



Transparency International Canada Inc.

NEWSLETTER

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WORD FROM THE PRESIDENT

Wesley Cragg

A MAJOR ACCOMPLISHMENT!

Late Monday afternoon, December 7, word came from Ottawa: *"The House of Commons has passed legislation criminalizing the bribery of foreign public officials."* It was an exciting moment and the culmination of a month of active lobbying by TI Canada. It is a tale worth the telling.

The story begins in early November when Michael Davies, TI Canada Vice Chair, phoned from Paris to say that a Canadian Government representative had informed the OECD Working Group on Bribery in International Business Transactions that Canada would not pass anti corruption legislation until some time in the New Year. For all of us in TI, this was a real low point. We had watched Canada sign the Anti-Bribery Convention in December of 1997 along with all the other members of the OECD and had hoped that the Canadian Government would play a leadership role in ensuring its implementation.

Why the disappointment? The OECD Anti-Bribery Convention had a triggering mechanism. To bring it into effect, it had to be ratified by five of the top ten exporting countries in the OECD by December 31, 1998. By November of this year, four of the necessary countries had passed or were committed to passing the legislation required to criminalize the bribery of foreign public officials: The United States, Germany, Japan and Great Britain. A fifth country was needed and Canada was not only the obvious but quite possibly the only country in a position to fill the gap.

How should TI Canada respond? We first determined that it was technically possible to table and pass anti bribery legislation before the Christmas recess. The issue was then placed on the agenda of the Board meeting planned for November 9. The decision? We would undertake a major lobbying effort in cooperation with the Canadian Council for International Business with a view to persuading the Government and the Parliament to ratify the Convention before the end of the year.

We had already written the five key cabinet ministers expressing disappointment that the Government had not yet tabled the necessary legislation. By the end of the week, telephone calls had gone out to Ministers Lloyd Axworthy, Paul Martin, Sergio Marchi, Anne McLellan and Diane Marleau. By letter and phone calls, we challenged the government to take a leadership role on the issue and indicated that we were prepared to do everything in our power to ensure a positive response to the legislation on the part of opposition parties in the House of Commons and the Senate and to urge their cooperation in passing the required legislation. We indicated that we would like to meet with each of the Ministers and would be in touch with them on Monday, November 16. Similar contacts were made by Robert Gillespie, Chairman of the Canadian Council for International Business.

The Canadian Senate has many critics. However, in this case it was to play a key role in moving the agenda ahead. Last spring, John Lynch-Staunton, Leader of the Opposition in the Senate, contacted TI Canada about the issue of corruption. A subsequent meeting in Ottawa and on-going e-mail correspondence resulted in a working partnership. By early November, active discussion had led to the conclusion that a series of questions on the Senate Order Paper might help to galvanize the Government on the issue. In our contacts with the five ministers and their executive assistants, we made sure that the government knew that the stage was being set for an active public debate.

We realized that we were one step closer to our goal when we were told on Monday, November 16, that officials were actively preparing legislation. With this news, we turned our attention to the Senate, the leaders of opposition parties and the House Leaders of the various parties. Here Michael Davies and his colleague Bob Weese, Vice President, Government and External Relations, GE Canada, played the leadership role. Personal contacts with Herb Grey, Liberal House Leader, and his staff allowed us to communicate a sense of urgency. We were also able to convey initial reactions to letters addressed to opposition leaders. The response to these initiatives was very encouraging. It appeared that Government resolve to move the legislation through Parliament before the Christmas

recess was growing. This was confirmed by requests to comment on drafting issues associated with the legislation. Then finally, in the week of November 23, we received a final request for comment from the office of a sponsoring Minister. If there was no objection, the signatures of the sponsoring Ministers would go on a memorandum to the cabinet; this would in turn put the legislative machinery in motion.

We now asked for meetings with the leaders of the opposition parties. (Contact with the Bloc Quebecois was delayed until November 30.) Requests for meetings were followed by telephone contact designed to impress key opposition members with the urgency of the issue and the need for leadership. First responses conveyed scepticism and a certain degree of annoyance. Subsequent contacts indicated increasing resolve to cooperate. By Friday November 27, Government strategy for introducing the legislation was forming and we were told that TI Canada would likely be asked to speak to the legislation in Parliament the following week.

On Tuesday, December 1, a bill to criminalize the bribery of foreign public officials was tabled in the Senate and received first reading. Government strategy was now clear. Since little more than a week remained before the Christmas recess, the Government had decided to introduce the legislation in the Senate. This would allow discussion but ensure that any amendments would not slow up the bill's progress. Tuesday afternoon, TI Canada received notice that the Senate would like the President and National Coordinator to appear before the Senate as witnesses. Thursday, Bronwyn Best and myself met the Leader of the Opposition, John Lynch-Staunton, his executive assistant, Bruce Carson and Senator Kinsella. That discussion confirmed that Senator Lynch-Staunton and his opposition colleagues would support the legislation. We also agreed that the legislation should be amended to require that the Government report annually to the Parliament on progress in implementing the legislation.

At 3 o'clock the Bill received second reading and the "Red Chamber" moved into "Committee of the Whole" for discussion. Bronwyn Best and myself were joined in the Speaker's Gallery by Michael Davies and Arthur Kroeger. Lloyd Axworthy was the first witness. He explained and defended the legislation. When our turn came, I invited Michael Davies to join me so as to ensure that the views of the business community were well represented. Both Michael Davies and myself made initial statements. Subsequent questions and discussion continued well past six o'clock, the normal hour of adjournment. Committee of the Whole then reported to the Senate and the Bill was amended and passed. Stage one had been successfully navigated!

On Monday, December 7, the Bill was introduced in the House of Commons. House Leaders of all the parties had agreed that the Bill should be passed in one day. However, objection on the part of any Member of the House would scupper that strategy. Hence the outcome was by no means assured. Thus, when the news arrived at the end of the day, it was greeted with enormous relief and celebration! **Royal Assent was granted on December 10, the 50th anniversary of the Declaration of Human Rights.**

Our only disappointment has been the media reaction to this accomplishment. To date, none of the media appears to have carried any information about the legislation in spite of news releases by the Government and TI Canada. What this tells us is that our job is far from over. Efforts to combat bribery remain largely ignored. However, whether the media realizes it or not, Canada's ratification of the OECD Convention is a major accomplishment.

Letters of thanks are now on their way to various players in this drama. Robert Gillespie and the Canadian Council for International Business threw their considerable weight behind the initiative. Their support for the legislative initiative opened doors and ensured that the initiative would be taken seriously. Bob Weese played a key role persuading the CCIB to join the effort and then coordinating efforts to contact people in Ottawa. Senator John Lynch-Staunton's interest and encouragement ensured Senate cooperation when it was most needed. The decision of the Government to fast track the legislation was crucial and now ensures that Canada is in a position to provide continuing leadership in an area in which we are internationally respected. Finally, the leadership of General Electric Canada and Michael Davies made the outcome possible. They are to be both thanked and congratulated.

The way ahead for TI-Canada is now much clearer. Our first task is to engage the business community and the public in discussion of the new legislation. The Vancouver Symposium announced in this Newsletter is a first step in this direction. We need also to encourage the Government to provide similar leadership on the OAS convention and in APEC. Equally important, we can now devote energy to developing our partnership with CIDA and with TI's International Secretariat and other TI national chapters. So there is much to do. We look forward to your continuing support as we continue our work in 1999.

TI Canada its Board, members and supporters have good reason to celebrate this Holiday Season. May I wish a Merry Christmas and Happy Chanukah for those who so celebrate and offer best wishes to you all for a Happy and Prosperous New Year.

An opportunity for business to respond to the Canadian legislation for the OECD Anti-Bribery Convention

CORRUPTION AND BRIBERY IN FOREIGN BUSINESS TRANSACTIONS: CORPORATE SYMPOSIUM ON NEW GLOBAL AND CANADIAN STANDARDS*

February 4-5, 1999
Vancouver, B.C.

Transparency International Canada and The International Centre for Criminal Law Reform & Criminal Justice Policy

ANTI-CORRUPTION CONFERENCE

Canadian business, government and civil society have a clear interest in combatting corruption and bribery in international business transactions. Bribery and corruption make it difficult for business to compete internationally on a level playing field and erode stability and democratization in emerging markets. The Canadian government has just passed legislation governing the corruption of foreign public officials in international business transactions, meeting Canada's obligations as a signatory of the recent OECD Anti-Bribery Convention.

The business community and TI members are invited to participate in a two-day seminar and consultation, in Vancouver, February 4-5, 1999, on Canada's new legislation and the OECD Convention. The seminar is being organized by TI Canada and the International Centre for Criminal Law Reform and Criminal Justice Policy, with support from the Canadian Bar Association and the Canadian Centre for Foreign Policy Development of the Department of Foreign Affairs and International Trade. The seminar programme and registration form are attached.

Participants will hear from international experts on corruption from North America and Europe, current and former senior government personnel from Canada and the United States, and leading private sector specialists. The seminar will address the chief legal and ethical issues of concern to Canadian firms with overseas interests, and provide policy makers with a forum in which to gather private sector response to the Canadian legislation.

In addition to the seminar programme, participants will receive (prior to the event) a package comprising the key international and domestic legal documents surrounding this issue, including the Canadian legislation, as well as introductory and commentary materials. A portion of the seminar will be devoted to audience reaction: questions, insights and concerns will be fielded by a panel of government representatives and corruption experts.

A number of rooms have been blocked at the Sheraton Wall Centre for C\$89. It is located at 1088 Burrard Street, Vancouver, V6Z 2R9; tel: 1-800-325-3535 (or 604-331-1000); fax: 604-331-1001. Please give the name of the seminar to receive the preferential rate.

We look forward to seeing you in Vancouver and exploring your response to the Canadian OECD legislation!

CIDA PROVIDES FUNDING

Through a Contribution Agreement, the Canadian International Development Agency (CIDA) is providing support to TI Canada for a joint initiatives project, "Canadian Actions to Curb Illicit Activities Internationally." The three-year project will cover activities in six main areas: increasing awareness in the public service, ensuring follow up to agreements made in the Organization for Economic Cooperation and Development, lobbying and sensitization of the International Financial Institutions, activities with other international organizations, sensitizing and supporting the Canadian private sector, and supporting programs in developing countries. CIDA has funded the TI-Secretariat, in Berlin since its inception five years ago. It is now providing funds for the on-going activities of the Canadian chapter as well.

The TI Annual General Meeting was held in Kuala Lumpur, September 1998. For the concluding statement of the Annual General Meeting see:

www.bus.yorku.ca/program/TranIntl/index.htm

Mark your calendar!

9th International Anti-Corruption Conference
October 10 - 15, 1999
Durban, South Africa

"Ultimately, I am convinced, the struggle against corruption is a moral issue. It is why civil society, the people, must be the ultimate guardians against corruption in both the public and private sector. The whole of society must become whistle blowers."

- Dullah Omar, Minister of Justice

INDIVIDUAL MEMBERS (Fee Range -- \$50 to \$100)

Individual members will be entitled to full participation and voting privileges at all meetings of the members.

VOLUNTARY SECTOR ORGANIZATIONS (Fee Range -- \$50 to \$500)

The designated spokesperson of an NGO has full voting and participation rights at meetings of members.

GOVERNMENT DEPARTMENTS AND AGENCIES (Fee -- \$500)

We welcome government departments and agencies as (arm's length) members, but government members will have no voting rights

PROFESSIONAL FIRMS, BUSINESS CORPORATIONS (Fee Range -- \$1,000 to \$5,000)

The designated spokesperson of professional and business firms has full voting and participation rights at meetings of members.

CHARTER MEMBERS (Fee -- \$10,000 over two years)

The purpose of charter membership is to put the chapter on a sound financial footing in its first two years of operation. Charter members will have all the rights and privileges of other members and will have the right to sit on a Corporate Advisory Council and assist in advising the Board on policies and programs.

ALL MEMBERS will receive newsletters, information about conferences and workshops, and the right to participate in these conferences and workshops on a cost recovery basis.

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APPLICATION FOR MEMBERSHIP

Name: _____

Title: _____

Organization: _____

Address: _____

Country: _____ Postal Code: _____

Telephone: (____) _____ Fax: (____) _____

E-mail: _____

Membership Category	Individual	Volunteer/NGO	Government
(circle one)		Professional/Business Charter	

Fee: Amount _____ (Please enclose cheque, payable to "TI-Canada")