The Chair: I'm going to have to stop you there. We're over the five minutes, Mr. Stedman. Maybe you can pick this up through the line of questioning, but thank you for that.

Ms. Turnbull, welcome to the committee. You have five minutes to address us. Thank you.

Lori Turnbull (Professor, Faculty of Management, Dalhousie University, As an Individual): Thank you very much for having me.

I will start by saying that ethics regulation, as you all know, is important and complicated work. There is a lot of room for robust dialogue and disagreement about how ethics regimes should be designed. There is no perfect way to do this. There is no way to rid the system entirely of ethical transgressions. There will always be debate about where the line is. No matter how well crafted the rules are, there's no substitute for good judgment. An individual's own ethical compass is always going to be a much greater determinant of their actions than any code of conduct.

When we create and revise conflict of interest and ethics rules for politicians and public office holders, the goal is obviously to protect the public and protect the public interest. Those who occupy public office are also private citizens with interests of their own. We want to make sure that elected officials' private interests do not affect public policy and do not take precedence over the public interest, so we ask elected and public officials to accept certain rules, constraints and responsibilities to maintain a healthy and transparent separation between their public roles and their private interests. The specifics of these responsibilities are going to depend on the kind of role they play; for a cabinet minister, it's going to be different than for a backbencher.

The ethics regime has been adapted over time, often in response to new events, new circumstances and new people. Sometimes there's controversy and it will get a lot of media coverage. If there's a scandal that grips the public's attention, there's a sense that there must be something wrong in the rules or there's some loophole that needs to be closed.

Sometimes, where there's smoke, there's fire, but not always. All public office holders have their own personal circumstances and they interact with the ethics regime in unique ways. Some people have fairly straightforward financial portfolios and likely wouldn't need an ethical screen even if they held the highest public office. Other people have significant financial holdings or they have had leadership roles in the private sector, which could result in the need for a more in-depth effort to separate out their public responsibilities and their private interests.

Others still have relationships, as opposed to financial circumstances, that give rise to a sense of conflict of interest or potential impropriety of some kind. We tend to focus on finance when we talk about conflicts of interest, but sometimes social circumstances can also cause the public to be concerned about whether or not people are acting appropriately.

I'm going to try in a couple of minutes to address some of the issues that the committee has been talking about in recent days.

First, I think I understand the concern about blind trusts. The problem, I think, is that the public office holder is not completely blind. You know what you own when things go into a blind trust. The public is blind, though, because the specific circumstances of blind trusts and ethical screens are not available to them. They get the general; they don't get the specifics. There are trade-offs, obviously, between the public's right to know and the individual's right to privacy when it comes to their financial holdings and those of their family. It's not a small thing. Overreach with respect to disclosure and asset management can deter some people from holding public office. I don't gloss over that. I think it's very important. It is

important to remember that ethics regimes exist to enable people's participation in politics, not to make it impossible and not to make it undesirable. Access to political office, as you know better than I do, is important. We want to make sure that's real.

Questions have been raised about whether ethics rules should apply to leadership candidates. Leadership contests are run by political parties for the most part, as you know, with Elections Canada having an oversight role when it comes to the flow of money, because there are limits about what you can give, how much you can give and who can give. That's fine. In other words, this is not the wild west and it's not totally lawless. To expect leadership candidates to disclose their assets would be to place an undue burden on candidates who at that point are private citizens, unless they are elected or members of cabinet already, in which case they are already subject to an ethics regime. However, as private citizens and as candidates alone, they have no power. They're not making decisions on behalf of the public. They're not directing finances. They're not doing any of that, so disclosure requirements at that point would have no public purpose and serve no public value.

However, if it's the case that you're looking for a loophole—and this sort of thing doesn't keep me awake at night, but if it does—there might be one here given the fact that opposition party leaders are not subject to an ethics regime in the event that they are not part of the executive. If somebody is running for leader of an opposition party and they win, if you're not the government, you're not subject to the Conflict of Interest Act. To the extent that you want to worry about this person perhaps becoming Prime Minister soon in the event there is a defeat of the government and there's a replacement by a new person, maybe that's a loophole, yet the person would be subject to the Conflict of Interest Act in the event that they became a member of the executive. I'm not stressed out about any of that.

I'm going to stop because that's my five minutes.

• (1745)

The Chair: Thank you, Ms. Turnbull. That avoids my having to stop you, which I appreciate. It's the worst job in the world, especially when someone is saying something as interesting as you and Mr. Stedman are. I hate doing it, but I have to stay on time.

Mr. Cooper, you're going to start us in the first six-minute round. Go ahead, sir.

Michael Cooper: Thank you very much, Mr. Chair.

Professor Stedman, I want to ask you some questions about the Prime Minister's so-called ethics screen. This so-called ethics screen encompasses 103 different companies, including Brookfield. These companies engage in everything from energy to ports to transport to infrastructure to fishing—you name it. These companies are involved in all manner of activities that touch upon federal public policies and decisions that the Prime Minister could be involved in making.

Are you aware of any ethics screen that has been put in place that is as vast as the one put in place in respect of Mr. Carney, given the vast number of potential conflicts of interest that he is involved in?

Ian Stedman: The easy answer is no. There's no way I've ever heard of anything quite this broad.

Michael Cooper: Thank you.

This so-called ethics screen is being administered by the Prime Minister's chief of staff and the Clerk of the Privy Council. Given the large number of companies captured by the screen and the large number of potential conflicts of interest involving Mr. Carney, do you have any concerns about the practicability, on a day-to-day basis, of these two very busy people properly and effectively screening out conflicts of interest from the Prime Minister?

Ian Stedman: Absolutely. I was quoted on this several times when the election was happening. I have no idea how they'll be able to screen for all these things and continue to do their jobs at the same time. I wonder if there's some sort of automated process they have in place. I've said several times that it would be nice to know more about how they're going to operationalize this screen. I don't think we have any information about how they are actually managing to do this.

• (1750)

Michael Cooper: There's no transparency.

Pursuant to the ethics screen, just to be clear, Mr. Carney may still participate in discussions and make decisions affecting these 103 companies on most matters, even where he stands to personally and financially benefit. Isn't that right?

Ian Stedman: That's correct. The disproportionate clause that comes into his screen I've also commented on as being unique and something that we should learn more about. I think that came up with your previous witness too.

Michael Cooper: Speaking of the disproportionate clause, that is language that is not found in the Conflict of Interest Act—is it?

Ian Stedman: It is not in the act. Nope.

Michael Cooper: It's not defined in the ethics screen—is it?

Ian Stedman: No, it's not in the screen. It's the kind of thing that the trustees, I suppose, are supposed to figure out. It would be nice to know how they've defined it so that as a public that's interested in knowing more, we could also—

Michael Cooper: It's really going to be left to the Prime Minister's chief of staff and the Clerk of the Privy Council to interpret, on a case-by-case basis, whether or not there is a disproportionate interest. Is that right?

Ian Stedman: That's my understanding—absolutely.

Michael Cooper: Here we have an ethics screen that is unprecedented in scope and administered by two of the busiest people in government, who are making decisions as to what the Prime Minister sees and what he doesn't see, based upon an ambiguous proportionality standard. In the face of all that, what assurance do Canadians have that this so-called ethics screen is working?

Ian Stedman: It's trust and faith. I'm not sure you have any sort of documented assurance in any way whatsoever. You just have to

hope that we put someone in public office who acts with integrity, at this point.

Michael Cooper: Just to pick up on that, you can't point to any tangible proof—documents, disclosure, public filings—that would prove to Canadians that the screen is working. That just doesn't exist. There are no checks and balances.

Ian Stedman: There is no evidence suggesting, or we have no evidence demonstrating, that there's actually been a decision made with respect to the screen—period. It's just not something that there's a public reporting mechanism for.

Michael Cooper: Can you understand why Canadians would be skeptical about the effectiveness of the screen in light of all the issues you have identified, coupled with the fact that it is being administered by two people who answer to and are beholden to the Prime Minister, including his chief of staff?

Ian Stedman: I am equally skeptical, so, yes, I can understand why the public would be.

Michael Cooper: You spoke about transparency and the need for the Prime Minister to, at the very least, be transparent about how the ethics screen is working on a day-to-day basis. Am I correct?

Ian Stedman: Yes.

Michael Cooper: We've seen really no transparency. Is that fair?

Ian Stedman: That's fair.

Michael Cooper: The Prime Minister on the weekend met with investment leaders and business leaders in London and in New York. When he was asked who he met with and what companies they represented he didn't provide an answer. We don't know if these companies are connected to Brookfield or any of the other companies that are subject to the screen. We don't know anything about what those discussions were.

Should Canadians be concerned about the Prime Minister not coming forward and disclosing that information? Shouldn't he?

Ian Stedman: There's no obligation to. The question is whether there should be a moral standard to do so. There's no legal standard to do so. It does raise the question of whether or not we could go back and meet with the commissioner and talk about whether the screen is robust enough and has enough detail in it about how it should be implemented.

Michael Cooper: You spoke about transparency. I would submit that, consistent with that, it would be the proper and correct thing to do for the Prime Minister to disclose it. That would be consistent with being transparent.

Ian Stedman: There's a moral argument to be made. I agree.

The Chair: Thank you.

Thank you, Mr. Cooper.

[*Translation*]

Mr. Sari, you have the floor for six minutes.

Abdelhaq Sari: Thank you, Mr. Chair.

Thank you for your very interesting testimony, Dr. Turnbull. I would also like to take this opportunity to thank Professor Stedman.

I'd like us to talk about true, complete independence and the ability to achieve that. We agree that any system or institution depends on true independence. However, commissioners can be appointed.

Dr. Turnbull, what mechanisms should we put in place to change our model for appointing commissioners? Could multiple parties create short lists of candidates or could public hearings be held, for example?

• (1755)

[English]

Lori Turnbull: This is a really interesting question because I think the Ethics Commissioner's role can very easily become mired in political and partisan back and forth. Claims about whether someone has acted with integrity obviously can be highly political and partisan things. It's really good if there is some agreement among the parties about who the person is. I think it's good to have some agreement in terms of the qualifications that you want the person to have, and agreement among the party leaders about the role that the person will play. That way, the person isn't totally politicized in the event that they make a decision that some parties don't agree with.

[Translation]

Abdelhaq Sari: For a variety of reasons, these positions are sometimes vacant. How could we replace the acting commissioner? Have you identified mechanisms used in other countries or other organizations that could be applied here at home?

The Chair: The interpreters didn't understand what you just said, Mr. Sari. I'll stop the clock to give you time to ask your question again.

Abdelhaq Sari: We talked about appointments. Now we're going to talk about interim processes in the case of a vacancy or long-term absence.

How could we replace the commissioners? How could we find a person to fill the position, instead of bringing in acting commissioners?

[English]

Lori Turnbull: Sometimes in other jurisdictions, including within Canada at the provincial level, you can have another person who is an agent of Parliament who was appointed on a similar... You know, the person is non-partisan, the person holds certain credentials whether they're a judge or whatever, and they might meet the credentials for another appointment as well. They could hold over for a period of time while you choose someone. We can do something like that.

I wouldn't want to put a whole lot of emphasis on that and treat that too much as a solution in the event that this position is vacant. The Ethics Commissioner holds a very important and specific role when it comes to judgment about how these sorts of matters are going to be dealt with, especially because it's not the law. Sometimes we look at the importance of having a judge in this kind of role, but this is not about deciding whether the legal threshold has been met. It's about judgment. It's about public trust. It's much more nuanced. I think the choice of who plays this role is very important.

[Translation]

Abdelhaq Sari: In your academic work, you've highlighted the importance of a robust ethics enforcement mechanism. What do you think of the Conflict of Interest Act as it currently stands in 2025? Do you have any suggestions for us?

[English]

Lori Turnbull: I don't necessarily think that including a whole bunch of things in the act that aren't already there is going to solve all the problems. I admit that, when I was younger, when I started in all of this—and I wrote my Ph.D. dissertation on conflict of interest and ethics regimes for members of Parliament—I really felt then that the more things were enumerated, the more ethical everybody would be.

Now I know that's wrong. Now I know that there's not much you can do to force somebody to do what they are not inclined to do. You can't force someone to be ethical. You can't force someone to make the kinds of decisions the public is going to trust. It's a judgment call on that person's part. Of course there are things like bribery, fraud and breach of trust that are in the Criminal Code. That's a different level. Ethics is specifically a non-legal but very important space in the relationship between elected officials and the public.

• (1800)

[Translation]

Abdelhaq Sari: I would like to ask you a question that I asked your colleague earlier.

First, is it possible to eliminate apparent conflicts of interest altogether?

Second, if we establish an entire code of ethics, are we democratically opening the decision-making role to all Canadians?

[English]

Lori Turnbull: The piece around the appearance of conflict belongs in the code, not in the law.

Those of us who spend a whole bunch of time thinking about the regulation of ethics can spend time distinguishing between soft and hard approaches to ethics regulation. A soft approach is a conflict of interest code where the language is often aspirational: We want public officials to achieve the highest ethical standards. Your behaviour should be beyond reproach. You should be living at a level that is above typical citizen level. It should be really beyond reproach, because you have a very special responsibility in terms of protecting the public interest. Sometimes people talk about the smell test. That's what's there: Your behaviour should always pass the smell test.

Enforcing that into a law is a different thing. I think the appearance of conflict of interest is problematic. It can cause a trust problem with the public. There's a reason to enumerate that in a code. Enumerating it into a law starts to create problems in terms of back and forth around whether there's really an appearance. How do you get into the legalities of that? If you're going to start fining people in terms of administrative monetary penalties, that's messy to me, and it misses the point.

The Chair: Thank you, Ms. Turnbull.

[*Translation*]

Thank you, Mr. Sari.

Mr. Thériault, you have six minutes.

Luc Thériault: Thank you.

Professor Turnbull, is ethics more stringent than the law?

[*English*]

Lori Turnbull: Yes, because I think the threshold around the public's expectation about what it means to be ethical is not going to be met by compliance with a law. The public expects more than that. That's why we have ethics rules in the first place. We didn't always have an ethics regime. We didn't always have a code of conduct for members of Parliament. That has just been in the last 20 years or so.

It's because sometimes, even when people act in accordance with the law, there's a sense that it's still not right. It's still not enough for the public to feel that they I trust you, that they trust you with their money and they trust you with the policy decisions that are going to affect them and their family. It's very important, I think, that ethics and law are not the same thing.

[*Translation*]

Luc Thériault: It's often said that just because it's legal doesn't mean it's moral.

We need to revise the act. We are dealing with a very unusual scenario, the situation of the new Prime Minister. It's unheard of. Professor Stedman admitted that, and we can agree on that very objectively. When I say that, I'm not playing politics. I just see that ethically, as Professor Stedman was saying, it's not just about doing good; it's also about looking good in the eyes of the public.

What would it take to achieve that goal, in your opinion? You're saying it's not necessarily the law or legal constraints that are going to get us there.

Also, is what currently exists sufficient, given the scenario I'm talking about?

[*English*]

Lori Turnbull: There has been a lot of attention paid to the Prime Minister's pre-political life. He came to this role, it seems, very quickly. The former prime minister stepped down, there was a leadership race and, all of a sudden, Prime Minister Carney is the Prime Minister. It happened very quickly, and I think the public didn't get a lot of time to get to know him, necessarily, but what they are left with and know about are his role in the private sector, the kinds of things he did, the offices he held and a bit of information about what his financial holdings look like. Now he's had to put that out in public in a certain way.

I don't necessarily know that the ethics regime is not able to handle that. His case is unusual, yes, and the kinds of holdings he has and positions he's held, of course, those things are unusual. I suspect that's probably what contributed to his political success in the first place. He's an unusual case in that he has a much longer list of things he has to recuse himself from, put up a screen about or put in

a blind trust. The point of the ethics regime is to enable his participation, as it would for anybody else who has been successful in the private sector.

• (1805)

[*Translation*]

Luc Thériault: However, is it enough?

Right now, some experts are telling us that, when it's of general application, there is no problem with conflict of interest or the appearance of conflict of interest. Is that sufficient? What should be done?

[*English*]

Lori Turnbull: We think it's not enough. If the public has an issue with it, they'll let people know. I don't get the sense, personally, that there's a widespread sense that the Prime Minister is in public office for the wrong reason. If he really cared about money all that much, I suspect he would have stayed in the private sector. I suspect he's leaving money on the table by being in the role he's in.

[*Translation*]

Luc Thériault: You'll notice that I'm not naming him, but I'm trying to use him in a scenario.

I'm not naming him, except that, you'll agree with me, the position of prime minister should be subject to greater requirements than that of a mere minister or an ordinary member of Parliament. It is quite easy to see if ordinary members of Parliament are getting themselves into hot water with a conflict of interest problem, since they are not running the country, setting the country's economic directions or meeting with lobbyists around the world.

Shouldn't there be more transparency, then, given the fact that this is an unusual scenario? There's a difference between a member of Parliament, a minister and a prime minister, even for an accusation. Is that enough, or should more be done?

I understand that we can always impute motives and play politics with ethics. Personally, I want to do the opposite. We have a job to do. What do we need to do?

You seem to be saying that it's like squaring a circle and that it won't work. I think the current law is insufficient. The proof is that the situation we are currently in has not been properly regulated and is beyond us.

The Chair: Mr. Thériault, you have completed your six minutes.

Maybe we can come back to that question later.

Luc Thériault: However, I asked a question.

[*English*]

The Chair: If you can give me a very brief response, Ms. Turnbull, I would appreciate that—very brief, please.

Lori Turnbull: You can't create ethics rules around individuals, ever. That's not the point.

The Chair: Thank you.

That completes our first round.

[*Translation*]

Excuse me, Mr. Thériault, but your turn to speak lasted six minutes and 45 seconds.

We will now begin the second round.

You have five minutes, Mr. Hardy.

Gabriel Hardy: Thank you, Mr. Chair.

Thank you, Professor Stedman and Dr. Turnbull.

I'm going to pick up where my colleague left off.

In a response, you said that in the current scenario, the Prime Minister could have stayed in the private sector, because it would have been more profitable for him to do so than to get involved in the public sector. That applies to the extent that someone wants to share their knowledge with the country. Everyone agrees on that.

However, could there be a scenario where the person knows a lot of people who would lose a lot of money if they were not elected? At that point, our laws would not be ready to deal with that person, because they would not be there for the good of the country, but rather to protect the interests of other people.

In that case, would there be a conflict of interest?

[*English*]

Lori Turnbull: I'm sorry. What do you mean about a lot of people losing money?

• (1810)

[*Translation*]

Gabriel Hardy: Let's take the example of a person who manages portfolios. Knowing that a government may fall, people say they need someone who will protect their interests.

Would such a scenario cause a problem in Canada, as current laws are not designed to prevent it?

[*English*]

Lori Turnbull: I want to make sure I understand your question. Do you mean somebody the Prime Minister would be thinking of in terms of their private interests?

[*Translation*]

Gabriel Hardy: It could be private interests. In the example you gave us, you say that a person who runs for prime minister will do so with good intentions, to improve the state of the country. In that case, we agree.

Is there an example of someone who entered politics, not necessarily to improve the state of the country, but rather to ensure that the people they did business with didn't lose money? That person would be in a good position to help them, but it would put the country in a difficult situation.

Do our laws protect us from situations like that?

[*English*]

Lori Turnbull: I understand.

I think what we have to guard against that is disclosure. Even though we don't necessarily require people to enumerate the exact dollar amounts of the stocks they hold and we don't necessarily get the nitty-gritty on everything, we do have a broad picture of what kinds of affiliations the person has had and where they worked before. That way, the public has a way to say, "Look, it looks like this person is acting in the interests of a certain group and we don't want that." That would create a political backlash.

[*Translation*]

Gabriel Hardy: We're kind of in that situation. We know, for example, that our Prime Minister meets with people without naming them, knowing that there may be a conflict of interest. We have a situation where the Prime Minister doesn't have to disclose all his holdings.

I completely agree with you when you talk about public opinion. Politics and our democracy are currently under attack because people no longer trust our institutions. We should be doing everything we can to regain the public trust.

That is our role, and the public has a right to access that information. Are we providing it? In the case before us today, we have a Prime Minister who, as recently as last week or the week before, was meeting with certain people, potentially putting him in a conflict of interest, but he was not required to declare it.

[*English*]

Lori Turnbull: I see your point. In that case, it's not so much about what's in the Prime Minister's blind trust or ethics screen. It's about who he's talking to and what conversations he might be having and whether he has more pull with those people and that sort of thing.

I think it would be interesting to be clear about what sort of offence we think that person might be engaging in, in that context. If he's talking to people who...so what? What offence do you think he's...? What possible bad thing could be happening?

[*Translation*]

Gabriel Hardy: That needs to be clarified so that the public understands when there is a conflict of interest. The guardrails have to be clear so that the public trusts the process.

Do we agree on that?

[*English*]

Lori Turnbull: If in the event, for example, the Prime Minister was having conversations with people, with corporate entities that he had relationships with, from an ethics perspective, the public has an interest in making sure that a public office holder doesn't do anything that benefits himself or benefits his friends and that sort of thing. The public would have an interest in knowing if there were any conversation the Prime Minister was having that would somehow confer some unfair benefit on people he knows or he's worked with before. It's important then for him to be transparent about who he's meeting with.

[Translation]

Gabriel Hardy: We agree that he should be transparent by disclosing his assets and providing the names of the people he meets so that the public can trust our institutions.

Earlier, Professor Stedman talked about candidates. Should there be an ethics screen for anyone who puts their name forward to run for office, as opposed to us having to deal with a problem once they're elected? Should a candidate be informed of the standards and code of ethics to be met before the person can put their photo on posters?

[English]

The Chair: Make it a very quick response, Ms. Turnbull, please.

Lori Turnbull: No.

The Chair: Thank you.

Mr. Saini, you're up next, sir, for five minutes.

Go ahead, please.

Gurbux Saini: Professor Turnbull, a lot has been said about people not having faith in politicians. When we had the election four, five, six months ago, we had four leaders running for the office. Everybody knew what they were doing, what their interests were and how wealthy they are. Why would we now have an issue, when Canadians overwhelmingly elected a person they thought was fit to run the government?

• (1815)

Lori Turnbull: I'm sorry. Are you talking about the Liberal leadership race? There were four candidates, ultimately....

Gurbux Saini: The prime ministership after the election....

Lori Turnbull: I'm so sorry. Can you ask me the question again? I thought you were talking about the Liberal leadership.

Gurbux Saini: My question is this. There has been a lot of talk that people don't have faith in our politicians. I'm saying that there were four people running to be the Prime Minister of the country. People knew their background. People knew how wealthy they were. They still went with the person they thought was the best to lead the country.

Is there anything wrong with that?

Lori Turnbull: Of course there isn't. People are going to vote the way they're going to vote. At the end of the day, I found in my own research about ethics and people's sense of what's ethical and what's not that it's not the things that I thought would bother people that actually bothered them. Sometimes it's things like the perks that politicians get that they don't, like the fact that politicians, at the end of the day, get a taxi chit to get home or have meals comped for them. People don't get these things, even though they're struggling financially.

The sorts of ethical questions that sometimes the public have in their minds don't necessarily match up with the big conflict of interest questions that we're talking about today, even though those things are important. I am not convinced that the public is concerned heavily about the conflict of interest potential or the ethical holdings or financial holdings of any of the party leaders.

Gurbux Saini: Thank you.

In your opinion, how can our government ensure that the Conflict of Interest and Ethics Commissioner's office has the necessary independence and the resources to effectively hold public office holders accountable?

Lori Turnbull: I don't think there's necessarily a high public awareness about the role of the Ethics Commissioner and the way that the office works. I strongly doubt that. I've never seen any evidence to suggest that the public is acutely aware of what the Conflict of Interest and Ethics Commissioner does. I think the public becomes more aware when there's a scandal and when there's a lot of media coverage around something.

To the extent that people start to ask questions about the Conflict of Interest and Ethics Commissioner and the appointment, it's important, I think, to show that there are specific credentials that person should hold. It's not a political appointment. It's not something where the Prime Minister just says, "Okay, this is my friend and I trust that person so they're going to be the Ethics Commissioner." There's the sense that there is an actual set of credentials the person has to meet, and then they're judged against those things. I think that's probably what the public would see. If they were trying to create a trust relationship with the commissioner, that's what it would be based on.

Gurbux Saini: If there was a scandal, there would be legal implications, legal charges. I don't believe what we are trying to accomplish has any conflict with that.

Lori Turnbull: If there was a scandal and there were legal charges.... Do you mean under the Conflict of Interest Act?

Gurbux Saini: Yes.

Lori Turnbull: I think sometimes it's a strange thing for the public, because, again, to the extent that they're leaning into it at all, if you're talking about something that's so bad that it engages the Criminal Code, such as if you're talking about bribery.... People paid attention the last time a senator was charged with a whole bunch of counts of.... He wasn't found guilty of anything, but when it meets that kind of threshold, for that kind of charge, the public pays attention.

When there's something under the Conflict of Interest Act, even if it's the worst-case scenario, it's going to be reacted to with an administrative monetary penalty. The public is not going to be super stressed out about that—to the extent that they even know about it. They find out that somebody forgot to disclose their French villa, so they were charged \$250. It makes the whole thing look ridiculous. I don't think that administrative monetary penalties are the way to make the public think that politicians are ethical. It's a weird space.

The Chair: Thank you, Ms. Turnbull.

Thank you, Mr. Saini.

We have Mr. Thériault.

[*Translation*]

Luc Thériault: Thank you, Mr. Chair.

I'm going to direct my questions to Professor Stedman.

You've heard me ask questions for a while, so you surely know what my current area of interest is.

Right now, we're talking about an unusual scenario, even if not everyone recognizes that it's unusual. The Ethics Commissioner doesn't feel that it's that unusual, that there was no problem because there was a conflict of interest screen. In addition, all situations would be resolved by the provision stipulating that there is no conflict of interest or appearance of conflict of interest when the general application rule is used.

Do you also agree that, thanks to the general application rule, there is no appearance of conflict of interest or conflict of interest in the position of prime minister? I'm not talking about a position as a member of Parliament or a minister, which are much better managed, but about the position of prime minister.

• (1820)

[*English*]

Ian Stedman: No, the general application rule doesn't eliminate the very fact of a conflict of interest. It is a decision that lawmakers have made with respect to where they want to draw the line of best fit between eliminating conflicts and not disincentivizing public service. Your only way, as was mentioned earlier, to eliminate conflict entirely is to just not have assets that could put you in conflict. There's no other way.

Screens—to come back to the screens—are interesting. We've never seen anything with this breadth before. I think what we need to do is learn from it. What we need to do is, in a very open way, ask what's working and how we make a screen like this work. This is a unique circumstance. Is there something we can do in the act to improve it so that screens like this make sense and actually give the public confidence that they're useful? I think that's the question and the conversation that we need to have. It's how to make screens make sense at this level.

[*Translation*]

Luc Thériault: What do you actually know about that screen? The Conflict of Interest and Ethics Commissioner talked about a conflict of interest screen that was negotiated with the Prime Minister.

What does anyone who is not among those responsible for enforcing it know about it? Do you think this way of going about it is transparent enough?

[*English*]

Ian Stedman: One of the things that we can learn here is that we should be learning as we go with respect to this screen. There should be an ongoing conversation about how it works and how that proportionality clause is going to be operationalized.

What I really believe is that, if we understand how this screen works, then we can update the act to include standards that are

higher for screens, including with respect to public reporting. I think the thing that everyone's getting at here is that there's no public reporting that's part of this screen. Maybe we want some of that. I think that maybe we also want to put into words the proportionality bit. That is the counterbalance to the “general application” rule.

[*Translation*]

Luc Thériault: Given that people subordinate to the Prime Minister must oversee the screen's application, don't you think it would be appropriate to provide for an ongoing review by a reviewer or supervisor from the Office of the Conflict of Interest and Ethics Commissioner? In that case, the Commissioner would not have to make a commitment. It would be a way of holding people to account as we go along rather than when a problem arises.

From a transparency standpoint, don't you think that might be more reassuring? The people who enforce the act are subordinate to the Prime Minister, and we don't even know if they're not in a conflict of interest themselves.

[*English*]

Ian Stedman: I think that point is very well taken. You would get some resistance to the idea of someone external to the Prime Minister's dealings being able to provide oversight. There are going to be interactions that are confidential and that must necessarily stay so. There is a level of trust that we have to put in the people who are responsible for the screen.

I think you're absolutely right to point out that being subordinate to the Prime Minister means that you are in a conflict of interest. You care about his interests as much as you care about the public interest because you sit at his pleasure. There's no way to avoid that.

You could have part...or at least some sense of reporting back to the commissioner's office on an ongoing basis. That may have to go through the commissioner as opposed to through someone delegated by the commissioner.

• (1825)

The Chair: Thank you, Mr. Stedman.

[*Translation*]

Thank you, Mr. Thériault.

[*English*]

Go ahead, Mr. Cooper, for five minutes.

Michael Cooper: Thank you very much, Mr. Chair.

Recently, our jet-setting Prime Minister, in his trips to New York City and London, England, met with several prominent business as well as investment leaders. When he was asked on the weekend who he met with, the Prime Minister refused to say. He refused to be transparent. He merely said he met with investment-type investors and “people who have global capital”. Then he said we'll need “significant capital” in respect of certain unnamed and unspecified projects.

We know that there's never been a Prime Minister with more potential conflicts of interest than this Prime Minister. We have never had a Prime Minister with an ethics screen as vast as the one that is imposed on this Prime Minister in light of the multitude of potential conflicts of interest. We know that this so-called ethics screen has no mechanisms to ensure that there are checks and balances to see that it is being triggered when it ought to be. Instead, we are left to simply trust the Prime Minister's chief of staff and the Clerk of the Privy Council, who serve at the pleasure of the Prime Minister, answer to the Prime Minister and are therefore not independent. It simply isn't good enough to simply say that we're going to trust them.

Frankly, we don't know whether the ethics screen should have been triggered. We don't know what was discussed or whether the Prime Minister stands to personally benefit in any way from any discussions or any decisions that might be in the process of being made, arising from the discussions he had in London and New York. We know that despite the fact that the Prime Minister is subject to this ethics screen, he may make decisions that he stands to personally benefit from. At the very least, that's unacceptable. There needs to be, in the face of that, at the very least some level of transparency. Canadians deserve to know who the Prime Minister was meeting with and why he was meeting with them. They need to have the assurance that this very flimsy ethics screen is, at the very least, being triggered when it ought to be. The Prime Minister has provided no answers to any of those questions.

With that, I would put on notice the following motion:

That, having regard for the fact that the Prime Minister met with several "business as well as investment leaders" in his recent trips to New York City, New York, and London, England, and the Prime Minister has refused to disclose which individuals and/or entities he met with during those trips, and is subject, pursuant to the Conflict of Interest Act, to an ethics screen intended to prevent him from making decisions related to 103 companies that would place him in a conflict of interest, the committee order, from the Prime Minister's Office, the production of records which comprehensively list each individual, and, if applicable, the name of which entity, corporation, organization, and/or agency they represented and their job title, that was present in a meeting with the Prime Minister, the time and date at which those meetings took place, and what was discussed in those meetings, from and including September 21, 2025, to and including September 28, 2025, and that these records be deposited with the clerk of the committee in both official languages no later than one week following the adoption of this motion.

The Chair: Thank you, Mr. Cooper.

You are putting that motion on notice. I would ask that you distribute that to the clerk in both official languages so that it can be distributed to all members of the committee.

Mr. Cooper, you still have 20 seconds left.

Are you done? Okay.

[*Translation*]

Ms. Lapointe, you have the floor for five minutes.

• (1830)

Linda Lapointe: Thank you, Mr. Chair.

I would like to welcome the two witnesses to the committee. I enjoyed listening to their presentations.

Dr. Turnbull, my question is for you. Earlier, you mentioned that opposition leaders, who could one day become prime minister, should be subject to the same ethics rules as the Prime Minister.

I'd like you to tell us about that.

[*English*]

Lori Turnbull: Thank you.

If I said they "should", I'm sorry because it's not so much that I think they should; it's more that it's an avenue to think about in the event that you were looking at potential loopholes.

I really don't think that leadership candidates should be subject to disclosure requirements. I think that's inappropriate. It's putting an undue burden on them when they are not public office holders. There's no public value to having someone who is a contestant, and who's not necessarily going to win, disclose their financial holdings. That's not appropriate.

However, if the person wins and they become the Prime Minister in the same moment, then immediately they are subject to an ethics regime. If you win and you become a leader of an opposition party, you're not. However, it could be possible that if the government is defeated, for example, that person might come into an executive position very quickly, in which case they would be subject to the Conflict of Interest Act and would have to disclose within 60 days.

It doesn't stress me out that this is the case, but opposition leaders are powerful. Opposition leaders, in my view, can be the subject of foreign interference, for example. They can be the subject of people who are anticipating perhaps that they will become Prime Minister and they want to think about what that might mean down the road, so it's not like they're necessarily just the same as an MP who is not in a leadership role. Whether that puts them in the space where they would have to bear different ethics rules, I'm not sure about that, because if they're not in the executive, it could be that the public responsibility is not enough to warrant their having to disclose what they have.

[*Translation*]

Linda Lapointe: I'd like to go a little further. You talked mainly about the leader of an opposition party. We are in a minority government and we know that any party could come out on top.

Would you expand this to all party leaders, suggesting that there could be conflicts of interest?

[*English*]

Lori Turnbull: If you were going to do it, it would make sense to do it that way.

It strikes me that in the current situation, where you have a minority government and then the official opposition has such a significant amount of the seats.... It's not like the opposition benches are equally divided. There's a clear official opposition. They're the obvious contender to government. I think there would probably be a sense that, in terms of that particular opposition leader, the official opposition leader, who's constitutional role is to be a Prime Minister-in-waiting, there's an argument to be made that maybe there's a special responsibility on the part of that person to be transparent about what their holdings are in the event that they end up in that role, but I think, to be fair, it could be any party leader who ends up holding the confidence of the House in the event that the Prime Minister loses it.

Typically in Canada we don't see that. It's not so much the constitutional side of it, it's the way that we see party relationships develop. There's no sense that the parties are all going to work together to hoist someone up and defeat the government. We don't see that kind of thing in our parliamentary system normally, but in other parliamentary systems it happens all of the time, where there could be a party leader who ends up organizing amongst a number of other political parties to say that now they're going to put themselves up for Prime Minister.

There's a tradition of how we practice things versus what's possible.

[*Translation*]

Linda Lapointe: Thank you, that's interesting.

Earlier, when we were still talking about ethics rules, you mentioned the very thin, hard-to-define line between what is right and what is not. I'd like to hear your thoughts on that.

[*English*]

Lori Turnbull: Sometimes you're going to get a lot of public agreement about what's appropriate and what's not, but sometimes the ethics rules will create a rule about something in order to provide clarification.

If a gift to an MP, for example, is under a certain amount, that's okay and you can accept it. You don't have to make a big deal out

of it. Over that amount, maybe you don't accept it or maybe you disclose it. That sort of thing can be arbitrary. It's not necessarily that everybody's going to come to that in the same way, and it's not that someone who thinks that a \$500 gift is appropriate is unethical and a \$200 gift person is ethical. It's not that. It's a question of putting something down in writing so that everybody knows and everybody has it as a common standard.

To the extent that ethics rules provide clarity about that, they're very helpful. It's not about some people being good and some people being bad. It's a question of where we draw the line and where we can agree that there is a line so that you're not having people on different sides of it.

• (1835)

[*Translation*]

Linda Lapointe: Thank you.

The Chair: Thank you, Ms. Lapointe.

[*English*]

Thank you to both Professor Turnbull and Professor Stedman for being here today. I found your contributions valuable to the committee, and I appreciate that both of you took the time to be in front of us today. On behalf of Canadians, I want to say thank you.

I have two things before we go. First, I want to welcome a new staff member in my office. Rachel is with us.

You can wave, Rachel, and say hi to everyone.

You'll be seeing a lot of Rachel over the coming months.

The second thing is that, on Monday, we will have both the Privacy Commissioner and the Commissioner of Lobbying before us. I believe you've already received the briefing notes on that. I look forward to a great discussion. We haven't seen them in months, and it will be good to see them again.

That's it for today. Thank you, everyone. The meeting is adjourned.

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