

The reason for this principle is to ensure that no one is able to use inside information for personal advantage.

I rely in part upon a report in this morning's edition of *The Globe and Mail* by Jan Wong, which has since been confirmed by telephone calls from our office. It indicates:

An elite group of tax lawyers and accountants today will get a privileged first peek at the new White Paper on taxation in Ottawa—one day before the rest of Canada does.

But this hand-picked group of 20 already has a pretty good idea of who wins and who loses. They have been on the inside of the process since last fall. So, before most people have time to read through the five volumes of tax proposals, they will hit the road, giving speeches and seminars.

All have signed sworn statements pledging not to divulge any secrets until Finance Minister Michael Wilson reads his speech to the nation on Thursday night. Still, they admit their insider status gives them a coveted head start on the competition.

During Question Period I read one or two citations from those favoured few.

The Minister of Finance goes to the trouble of scheduling a full presentation in the House tomorrow night at eight o'clock. He deliberately waits until all stock exchanges in the country have been closed in order that no information revealed in the paper can adversely affect individual interests on the exchange or in the money markets; in other words, the full panoply of a budget presentation is attached to this economic statement.

We do not know whether or not there will be budget changes announced in the paper. Of course the Minister has been ambiguous in earlier replies to the Hon. Member for Laval-des-Rapides (Mr. Garneau). In any event, the Minister has given notice of a Ways and Means motion which implies that there must be something affecting the Ways and Means of the country either in terms of tax changes or in terms of expenditure changes.

The story in *The Globe and Mail* and the facts we have substantiated substantiate that people actively involved in giving the Government tax advice have been provided on a systematic basis with information on the Government's final tax proposals which has not been made available to the public at large, including their own commercial competitors.

I am not taking issue with the Minister of Finance requesting, seeking, and obtaining the best advice he can get on his tax reform proposals. What I am complaining about and where I believe the privilege of Members of the House has been breached is that after the books were closed, after the Minister and his departmental officials had drawn their own conclusions and made up their minds, 20 of these experts were given privileged, advance access to the material. This was at a time when their advice was no longer relevant, because the Minister admitted in the House this afternoon that the books had been closed and that, no matter what advice was obtained during this 24 hours, no changes would be made to the paper.

It is clear from the story that these people not only intend to use this information for their immediate personal and professional advantage, but their competitors are already vocally complaining that this unfair advantage has created preference

in the professional world of the tax accountant and the tax lawyer.

The precedents show the importance of the principle of secrecy surrounding fiscal matters.

In 1936 in Britain, a Minister was obliged to resign from Cabinet because a friend to whom he had casually mentioned some of the details of the pending Budget used the information to make an advantageous investment.

In 1947, the British Chancellor of the Exchequer was obliged to resign because he told a reporter one small item in his Budget when he was on his way into the House to deliver it, which resulted in premature publication of the information. That was the famous case when a well-known reporter at Westminster saw the Chancellor of the Exchequer walking into the House and smoking a cigarette, and the Minister said, "I hope you bought a number of those before my getting up". That was a budget leak which cost the Chancellor of the Exchequer his job.

This is not the first time that Ministers of Finance have felt it necessary to consult persons outside their Department about tax changes. The most memorable occasion revolved around the 1963 Budget. I was then the Hon. Member for St. Lawrence-St. George, and it was brought to the attention of the House by the then Hon. Member for Port Arthur, Douglas Fisher, who is now a member of the Parliamentary Press Gallery. That promoted and provoked a very serious crisis for the Pearson Government of the day, and I say justifiably so.

However, I want to suggest that at that time there was a major difference. The outside specialists in 1963 retained by the Department of Finance under the authority of Walter Gordon were not only sworn to secrecy but were removed from their commercial activities while the Budget was in preparation; that is to say, they took leave of absence for a specific period of time from their respective firms. For several weeks following the Budget presentation they were kept in Ottawa and were not allowed to return to the practice of their professions, either in accountancy or in law, and one of them was an investment banker. It was made certain that none of the three gentlemen concerned at that time could take any professional advantage out of the special relationship they had been given by Mr. Gordon in his capacity as Minister of Finance.

What we have here are people who have been consulted extensively and in detail while they have continued to carry out their own business activities that are directly related to the proposals on which they are working. They have advance information in the course of their regular practices. Not only did they have the opportunity of discussing with the Minister and his senior officials the ideas which were being bruited about, but today they see the final document which can no longer be changed, and the Minister says it will not be changed. They have an advantage over the country, over Members of Parliament, and over their competitors.

The quotes which *The Globe and Mail* reporter retrieved from various of these experts make it quite clear that they have