

HOUSE OF COMMONS

Wednesday, February 23, 1972

The House met at 2 p.m.

PRIVILEGE

MR. BALDWIN—LEAK OF GOVERNMENT POLICY ON FOREIGN OWNERSHIP

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I rise on a question of privilege, notice of which I have sent to Your Honour. It relates to the publication in today's *Toronto Star* of a story concerning another cabinet leak in connection with a so-called release of government policy on foreign ownership. Today's story in the *Star* is not the first instance of leaks of secret government documents in relation to the government's consideration of foreign investment policy. Your Honour may recall the publication in the *Canadian Forum* of what purported to be the Gray report, and the question of privilege which I introduced on November 15, 1971, in that connection. Immediately on the heels of that report, Southam News Services published excerpts from confidential cabinet minutes relating to a decision in principle, arrived at in July of last year, to establish a screening agency in connection with foreign takeovers. Questions of privilege were again raised as a result of that leak.

I review this history briefly before making two points as I rise on this further question of privilege today. The first is that the government to this date has given no satisfactory explanation—in fact, it has given no account at all—of any investigation which may have been undertaken into these previous leaks. There are a great many unanswered questions about whether these leaks may, in fact, have been encouraged by the government, or by one or other of the members of the government, as an exercise in kite-flying. I feel I am entitled to say this; inasmuch as in the course of the earlier events it was suggested that members of the opposition might have been encouraging such leaks through members of the public service, I feel I am entitled to make this retort. In any event, the onus of uncovering the source of the leaks through a thorough investigation rests on the government, and the government has not given the House any satisfaction in this regard. As a result of this failure a cloud of suspicion has been left hanging over both parliament itself and the public service, a situation which, I suggest, will be further aggravated by this latest leak.

Turning now to my second point, I should like to contrast the arguments which I have previously put to Your Honour with the argument I am presenting today. I submit that this latest leak falls within a new context and contains an added dimension which I feel should

make my argument acceptable to the Chair. Again, a brief bit of history is required to illuminate my point—the history of statements made by the Prime Minister with reference to the possible date of the unveiling of government policy on foreign ownership. I do not think I need say more than this: in the *Globe and Mail* of today and yesterday statements are cited in the column of Mr. George Bain constituting what I would call a chronology of confusion and deception as to this question of the date. It does show, however, that as far back as September 15 the Prime Minister said in the House, referring to the question of government policy on this issue: "This is at an advanced stage and we expect to have a report fairly soon." The statement made in the House yesterday said the same thing in different words.

The document which was published in the *Toronto Star* today quotes the Minister of National Revenue as making the following recommendations to cabinet. He was requested, according to the story, to make four recommendations.

The minister outlined four options: to make the announcement now without any supporting study; to make the announcement with a 50-page summary of the main study; to delay until late March or early April when the main study would be ready, or to wait until both the legislation and the study are ready.

According to the story, the minister recommended that it be announced during the Throne Speech debate which ends next Tuesday, with a promise to release the supporting study as soon as possible. Then appear in quotation marks the following words:

This option—

The option of presenting the policy immediately.

—would involve some embarrassment to the government in that the presentation of the policy statement has been held off on the grounds that he did not want to issue it without the supporting material.

I pause here to say I find it very difficult to embarrass this government any further than it has already been embarrassed with regard to this issue. According to the newspaper report the minister added in his memorandum:

The policy statement might also look a little thin without this additional material.

On the other hand, it would in my view be even more difficult to postpone the policy statement to a date much later than the end of the Throne Speech debate. Undertakings have been given publicly on a number of occasions and from the viewpoint of the government's credibility—

I pause again to say that there is some doubt whether the government has any credibility left, Mr. Speaker.

—vis-à-vis the public there is probably less to be lost by issuing a full statement, with supporting material to follow a few weeks later, than by postponing the policy statement for a further period.