



NOVEMBER 4, 1957

MEMORANDUM: CONFLICTS OF INTEREST
AMONG GOVERNMENT
OFFICERS AND EMPLOYEES
IN GREAT BRITAIN.

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PREPARED FOR THE CONFLICT OF INTERESTS STUDY COMMISSION,
BY THE
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HIGHER PRESTIGE HAS ALWAYS BEEN ATTACHED TO PUBLIC SERVICE IN GREAT BRITAIN THAN IN THE UNITED STATES AND THE CAREER OPPORTUNITIES OFFERED IN THE HIGHEST CLASS OF THE BRITISH CIVIL SERVICE HAVE BEEN VERY GREAT. THE TRADITION OF PUBLIC SERVICE IN GREAT BRITAIN HAS LONG DEMANDED OF THOSE ENGAGED IN IT THE HIGHEST STANDARDS OF IMPARTIAL CONDUCT.

CONSEQUENTLY THE STANDARDS OF CONDUCT REQUIRED OF PUBLIC SERVANTS IN GREAT BRITAIN IN CONNECTION WITH CONFLICTS OF INTEREST ARE VERY HIGH AND THE REPUTATION OF THE MEMBERS OF PARLIAMENT AND OF THE BRITISH CIVIL SERVICE ARE RENOWNED THROUGHOUT THE WORLD.

TO A LARGE EXTENT THESE STANDARDS WERE UNWRITTEN FOR A LONG PERIOD OF TIME AND THOSE WHICH WERE TO BE FOUND IN WRITING WERE FOUND ONLY IN THE PARLIAMENTARY RULES OR TREASURY DEPARTMENT REGULATIONS. THESE TWO STILL REMAIN THE PRINCIPAL SOURCES OF THE EXPRESSION OF THESE STANDARDS ALTHOUGH THERE ARE SEVERAL STATUTORY PROVISIONS WHICH ESTABLISH CERTAIN SPECIFIC STANDARDS. THERE IS NO GENERAL STATUTE, OR CODE, OR GENERAL REGULATION GOVERNING THE CONDUCT EXPECTED OF PUBLIC OFFICERS IN THIS REGARD IN GREAT BRITAIN.

IN ORDER TO UNDERSTAND THE STANDARDS THEMSELVES AND THE DISPERSAL OF THEIR STATEMENT, IT IS NECESSARY TO TAKE COGNIZANCE OF THE UNIQUE CHARACTERISTICS OF THE GOVERNMENT OF GREAT BRITAIN WHICH ARE RESPONSIBLE FOR THE STANDARDS AND THEIR MANNER OF STATEMENT.

A TRADITION OF HIGH STANDARDS OF CONDUCT AMONG THE MEMBERS OF PARLIAMENT HAS LONG BEEN ESTABLISHED. THIS IS TRUE NOTWITHSTANDING THAT ONE SIGNIFICANT ASPECT OF THE BRITISH PARLIAMENT IS THAT THE SERVICE OF ITS MEMBERS IS NOT REGARDED AS A FULL TIME SERVICE AND NO MEMBER IS EXPECTED TO DEVOTE ALL OF HIS TIME TO THE DUTIES OF THE OFFICE. IN THIS RESPECT PARLIAMENT IS COMPARABLE TO A STATE LEGISLATURE RATHER THAN TO THE FEDERAL CONGRESS. MEMBERS OF PARLIAMENT ARE EXPECTED TO HAVE OUTSIDE BUSINESSES OR PROFESSIONAL ACTIVITIES TO PROVIDE FOR THEIR PRINCIPAL INCOMES.

ORIGINALLY, SERVICE IN PARLIAMENT WAS CONSIDERED TO BE SUCH A HIGH HONOR THAT NO REMUNERATION FOR IT WAS PROVIDED. LATER, TOKEN COMPENSATION WAS PAID TO THE MEMBERS AND NOW WHILE PARLIAMENTARY SALARIES ARE HIGHER THEY ARE STILL RECOGNIZED AS BEING INSUFFICIENT TO PROVIDE ADEQUATE INCOME FOR THE MEMBERS.

AS A RESULT, MOST OF THE MEMBERS OF PARLIAMENT REMAIN DEPENDENT UPON OUTSIDE SOURCES OF INCOME. MANY CONTINUE THEIR OUTSIDE BUSINESSES OR PROFESSIONAL ACTIVITIES WHILE IN OFFICE AND THE TIME THUS CONSUMED IS DEPENDENT UPON

THE NEED FOR THEIR PERSONAL SERVICES OR ATTENTION IN THE OUTSIDE ACTIVITIES. OTHER MEMBERS DERIVE INCOMES FROM WRITING ARTICLES AND BOOKS AND STILL OTHERS, PARTICULARLY THE MEMBERS OF THE LABOUR PARTY FROM TRADE UNIONS, ARE PROVIDED WITH INCOMES BY ORGANIZATIONS SO AS TO ENABLE THEM TO CONTINUE THEIR SERVICES IN PARLIAMENT. THIS PRACTICE IS ACCEPTED IN GREAT BRITAIN WITHOUT PROTEST. THE LOW SALARIES AND THE DEPENDENCE UPON OUTSIDE SOURCES OF INCOME ARE DEFENDED UPON TWO GROUNDS; FIRST, THE FEAR OF THE GROWTH OF "PROFESSIONAL POLITICIANS" AND SECONDLY THE CONVICTION THAT WIDER REPRESENTATION IS ASSURED BY ENABLING THE MEMBERS TO REPRESENT DIVERSE INTERESTS, A TYPE OF REPRESENTATION CONSIDERED POSSIBLE ONLY BY HAVING AS MEMBERS OF PARLIAMENT PERSONS ACTIVE IN VARIOUS BUSINESSES, PROFESSIONS AND TRADES.

NOTWITHSTANDING THE PART TIME CHARACTER OF PARLIAMETARY SERVICE EXPECTED OF THE MEMBERS AND THE LOW SALARIES ATTACHED TO THE OFFICE, HOWEVER, ALL MEMBERS OF PARLIAMENT ARE EXPECTED TO MAINTAIN THOSE HIGH STANDARDS OF CONDUCT REGARDED AS APPROPRIATE, ACCORDING TO THE PARLIAMENTARY TRADITION, AND PARALLELING THE HIGH STANDARDS OF BEHAVIOR REQUIRED OF MEMBERS WHILE ON THE FLOOR OF EACH HOUSE.

THE BRITISH CIVIL SERVICE IS QUITE UNLIKE THE CIVIL SERVICE AS ORGANIZED IN THE UNITED STATES. IT WAS NOT CREATED BY STATUTE BUT WAS CREATED BY AN ORDER IN COUNCIL

WHICH IS COMPARABLE TO AN EXECUTIVE ORDER IN THIS COUNTRY.

CONTROL OF THE CIVIL SERVICE IS VESTED IN THE TREASURY DEPARTMENT WHICH IS RESPONSIBLE FOR THE OPERATION OF THE ENTIRE SYSTEM IN ALL OF ITS ASPECTS. THE ORGANIZATION RECRUITMENT AND RULES AND REGULATIONS GOVERNING ITS OPERATION ARE ALL PROMULGATED BY ORDERS IN COUNCIL OR BY DEPARTMENTAL REGULATIONS.

IN ORDER TO BE ABLE TO EXAMINE ALL OF THE STANDARDS OF CONDUCT OF THE PUBLIC SERVICE IN GREAT BRITAIN THE PARLIAMENTARY RULES AND ALL PERTINENT ORDERS IN COUNCIL AND TREASURY REGULATIONS AND THOSE PORTIONS OF STATUTES, WHICH BEAR UPON THE ASPECTS OF THE PROBLEM, MUST FIRST BE COLLECTED. OTHER IMPORTANT SOURCES ARE THE STATEMENTS OF SUCH STANDARDS WHICH ARE TO BE FOUND IN THE REPORTS OF BOARDS OF INQUIRY SPECIALLY ESTABLISHED TO INVESTIGATE SPECIFIC CASES IN WHICH CONFLICT OF INTEREST PROBLEMS WERE ALLEGED TO HAVE ARISEN.

PARLIAMENTARY STANDARDS:

IT IS NECESSARY TO BEAR IN MIND CERTAIN FEATURES OF THE BRITISH PARLIAMENTARY SYSTEM BEFORE PRESENTING THE STANDARDS OF CONDUCT BY WHICH THEY ARE EXPECTED TO ABIDE.

THE STANDARDS WITH WHICH THIS MEMORANDUM IS CONCERNED ARE THOSE APPLICABLE TO THE HOUSE OF COMMONS. THE HOUSE OF LORDS BEING A NON-ELECTIVE BODY AND OF RELATIVELY LESS IMPORTANCE THAN THE COMMONS CANNOT BE OF AS GREAT USE IN VIEWING THE CONFLICT OF INTEREST PROBLEM. THIS IS NOT TO SAY THAT ALL OF THE STANDARDS WHICH ARE PRESENTED ARE NOT APPLICABLE TO THE LORDS, FOR SOME CERTAINLY ARE, BUT RATHER THAT THE CONTRIBUTIONS OF THE HOUSE OF COMMONS IN THE FIELD ARE OF MUCH GREATER USEFULNESS.

SOME MEMBERS OF PARLIAMENT SERVE DUAL ROLES. THEY ARE NOT ONLY LEGISLATORS BUT ALSO ACT AS RESPONSIBLE MINISTERS IN AN EXECUTIVE CAPACITY. THEREFORE, THESE PERSONS ARE SUBJECT TO THE STANDARDS EXPECTED OF PARLIAMENARY MEMBERS AND ALSO THE ADDITIONAL STANDARDS EXPECTED OF CABINET MEMBERS AND MINISTERS. THE STANDARDS FOR MEMBERS OF PARLIAMENT WILL BE PRESENTED FIRST AND THEN THE ADDITIONAL STANDARDS FOR CABINET MEMBERS AND MINISTERS WILL FOLLOW.

1. OUTSIDE BUSINESS INTERESTS:

IT IS AN ACCEPTED PRACTICE IN GREAT BRITAIN FOR MEMBERS OF PARLIAMENT TO MAINTAIN OUTSIDE PRIVATE BUSINESS

ACTIVITIES. THIS IS REFLECTED IN THE LOW PARLIAMENTARY SALARIES. IT IS ALSO ACCEPTABLE TO HAVE MEMBERS OF PARLIAMENT RECEIVE INCOME FROM ORGANIZATIONS BECAUSE THEY ARE MEMBERS OF PARLIAMENT AND THEREFORE UNABLE, UPON THEIR LOW PARLIAMENTARY SALARIES, TO SUBSIST AND STILL PERFORM ADEQUATELY IN THEIR LEGISLATIVE CAPACITY. BUT THE OUTSIDE BUSINESS ACTIVITIES ARE EXPECTED NOT TO INTERFERE WITH THEIR LEGISLATIVE FUNCTIONS. MEMBERS OF PARLIAMENT, FOR EXAMPLE, ARE FORBIDDEN BY STATUTE (HOUSE OF COMMONS DISQUALIFICATION ACTS OF 1782 AND 1801) FROM HAVING INTERESTS IN CONTRACTS WITH THE GOVERNMENT.

THE PROBLEM WHICH POSES THE MOST DIFFICULTY IS THAT RESULTING FROM THE INCOME PROVIDED TO MEMBERS BY OUTSIDE ORGANIZATIONS FOR THEIR PARLIAMENTARY SERVICE. A SITUATION OF THIS KIND WAS INVESTIGATED BY THE COMMITTEE OF PRIVILEGES OF THE HOUSE OF COMMONS IN 1947. THE REPORT OF THAT COMMITTEE SUMMARIZED THE GENERAL PRINCIPLES APPLICABLE IN THIS SITUATION AND DISCUSSED THE IMPLICATIONS OF SUCH A RELATIONSHIP. THE PERTINENT PORTION OF THAT REPORT DECLARED:

EXTRACT FROM REPORT FROM THE COMMITTEE
OF PRIVILEGES TOGETHER WITH THE
PROCEEDINGS OF THE COMMITTEE,
MINUTES OF EVIDENCE AND APPENDICES
(118 JUNE 17, 1947)

13. THE RELATIONSHIP BETWEEN A MEMBER AND AN
OUTSIDE BODY WITH WHICH HE IS ^{IN} CONTRACTUAL RELATION-
SHIP AND FROM WHICH HE RECEIVES FINANCIAL PAYMENTS

IS, HOWEVER, ONE OF GREAT DIFFICULTY AND DELICACY IN WHICH THERE MUST OFTEN BE A DANGER THAT THE RULES OF PRIVILEGE MAY BE INFRINGED. THUS IT WOULD CERTAINLY BE IMPROPER FOR A MEMBER TO ENTER INTO ANY ARRANGEMENT FETTERING HIS COMPLETE INDEPENDENCE AS A MEMBER OF PARLIAMENT BY UNDERTAKING TO PRESS SOME PARTICULAR POINT OF VIEW ON BEHALF OF AN OUTSIDE INTEREST, WHETHER FOR REWARD OR NOT. EQUALLY IT MIGHT BE A BREACH OF PRIVILEGE FOR AN OUTSIDE BODY TO USE THE FACT THAT A MEMBER HAD ENTERED INTO AN AGREEMENT WITH IT OR WAS RECEIVING PAYMENTS FROM IT AS A MEANS OF EXERTING PRESSURE UPON THAT MEMBER TO FOLLOW A PARTICULAR COURSE OF CONDUCT IN HIS CAPACITY AS A MEMBER.

IT WOULD ALSO BE CLEARLY IMPROPER TO ATTEMPT TO PUNISH A MEMBER PECUNIARILY BECAUSE OF HIS ACTIONS AS A MEMBER. AN EXAMPLE OF SUCH ACTION IS TO BE FOUND IN THE RESOLUTION OF THE NEWCASTLE BRANCH OF THE ASSOCIATION CONDEMNING MR. BROWN'S ACTIVITIES AND RECOMMENDING THAT HE BE IMMEDIATELY PLACED ON PENSION BECAUSE OF THEM. YOUR COMMITTEE HAVE NOT REFERRED TO THIS INCIDENT IN GREATER DETAIL SINCE THE RESOLUTION WAS REJECTED BY THE EXECUTIVE COMMITTEE AND MR. BROWN VERY PROPERLY SOUGHT TO MAKE NO POINT ABOUT IT AND CONSIDERED THAT IT WAS PASSED IN IGNORANCE. WE MENTION

IT NOW AS AN INSTANCE OF THE DANGERS RESULTING FROM FINANCIAL RELATIONSHIPS BETWEEN MEMBERS AND OUTSIDE BODIES.

14. IT HAS LONG BEEN RECOGNISED, HOWEVER, THAT THERE ARE MEMBERS WHO RECEIVE FINANCIAL ASSISTANCE FROM ASSOCIATIONS OF CONSTITUENTS OR OTHER OUTSIDE BODIES, AND WHILST THOSE WHO ENTER INTO SUCH ARRANGEMENTS MUST OF COURSE EXERCISE GREAT DISCRETION TO ENSURE THAT THE ARRANGEMENTS DO NOT INVOLVE THE ASSERTION OR THE EXERCISE OF ANY KIND OF CONTROL OVER THE FREEDOM OF THE MEMBER CONCERNED. YOUR COMMITTEE DO NOT THINK THAT THE MAKING OF SUCH PAYMENTS IN ITSELF INVOLVES ANY BREACH OF PRIVILEGE. ON THE OTHER HAND, YOUR COMMITTEE REGARD IT AS AN INEVITABLE COROLLARY THAT IF AN OUTSIDE BODY MAY PROPERLY ENTER INTO CONTRACTUAL RELATIONSHIPS WITH AND MAKE PAYMENTS TO A MEMBER AS SUCH, IT MUST IN GENERAL BE ENTITLED TO TERMINATE THAT RELATIONSHIP IF IT LAWFULLY CAN WHERE IT CONSIDERS IT NECESSARY FOR THE PROTECTION OF ITS OWN INTERESTS SO TO DO. WHAT, ON THE OTHER HAND AN OUTSIDE BODY IS CERTAINLY NOT ENTITLED TO DO IS TO USE THE AGREEMENT OR THE PAYMENT AS AN INSTRUMENT BY WHICH IT CONTROLS, OR SEEKS TO CONTROL THE CONDUCT OF A MEMBER OR TO PUNISH HIM FOR WHAT HE HAS DONE AS A MEMBER.

15. YOUR COMMITTEE APPRECIATE THAT IT MAY OFTEN BE DIFFICULT TO RECONCILE THESE PRINCIPLES AND THAT THE LINE BETWEEN THEM MAY BE A FINE ONE. THAT IS ONE OF THE EVILS WHICH FLOWS FROM THE FACT THAT THESE CONTRACTUAL RELATIONSHIPS AND PAYMENTS ARE THEMSELVES PERMISSIBLE. THUS A DECISION BY AN OUTSIDE BODY TO TERMINATE ITS RELATIONSHIP WITH A MEMBER MIGHT IN PRACTICE BE A POWERFUL FACTOR IN INDUCING THAT MEMBER TO CHANGE HIS COURSE OF CONDUCT ALTHOUGH THE BODY CONCERNED DID NOT DESIRE TO PUT ANY PRESSURE ON HIM SO TO DO. BUT YOUR COMMITTEE CONSIDER THAT WHERE A MEMBER VOLUNTARILY PLACES HIMSELF IN A CONTRACTUAL RELATIONSHIP OF THIS KIND WITH AN OUTSIDE BODY HE MUST IN GENERAL BE TAKEN TO HAVE ACCEPTED ITS POSSIBLE TERMINATION AS A MATTER WHICH WOULD NOT INFLUENCE HIM IN HIS PARLIAMENTARY DUTIES AND, THEREFORE, MUST FURTHER BE TAKEN TO REQUIRE NO PROTECTION AGAINST A BONA FIDE ATTEMPT BY THE OUTSIDE BODY TO BRING THE RELATIONSHIP TO AN END. IT MUST BE ASSUMED IN THE MEMBER'S FAVOUR THAT HAVING VOLUNTARILY ENTERED THE RELATIONSHIP HE HAS PUT HIMSELF BEYOND THE REACH OF ANY IMPROPER INFLUENCE TO WHICH EITHER ITS CONTINUANCE OR ITS THREATENED TERMINATION MIGHT GIVE RISE. NONE THE LESS, YOUR COMMITTEE CONSIDER THAT PARLIAMENT MUST BE JEALOUS TO SEE THAT RELATIONSHIPS OF THIS KIND ARE NOT ALLOWED BY MEMBERS OR USED BY OUTSIDE BODIES TO INFLUENCE MEMBERS IN THEIR COURSE OF CONDUCT.

2. PARLIAMENTARY RULES:

THE HOUSE OF COMMONS DOES HAVE RULES WHICH PERTAIN TO POSSIBLE CONFLICTS OF INTEREST.

RULE 151 (OF 1951) BARS A MEMBER FROM VOTING ON BILLS IN WHICH HE HAS A PECUNIARY INTEREST. THE TEXT OF THE RULE DECLARES:

"A MEMBER MAY NOT VOTE ON ANY QUESTION IN WHICH HE HAS A DIRECT PECUNIARY INTEREST. IF HE VOTES ON SUCH QUESTION HIS VOTE MAY, ON MOTION, BE DISALLOWED."

ANOTHER PERTINENT RULE EVOLVED FROM THE PRECEDENT OF HOUSE RESOLUTIONS IN THE PAST WHICH RESULTED FROM PARTICULAR INCIDENTS. THUS RULE 282 CITES TWO SUCH RESOLUTIONS:

282. IT WAS RESOLVED BY THE HOUSE ON 26 FEBRUARY, 1830.

"THAT IT IS CONTRARY TO THE LAW AND USAGE OF PARLIAMENT, THAT ANY MEMBER OF THIS HOUSE SHOULD BE PERMITTED TO ENGAGE, EITHER BY HIMSELF OR ANY PARTNER, IN THE MANAGEMENT OF PRIVATE BILLS BEFORE THIS OR THE OTHER HOUSE OF PARLIAMENT, FOR PECUNIARY REWARD". (C.J. (1830) 107).

IT WAS RESOLVED BY THE HOUSE ON 22 JUNE, 1958.

"THAT IT IS CONTRARY TO THE USAGE, AND DEROGATORY TO THE DIGNITY OF THIS HOUSE, THAT ANY OF ITS MEMBERS SHOULD BRING FORWARD, PROMOTE, OR ADVOCATE IN THIS HOUSE ANY PROCEEDING OR MEASURE IN WHICH HE MAY HAVE

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ACTED OR BEEN CONCERNED, FOR OR IN CONSIDERATION OF ANY PECUNIARY FEE OR REWARD". (C.J. (1857-58)247).

(FROM MANUAL OF PROCEDURE IN THE PUBLIC BUSINESS (HOUSE OF COMMONS) JANUARY 1951)

3. PARLIAMENTARY PRECEDENTS:

THERE ARE NUMEROUS PRECEDENTS BY WHICH THE ABOVE RULES HAVE BEEN INTERPRETED AND SUPPLEMENTED FROM TIME TO TIME. THESE PRECEDENTS ARE CITED AS GUIDES TO PARLIAMENTARY STANDARDS. VIOLATIONS OF THEM ARE TREATED AS BREACHES OF PRIVILEGE OF PARLIAMENTARY MEMBERSHIP.

ONE SUCH BREACH INVOLVES THE ACCEPTANCE OF A BRIBE OR FEE IN CONNECTION WITH THE PROMOTION OR OPPOSITION TO ANY BILL.

ANOTHER PRECEDENT FORBIDS PRACTICE AS A COUNSEL BEFORE ANY COMMITTEE OR TO ADVISE, FOR A FEE, UPON ANY BILL OR PROCEEDING IN PARLIAMENT. PARTNERS OF MEMBERS ARE ALSO FORBIDDEN FROM THE MANAGEMENT OF PRIVATE BILLS FOR PECUNIARY REWARD.

SIMILARLY, MEMBERS ARE FORBIDDEN TO ACCEPT GIFTS OR FEES FOR EITHER DRAFTING OR REVISING BILLS BEFORE, OR TO BE SUBMITTED TO, PARLIAMENT.

THESE PROHIBITIONS ARE APPLICABLE TO OUTSIDERS WHO MIGHT OFFER SUCH GIFTS OR REWARDS TO MEMBERS. OUTSIDERS WOULD BE GUILTY OF A BREACH OF HOUSE PRIVILEGES AS WELL IF THEY OFFER A BRIBE TO MEMBERS.

4. CABINET MEMBERS AND MINISTERS:

MEMBERS OF PARLIAMENT WHO MOVE INTO CABINET OR MINISTRY POSITIONS ARE EXPECTED TO CONFINE THEIR ACTIVITIES TO GOVERNMENT DUTIES. THE CABINET HAS A RIGID CODE OF CONDUCT CONCERNING THE OUTSIDE ACTIVITIES OF ITS MEMBERS. THIS CODE EVOLVED OVER A LONG PERIOD OF TIME AND UNTIL 1951 WAS UNWRITTEN. DISCUSSION OF IT FREQUENTLY OCCURRED IN PARLIAMENT BUT IT WAS NOT UNTIL 1951 THAT THE PRIME MINISTER ISSUED A FORMAL DIRECTIVE ABOUT THE MATTER. IT HAS NOT BEEN POSSIBLE TO OBTAIN THE TEXT OF THE DIRECTIVE ITSELF BUT ITS PROVISIONS INSIST UPON FULL ATTENTION TO GOVERNMENT DUTIES BY CABINET MEMBERS. THIS EXPECTATION OF FULL TIME WORK IS REFLECTED IN HIGHER SALARIES PAID TO CABINET MEMBERS.

THE GENERAL PROVISIONS OF THE CABINET CODE PROVIDE THAT:

1. CABINET OFFICERS MUST RESIGN ANY DIRECTORSHIPS IN CORPORATIONS AND DISPOSE OF ANY STOCKS IN COMPANIES DOING BUSINESS WITH THE GOVERNMENT. THEY ARE EXPECTED TO PUT THEIR MONEY INTO LAND OR GOVERNMENT BONDS. CABINET MEMBERS ARE ONLY RARELY PERMITTED TO RETAIN INTEREST IN A FAMILY COMPANY IN ORDER TO PRESERVE AN ESTATE.

2. IN ALL CASES, EVEN OF REAL ESTATE HOLDINGS, CABINET MEMBERS MUST NOTIFY THEIR COLLEAGUES OF THEIR HOLDINGS AND REFRAIN FROM TAKING PART IN ANY GOVERNMENT ACTION THAT MIGHT AFFECT THEIR PROPERTY. THIS PROVISION

APPLIES ALSO TO MEMBERSHIP ON BOARDS OF PHILANTHROPIC BODIES THAT MAY BE INVOLVED IN DISPUTES OR DEALINGS WITH THE GOVERNMENT.

3. SPECULATIVE INVESTMENTS THAT MIGHT BE INFLUENCED BY INSIDE INFORMATION ABOUT GOVERNMENT ACTION ARE EXPLICITLY PROHIBITED TO CABINET MEMBERS.

4. IN CASES OF DOUBT AS TO THE ETHICS OF ANY CABINET MEMBER'S ACTION, THE QUESTION IS PUT TO THE PRIME MINISTER FOR DECISION.

ADDITIONAL COMMENT:

NO STANDARD WAS DISCOVERED WHICH PERTAINED TO THE APPEARANCE OF MEMBERS OF PARLIAMENT AS COUNSEL BEFORE GOVERNMENT AGENCIES. IT MAY BE CONCLUDED THAT THERE IS NO SPECIFIC BAN ON THIS PRACTICE. IT HAS ALSO BEEN IMPOSSIBLE TO DETERMINE WHETHER ANY TRADITION OR PRECEDENT EXISTS ON THIS MATTER.

CIVIL SERVICE:

THE OFT REPEATED AND BEST EXPRESSION OF THE SPIRIT AND TRADITION OF THE BRITISH CIVIL SERVICE IS CONTAINED IN THE "REPORT OF THE BOARD OF ENQUIRY APPOINTED BY THE PRIME MINISTER TO INVESTIGATE CERTAIN STATEMENTS AFFECTING CIVIL SERVANTS" IN 1928. THE EXTRACT WAS ORDERED BY A TREASURY CIRCULAR (T.C.5/28) DATED MARCH 13, 1928, TO BE MADE PART OF THE RULES OF EVERY DEPARTMENT. IT HAS SINCE BEEN RE-ITERATED IN REPORTS OF OTHER INVESTIGATORY BODIES. THIS STATEMENT OF CIVIL SERVICE STANDARDS IS REPRODUCED BELOW:

54. "WE THINK IN CONCLUSION THAT WE SHALL NOT BE TRAVELLING OUTSIDE OUR TERMS OF REFERENCE IF, AS THREE CIVIL SERVANTS, OF SOME EXPERIENCE AND JEALOUS FOR THE HONOUR AND TRADITIONS OF THE SERVICE, WE INDICATE WHAT WE CONCEIVE TO BE THE PRINCIPLES WHICH SHOULD REGULATE THE CONDUCT OF CIVIL SERVANTS - WHETHER ENGAGED IN HOME DEPARTMENTS OR IN DIPLOMATIC MISSIONS - IN THEIR RELATION TO THE PUBLIC.

55. "HIS MAJESTY'S CIVIL SERVICE UNLIKE OTHER GREAT PROFESSIONS, IS NOT AND CANNOT IN THE NATURE OF THINGS BE AN AUTONOMOUS PROFESSION. IN COMMON WITH THE ROYAL NAVY, THE ARMY, AND THE ROYAL AIR FORCE, IT MUST ALWAYS BE SUBJECT TO THE RULES AND REGULATIONS LAID DOWN FOR ITS GUIDANCE BY HIS MAJESTY'S GOVERNMENT. THIS WRITTEN CODE IS, IN THE CASE OF CIVIL SERVICE, TO BE FOUND NOT ONLY IN THE STATUTES BUT ALSO IN ORDERS IN COUNCIL, TREASURY CIRCULARS AND OTHER DIRECTIONS

WHICH MAY FROM TIME TO TIME BE PROMULGATED; BUT OVER AND ABOVE THESE THE CIVIL SERVICE, LIKE EVERY OTHER PROFESSION, HAS ITS UNWRITTEN CODE OF ETHICS AND CONDUCT BY WHICH THE MOST EFFECTIVE SANCTION LIES IN THE PUBLIC OPINION OF THE SERVICE ITSELF, AND IT IS UPON THE MAINTENANCE OF A SOUND AND HEALTHY PUBLIC OPINION WITHIN THE SERVICE THAT ITS VALUE AND EFFICIENCY CHIEFLY DEPEND.

56. "THE FIRST DUTY OF A CIVIL SERVANT IS TO GIVE HIS UNDIVIDED ALLEGIANCE TO THE STATE AT ALL TIMES AND ON ALL OCCASIONS WHEN THE STATE HAS A CLAIM UPON HIS SERVICES. WITH HIS PRIVATE ACTIVITIES THE STATE IS IN GENERAL NOT CONCERNED, SO LONG AS HIS CONDUCT THEREIN IS NOT SUCH AS TO BRING DISCREDIT UPON THE SERVICE OF WHICH HE IS A MEMBER. BUT TO SAY THAT HE IS NOT TO SUBORDINATE HIS DUTY TO HIS PRIVATE INTERESTS, NOR TO MAKE USE OF HIS POLITICAL POSITION TO FURTHER THOSE INTERESTS, IS TO SAY NO MORE THAN THAT HE MUST BEHAVE WITH COMMON HONESTY. THE SERVICE EXACTS FROM ITSELF A HIGHER STANDARD, BECAUSE IT RECOGNISES THAT THE STATE IS ENTITLED TO DEMAND THAT ITS SERVANTS SHALL NOT ONLY BE HONEST IN FACT, BUT BEYOND THE REACH OF SUSPICION OF DISHONESTY. IT WAS LAID DOWN BY ONE OF HIS MAJESTY'S JUDGES IN A CASE SOME FEW YEARS AGO THAT IT WAS NOT MERELY OF SOME IMPORTANCE BUT OF FUNDAMENTAL IMPORTANCE THAT IN A COURT OF LAW JUSTICE

SHOULD NOT ONLY BE DONE, BUT SHOULD MANIFESTLY AND UNDOUBTEDLY BE SEEN TO BE DONE; WHICH WE TAKE TO MEAN THAT PUBLIC CONFIDENCE IN THE ADMINISTRATION OF JUSTICE WOULD BE SHAKEN IF THE LEAST SUSPICION, HOWEVER ILL-FOUNDED, WERE ALLOWED TO ARISE THAT THE COURSE OF LEGAL PROCEEDINGS COULD IN ANY WAY BE INFLUENCED BY IMPROPER MOTIVES. WE APPLY WITHOUT HESITATION AN ANALOGOUS RULE TO OTHER BRANCHES OF THE PUBLIC SERVICE. A CIVIL SERVANT IS NOT TO SUBORDINATE HIS DUTY TO HIS PRIVATE INTERESTS; BUT NEITHER IS HE TO PUT HIMSELF IN A POSITION WHERE HIS DUTY AND HIS INTERESTS CONFLICT. HE IS NOT TO MAKE USE OF HIS OFFICIAL POSITION TO FURTHER THOSE INTERESTS; BUT NEITHER IS HE SO TO ORDER HIS PRIVATE AFFAIRS AS TO ALLOW THE SUSPICION TO ARISE THAT A TRUST HAS BEEN ABUSED OR A CONFIDENCE BETRAYED. THESE OBLIGATIONS ARE, WE DO NOT DOUBT, UNIVERSALLY RECOGNISED THROUGHOUT THE WHOLE OF THE SERVICE; IF IT WERE OTHERWISE, ITS PUBLIC CREDIT WOULD BE DIMINISHED AND ITS USEFULNESS TO THE STATE IMPAIRED.

57. "IT FOLLOWS THAT THERE ARE SPHERES OF ACTIVITY LEGITIMATELY OPEN TO THE ORDINARY CITIZEN IN WHICH

THE CIVIL SERVANT CAN PLAY NO PART, OR ONLY A LIMITED PART. HE IS NOT TO INDULGE IN POLITICAL OR PARTY CONTROVERSY, LEST BY SO DOING HE SHOULD APPEAR NO LONGER THE DISINTERESTED ADVISER OF MINISTERS OR ABLE IMPARTIALLY TO EXECUTE THEIR POLICY. HE IS BOUND TO MAINTAIN A PROPER RETICENCE IN DISCUSSING PUBLIC AFFAIRS AND MORE PARTICULARLY THOSE WITH WHICH HIS OWN DEPARTMENT IS CONCERNED. AND LASTLY, HIS POSITION CLEARLY IMPOSES UPON HIM RESTRICTIONS IN MATTERS OF COMMERCE AND BUSINESS FROM WHICH THE ORDINARY CITIZEN IS FREE.

58. "BETWEEN THE REGULAR INVESTMENT OR MANAGEMENT OF A PRIVATE FORTUNE ON THE ONE HAND, AND SPECULATIVE TRANSACTIONS IN STOCKS, EXCHANGE OR COMMODITIES ON THE OTHER, THERE ARE OBVIOUSLY NUMEROUS GRADATIONS, AND IT MAY OFTEN BE DIFFICULT TO DRAW THE PRECISE LINE OF DEMARCATION BETWEEN WHAT IS LAWFUL AND WHAT IS PROHIBITED; IT MAY EVEN BE INADVISABLE TO MAKE THE ATTEMPT, BECAUSE MANY THINGS, THOUGH LAWFUL, MAY YET BE INEXPEDIENT. BUT SOME TRANSACTIONS FALL INDUBITABLY ON ONE SIDE OF THE LINE RATHER THAN UPON THE OTHER. IT MIGHT WELL BE DESIRABLE FOR A CIVIL SERVANT IN ALL CIRCUMSTANCES TO AVOID TRANSACTIONS WHOLLY SPECULATIVE IN CHARACTER; BUT WHERE HE IS EMPLOYED IN ANY DEPARTMENT TO WHICH, WHETHER RIGHTLY

OR WRONGLY, THE PUBLIC ATTRIBUTE THE POWER OF OBTAINING SPECIAL INFORMATION, SUCH AS THE FUTURE COURSE OF POLITICAL OR FINANCIAL EVENTS LIKELY TO AFFECT THE RISE AND FALL OF MARKETS, THEN WE ASSERT UNHESITATINGLY THAT PARTICIPATION IN SUCH TRANSACTIONS IS NOT ONLY UNDESIRABLE OR INEXPEDIENT, BUT WRONG. THE KNOWLEDGE THAT CIVIL SERVANTS SO EMPLOYED ARE ENGAGED IN THEM COULD NOT FAIL TO SHOCK PUBLIC CONFIDENCE AT HOME, AND, ESPECIALLY IF MATTERS OF FOREIGN EXCHANGE ARE INVOLVED, TO PRODUCE A DEPLORABLE EFFECT UPON OPINION ABROAD.

59. "WE CONTENT OURSELVES WITH LAYING DOWN THESE GENERAL PRINCIPLES, WHICH WE DO NOT SEEK TO ELABORATE INTO ANY DETAILED CODE, IF ONLY FOR THE REASON THAT THEIR APPLICATION MUST NECESSARILY VARY ACCORDING TO THE POSITION, THE DEPARTMENT AND THE WORK OF THE CIVIL SERVANT CONCERNED. PRACTICAL RULES FOR THE GUIDANCE OF SOCIAL CONDUCT DEPEND ALSO AS MUCH UPON THE INSTINCT AND PERCEPTION OF THE INDIVIDUAL AS UPON CAST-IRON FORMULAS; AND THE SUREST GUIDE WILL, WE HOPE, ALWAYS BE FOUND IN THE NICE AND JEALOUS HONOUR OF CIVIL SERVANTS THEMSELVES. THE PUBLIC EXPECTS FROM THEM A STANDARD OF INTEGRITY AND CONDUCT NOT ONLY INFLEXIBLE BUT FASTIDIOUS, AND HAS NOT BEEN DISAPPOINTED IN THE PAST. WE ARE CONFIDENT THAT WE ARE EXPRESSING THE VIEW OF THE SERVICE WHEN WE SAY THAT THE PUBLIC HAVE A RIGHT TO EXPECT THAT STANDARD, AND THAT IT IS THE DUTY OF THE SERVICE TO SEE THAT THE EXPECTATION IS FULFILLED.

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STANDARDS OF CONDUCT OF THE CIVIL SERVICE:

THE EXPLICIT STANDARDS BY WHICH CIVIL SERVANTS MUST ABIDE INCLUDE THE CONFLICT OF INTEREST AREAS OF CONCERN TO THIS COMMISSION.

THESE STANDARDS AND THE SOURCES IN WHICH THEY ARE FOUND ARE DISCUSSED AND REPRODUCED BELOW.

I. DISCLOSURE OF INFORMATION:

DISCLOSURE OF CONFIDENTIAL INFORMATION BY CIVIL SERVANTS IS FORBIDDEN BY THE OFFICIAL SECRETS ACT OF 1889. THIS ACT WHICH PRIMARILY WAS CONCERNED WITH DISCLOSURES OF A TREASONABLE NATURE AFFECTED ALSO ANY SUCH DISCLOSURE UPON THE PENALTY OF GUILT OF A MISDEMEANOR. IT IS INTERESTING TO NOTE THAT SUCH DISCLOSURES ARE EQUALLY PUNISHABLE IF PERFORMED BY CONTRACTORS TO THE GOVERNMENT. ARTICLE 2 OF THIS ACT PROVIDES:

"OFFICIAL SECRETS ACT, 1889. ARTICLE 2.

(1) WHERE A PERSON, BY MEANS OF HOLDING OR HAVING HELD AN OFFICE UNDER HER MAJESTY THE QUEEN, HAS LAWFULLY OR UNLAWFULLY EITHER OBTAINED POSSESSION OF OR CONTROL OVER ANY DOCUMENT, SKETCH, PLAN, OR MODEL, OR ACQUIRED ANY INFORMATION, AND AT ANY TIME CORRUPTLY OR CONTRARY TO HIS OFFICIAL DUTY COMMUNICATES OR ATTEMPTS TO COMMUNICATE THAT DOCUMENT, SKETCH, PLAN, MODEL, OR INFORMATION TO ANY PERSON TO WHOM THE SAME OUGHT NOT, IN THE INTEREST OF THE STATE, OR OTHERWISE IN THE PUBLIC INTEREST, TO BE

COMMUNICATED AT THAT TIME, HE SHALL BE GUILTY OF A BREACH OF OFFICIAL TRUST.

(2) A PERSON GUILTY OF A BREACH OF OFFICIAL TRUST SHALL (A) IF THE COMMUNICATION WAS MADE OR ATTEMPTED TO BE MADE TO A FOREIGN STATE, BE GUILTY OF FELONY, AND ON CONVICTION BE LIABLE AT THE DISCRETION OF THE COURT TO PENAL SERVITUDE FOR LIFE, OR FOR ANY TERM NOT LESS THAN FIVE YEARS, OR TO IMPRISONMENT FOR ANY TERM NOT EXCEEDING TWO YEARS, WITH OR WITHOUT HARD LABOUR; AND

(B) IN ANY OTHER CASE BE GUILTY OF A MISDEMEANOR, AND ON CONVICTION BE LIABLE TO IMPRISONMENT WITH OR WITHOUT HARD LABOUR, FOR A TERM NOT EXCEEDING ONE YEAR, OR WITHOUT HARD LABOUR, FOR A TERM NOT EXCEEDING ONE YEAR, OR TO A FINE, OR TO BOTH IMPRISONMENT AND A FINE.

(3) THIS SECTION SHALL APPLY TO A PERSON HOLDING A CONTRACT WITH ANY DEPARTMENT OF THE GOVERNMENT OF THE UNITED KINGDOM, OR WITH THE HOLDER OF ANY OFFICE UNDER HER MAJESTY THE QUEEN AS SUCH HOLDER, WHERE SUCH CONTRACT INVOLVES AN OBLIGATION OF SECRECY, AS IF THE PERSON HOLDING THE CONTRACT AND THE PERSON SO EMPLOYED WERE RESPECTIVELY HOLDERS OF AN OFFICE UNDER HER MAJESTY THE QUEEN.

DEPARTMENTAL REGULATIONS PROHIBIT CIVIL SERVANTS FROM OFFICIAL COMMUNICATION TO THE PRESS EXCEPT UNDER PROPER AUTHORITY. THEY ARE ALSO FORBIDDEN TO CORRESPOND WITH THE PRESS IN A PERSONAL CAPACITY ON ANY OFFICIAL SUBJECT.

IN ORDER TO PUBLISH ARTICLES OR BOOKS CIVIL SERVANTS MUST OBTAIN PERMISSION FROM THE DEPARTMENT CONCERNED OR FROM THE TREASURY. IF THE INFORMATION WHICH IS USED COMES FROM OFFICIAL SOURCES OR IS CONSIDERED OF USE TO THE ADMINISTRATION, THE RIGHT IS RESERVED TO HAVE THE STATIONERY OFFICE PUBLISH IT. AN ALTERNATIVE IS TO HAVE THE PUBLISHED MATERIAL MADE AVAILABLE TO THE GOVERNMENT AT AN AGREED PRICE.

OUTSIDE BUSINESS ACTIVITIES:

THE OUTSIDE BUSINESS ACTIVITIES OF CIVIL SERVANTS ARE SUBJECT TO CERTAIN DEFINITE RULES ESTABLISHED IN ORDERS-IN-COUNCIL OR TREASURY CIRCULARS. THE TENOR OF THESE RULES IS TO PROHIBIT CONFLICTS OF INTEREST FROM DEVELOPING. THEY BAN OUTSIDE ACTIVITIES WHICH MIGHT CONFLICT WITH THE PUBLIC INTEREST AND OBLIGATE CIVIL SERVANTS TO CONSULT WITH DEPARTMENT HEADS OR OTHER SUPERIORS IN SITUATIONS OF DOUBTFUL PROPRIETY.

A PARAGRAPH FROM AN ORDER-IN-COUNCIL OF JANUARY 10, 1910, WHICH PROMULGATED CIVIL SERVICE RULES PROVIDED THE BASIC REGULATION ON OUTSIDE BUSINESS ACTIVITIES. THIS PARAGRAPH DECLARED:

"NO OFFICER SHALL BE ALLOWED TO ACCEPT ANY PART IN THE MANAGEMENT OF ANY SOCIETY, OR ANY TRADING, COMMERCIAL, INDUSTRIAL, OR FINANCIAL FIRM OR COMPANY WHICH WOULD REQUIRE THE ATTENDANCE OF SUCH OFFICER AT ANY TIME BETWEEN THE HOURS OF 10 A.M. AND 6 P.M."

A LATER TREASURY CIRCULAR REITERATED THE RULE OF THE 1910 ORDER-IN-COUNCIL AND OUTLINED FURTHER GENERAL PRINCIPLES GOVERNING THE PRIVATE ACTIVITIES OF CIVIL SERVANTS. THIS CIRCULAR IS ACKNOWLEDGED TO CONTAIN THE PRINCIPLES WHICH STILL GUIDE CIVIL SERVANTS. THE TEXT OF THE CIRCULAR FOLLOWS:

(T.C.8/27. AUGUST 11, 1927. PRIVATE OCCUPATIONS & CONFLICT OF INTERESTS):

"THE LORD COMMISSIONERS OF HIS MAJESTY'S TREASURY HAVE HAD UNDER REVIEW THE CONDITIONS UNDER WHICH IT IS ALLOWABLE FOR CIVIL SERVANTS TO ENGAGE IN PRIVATE OCCUPATIONS.

2. UNDER CLAUSE 17 OF THE ORDER IN COUNCIL OF JANUARY 10, 1910, PERMANENT OFFICERS IN HIS MAJESTY'S CIVIL ESTABLISHMENTS ARE PRECLUDED FROM ACCEPTING ANY POST IN THE MANAGEMENT OF ANY SOCIETY OR ANY TRADING, COMMERCIAL, INDUSTRIAL OR FINANCIAL FIRM OR COMPANY, WHICH WOULD REQUIRE THEIR ATTENDANCE AT ANY TIME BETWEEN THE HOURS OF 10 A.M. AND 6 P.M.

THIS RULE SHOULD BE REGARDED AS APPLICABLE TO ALL WHOLETIME CIVIL SERVANTS, WHETHER ESTABLISHED OR UNESTABLISHED.

3. THE CLAUSE REFERRED TO ABOVE REPRESENTS ONLY A MINIMUM PROVISION AND DEPARTMENTS HAVE FOUND IT NECESSARY FROM TIME TO TIME TO ISSUE DETAILED REGULATIONS ON THE SUBJECT. THE SPECIAL CIRCUMSTANCES CONNECTED WITH THE ACTIVITIES OF PARTICULAR DEPARTMENTS CAN BEST BE DEALT WITH BY DEPARTMENTAL REGULATIONS, BUT MY LORDS THINK IT DESIRABLE TO DRAW ATTENTION TO THE FOLLOWING GENERAL PRINCIPLES WHICH THEY CONSIDER SHOULD BE EMBODIED, TOGETHER WITH CLAUSE 17 OF THE ORDER IN COUNCIL ABOVE REFERRED TO, IN ALL DEPARTMENTAL REGULATIONS DEALING WITH THIS MATTER.

(I) NO OFFICER MAY AT ANY TIME ENGAGE IN ANY ACTIVITY WHICH WOULD IN ANY WAY TEND TO IMPAIR HIS USEFULNESS AS A PUBLIC SERVANT.

(II) NO OFFICER MAY ENGAGE IN ANY OCCUPATION OR UNDERTAKING WHICH MIGHT IN ANY WAY CONFLICT WITH THE INTERESTS OF HIS DEPARTMENT OR BE INCONSISTENT WITH HIS POSITION AS A PUBLIC SERVANT.

(III) IT IS THE DUTY OF ANY OFFICER, WHO MAY HAVE ANY DOUBT AS TO THE PROPRIETY OF UNDERTAKING ANY PARTICULAR WORK, TO CONSULT THE HEAD OF HIS DEPARTMENT, OR THE ESTABLISHMENT OFFICER.

4. IT SHOULD, OF COURSE, BE CLEARLY UNDERSTOOD THAT THE FACT THAT AN OFFICER HAS UNDERTAKEN OUTSIDE EMPLOYMENT, WHETHER OR NOT AFTER THE CONSULTATION REFERRED TO IN PARAGRAPH 3 (III) CANNOT BE TAKEN INTO ACCOUNT IN THE ALLOCATION OF STAFF TO PARTICULAR DUTIES OR STATIONS.

ACCEPTANCE OF BUSINESS APPOINTMENTS UPON RETIREMENT.

A MEMORANDUM BY THE GOVERNMENT WAS ISSUED IN 1937 PROVIDING RULES FOR THE ACCEPTANCE OF BUSINESS APPOINTMENTS BY HIGH RANKING MEMBERS OF THE CIVIL SERVICE AND THE ARMED FORCES UPON THEIR RETIREMENT FROM GOVERNMENT SERVICE. THE MEMORANDUM REQUIRES PRIOR GOVERNMENT ASSENT TO THE ACCEPTANCE OF CERTAIN BUSINESS APPOINTMENTS FOR A PERIOD OF 2 YEARS FOLLOWING THE RETIREMENT OF SUCH INDIVIDUALS. THE BUSINESSES AFFECTED BY THIS RULE ARE THOSE INVOLVED IN CONTRACTUAL OR OTHER CLOSE RELATIONSHIPS WITH THE GOVERNMENT. THE MEMORANDUM ITSELF DECLARES:

(MEMORANDUM ON THE SUBJECT OF THE ACCEPTANCE OF BUSINESS APPOINTMENTS BY OFFICERS OF THE CROWN SERVICES (CMD.5517) JULY 1937).

"AS STATED AT THE END OF PARAGRAPH 15 F CMD. 5451 (STATEMENT RELATING TO REPORT OF THE ROYAL COMMISSION ON THE PRIVATE MANUFACTURE OF AND TRADING IN ARMS, 1935-36"), THE QUESTION OF THE ACCEPTANCE OF BUSINESS APPOINTMENTS BY OFFICERS OF THE CROWN SERVICES

IS ONE WHICH "CALLS FOR CAREFUL STUDY, AND IS NOT BEING OVERLOOKED."

AFTER CLOSE EXAMINATION OF THIS QUESTION, HIS MAJESTY'S GOVERNMENT HAVE REACHED THE CONCLUSION SET OUT IN THE FOLLOWING PARAGRAPHS:-

2. THE SUREST GUIDE FOR THE CONDUCT OF OFFICERS OF THE FOUR CROWN SERVICES MUST ALWAYS BE THE EXISTENCE AND MAINTENANCE OF GREAT TRADITIONS AND HIGH STANDARDS IN THOSE SERVICES; NO RULES, HOWEVER ELABORATE, CAN BE A SUBSTITUTE FOR THIS ALL-IMPORTANT CONDITION. THE APPENDIX TO THIS PAPER CONTAINS AN EXTRACT FROM THE REPORT OF A BOARD OF ENQUIRY PUBLISHED IN 1928 (CMD. 3037) ENUNCIATING CERTAIN GENERAL PRINCIPLES BY WHICH THE CONDUCT OF CIVIL SERVANTS SHOULD BE REGULATED; THESE RECEIVED GOVERNMENTAL APPROVAL, AND ARE, OF COURSE, EQUALLY APPLICABLE TO THE ROYAL NAVY, THE ARMY, AND THE ROYAL AIR FORCE.

3. AT THE SAME TIME, HIS MAJESTY'S GOVERNMENT RECOGNISE THAT IT IS IN THE INTEREST OF THE SERVICES THEMSELVES, AS WELL AS OF THE COUNTRY, THAT PUBLIC CONFIDENCE IN THE DISINTERESTEDNESS AND INTEGRITY OF THE CROWN SERVICES SHOULD BE MAINTAINED AT THE HIGHEST POINT, AND THAT THERE SHOULD BE NO POSSIBILITY OF A SUGGESTION - HOWEVER UNJUSTIFIED - IN THE PUBLIC MIND THAT MEMBERS OF THOSE SERVICES MIGHT BE INFLUENCED IN

THE COURSE OF THEIR OFFICIAL RELATIONS WITH BUSINESS CONCERNS BY HOPES OR OFFERS OF FUTURE EMPLOYMENT IN ANY OF THOSE CONCERNS.

4. IN EMPHASISING THE IMPORTANCE OF PRESERVING PUBLIC CONFIDENCE, HIS MAJESTY'S GOVERNMENT IN NO SENSE IMPLY THAT THERE IS ANYTHING INTRINSICALLY IMPROPER OR UNDESIRABLE IN OFFICERS, ON RETIREMENT AT THE END OF THEIR SERVICE CAREER, ACCEPTING BUSINESS APPOINTMENTS. BUT THEY REALISE THAT THERE ARE TYPES OF CASES WHICH MIGHT LEND THEMSELVES TO MISUNDERSTANDING, AND THEY HAVE DECIDED TO REQUIRE GOVERNMENT ASSENT TO THE ACCEPTANCE OF APPOINTMENTS WITHIN THESE TYPES.

5. THESE WOULD INCLUDE BUSINESSES AND OTHER BODIES--

(A) WHICH ARE IN CONTRACTUAL RELATIONSHIP WITH THE GOVERNMENT.

(B) WHICH ARE IN RECEIPT OF SUBSIDIES OR THEIR EQUIVALENT FROM THE GOVERNMENT;

(C) IN WHICH THE GOVERNMENT IS A SHAREHOLDER;

(D) WHICH ARE IN RECEIPT FROM THE GOVERNMENT OF LOANS, GUARANTEES OR OTHER FORMS OF CAPITAL ASSISTANCE;

(E) WITH WHICH SERVICES OR DEPARTMENTS OR BRANCHES OF GOVERNMENT ARE, AS A MATTER OF COURSE, IN A SPECIAL RELATIONSHIP;

AND SEMI-PUBLIC ORGANISATIONS BROUGHT INTO BEING BY THE

GOVERNMENT AND/OR BY PARLIAMENT.

6. IN SUCH CASES ALL OFFICERS OF THE RANK OF ASSISTANT UNDER-SECRETARY OF STATE (OR PRINCIPAL ASSISTANT SECRETARY OR, IN MISSIONS ABROAD, MINISTERS), REAR-ADMIRAL, MAJOR-GENERAL, AIR VICE-MARSHAL-AND ABOVE- WILL BE REQUIRED TO OBTAIN THE ASSENT OF THE GOVERNMENT BEFORE ACCEPTING AN OFFER OF EMPLOYMENT.

IN ADDITION, IN EACH OF THE FOUR SERVICES THERE ARE POSTS OF A SPECIAL OR TECHNICAL CHARACTER NOT COVERED BY THE PRECEDING SENTENCE TO WHICH A SIMILAR REQUIREMENT WILL APPLY. LISTS OF SUCH POSTS WILL BE PREPARED IN THE RESPECTIVE DEPARTMENTS, IN CONJUNCTION WITH THE TREASURY, TO ENSURE PARITY OF TREATMENT.

7. THE PRIOR ASSENT OF THE GOVERNMENT WILL TAKE THE FORM OF APPROVAL BY THE MINISTER CONCERNED AFTER CONSULTATION WITH THE TREASURY; BUT, AFTER THE LAPSE OF TWO YEARS FROM THE DATE OF RETIREMENT, SUCH ASSENT WILL NO LONGER BE REQUIRED.

8. THE LIKE PRINCIPLES WILL APPLY IN THE CASE OF OFFICERS WHO, IN EXCEPTIONAL CIRCUMSTANCES, MAY WISH TO RESIGN FROM THE SERVICES TO TAKE UP OUTSIDE OCCUPATIONS.

INTERESTS IN CONTRACTS WITH THE GOVERNMENT.

CLOSELY ALLIED WITH THE MATTER OF THE OUTSIDE BUSINESS ACTIVITIES OF CIVIL SERVANTS IS THE QUESTION OF INTERESTS IN CONTRACTS BY GOVERNMENT EMPLOYEES, THESE REGULATIONS FORBID PERSONS WITH INTERESTS IN CONTRACTS OR CASES TO PARTICIPATE IN THE MAKING OF DECISIONS CONCERNING THEM AND OBLIGATE GOVERNMENT EMPLOYEES TO FULLY DISCLOSE THEIR INTERESTS IN SUCH MATTERS TO THE HEAD OF THEIR DEPARTMENT. THESE REGULATIONS ALSO BAN INTERESTS IN CONTRACTS TO MEMBERS OF PARLIAMENT.

THE TREASURY CIRCULAR EMBODYING THESE PRINCIPLES FOLLOWS:

T.C.12/24. MAY 27, 1924:

"THE LORD COMMISSIONERS OF HIS MAJESTY'S TREASURY HAVE HAD BEFORE THEM THE RECOMMENDATIONS CONTAINED IN PARAGRAPHS 7 AND 8 OF THE THIRD REPORT OF THE COMMITTEE ON PUBLIC ACCOUNTS, 1920, READING AS FOLLOWS:

"DUAL CAPACITY

"7. WE HAVE DEVOTED A GOOD DEAL OF ATTENTION TO WHAT MAY BRIEFLY BE TERMED, 'DUAL CAPACITY' CASES, E.G., CASES IN WHICH AN OFFICER OF A DEPARTMENT, HOLDING A RESPONSIBLE POSITION, ALLOTS A CONTRACT EITHER TO HIMSELF OR TO A

FIRM IN WHICH HE IS MATERIALLY INTERESTED. CASES OF THIS KIND HAVE TENDED TO OCCUR DURING THE WAR WHEN TRADERS, MERCHANTS AND PROFESSIONAL MEN HAVE PUT THEIR KNOWLEDGE AND POWERS AT THE DISPOSAL OF THE GOVERNMENT, WORKING SIDE BY SIDE WITH PERSONS BROUGHT UP IN THE TRADITIONS OF THE CIVIL SERVICE. BUT, APART FROM THIS, IT IS EVIDENT THAT AS THE ACTIVITIES OF THE STATE EXPAND, SUCH CASES TEND TO BECOME MORE COMMON AND THAT THEY ARE SPECIALLY LIABLE TO BECOME AN OCCASION FOR SCANDALS. IT IS CLEAR THAT ONE DIFFICULTY IN DEALING WITH THE SUBJECT IS THAT IT IS SO LARGELY A QUESTION OF DEGREE. NEVERTHELESS, WE THINK THAT THE SUBJECT IS ONE ON WHICH INSTRUCTIONS TO THE PUBLIC SERVICE FROM THE TREASURY (AS THE CENTRAL DEPARTMENT) WOULD BE DESIRABLE.

"8. THE MINISTRY OF MUNITIONS (WHILE THEY DO NOT APPEAR TO HAVE TAKEN ACTION ON THE MATTER TILL 11TH JUNE, 1917) LAID DOWN CERTAIN REGULATIONS (SHOWN IN APPENDIX 17) WHICH MAY BE USEFUL IN THIS CONNECTION, AND TWO POINTS, AT ANY RATE, SEEM TO US CLEAR. FIRST, AN OFFICER SHOULD NOT DECIDE A CASE IN WHICH HE BE INTERESTED, BUT SHOULD ASK A COLLEAGUE TO DEAL WITH IT. SECONDLY, ALL THE FACTS AS TO HIS INTEREST MUST BE FULLY

DISCLOSED - BOTH TO HIS OWN DEPARTMENT AND (IF IT BE CONCERNED) TO THE TREASURY. IF, AFTER SUCH DISCLOSURES, HE IS DIRECTED, BY A MINISTER OR OTHERWISE TO DEAL WITH THE CASE, HE CAN DO SO WITH A CLEAR CONSCIENCE - THOUGH THE QUESTION MAY THEN ARISE WHETHER IT WAS JUDICIOUS TO GIVE HIM THOSE DIRECTIONS."

2. REFERENCE TO THE EVIDENCE WHICH LED TO THESE COMMENTS WILL SHOW THAT THEY RELATE MORE PARTICULARLY TO HIGHER STAFF RENDERING TEMPORARY SERVICE TO GOVERNMENT DEPARTMENTS DURING THE SPECIAL WAR EMERGENCY, BUT MY LORDS CONSIDER IT DESIRABLE FOR THEM TO RESTATE THE VIEWS WHICH THEY THEMSELVES HOLD IN THE MATTER IN ORDER THAT THE PRACTICE OF DEPARTMENTS MAY BE IDENTICAL.

3. THE FORMS OF A CONTRACT IN USE IN GOVERNMENT DEPARTMENTS CONTAIN, IN ACCORDANCE WITH THE PROVISIONS OF THE HOUSE OF COMMONS (DISQUALIFICATION) ACTS, 1782 AND 1801, A CONDITION THAT MEMBERS OF PARLIAMENT SHALL NOT BE ADMITTED TO ANY SHARE OR PART IN CONTRACTS MADE BY GOVERNMENT DEPARTMENTS. THE WORDING OF THIS CLAUSE SHOULD IN ALL GOVERNMENT CONTRACTS ADHERE

STRICTLY TO THE WORDING PRESCRIBED BY THE HOUSE OF COMMONS (DISQUALIFICATION) ACTS, 1782 AND 1801)."

THIS CLAUSE DOES NOT OPERATE TO THE EXCLUSION OF MEMBERS OF PARLIAMENT WHO ARE MEMBERS OF PUBLIC COMPANIES.

4. THE REGULATIONS OF SEVERAL DEPARTMENTS ALREADY PROHIBIT THE ACCEPTANCE OF GOVERNMENT CONTRACTS BY GOVERNMENT SERVANTS IN DEPARTMENTS CONCERNED.

5. THEIR LORDSHIPS, HOWEVER, CONCUR IN THE VIEW OF THE COMMITTEE THAT MORE DEFINITE GENERAL DIRECTIONS SHOULD BE GIVEN, AND THEY ACCORDINGLY DESIRE THAT INSTRUCTIONS SHALL BE GIVEN AS FOLLOWS:

6. UNLESS THE GOVERNMENT SERVANT SHALL HAVE FIRST DISCLOSED FULLY TO THE HEAD OF HIS DEPARTMENT THE MEASURE OF HIS INTEREST IN THE CONTRACT AND PERMISSION OF SUCH HEAD OF DEPARTMENT SHALL HAVE BEEN GIVEN FOR THE CONTRACT, PURCHASE OR SALE TO PROCEED NOTWITHSTANDING THE INTEREST HELD BY A GOVERNMENT SERVANT --

(A) NO GOVERNMENT CONTRACT SHALL BE LET TO A GOVERNMENT SERVANT IN THE CONTRACTING DEPARTMENT OR TO ANY PARTNERSHIP OF WHICH HE IS A MEMBER (APART FROM A CORPORATION IN WHICH HE IS A SHAREHOLDER);

(B) NO GOVERNMENT CONTRACT SHALL BE LET TO ANY COMPANY OF WHICH A GOVERNMENT SERVANT IN THE CONTRACTING DEPARTMENT IS A DIRECTOR (EXCEPT AS A NOMINEE OF HIS MAJESTY'S GOVERNMENT);

(C) NO GOVERNMENT SERVANT SHALL BE PERMITTED TO ACCEPT A DIRECTORSHIP EXCEPT AS A NOMINEE OF

HIS MAJESTY'S GOVERNMENT IN ANY COMPANY HOLDING
A CONTRACT WITH HIS DEPARTMENT.

7. NO PURCHASE SHALL BE MADE FROM, AND NO SALE MADE TO,
ANY GOVERNMENT SERVANT WITHOUT THE EXPRESS SANCTION OF
THE TREASURY EXCEPT AS FOLLOWS:

(A) TRANSACTIONS OCCURRING IN THE ORDINARY COURSE
OF PUBLIC BUSINESS, E.G., THE PURCHASE OF STATIONERY
OFFICE PUBLICATIONS, NATIONAL SAVINGS CERTIFICATES,
POSTAGE STAMPS, MONEY ORDERS, ETC.

(B) APPLICABLE ONLY TO ADMIRALTY, WAR OFFICE, AND
AIR MINISTRY.

(I) SALES OF PROVISIONS, CLOTHING, OFFICERS'
CHARGES, ETC., UNDER REGULATIONS APPROVED FROM
TIME TO TIME;

(II) SALE OF OLD STORES, ETC., AT FIXED PRICES
(AVAILABLE TO THE PUBLIC)

(III) PURCHASES FROM OR SALES TO OFFICERS IN
EXCEPTIONAL CIRCUMSTANCES (ON EXPRESS HEAD-
QUARTERS AUTHORITY IN EACH CASE) ON THE UNDER-
STANDING--

(1) THAT PURCHASERS OF GOVERNMENT STORES ON
SPECIAL TERMS BY PRIVATE TREATY, OR AT AUCTION
SHALL NOT BE PERMITTED;

(2) THAT THE MERE FACT THAT STORES ARE REQUIRED
TO MEET PERSONAL REQUIREMENTS AND NOT FOR COMMERCIAL
PURPOSES SHALL NOT BE REGARDED AS FULFILLING THE
DESCRIPTION "EXCEPTIONAL CIRCUMSTANCES."

8. IN NO CIRCUMSTANCES SHOULD ANY GOVERNMENT SERVANT NEGOTIATE OR ARBITRATE IN ANY MATTER AFFECTING A CONTRACT, PURCHASE OR SALE, WHERE, IN HIS PRIVATE CAPACITY, HE IS INTERESTED EITHER AS A PRINCIPAL OR AS A SHAREHOLDER IN A COMPANY BEING ONE OF THE PRINCIPALS TO THE MATTER UNDER CONSIDERATION.

9. STEPS SHOULD BE TAKEN TO REMIND ALL GOVERNMENT SERVANTS THAT IT IS THEIR DUTY, IF THEY HAVE OCCASION TO COME INTO CONTACT WITH ANY MATTER CONCERNING A BUSINESS ORGANIZATION IN WHICH THEY HAVE AN INTEREST TO DISCLOSE THAT INTEREST TO THE HEAD OF THEIR DEPARTMENT AND TO ASK THAT SOME OTHER OFFICER MAY DEAL WITH THE CASE.

10. DEPARTMENTS ARE REMINDED THAT CLAUSE 17 OF THE ORDER IN COUNCIL OF 10TH JANUARY, 1910, STILL APPLIES TO PERMANENT CIVIL SERVANTS WHO ARE BY THAT CLAUSE PRECLUDED FROM ACCEPTING ANY POST IN THE MANAGEMENT OF ANY SOCIETY, OR ANY TRADING, COMMERCIAL, INDUSTRIAL OR FINANCIAL FIRM OR COMPANY WHICH WOULD REQUIRE THE ATTENDANCE OF SUCH OFFICER AT ANY TIME BETWEEN THE HOURS OF 10 A.M. AND 6 P.M.

11. THE CONDITIONS OF THIS LETTER NEED NOT BE APPLIED TO RESERVE OR AUXILIARY FORCES EXCEPT AS REGARDS PERMANENT STAFFS.

12. THIS LETTER SHOULD BE REGARDED AS IN SUBSTITUTION FOR THE TREASURY CIRCULAR LETTERS OF 13TH DECEMBER 20, 1920. No. F2260 (63/20) AND OF 24TH FEBRUARY, 1921, No. F2260 (5A/21).

USE OF POLITICAL INFLUENCE:

ANOTHER TREASURY CIRCULAR FORBIDS CIVIL SERVANTS FROM BRINGING POLITICAL OR OTHER OUTSIDE PRESSURE TO SUPPORT THEIR PERSONAL CLAIMS. THE PERTINENT EXTRACT FROM THAT CIRCULAR (T.C.22/22) STATES:

"MY LORDS WOULD ALSO TAKE THIS OPPORTUNITY OF CALLING ATTENTION TO THE RULE FORBIDDING OFFICERS FROM ATTEMPTING TO BRING POLITICAL OR OTHER OUTSIDE INFLUENCE TO SUPPORT THEIR PERSONAL CLAIMS. IT MUST BE EMPHASIZED THAT SUCH ATTEMPTS CANNOT FAIL TO HAVE A PREJUDICIAL EFFECT UPON THE OFFICER'S CAREER AND MAY IN SERIOUS CASES RESULT IN DISCIPLINARY ACTION."

PECUNIARY EMBARRASSMENT:

THERE ARE LONG-STANDING RULES DEALING WITH THE BANKRUPTCY AND INSOLVENCY OF CIVIL SERVANTS. THESE RULES ARE DESIGNED TO MAINTAIN THE INTEGRITY OF PUBLIC SERVICE. THEY REQUIRE CIVIL SERVANTS WHO BECOME INSOLVENT OR BANKRUPT TO IMMEDIATELY REPORT THAT FACT TO THE PERMANENT HEAD OF THE DEPARTMENT. THE HEAD OF THE DEPARTMENT HAS THE DISCRETION TO DECIDE WHETHER DISCIPLINARY ACTION (DISMISSAL IS THE PENALTY FOR DISHONEST OR DISCREDITABLE TRANSACTIONS) SHOULD BE TAKEN. CIVIL SERVANTS INVOLVED IN THIS TYPE OF PREDICAMENT ARE ALLOWED TO CONTINUE IN THEIR POSTS PROVIDED THAT THE DUTIES DO NOT

INVOLVE THE HANDLING OF PUBLIC MONEYS. THERE ARE, IN ADDITION, VARIOUS DEPARTMENTAL RULES WHICH RELATE TO GAMBLING AND BORROWING.

THE BASIC INSTRUMENT DEALING WITH INSOLVENCY AND BANKRUPTCY WAS A TREASURY MINUTE OF 1868 WHICH WAS SUPPLEMENTED BY A TREASURY CIRCULAR IN 1923 ELABORATING MORE SPECIFIC RULES. BOTH OF THESE DOCUMENTS ARE REPRODUCED BELOW FOR THE INFORMATION OF THE COMMISSION.

INSOLVENCY:

THE FOLLOWING REGULATIONS APPLY:

(1) TREASURY MINUTE DTD 30 NOVEMBER, 1868

- "1. THAT IT IS TO BE UNDERSTOOD THAT SERIOUS PECUNIARY EMBARRASSMENT, FROM WHATEVER CAUSE, MUST BE REGARDED AS A CIRCUMSTANCE WHICH NECESSARILY HAS THE EFFECT OF IMPAIRING THE EFFICIENCY OF A PUBLIC SERVANT, AND OF RENDERING HIM LESS VALUABLE THAN HE WOULD OTHERWISE BE.
2. THAT SUCH EMBARRASSMENT, IF OCCASIONED BY IMPRUDENCE OR OTHER REPREHENSIBLE CAUSE, WILL BE HELD TO BE AN OFFENCE, AS AFFECTING THE RESPECTABILITY OF THE SERVICE AND THE TRUSTWORTHINESS OF THE INDIVIDUAL; ANY PERSON WHO HAS THUS CONDUCTED HIMSELF, WILL BE CONSIDERED TO HAVE FORFEITED THAT HONOURABLE POSITION IN THE SERVICE WHICH IS NECESSARY TO GIVE HIM A CLAIM TO PROMOTION OR INCREASE OF SALARY FROM LENGTH OF SERVICE; AND THESE BENEFITS WILL NOT BE

PERMITTED TO ACCRUE TO HIM AGAIN UNTIL HE SHALL HAVE RELIEVED HIMSELF FROM THE DISCREDIT OF SUCH A POSITION. AGGRAVATED CASES OF THIS DESCRIPTION WILL BE NOTICED WHENEVER THEY BECOME KNOWN; AND SUCH MEASURES WILL BE TAKEN EITHER IN THE MANNER ABOVE ADVERTED TO, OR IN A MANNER MORE SUMMARY AND SEVERE, AS THE CIRCUMSTANCES MAY APPEAR TO DESERVE.

"3. THAT THE MERE FACT, UNDER WHATEVER PLEA, OF BECOMING A PARTY TO ACCOMMODATION BILLS, WHETHER FOR HIS OWN PURPOSES, OR FOR ANOTHER PERSON, AND WHETHER RESULTING IN PECUNIARY EMBARRASSMENT OR NOT, WILL SUBJECT A CIVIL SERVANT TO THE CONSEQUENCES DESCRIBED IN THE PRECEDING PARAGRAPH.

"4. THAT IN THE EVENT OF ANY CIVIL SERVANT BEING ARRESTED, OR BEING ADJUDICATED A BANKRUPT, OR ENTERING INTO A COMPOSITION WITH HIS CREDITORS UNDER THE BANKRUPTCY ACT, HE WILL, ON THE FACT BEING KNOWN, BE SUSPENDED FROM DUTY AND SALARY, AND WILL NOT BE REINSTATED UNLESS, AFTER EXAMINATION OF THE FACTS AND OF THE SCHEDULE PREPARED BY THE COURT, IT SHALL APPEAR THAT HIS DIFFICULTIES HAVE BEEN OCCASIONED BY UNAVOIDABLE MISFORTUNE, AND NOT BY EXTRAVAGANCE OR CULPABLE IMPROVIDENCE, OR UNLESS THE CASE SHALL BE CHARACTERISED BY PREVIOUS CIRCUMSTANCES OF EXTENUATION.

"5. THAT ANY PERSON, WHO SHALL NOT IMMEDIATELY ON HIS BEING ARRESTED, OR PROCEEDINGS BEING TAKEN WITH A VIEW

TO BANKRUPTCY, INFORM THE HEAD OF HIS DEPARTMENT OF THE FACT, SHALL UPON IT BECOMING KNOWN, BE REMOVED FROM THE SERVICE WITHOUT ANY EXPECTATION OF BEING REINSTATED."

T.C. 24/23. 3RD SEPTEMBER, 1923.

THE LORDS COMMISSION OF HIS MAJESTY'S TREASURY HAVE HAD UNDER REVIEW THE PRACTICE OF VARIOUS DEPARTMENTS IN DEALING WITH CASES OF CIVIL SERVANTS WHO BECOME BANKRUPT OR INSOLVENT. IT IS APPARENT THAT, WHILE THE GENERAL PRINCIPLES LAID DOWN IN THE TREASURY MINUTE OF THE 30TH NOVEMBER, 1868, CONTINUE TO BE OBSERVED, CERTAIN DIFFERENCES HAVE ARISEN AMONG DEPARTMENTS IN THE APPLICATION OF THESE PRINCIPLES AND THEIR LORDSHIPS HAVE ACCORDINGLY DRAWN UP THE FOLLOWING RULES FOR GENERAL GUIDANCE:-

(1) A CIVIL SERVANT WHO BECOMES A BANKRUPT OR INSOLVENT MUST, UNDER PAIN OF DISMISSAL, AT ONCE REPORT THE FACT TO THE PERMANENT HEAD OF HIS DEPARTMENT.

(2) IN SUCH CASES, THE OFFICER CONCERNED SHOULD BE REQUIRED AT THE EARLIEST POSSIBLE MOMENT TO SUBMIT A COMPLETE STATEMENT OF THE FACTS OF HIS CASE TO THE HEAD OF HIS DEPARTMENT WHO WILL DECIDE, IN HIS DISCRETION, WHETHER THE CIRCUMSTANCES ARE SUCH AS TO CALL FOR DISCIPLINARY ACTION, IT BEING UNDERSTOOD THAT, IF THE OFFICER WHO HAS BECOME BANKRUPT OR INSOLVENT HAS COMMITTED ANY ACT OF DISHONESTY, OR HAS OTHERWISE ACTED DISCREDITABLY, HE WILL BE DISMISSED. THE DEPARTMENT SHOULD TAKE STEPS TO PROSECUTE

THE OFFENDER IF THERE IS EVIDENCE OF THE MISAPPROPRIATION OF PUBLIC MONEYS.

(3) PENDING THE RESULT OF THE DEPARTMENTAL INQUIRY INTO HIS CASE, THE OFFICER CONCERNED SHOULD BE CONTINUED IN HIS POST, UNLESS THERE IS PRIMA FACIE REASON TO BELIEVE THAT PUBLIC MONEYS HAVE BEEN OR ARE LIKELY TO BE INVOLVED, IN WHICH CASES HE SHOULD BE SUSPENDED.

(4) PROVIDED ALWAYS THAT IN NO CIRCUMSTANCES CAN A CIVIL SERVANT WHO IS BANKRUPT OR INSOLVENT CONTINUE TO BE EMPLOYED ON DUTIES INVOLVING THE HANDLING OF PUBLIC MONEY.

THESE RULES APPLY TO PERSONS TEMPORARILY EMPLOYED IN THE GOVERNMENT SERVICE AS WELL AS TO PERMANENT CIVIL SERVANTS.

I AM TO ADD THAT, WHILE MY LORDS ATTACH IMPORTANCE TO THE MAINTENANCE, IN ORDINARY CASES, OF UNIFORMITY WITH PRACTICE THROUGHOUT THE PUBLIC SERVICE IN ACCORDANCE WITH THE RULES STATED ABOVE, THEY HAVE NO DESIRE TO INTERFERE WITH THE DISCRETION OF HEADS OF DEPARTMENTS TO DEAL EXCEPTIONALLY WITH INDIVIDUAL CASES. IN ANY CASE OF DIFFICULTY THEY WILL BE GLAD TO ADVISE DEPARTMENTS, IN THE LIGHT OF THE INFORMATION AND EXPERIENCE AT THEIR DISPOSAL, AS TO THE PROPER COURSE OF ACTION.

ADDITIONAL COMMENT:

IT IS NOTABLE THAT ALL OF THE DOCUMENTS OUTLINING THE STANDARDS OF CONDUCT FOR CIVIL SERVANTS ARE NOT OF

RECENT PROCLAMATION. YET THEY STILL ARE CITED AS THE SOURCE FOR THE STANDARDS TODAY.

UNDER THE ORGANIZATION AND ADMINISTRATION OF THE BRITISH CIVIL SERVICE, DESCRIBED EARLIER IN THIS MEMORANDUM, THE SANCTIONS AVAILABLE FOR VIOLATIONS OF THE STANDARDS OF CONDUCT ARE STRONG. GREAT DISCRETION EXISTS IN THE HANDS OF HEADS OF DEPARTMENTS TO SUSPEND CIVIL SERVANTS IN SUCH INSTANCES. THIS POWER TO SUSPEND EXISTS UNDER REGULATIONS DESCRIBED AS FOLLOWS:

CIVIL SERVANTS SUSPENDED FROM DUTY:

THE FOLLOWING REGULATIONS GOVERN THE POWER OF HEADS OF DEPARTMENTS TO SUSPEND A CIVIL SERVANT FROM DUTY:

(1) AN OFFICER MAY AT ANY TIME BE SUSPENDED FROM DUTY IF, IN THE OPINION OF THE HEAD OF HIS DEPARTMENT, THAT COURSE IS DESIRABLE IN THE PUBLIC INTEREST IN CONSEQUENCE OF THE OFFICER BEING ARRESTED OR HAVING CIVIL OR CRIMINAL PROCEEDINGS OR CHARGES OF IRREGULARITY OR MISCONDUCT BROUGHT OR MADE AGAINST HIM.

(2) WHERE AN OFFICER IS SUSPENDED HIS REMUNERATION IN RESPECT OF ANY PERIOD OR SUSPENSION MAY, IF THE HEAD OF THE DEPARTMENT SHALL SO DECIDE, BE WITHHELD WHOLLY OR IN PART SO LONG AS SUCH SUSPENSION CONTINUES.

(3) ON THE TERMINATION OF THE PERIOD OF SUSPENSION WHETHER BY DISMISSAL OR REINSTATEMENT OF THE OFFICER, HIS

REMUERATION IN RESPECT OF THAT PERIOD MAY, IF THE HEAD OF THE DEPARTMENT SHALL SO DETERMINE AFTER CONSIDERATION OF THE WHOLE OF THE CIRCUMSTANCES OF THE CASE, BE FORFEITED WHOLLY OR IN PART.

AS A RESULT OF AN INVESTIGATION IN 1954 OF THE MANNER IN WHICH CERTAIN LANDS WERE ACQUIRED BY ONE OF THE DEPARTMENTS THE CIVIL SERVICE CAME UNDER CONSIDERABLE CRITICISM FOR ITS CALLOUS HANDLING OF THAT PARTICULAR SITUATION. IN A REPORT MADE TO THE PRIME MINISTER OVER THE POSSIBILITY OF TRANSFERRING CERTAIN CIVIL SERVANTS INVOLVED IN THE MATTER ADDITIONAL POSITIVE STANDARDS FOR CIVIL SERVANTS WERE SUGGESTED. THESE STANDARDS RECOGNIZED THE OBLIGATIONS OF CIVIL SERVANTS TO MEET PUBLIC EXPECTATIONS OF FAIR AND SYMPATHETIC TREATMENT OF THEIR CAUSES. THE EXTRACT FROM THAT REPORT IS ATTACHED BELOW:

REPORT OF A COMMITTEE APPOINTED BY THE PRIME MINISTER TO CONSIDER WHETHER CERTAIN CIVIL SERVANTS SHOULD BE TRANSFERRED TO OTHER DUTIES. JULY 1954. CMD. 9220.

"3. THERE IS NO DEFINED SET OF RULES BY WHICH THE CONFIDENCE OF THE PUBLIC IN THE ADMINISTRATION OF GOVERNMENT DEPARTMENTS CAN BE SECURED AND HELD.

INCORRUPTIBILITY AND EFFICIENCY ARE TWO OBVIOUS REQUIREMENTS. IN THE PRESENT CASE CORRUPTION HAS NOT BEEN IN QUESTION; INEFFICIENCY HAS. BEYOND THAT IT IS DIFFICULT TO PARTICULARISE. BUT THE PRESENT CASE SEEMS TO US TO EMPHASISE ONE FURTHER FACTOR WHICH MAY BE LESS SELF-EVIDENT BUT WHICH WE REGARD AS OF THE HIGHEST IMPORTANCE. IN PRESENT

TIMES THE INTERESTS OF THE PRIVATE CITIZEN ARE AFFECTED TO A GREAT EXTENT BY THE ACTIONS OF CIVIL SERVANTS. IT IS THE MORE NECESSARY THAT THE CIVIL SERVANT SHOULD BEAR CONSTANTLY IN MIND THAT THE CITIZEN HAS A RIGHT TO EXPECT, NOT ONLY THAT HIS OFFICE WILL BE DEALT WITH EFFICIENTLY AND EXPEDITIOUSLY, BUT ALSO THAT HIS PERSONAL FEELINGS, NO LESS THAN HIS RIGHTS AS AN INDIVIDUAL WILL BE SYMPATHETICALLY AND FAIRLY CONSIDERED. WE THINK THAT THE ADMITTED SHORTCOMINGS IN THIS RESPECT ARE THE MAIN CAUSE OF SUCH LOSS OF PUBLIC CONFIDENCE AS HAS RESULTED FROM THE PRESENT CASE."

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