

Privilege

[Translation]

Progress reported.

The Acting Speaker (Mrs. Morin): It being one o'clock, I do now leave the chair until two o'clock p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

ROUTINE PROCEEDINGS

[English]

PRIVILEGE

MR. REID—NEWSPAPER ARTICLE ALLEGING NOVEMBER BUDGET LEAK

Mr. Speaker: Order, please. Just before one o'clock the House was in committee of the whole and would at this time ordinarily be resuming consideration of Bill C-66 in committee of the whole. However, it was agreed that we should give consideration at two o'clock to the question of privilege raised previously, and to the motion of referral of that question to the Standing Committee on Privileges and Elections. I understood that there were to be discussions about the possibility of amending the proposed motion.

Mr. Sharp: Mr. Speaker, there have been discussions among the House leaders concerning the terms of the motion to be proposed by the hon. member for Kenora-Rainy River (Mr. Reid). He is agreeable to an amendment which I believe will be proposed by the hon. member for Oshawa-Whitby (Mr. Broadbent).

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I wish to propose an amendment which will make it possible for the committee to consider certain aspects of this matter. When I proposed my motion earlier today I indicated, on behalf of my colleagues, that we think this is desirable. As the President of the Privy Council (Mr. Sharp) said, there have been discussions involving this party, the government and the official opposition. Three parties, at least, are unanimously willing to accept the proposed amendment.

I therefore wish to move:

That the motion be amended by deleting therefrom the words "most especially", and also by inserting therein, immediately after the word "businessmen", the following words: "and that the said member had advance knowledge from official sources of amendments to be proposed to a bill emanating from the said budget and conveyed that knowledge to businessmen."

Mr. Speaker: Order, please. There has been some indication that the said amendment, which I presume is seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), has been discussed among all parties. If that is so, I presume the House is ready for the amended motion to be put. Is that agreeable?

[Mr. Peters.]

Mr. Broadbent: Mr. Speaker, I should like to speak briefly to the motion, including the amendment.

Mr. Speaker: Order, please. We agreed that we would not put the motion. It is a debatable motion. At least, we agreed that we would not call it in the ordinary way. Perhaps the motion ought to be put at this time. The hon. member and others can then speak to the motion, and he can put his amendment.

The motion is the following: Mr. Reid, seconded by Mr. Ethier, moves:

That all articles contained in the July 24th, July 25th Montreal *Gazette* relating to the conduct of the member for Kenora-Rainy River vis-à-vis the November 18 budget, including most especially the allegations that the said member had advance knowledge of the said budget and conveyed that knowledge to businessmen, and the discrepancy in the editing of the *Gazette's* purported transcript of the proceedings of this House as compared to the report in the House of Commons Debates, be referred to the Standing Committee on Privileges and Elections.

Mr. Broadbent: Mr. Speaker, I wish to speak briefly to this important motion. The issue is this: it is the tradition of parliamentary governments, a tradition in which we share, that all matters pertaining to tax changes, whether introduced before a budget, in a budget or after a budget, shall be kept absolutely secret until introduced. The principle is that such changes in tax law shall be kept secret and shall be kept within the confines of the minister of finance and the cabinet.

Most serious allegations have been made. A newspaper article in the Montreal *Gazette* of two days ago alleged that a member of this House violated that principle, namely, that the hon. member for Kenora-Rainy River (Mr. Reid) had advance knowledge of the details of the budget of last fall and had advance knowledge of changes that were to be made subsequent to that budget, and that in each instance he conveyed that information, which ought to have been kept secret, to other parties, in this case outside the House of Commons.

The principle we are considering does not distinguish between information conveyed to people outside the House and information conveyed to people within the House. It is alleged that the hon. member did convey such information to a businessman, outside the House. Without doubt, if the allegation that the business firm was so informed is accurate, that firm had a substantial financial interest in obtaining such information in advance.

● (1410)

There are two points to consider. One is the general and important matter of maintaining budgetary secrecy. The second is that in the particular instance of the alleged breach of this principle, the breach itself involved the conveyance of information to a person or persons who could have gained in a substantial financial way by obtaining such information.

The allegation that is involved is of fundamental importance to our whole tradition of government in Canada. I do not intend to elaborate in much greater detail; enough points have been made on the issue in the House in the past two days without the necessity of extended discussion today. I am sure the House will pass a motion to have a standing committee of this House investigate the serious