

referring, shall be dealt with by the commissioner. Is there a similar provision in this measure?

Mr. ILSLEY: Section 58 (d) states that the minister may make regulations,—

(d) authorizing the commissioner to exercise such of the powers conferred by this act as may in the opinion of the minister be conveniently exercised by the commissioner.

I suppose that covers it.

Mr. ROSS (Calgary East): Probably it does.

Mr. ILSLEY: It is physically impossible for the minister to consider personally the appeals which come to the income tax branch.

Mr. HANSON (York-Sunbury): Because it is getting so big?

Mr. ILSLEY: Yes. I might say that I signed them. I insisted upon having them sent to me, and I signed them.

Mr. HANSON (York-Sunbury): Did the minister look at them?

Mr. ILSLEY: I tried to, but if I was extremely busy I saved them up, and kept in touch with them. That is about the best I could do. I left it pretty largely to the commissioner and his officers.

Mr. HANSON (York-Sunbury): Maybe it works out all right.

Mr. GIBSON: It is not a case of a man reviewing his own findings, in view of the fact that we have various officers throughout the country. These assessors will make the local findings. If an appeal is lodged, it will come to the head office, and be reviewed by the commissioner.

Mr. HANSON (York-Sunbury): What is the *modus operandi* under the income tax act? You make up three copies of your report, and send in two. One of them, as I understand it, is retained by the local office, and the other comes to Ottawa. Is the assessment made up in the local office or in Ottawa? Or is it made up in the local office, and then checked and confirmed in Ottawa?

Mr. ILSLEY: It is made up in the local office and approved in Ottawa.

Mr. HANSON (York-Sunbury): Under this provision, then, the assessment will be made up in the local office and approved at head office by the commissioner of income tax, or one of his officers?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): Then this review will come before head office?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): That is illuminating at all events. The system is better than I thought it was.

Section agreed to.

Section 38 agreed to.

On section 39—Security.

Mr. MARTIN: Section 39 (1) is surely open to objection. Many of us quarrel with the preferred position given to the crown in litigation. Here is a position where an appeal is launched, and instead of the court determining the amount of security for costs, that is left theoretically to one of the interested parties, namely, the crown in the name of the minister. I say that is wrong. The section reads:

The party appealing shall thereupon give security for the costs of the appeal to the satisfaction of the minister in a sum of not less than \$400.

I say that it should be a sum which, in the event of a dispute, is determined by a judge in chambers. But to leave the determination to one of the contestants in the litigation—because, after all, that is what the minister is—is, to say the least, carrying this principle too far.

Mr. HANSON (York-Sunbury): The hon. member has a point.

Mr. ILSLEY: The question is as to the amount.

Mr. MARTIN: No; it is as to whether the minister should have anything to say about it.

Mr. HANSON (York-Sunbury): This is a minimum amount fixed.

Mr. MARTIN: My objection is not so much as to the amount. I say that the minister should have no right whatsoever to determine in litigation against the crown the security for costs which an appellant should put up. I say, further, that the minister is an interested party, and that the matter should be left to the court, and not to the minister at all.

Mr. HANSON (York-Sunbury): There is no doubt about the soundness of that.

Mr. MACDONALD (Halifax): Except that it would be easier for a litigant to go to the minister than to the court. The section could provide that \$400 in cash be provided as security. But to ask anyone appealing from an assessment to make application to a judge of the exchequer court is putting him to about five times as much trouble and expense as would be involved in writing a letter to the Minister of National Revenue.