

Supply—National Revenue

corporations. So we are kicking back to you 50 per cent of the money you paid in customs duties."

I could refer to the freight rate situation. In the few years I have been here I have heard numerous speeches—and we continue to hear them—on the discriminatory freight rates that exist in certain parts of the country. In fact three years ago the first step was taken in an attempt to equalize freight rates in certain parts of Canada. When that was done what happened to all the freight money that had been paid by various industries and individuals? Could anyone argue, and would the government have considered the argument in this house for one moment, that because of the discrimination that had existed, refunds or remissions should be made to the people who had allegedly been under discrimination?

That argument would have been laughed out of this House of Commons by the Minister of Finance. He probably would not have taken the trouble to reply to it; yet that is the kind of argument, that is the kind of reason, which was given by the Minister of National Revenue as the excuse for taking over \$3 million out of the public treasury and handing it back to 14 corporations to make amends for the feeling that there might have been some discrimination.

Well, if there was any discrimination, Mr. Chairman, I say the responsibility for it would lie on the doorstep of the government, because it was their legislation in the first place. They introduced it in the house; they argued for it. They took it even as far as the exchequer court to justify it. Now they say it might have been discriminatory and so, in order to whitewash their souls of any feeling of discrimination against these poor corporations, some of which make over \$4 million in profit a year, they dipped into the public treasury and handed back \$3 million and said, "Well, let us forget it and be good friends in the future."

In the same way it could even be argued that certain income taxes paid by individuals should be remitted to them. I can remember many occasions when hon. members argued that certain income tax rates, regulations, laws, were of a discriminatory nature. Later on parliament took action to change the legislation or to remove the discrimination. In how many cases, as a result of that, did the government offer and agree to make any remission to the people who had paid income taxes under that so-called discrimination? That is the kind of argument used.

Yet may I remind the committee that in this particular case, because it was felt—and we do not even know by whom it was felt—that it was discriminatory, or it might be

discriminatory, the government was quite willing by order in council to get rid of \$3 million from the public treasury. The sum of \$3 million in relation to the billions the minister mentioned in his report today may sound like a small amount of money, but \$3 million is a lot of money in any man's language. When one considers how many income tax inspectors are tearing around the prairie provinces, how many of those snoopers there are checking every bank account, every back yard and every barnyard to see if they can get a few dollars out of the farmers, one realizes that it would take quite a few of them and quite a lot of work and a lot of wages and travelling and expense money to get back that \$3 million which was so cheerfully handed back to these 14 corporations on the basis of three weak-kneed arguments.

As I said a while ago, I am not singling out the Minister of National Revenue in making these criticisms, because it was a decision by the government. However, the minister is charged with the responsibility for the taxation division of his department, and this action was taken on his recommendation and advice. The deed has been done, and I do not suppose this committee can do very much about it at this time. However, I think a protest should be registered on behalf of the taxpayers of Canada.

I have no hesitation in saying that in my opinion at least the action of the government in this case had all the earmarks of a high-handed disregard for the decision of a higher court to which they themselves had carried an appeal and which had ruled in their favour. To me it almost constituted playing fast and loose with the public treasury, and I can regard it in no other way than as a grand give-away show. Perhaps the government should buy themselves some television time and put on a show which could be called, "Come and get it; you don't have to be a Liberal, but if you are it helps." Or perhaps they should organize a football team, because I have never seen a bigger kickback than this. To me it is a classic example of the public interest being sacrificed on the altar of expediency.

Mr. McCann: Mr. Chairman, I should like to say just a word in reply to the hon. gentleman. Basically this was a question of settling a lawsuit. The hon. gentleman has covered most of the reasons for this. It would be presumptuous on my part to attempt to argue legal points, even though they have been brought up by a layman like the hon. member for Dauphin. The government takes responsibility for this submission, and the Department of National Revenue was the instrument by which it was put through.