

HOUSE OF COMMONS

Wednesday, January 10, 1973

The House met at 2 p.m.

PRIVILEGE

MR. REILLY—DISTRIBUTION OF SPEECH FROM THE THRONE PRIOR TO DELIVERY

Mr. Peter Reilly (Ottawa West): Mr. Speaker, I rise on a matter affecting the privileges of the members of this House and of very great importance to Canadians. Last Friday I rose on a question of privilege concerning the advance publication of the Speech from the Throne. I rise on essentially the same matter today but with the addition of some new information which I believe will be of interest to members of the House. I should like to refer to the *Toronto Star* of Friday, January 5, and read from a column by Jack McArthur, financial editor of that paper and one of the most effective financial critics in this country, in which he says the following:

Investors and investment officials have a multi-million dollar reason today to be deeply disturbed by yesterday's Speech from the Throne in Ottawa.

Their misgivings will have less to do with the content of the speech—by tradition, a general statement of government intentions—than with how it was released and what had been happening in the stock market in the two sessions prior to the address.

Unlike a budget address, the throne speech is usually felt to have little potential for shaking stock prices. The secrecy which surrounds its release is not as intense as when a budget is coming.

That was all too obvious yesterday. Many people knew of its contents several hours before it was delivered. And this time it did have meaning for the market.

Words like "disgraceful" or "scandalous" may be too strong. But nasty phrases are appropriate.

The fact is that before the speech, during Toronto Stock Exchange trading on Wednesday and Thursday, oil and natural gas stocks were battered lower. Analysts said it was because of a rumour that the throne speech somehow would indicate unfriendliness toward exports of Arctic natural gas to the U.S., or toward the building of a \$6 billion gas pipeline from the Mackenzie delta in the far northwest.

These are big ticket concerns. They involve some of the biggest tickets Canadians have ever seen. Hundreds of millions of dollars are already being spent to find northern gas reserves which can only be developed soon if gas is sold to the Americans.

There had been a recent drumming of criticism of large resource development in itself; of selling non-renewable resources to the not-so-well-loved Americans; of environmental and social damage which may go with northern development.

The Liberals found themselves running a minority government. Would they try to sidestep these controversies by stalling? It suddenly dawned on Bay Street early this week that this was possible, and that it might be indicated in the throne speech.

This made oil and natural gas stocks look less attractive to some investors. They bailed out, knocking down prices in chunks which shaved many hundreds of millions of dollars from the total value of affected shares.

By late morning yesterday, the stocks of companies like Imperial Oil, Shell Canada and Gulf Canada were disaster areas.

And then began a brisk comeback. Losses were sharply reduced in afternoon trading.

Something else happened about mid-day yesterday. Information on what was in the throne speech began to pour into newspaper offices across the country.

It was arriving by wire with the admonition that it could not be publicized before its release, expected to be around 3.30 p.m. That happens to be the time the Toronto market closes.

Given this indication of relatively slack security, and given that markets were open, it is inevitable that some of the more alert people in the investment community and elsewhere would have known something of the speech's contents before the market closed; that is, before the official release time.

And it was precisely in this period that some petroleum stocks were rising strongly after their earlier collapse.

We may ask these questions:

—were some people buying the stocks because they had discovered, or felt they had discovered, that the speech contained no terrible news about gas, oil and pipelines?

—if so, were they buying from investors who had no pre-knowledge of the throne speech? Were those uninformed investors victimized by a situation—

• (1410)

Mr. Speaker: Order, please. I have to interrupt the hon. member and I would ask him to kindly resume his seat. I have doubts as to the procedure being followed by the hon. member. I think he knows, or should know, that the rules do not allow him to make a speech of substance at this time. He should indicate briefly what his question of privilege is. I do not think it is quite in order, and it is certainly not in accordance with the practices of the House, for a member to come before the House and read a long newspaper article or editorial to support the proposed question of privilege.

I am not saying that the matter is one that should not be considered seriously, but I suggest to the hon. member that there are certain limits within which he must stay according to the practices of the House. I would invite him to indicate as soon as possible what the question of privilege is so that the Chair may be given the opportunity to rule as required by the Standing Orders.

Mr. Reilly: Thank you, Mr. Speaker. I will try to be as brief as I can. The question of privilege is, on the one hand, much the same as I indicated last week. It was, in my opinion, an affront to members of this House and to the dignity of this chamber to release the Speech from the Throne so far in advance. Second, it was a breach of privilege and an affront to the Governor General to have the contents of his speech on the street, as it were, before the man even began to read it. Third, Mr. Speaker, this procedure could have bilked investors out of their savings.

Some hon. Members: Oh, oh!