

In other words, Mr. Speaker, the story in the *Gazette* is incorrect in its description of the stages of our budgetary procedures, of my particular knowledge—or lack thereof—of the contents of the November budget and, indeed, of the very substance of the budget. This article is either the result of gross incompetence by the reporter or of malicious intent of the worst order.

In anticipation of the likelihood that it was merely incompetence, I have asked the *Gazette* to publish a retraction and apology. If they fail to do so, I can only conclude that it was malicious. If there was malicious intent, then there are serious implications for all members of this House, for this House cannot permit false, unfair, unbalanced or defamatory accounts of its proceedings; and I repeat once more that one of the most important errors in the offending story is its miscomprehension of the stages of our budget procedure. This House cannot permit such accounts to be published without taking measures to protect itself. If such offending material is allowed to be disseminated, the institution as a whole will be brought unjustly into disrepute and we will be prevented from performing our constitutional duties.

Mr. Speaker, I would not want to pursue a newspaper if it has merely been the victim of an incompetent employee, and I would suggest that Your Honour defer your ruling until tomorrow. However, if the *Gazette* refuses to make a retraction tomorrow, and thereby makes it clear that this false and misleading story was published as a result of conscious and malicious intent, and if you find there has been a prima facie breach of privilege, I would propose then to move:

That the article in the *Montreal Gazette* concerning the member for Kenora-Rainy River, published July 24, 1975, be referred to the Standing Committee on Privileges and Elections.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for York-Simcoe (Mr. Stevens) has also given the Chair notice of his intention to raise a question of privilege concerning statements or alleged statements made by the hon. member for Kenora-Rainy River (Mr. Reid).

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, before commenting specifically on the remarks of the parliamentary secretary, may I ask, on a procedural point, whether it is clear that I am able to respond as we do ordinarily to statements on motions?

An hon. Member: No way!

Mr. Speaker: I think I made it clear that the hon. member was given consent to raise his question of privilege at an extraordinary time. I indicated that if there were other members who wished to contribute to the discussion of this question of privilege, I would hear them at this time. If the hon. member has some contribution to make to the question of privilege raised by the hon. member for Kenora-Rainy River, I will hear him now.

Mr. Stevens: Thank you, Mr. Speaker. To deal with the hon. member's statement, may I say I was a little disappointed that he did not refer to the proceedings which had taken place in a standing committee of this House, specifically on March 6, 1975, before the Standing Committee on

Privilege—Mr. Reid

Privileges and Elections. The hon. member was the chief witness appearing on behalf of the President of the Privy Council (Mr. Sharp) and at one point he stated:

Let us take a specific example of a change that was made in the budget, which was a change in the taxation on boats. There was to be an excise tax on boats. It was removed.

The hon. member then went on to refer to a great lobby which had been mounted and said that various people had spoken to the minister. He then said:

● (1420)

It seems to me that when a member of parliament has access to that kind of information—

Namely, that the tax was to be removed.

—which allows him with greater certainty to arrange his affairs to possibly take advantage of a change, it is the kind of conflict of interest that we must seriously consider in the green paper.

In giving testimony before that committee, the hon. member, for example at page 12:12 of the proceedings, made it very clear when he said:

I know that in my activities as member of parliament for Kenora-Rainy River I come into a great deal of information which is confidential.

At another point he stated:

I know from my own experience that kind of conflict of interest has happened to me in my role as a backbencher simply because I paid a great deal of attention to a department at a particular point in my parliamentary career. As a result of doing that, I was able to obtain a great deal of confidential information, both from the government and from outside people who were affected by the decisions of that department.

I read that into the record because I feel it is very pertinent to our discussion today which has been brought on by the account in the *Montreal Gazette*. I suggest that in previous evidence the parliamentary secretary made it very clear that he was privy to confidential information. I think it is important that this House be made aware whether the parliamentary secretary was in fact made aware that the Minister of Finance (Mr. Turner) was going to amend the excise tax legislation by removing the boat provision that had been proposed in both the May 6 budget and the November 18 budget. I believe the House should be made aware whether the parliamentary secretary was given forewarning of that amendment to the budgetary legislation and, if so, at what time. The *Montreal Gazette* report states that it was made some six weeks in advance.

I believe that the House should be made aware whether the parliamentary secretary misused that information. Did he in fact convey that information, as the *Montreal Gazette* story indicates, to those who could benefit from the information? I ask this because it has long been a principle of parliamentary government that members participating in the House of Commons, certainly at budget presentation time and when dealing with budgetary legislation arising from the budget, must keep any suggestion of conflict of interest to a minimum. This ensures that persons in the civil service, the House of Commons or the private sector do not have the opportunity to profit, directly or indirectly, from knowledge of changes in the incidence of taxation. Clearly, this was a significant change made to the excise tax bill by amendment.