

Hon. Mr. Hayden: Speaking off the record—or, I might say, putting it on the record and letting you deny it—you have been a pretty good practitioner in that art.

There is one other point, while I am giving an explanation of these tidying-up provisions. Under the definition in the Income Tax Act of “new manufacturing or processing business,” for the purpose of those benefits administered in the Department of Industry, for businesses located in designated areas the time limit within which they had to commence business to get the benefit was April 1, 1967. They have now provided circumstances, as you will see by looking at page 11, clause 8 of the bill, under which if you satisfy those conditions and come into operation before April 1, 1968, you are in time for the tax holiday.

Hon. Mr. Connolly (Ottawa West): May I draw the honourable senator's attention to the fact that that is now clause 7. I refer to that for the benefit of *Hansard*.

Hon. Mr. Hayden: This copy only came to my attention after I entered the chamber, and there was a lot of conspiracy to prevent me getting in here tonight. I think they decided at take-off time they needed a new converter in the electrical system of the plane—I do not know why they could not have discovered that half an hour earlier. However, I was half an hour late arriving, so I did not have a chance to look at this.

There is a clause dealing with charitable organizations at page 8.

Hon. Mr. McCutcheon: Page 12, is it not?

Hon. Mr. Hayden: It is now part of section 3 on pages 7 and 8.

What this does in effect—and it takes a couple of pages to do it—is define a registered Canadian charitable organization. I should direct your attention to what is included in it, which you will find on page 8 of the bill, in paragraph (3b) and in (b) of that paragraph. Included within that definition is:

a branch, section, parish, congregation or other division of an organization described in paragraph (a) that receives donations on its own behalf.

Then there is a requirement that these organizations must maintain records and they must be available for inspection. The penalty for not keeping records and not having them available for inspection is likely

to be the revocation of your registration. Whether this in some particulars works any hardship, I am not aware at the moment, but it seems to me that where an exemption from taxation in relation to charitable organizations is granted the Government should have a method which will disclose to it, by the maintenance of records, that the operation has been carried on within the requirements to qualify for that kind of an organization.

I come now to the communication of information. When we were considering the Estate Tax Act some years ago we put in it what was regarded at that time, back in 1958, as an up-to-date provision. This is section 53 of the Estate Tax Act dealing with the matter of communication of information by employees. Here it would be employees in the Income Tax division. The present provision is a very skimpy one, and there was the question of how extensive it would be.

You may recall some years ago that a particular departmental officer was subpoenaed and appeared in court and refused to give evidence. As a result, he was committed to jail for contempt of court, and it took a few days to get him out.

Hon. Mr. McCutcheon: What are you complaining about?

Hon. Mr. Hayden: I am not complaining.

Hon. Mr. McCutcheon: Good.

Hon. Mr. Hayden: I will leave that to you.

Hon. Mr. McCutcheon: I am not complaining.

Hon. Mr. Hayden: Neither am I. What I am saying is that this is a more detailed section dealing with the prohibitions on the communication of information.

There is one thing in it I would like to reflect on a bit before I express full approval. It provides for the exchange of information as between a province and the federal authority. I do not know, but they say that if two people know something, the whole world knows it. I am not sure that the situation is such that if a provincial government will make these tax records available on a reciprocal basis to the federal authority, the federal authority should make that information available to the provincial government. I am willing to be convinced, but—

Hon. Mr. McCutcheon: If the federal authority is bound to turn over part of the