

these words, and I am reading from a transcript of that press conference:

I can only assume, because there was no involvement by me or anyone else nor would there be in a revenue ruling, that the officers of the Department of Revenue passed judgment on a given situation pursuant to legislation and regulations that have passed the House of Commons.

Even that transcribed verbatim record of the Prime Minister's words has not found its way accurately into the press accounts upon which the Right Hon. Leader of the Opposition is basing his questions. He should take, his questions to the appropriate Department. He knows that as does his colleague who is here today and is interested in the matter.

With respect to the last part of the question concerning Mr. Cohen's continuation as Deputy Minister of Finance, the Right Hon. Leader of the Opposition has press accounts of Mr. Cohen's explanation with respect to how he treated his offer of employment. I would suggest that if the right hon. gentleman has any charge to make against Mr. Cohen with respect to conflict of interest, he knows the process through which he should proceed in order to give any effect to that kind of charge.

#### STATEMENT MADE BY MINISTER OF FINANCE

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, I think we are beginning to flush the truth out of hiding bit by bit.

**Mr. Gormley:** You deserve so much credit.

**Mr. Johnston:** Thank you. My question is directed to the Deputy Prime Minister. Yesterday the Minister of Finance told the House, as reported at page 7726 of *Hansard*, that the matter of the acquisition of Gulf Canada by O&Y was discussed, and was discussed at some length because of the importance of that deal. Judging from his earlier response, is the Deputy Prime Minister telling us that it was inappropriate for the Minister of Finance to be that forthcoming with the House yesterday? Is he saying that it was not discussed in P and P at all?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, I am simply telling the hon. gentleman, as he well knows, and as he would answer if he were answering questions on behalf of the Ministry of which he was at one time the Minister, that it is improper for a Minister of the Crown to discuss, in response to questions in or outside the House of Commons, the subject matter of discussions that occur in Cabinet committee or in Cabinet. The Hon. Member knows that.

#### AUTHORIZATION FOR ISSUING TAX RULING

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, I would take it from that that the Deputy Prime Minister is telling us that the Minister of Finance was off base yesterday when he told us what was discussed in P and P. Quite beyond that, since the Deputy Prime Minister has

#### Oral Questions

quoted the Prime Minister's press conference, is he telling us that the management of the financial affairs of Canada have deteriorated to a point where the Minister of National Revenue can authorize a tax expenditure of \$1 billion without any Cabinet input and without any input from P and P?

**Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence):** Mr. Speaker, the hon. gentleman is simply trying to establish what he and the Leader of his Party failed to establish yesterday, and what the Leader of his Party has tried to establish again today. They are trying to get a member of the Government to (a), say there was a ruling, and (b), discuss the details of that ruling. As he knows, that is against the law. The law prevents that information from being disclosed. They both know that. There is a process which can be explored with the Minister of National Revenue. The reason they did not explore it yesterday or today is because they know full well what that process is, as they know full well that it is improper for me to answer in detail.

● (1125)

#### REVIEW OF TAX LEGISLATION

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, my question is for the Minister of State for Finance. It concerns the latest boondoggle give-away to Gulf Oil. Once the ruling was made by the tax Department did the Minister of State for Finance or the Minister of Finance instruct their officials to look at the appropriateness of this specific tax legislation which allowed \$1 billion to slip into the pockets of wealthy Canadians?

**Hon. Barbara McDougall (Minister of State (Finance)):** Mr. Speaker, we have indicated in the House many times that tax policy is always under review. We have produced a paper on corporate tax reform. We have changed the arrangements surrounding the SRDTs. It is an ongoing process.

#### REQUEST FOR AMENDMENT

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, my supplementary question is for the same Minister. In view of the fact that it was the Liberals who set this sumptuous table and the Tories who have served up this gourmet meal for Gulf Canada, can the Government tell ordinary Canadians, who would like to know, when this rip-off will come to an end?

**Hon. Barbara McDougall (Minister of State (Finance)):** Mr. Speaker, I think what the Hon. Member is ignoring in his whole line of questioning is what has been happening to the economy of Canada as a result of this Government's policies. The role of my colleague, the Minister of Finance, has led to the lowest inflation rate and the greatest increase in the number of jobs we have seen in the country in years.

**Some Hon. Members:** Hear, hear!