

Privilege—Mr. Broadbent

tax as it would affect the various provinces, but in addition the same news broadcast on CTV referred categorically to the fact that there would be changes in research and development benefits for corporations. It was also indicated that there would be a \$1 billion stimulus provided in the budget for the economy. These were alleged to be facts in the news report. I stress again these items were not put forward in conjectural language, that these might be in the budget, were rumoured to be in the budget, or in language of that kind; it was categorically asserted that this information would indeed be found in the budget.

All three reports, the Toronto *Star* of April 7 and April 8, and the CTV "National News" on Sunday, April 9, made absolute assertions about factual details which were to be included in the budget, and which we found last night were indeed there.

I would like to make it clear that my concern about the budget leak is not based on any misguided concern about perpetuating old traditions. There are a lot of traditions certainly worth keeping, but I am not among those who believe that anything that has gone on in the past should be infinitely perpetuated into the future. The essence of the argument, as I understand it, the traditional parliamentary concern about budget secrecy, pertains directly to avoiding the possibility of private gain being made, or corporate gains being made, as a result of obtaining premature information contained in the budget.

I want to say to you, Mr. Speaker, and through you to the Minister of Finance (Mr. Chrétien), that there was indeed important corporate information in last night's budget. It contains, among other proposals, further tax concessions that are to be made to the oil industry of Canada. With so much obvious detail having been leaked, and in my judgment that is beyond question, about the budget as it affected tax changes, the sales tax levels in the provinces, and as it affected stimulus in the economy and as it affected other matters to which I have already alluded, the question then remains that if the people who found out about these proposals got that information so readily, perhaps they found out also there was to be a special tax concession to the oil industry. The immediate consequence of that would be to cause changes in the stock market.

Mr. Speaker, the stock market changed this morning. The value of Imperial Oil went up on the stock market today. Imperial Oil was one of the principal beneficiaries of last night's budget. Therefore, the issue for me is not merely an abstract concern about maintaining an old budgetary tradition of secrecy. In this case the secrecy pertains very much to the importance of parliamentary government, of maintaining by severe restriction all budgetary information to the minister and his officials in order to avoid the possibility of people cashing in, as a result of the budget, in a significant way.

● (1512)

There is the very strongest indication, whatever its source, that there was a budget leak of major proportion. In my

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judgment, very substantial parts of last night's budget were in fact made available, whatever the source, to a number of news sources. Perhaps one news source received that information and spread it to another news source. The important point is that a leak has taken place.

I should like to refer to two precedents in modern history of parliamentary government. They took place in 1936 and 1947 in Great Britain. As soon as the evidence became very clear that there had been a leak, in one case the minister resigned, because inadvertently he had slipped out the information to a journalist on the evening of the budget. Thus, he resigned forthwith. In the other instance, when the evidence was brought to the attention of the minister in 1936 that it looked like a leak had taken place, automatically he ordered a formal inquiry, because he recognized the fundamental importance of the question of budget secrecy. Prompt, responsible, and thorough action was taken in both cases.

Because the budget contains information which affected very directly the value of the stocks of Imperial Oil, as well as perhaps of other companies, and the fact that we have had clear evidence of the possibility of a leak of budgetary information, we have to face the clear possibility that some people might have bought stocks of Imperial Oil just a few days ago in clear anticipation of a budget which would increase the value of those stocks, therefore raising the possibility of thousands of dollars of windfall profits to those individuals within a period of days or hours. It is a serious issue.

Unless the Minister of Finance announces his intention this afternoon of ordering a thorough inquiry and naming specific individuals to conduct this inquiry, then I have no other course of appropriate action, following Your Honour's ruling that I have a prima facie case, than to suggest that the matter of a possibility of a leak of information in last night's budget be referred to the Standing Committee on Privileges and Elections for investigation.

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, of course when I was made aware of the story in the Toronto *Star*, I was a bit preoccupied; but I should like to give some information to the House which probably will clarify the situation.

First, I talked about this proposition of a sales tax cut in which we were to share in the cost. I made it clear to the provincial ministers of finance some weeks ago it was always a hypothetical possibility. I went to them, and we discussed all sorts of matters such as the dollar, the monetary and fiscal policy of the government, what we should do, and what were their views. In the discussions, I discussed that possibility. I said to them that there was some interest in that, and that I was just trying to find out if they would be interested in participating.

All along I said that they would learn by the night of the budget if we were going or not going. That was discussed as a possibility. I was very frank with them, because when one discusses something with the provincial ministers of finance, it is a noble attitude to express to them what one feels about it.