

the hon. member should say that I am abusing the time of the House.

But let me come back to the issue. The reason I am sensitive is that there was a very good civil servant of the government on the board at that time, namely, Mr. Shoyama, who was deputy minister in the Department of Energy, Mines and Resources. If there is any shadow of doubt left as to anybody having acted wrongly in any way, I am sensitive because it might mean that that individual was doing something that might have been wrong. I do not think the hon. member wishes to suggest that sort of thing. I am glad he withdrew from his position regarding the word "complicity" because I believe that a civil servant, whether it is Mr. Shoyama or anybody else, should never be put in the position of being criticized by us in Parliament for doing something on behalf of the government of which he is a servant. I am sure the hon. member for Nepean-Carleton, the President of Privy Council, will support me, and more and more Tories will accept the fact when I say that the civil servants have made the civil service of Canada as good as it is today. This came about after years and years of Liberal government, which means we brought in good laws and good recruiting procedures, as a result of which we have a very good civil service.

Mr. Cooper: Mr. Chairman, I rise on a point of order. I suggest that what the hon. member is saying is totally irrelevant to the matter under consideration. Certainly the parliamentary secretary made no statement whatever with regard to the honour and integrity of the civil service of Canada or any member of it. I should like to submit to the House that the present line of questioning that the hon. member is following is a waste of the time of the House and is not to the point.

Mr. Breau: I know the parliamentary secretary did not want to impute anything to anyone and I was in the process of thanking him and recognizing that he did not do so, because I am sure he would not have wanted to imply that the deputy ministers who were on the board of Petro-Canada at that time had done anything wrong. I did not bring up the acquisition of Pacific Pete by PetroCan, it was the member for York East. I accept the parliamentary secretary's withdrawal—he did it in a very gentlemanly way—and I am glad to see that he does not suspect, nor does anyone in the House, that there was any wrongdoing in the days or weeks leading up to the acquisition of Pacific Pete by Petro-Canada.

● (1430)

As I said before, whether it is a public servant or somebody from the private sector sitting on the board of Petro-Canada, it is not for him or her to make a judgment and say, "We should not use the tax system in this way, as a certain means of financing". They should not substitute themselves for Parliament and say, "This is a good way to finance an acquisition" or is not. They operate under the laws of Canada, under the same Income Tax Act as everybody else. I do not think it is fair to say that the government was in complicity with anybody with regard to this acquisition.

Income Tax Act

Mr. Andras: Mr. Chairman, I missed the comment by the parliamentary secretary which seems to have given rise to what I consider to be a very justified expression of concern on the part of my colleague, if in fact the word "complicity" was used. Since I was not in the House, I will reserve my judgment on that until I have had a chance to look at *Hansard*.

Mr. Breau: He has withdrawn it.

Mr. Andras: If he has withdrawn it, I will accept that. In debating with my colleague in connection with this clause, I know the hon. parliamentary secretary used the word "abuse" of the tax system. In connection with the use of income debentures, I think he used the word "abuse". Is this now the doctrine of his party? It is the game that goes on; Parliament passes tax laws and clever accountants, tax consultants and tax experts peruse them and look to see what avoidance—not evasion but avoidance—of tax legitimately and legally can be implemented to save the paying of moneys to the Receiver General of Canada. One may question whether that is proper or not in the ethical sense, but is it the doctrine of this party to classify the use of a section of the Income Tax Act which permits the financing of takeovers, etc., by income debentures? Is the parliamentary secretary defining that as the doctrine of his party, that that is abuse in the sense of being illegal?

Mr. Ritchie (York East): Mr. Chairman, not at all. It is just and right that any taxpayer pay the taxes which the law requires him to pay. I do not think it is his business to find ways to pay more taxes than the law requires him to pay. The only abuse in this situation that I saw was not from people who used the law as it stood until the government properly decided that that was not the way the law was intended to work. I do not think any proper criticism can be made of such persons. I intended to suggest that I thought the government of the day had consciously or inadvertently—and who can tell from the record—abused the system. It is the government of the day which decided or was on the point of deciding that this system had to be changed, if it knew about it. I think in a transaction of this size that someone in authority must at least have known about it.

Mr. Baker (Nepean-Carleton): I hope so.

Mr. Ritchie (York East): If it knew about it, that constituted something approaching an abuse, only because the government had decided or was deciding that it was wrong and was about to change it. By coincidence or otherwise the government appeared to get one of its instruments in under the deadline in a major way. I would not apply the word "abuse" to any other kind of action because it is legal. For the reasons I have said, I think any taxpayer should pay the taxes the law requires of him. He is not required by law, ethics or anything else to donate money to the public purse.

Mr. Andras: Mr. Chairman, that takes us down another slippery slope.

Mr. Baker (Nepean-Carleton): You reached the bottom of the slippery slope on May 22.