

initiative and an endeavour which we are trying to engage in in western Canada, namely, to diversify, broaden, and strengthen the economic base in western Canada. It is for that reason that we did it.

Some Hon. Members: Hear, hear!

PAYMENT MADE TO TRIPLE FIVE CORPORATION

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is on the same subject. We are talking about a \$5 million windfall, a gift, to the Triple Five Corporation, a corporation that has \$6 billion in assets.

The Deputy Prime Minister has not provided this House and Canadians with an adequate rationale why \$5 million of taxpayers' money was paid to the Triple Five Corporation. The principals of the Triple Five Corporation are not paupers.

Is it coincidence that this particular company obtained a \$5 million windfall when in 1984 it contributed \$25,000 to the Progressive Conservative Party and only \$250 to the Liberal Party of Canada?

Some Hon. Members: Oh, oh!

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, Members opposite are really scraping the bottom of the barrel.

What we have today is one of the best and most optimistic Auditor General's Reports that has been introduced in this House in 10 years.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: I am quoting a Canadian Press story which states, "Still my report this year inclines to be one of cautious optimism, Dye says in what is clearly his most upbeat report since taking over as Auditor General in 1981".

Some Hon. Members: Hear, hear!

RESULTS OF PAYMENT

Mr. John Nunziata (York South—Weston): The Deputy Prime Minister is not answering the question.

Mr. Clark (Yellowhead): Make a charge, John. Come on, show a little courage.

Mr. Nunziata: Mr. Speaker, the Regional Industrial Expansion Act requires that no DRIE assistance be provided if it is probable that a project will proceed without assistance.

My question to the Deputy Prime Minister is the following.

I can understand why the External Affairs Minister is somewhat uneasy in the circumstances, Mr. Speaker.

Mr. Clark (Yellowhead): What do you mean by that, John?

Mr. Caccia: Why are you so touchy? Calm down.

Oral Questions

Mr. Nunziata: I wish to ask the Deputy Prime Minister what social or economic benefit did Canadians derive as a result of a \$5 million gift to a corporation that has \$6 billion in assets?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, we know the position of the Liberal Party. It has traditionally been against western Canada for a long time, including the fact that they now have a Leader from western Canada who takes a position that is totally contrary to the interests of western Canada.

The Hon. Member just asked the question, what benefit is there. I can tell him. He should go out and visit the West Edmonton Mall and visit—

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member for Prince Albert.

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AUDITOR GENERAL'S REPORT

SALE OF BANK OF BRITISH COLUMBIA—AVOIDANCE OF INCOME TAXES

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is for the Minister of Finance. It also refers to the bail-out of the Bank of British Columbia. In his report the Auditor General states:

I am obliged to conclude that a principal reason for these circuitous transactions, and in particular for making the \$200 million payment off-shore, was to attempt to avoid making the payment subject to Canadian income taxes.

On that basis, does the Minister think that his Department is operating appropriately by assisting somebody to avoid income taxes in Canada?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I think that question was dealt with previously in answer to the question of the Hon. Member for Trinity.

In the long run for Canada and for British Columbia, that particular transaction will result in a healthy, regionally based bank which will pay taxes for years and years.

PROCESS USED TO AVOID PAYMENT OF INCOME TAX

Mr. Stan J. Hovdebo (Prince Albert): The issue here is not the bank, but the process by which a Department of the Government would assist in the avoidance of income taxes.

Can the Minister guarantee to the House and to the Canadian people that the taxpayers' will not be forced to pay another \$100 million on this scam of sending money offshore and then back to Canada before it is used by the Bank of Hong Kong?