

*Oral Questions*

As my colleague has just said, we are making extraordinary efforts through the Cape Breton tax credit, the most generous tax credit available in any part of the country. It is starting to work.

**Mr. Rodriguez:** Why don't you give them some help now?

**Mr. Wilson (Etobicoke Centre):** It is. We are helping people now because people are getting jobs as a result of that tax credit.

**Mr. Rodriguez:** But they're not going to get those jobs for a long time. You give them some help. Give them some help now.

**Some Hon. Members:** Louder.

**Mr. Speaker:** Order, please.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order, please.

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**EXTERNAL AFFAIRS****CONSTRUCTION OF NATURAL GAS PIPELINE IN INDIA**

**Mr. Ted Schellenberg (Nanaimo-Alberni):** Mr. Speaker, in the absence of the Secretary of State for External Affairs I will direct my question to the Minister for International Trade. As the Minister may be aware, Vancouver Island remains one of the last densely populated areas in Canada which does not enjoy the benefits of natural gas. Consequently, recent media reports that Canada may be providing substantial financial assistance toward a proposed natural gas pipeline in India have created some consternation among the citizens of Vancouver Island. Would the Minister clarify the Government's financial involvement in the India gas line project and the reasons behind that involvement?

**Hon. James Kelleher (Minister for International Trade):** Mr. Speaker, I am happy to advise the Hon. Member that India has called for bids on a pipeline project. A number of Canadian companies are interested in it and, to enable them to be in a position to bid on it, export financing must be made available. I am happy to announce that the Export Development Corporation is prepared to make export financing available for a company from Canada that would be successful in bidding on this project, and no aid or concessional financing from CIDA is involved in this matter.

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**NATIONAL REVENUE****ALLEGED REVELATIONS TO UNITED STATES TAX AUTHORITIES**

**Hon. Lloyd Axworthy (Winnipeg-Fort Garry):** Mr. Speaker, I have a question for the Minister of National Revenue. I

received a letter from a solicitor in Manitoba which alleges a very serious breach in the confidentiality of the tax system. According to this document, the Canadian tax authorities have given information to U.S. tax authorities relating to the exact earnings European investors holding assets in this country have received. I believe that this constitutes a serious breach of Section 241 of the Income Tax Act. Did the Minister authorize the transfer of this information to U.S. tax authorities? Does he know about it, and does he not also consider it to be a serious breach of our tax system?

● (1200)

**Hon. Elmer M. MacKay (Minister of National Revenue):** Mr. Speaker, I agree with my colleague that it is a very serious matter if there are some irregularities involved. However, as the Hon. Member knows, pursuant to tax treaties between countries, the provision of information under certain circumstances is permissible. I will check to see whether or not there has been any breach in procedure, either on our part or on the part of American recipients of this information pursuant to the treaty. I will report back to the House.

**CONCEPT OF CONFIDENTIALITY**

**Hon. Lloyd Axworthy (Winnipeg-Fort Garry):** Mr. Speaker, the Government has several times in the House used the concept of confidentiality as a means of protecting disclosure of information on such matters as the Gulf takeover. There now seems to be a free flow of information to U.S. tax authorities. Will the Minister provide us with the guidelines which are used and which set out what rules are now applied by his officials in supplying information to U.S. tax authorities on any resident or non-resident in Canada who pays taxes in this country?

**Hon. Elmer M. MacKay (Minister of National Revenue):** Mr. Speaker, I will certainly consider this as a representation. However, I want to tell my colleague that I think he is exaggerating when he talks about a free flow of information. I do not believe that to be the case. I repeat to him that there are certain exceptions to Section 241 and to confidentiality requirements pursuant to tax treaties between countries. If there has been any breach of these types of safeguards, I will certainly provide him with the details.

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**CLERK OF PETITIONS' REPORTS**

**Mr. Speaker:** I have the honour to inform the House that the petitions presented by Hon. Members on Thursday, December 19, 1985, meet the requirements of the Standing Orders as to form.

However, 129 petitions out of 300 presented do not meet the requirements of the Standing Orders as to form.

**Some Hon. Members:** Shame, shame!

**Mr. Speaker:** Order, please.