

Canada Pension Plan

would an operator's books be called in merely because the department is trying to catch offenders by means of cross checks.

I should like to support the plea that when an investigation is begun photostatic copies should be taken by the department and the books returned immediately to the individual concerned. It does not take very long these days to make photostatic copies of hundreds of documents and it would seem a simple matter to get the books back to the individual concerned almost immediately. There is no reason why the department should not retain only the copies.

Mr. Benson: No doubt hon. members would like me to reply to a few of the points which have been raised. The provisions of clause 26 are designed to protect employees. It must be remembered that the entire responsibility for making deductions and submitting employers' contributions under this pension plan is laid upon the employers. An employee does not have to complete a form at the end of the year unless there is a refund due to him. There is a provision in this particular bill which does not exist in other legislation. Where an employee has reason, for example, to suspect that his employer has not submitted his pension plan deductions and contributions, the employee can bring this to the attention of the minister and he will be credited with those amounts in the account of his contribution toward the plan.

Clause 26 permits any person authorized in writing by the minister to do certain things "for any purpose relating to the administration or enforcement of this act". He may examine records and other matters in connection with Canada pension plan contributions. This does not mean the minister has the right to authorize someone to search through everyone's personal correspondence, and so on, because that has no connection with the administration of this act. In my opinion, if we are to administer this legislation properly, if we are to carry out checks periodically to see that people are making the correct contributions and doing the things they are required to do on behalf of the employees, we must, under this bill, as under the Income Tax Act and the Estate Tax Act, have authority to go in and examine these records. If one has to prove an offence before he can go in to check to see that businesses are doing what they are required to do, the process simply cannot be effective and the department cannot assure that employers are carrying out their obligations to

[Mr. Leboe.]

their employees and to the government of Canada as required by this legislation.

It has been mentioned that there is no provision for the return of the documents which are taken. Ordinarily documents under examination in this case would not be taken. What will happen is this. Income tax inspectors, when carrying out their normal inspections, try to look at the records of businesses on a periodic basis to see that each business is paying the tax they are supposed to pay, because if they do not pay this tax, somebody else has to pay it. This is the basic reason for doing it.

If we are to carry out this examination in connection with income tax, and are to administer the Canada pension plan collections, we must also have authority at the same time to look at these records. With regard to the authority that will be granted us here, we can require the records dealing with Canada pension plan contributions and with the administration of this act to be produced. In most cases this would amount to only the payroll records. It does not say we will seize the records or that we would ordinarily take the records out. I am sure that any hon. member who has been engaged in the practice of accounting knows that when the income tax department goes into the ordinary businessman's place of business and looks at records, they do not seize the records unless there is some reason to suspect that there has been fraudulent action on the part of the employer.

Mr. Lambert: Supposing there is fraud?

Mr. Benson: If you find fraud has been committed you will probably not stop at taking the record in which you found the fraud; in all probability you would get a search warrant and go much further in that case. But in connection with this act I do not think you would ever have to go any further, because the only records we would be interested in would be the payroll records of the employer.

Mr. Churchill: Then why don't you so state?

Mr. Benson: The statement was made that we would keep these records forever. Mr. Chairman, clause 26 (1) (b) provides that we are permitted to retain the documents seized until their production in any court proceedings is required. There is the limitation on how long we can keep them. I would further indicate that successive parliaments have approved provisions such as this for the ex-