

to give the impression that the minister or one of his officials would have tipped off Petro-Canada in order that it could get in under the deadline before November 16.

It is important that we clear this up. I hope the parliamentary secretary does not want to leave the impression that somebody leaked this decision of the Minister of Finance to Petro-Canada or anyone else, or that the minister himself advised anybody about the decision he had taken in respect of his budget. Surely he does not want to leave the impression that the Minister of Finance or anyone on the cabinet committee that made decisions regarding the budget had spoken to anybody about those decisions, particularly the decision which resulted in the change to be found in the bill we are now studying.

The Assistant Deputy Chairman: Order, please. I think we have discussed this matter long enough and I suggest we should move on with the business of the committee.

Mr. Rae: On a point of order, Mr. Chairman. With great respect I agree with you, but I do think it is up to the committee itself to decide whether the parliamentary secretary should respond to the point. That is the way debate should proceed.

The Assistant Deputy Chairman: Shall clause 66 carry?

Mr. Knowles: On division.

Clause 66 agreed to.

Clauses 67 to 69 inclusive agreed to.

On clause 70—*Application of Income Tax Act*

Mr. Knowles: Mr. Chairman, every time the title of this bill has been read there has always been the inclusion of a reference to the fact that it also amends the Canada Pension Plan. I have had some of my colleagues question me whether that would give us the opportunity to debate the details of the Canada Pension Plan. Obviously that is not the case, for it is clear that all clause 70 does is to amend the Canada Pension Plan in respect of certain of its provisions for obtaining from employers moneys they have failed to remit to the Receiver General for Canada.

I should like to ask the parliamentary secretary whether my understanding of the clause is correct, and I ask that in two respects. First of all, is it clear that it applies only to employers, and that there is nothing in this clause, either before or after it is amended, that applies to employees?

As a second question I should like to ask what has made necessary this provision which gives the government the right to withhold from employers moneys it might be paying to them in order to collect remittances under the Canada Pension Plan that had not been paid? I have known of a few cases where that has occurred and employers have not sent in the money, with great difficulty resulting for an employee in collecting benefits from the pension plan. Is this a widespread practice, or what is the reason for this clause?

Income Tax Act

I have posed two questions: Is my understanding of the clause correct, and why is it required?

Mr. Ritchie (York East): Mr. Chairman, the answer to the first question is yes, and I am now inquiring about the answer to the second question. I am informed there is no widespread practice that is being protected against here. What is involved is chiefly a matter of uniformity of language and administrative practice.

Mr. Knowles: Mr. Chairman, I am glad to hear that the practice is not widespread. Of course, if this is necessary at all to collect payments employers have not sent in it is a good clause to have included. The legislation, as I read it, provides that where an employer does not send in Canada Pension Plan contributions that should have been sent in, those moneys can be obtained by withholding money due the employer. But what happens in a case where the employer does not have any money coming from the federal government?

Mr. Taylor (Bow River): Mr. Chairman, I would like to add one or two comments about the points raised by the hon. member for Winnipeg North Centre. I have come across two or three cases, at least one very serious one, where this has occurred. When this happens the employee is put to no end of trouble trying to prove that the money was deducted from his or her wages but not reported to the Canada Pension Plan or the income tax people. The employee is the one who is put to all the difficulty of proving the facts. Often statements made by employers, when everything is going well, are not adequate or are carelessly given. The employee does not anticipate any difficulty but when the difficulty suddenly arises that employee finds himself or herself in very difficult circumstances.

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I suggest that the administration take a careful look at this, and where it does happen that the employer be prosecuted to the limit and made an example. It is not fair to an employee, because it is not the employer's money. It is money that has been deducted from the wages of the employee. I have not heard of any such prosecution, but when such an incident arises these people should be prosecuted to the limit. It is nothing more than theft of money which belongs to the Crown or to the employee.

Mr. Ritchie (York East): Mr. Chairman, I share the feelings expressed by the last two speakers about the position in which an employee is left. The employer has not only not sent forward the amounts deducted, but has not even reported them. I am afraid that this particular provision does not solve that problem in its entirety. Although making applicable the normal income tax penalty provisions for Canada Pension Plan deductions not sent in is a bit of a discouragement, it does not direct itself to the problem of the employee who has never had his deduction reported. I will take note of that point and mention it to the minister. Perhaps there is an alternate answer.