

Supply—Treasury Board

of National Revenue. This is quite normal because after all that department is responsible for collecting most of the money collected by the government. I think that over the years the efficiency of the department has been demonstrated by the relatively small amount which ultimately has had to be written off, and the officials in my department should be congratulated for the work they do in collecting accounts. When one considers that they are collecting between \$10 billion and \$11 billion a year, the write-off of \$15 million is not as significant as one would think. One hates ever to have to write off accounts as bad debts, but people do go bankrupt.

Mr. Cowan: Mr. Chairman, I should like to put a question to the minister concerning vote 25g under the Treasury Board. I know the minister well and I know he is truthful in his answers. He and I became members of this house together in June 1962, when our party was in opposition. No doubt he will remember the time when the present Secretary of State for External Affairs, who was sitting then in opposition, assisted by some newcomers to the house, was pressing the government of the day for a statement concerning all amounts over \$1,000 that had been remitted by the government, as required by the Financial Administration Act. The minister will remember that there had been some hanky-panky or sleight of hand by the government of that time whereby they raised tariff rates on a large number of items and reduced them on another large number. The hon. member for Winnipeg North Centre drew the attention of the house to the fact that when there is remission of more than \$1,000 it must be published for the information of the members of parliament.

In vote 25g we are asked, under a \$1 item, to authorize the Treasury Board to delete from the accounts certain debts which are due. I should like to ask whether this language has been picked deliberately in order to get around the requirement under the Financial Administration Act, according to which amounts remitted in excess of \$1,000 must be published. It seems to me that this item should be covered by the Financial Administration Act and not by supplementary estimates for \$1 authorizing the Treasury Board to delete from the accounts certain amounts due. When I take a stand in opposition I remain with it even when I am on the right hand of the Speaker. I believe the Minister of National Revenue acts similarly. However, I would like to know whether the

[Mr. Benson.]

cabinet has used the word "delete" in order to get around the provisions of the Financial Administration Act.

Mr. Benson: No, Mr. Chairman, that is not the case. Section 22 of the Financial Administration Act allows the governor in council to forgive amounts of indebtedness under certain conditions. If the amount of indebtedness is in excess of \$1,000, it has to be published in the public accounts. In this instance we are not forgiving or remitting anything. Every possible effort has been made by the government to collect the money, but it has not been possible.

So there is no object in keeping it in our accounts as an account receivable and inflating the balance sheet of the government of Canada by showing an amount which we cannot collect. It is the same as a bad debt in ordinary business. Remissions under section 22 of the Financial Administration Act are a different matter, where an indebtedness is forgiven. Here we are not forgiving anything, and indeed, if we had a chance to collect the amounts, we would not be writing them off.

Mr. Cowan: I should like to ask the minister one question: Does the debtor come out the best when the indebtedness has been remitted or when it has been deleted?

Mr. Benson: It is being written off as a bad debt. The governor in council did not decide that this was an unfair amount for someone to pay, and that therefore it should be written off. In this case we made every effort to collect it but were unable to.

Mr. Knowles: Mr. Chairman, can the minister give an indication of the reasons for the write-off in some of these cases? Are the 1,300 write-offs under National Revenue, taxation, individual income tax debts, or are they corporation income tax debts? In either case why are they being written off?

Mr. Benson: In some cases they are corporation debts. Under customs and excise the total amount is \$1,073,000.

Mr. Knowles: What about the other taxation?

Mr. Benson: There are many of them here and in each case the reasons are indicated beside them. In the first case there are deceased debtors with no estate. Then there are untraceable debtors, that is taxpayers who may have left Canada. We may have searched for them from six to ten years, after