

*Canada Evidence Act*

this motion be allowed to stand until the chairman of the committee and the minister have had an opportunity of conferring.

Motion stands.

**PENITENTIARY ACT AMENDMENT****COMPUTATION OF TIME SERVED BY CONVICTED PRISONERS PENDING APPEAL**

Right Hon. ERNEST LAPOINTE (Minister of Justice) moved for leave to introduce Bill No. 36, to amend the Penitentiary Act.

He said: The purpose of this bill is to harmonize the provisions of the Penitentiary Act with those of the criminal code with regard to the computation of the time served by convicted prisoners who are detained in gaol pending the determination of appeal.

Motion agreed to and bill read the first time.

**CANADA EVIDENCE ACT****HUSBAND OR WIFE COMPETENT WITNESSES IN CERTAIN PROSECUTIONS—SUBMISSION OF CERTAIN PROOF BY AFFIDAVIT**

Right Hon. ERNEST LAPOINTE (Minister of Justice) moved for leave to introduce Bill No. 37, to amend the Canada Evidence Act.

He said: This bill involves three changes in the act. The first amendment is to make a wife or husband competent and compellable witnesses for the prosecution in charges of theft by either the husband or the wife of the property of the other while living apart. This is a special offence under section 354 of the criminal code. The other two changes are for the purpose of avoiding cost in proceedings. The first is to permit proof by affidavit of the sending of a notice or an order by any branch of the public service instead of compelling witnesses to go from Ottawa to all parts of Canada to make that proof. The other amendment is for the same purpose but with regard to banks. It is to permit proof by affidavit that there is no account where a cheque has been issued, if such be the case. Under the law as it is, it is permissible to prove by affidavit that there is an entry on the books of a bank, but there is no permission to prove the negative. This is to make both the same.

Motion agreed to and bill read the first time.

**QUESTIONS**

(Questions answered orally are indicated by an asterisk).

**INCOME TAX EVASIONS**

Mr. CHURCH:

1. Has the attention of the government been called to the evasions of income tax in Canada by wealthy evaders who have left Canada?

[Mr. Mackenzie King.]

2. Is the government aware of several rich millionaires moving to the West Indies and other places outside Canada, with their wealth, to escape taxation, and, if so, what action has been taken?

3. What has been done to effect such a proposal and for a registration system to check evasions, and will any select committee be appointed to go into the matter?

4. Is the government aware that scores of wealthy Canadians are taking up residence in the Bahamas in order to escape tax levies?

5. Will any register be established of income tax?

6. Is any list of delinquents published in the blue book form, or has the auditor general asked leave to check up same?

7. Will correspondence, if any, between the auditor general and the Department of Justice on this subject, be tabled?

8. What action has been or will be taken in the matter?

9. What does Ontario pay federal government for collecting its income tax, or is it collected at cost?

10. What steps are being taken to amend either (a) the criminal code; (b) the Immigration Act, or other statute law, to prevent Canadians in Canada crediting all their assets to companies they own or control and then escape income tax by investing surplus abroad?

11. Have any representations been made by the government of Ontario to either jointly with federal power or separately take action herein, and will all correspondence, if any, be tabled?

Mr. ILSLEY:

1. The words "evasion" and "evaders" are not precise. If they be taken as implying default under the Income War Tax Act, the answer to the question is in the negative. If they refer to persons who have left Canada, wholly abandoned their residence in Canada, and are permanently resident abroad, the answer is in the affirmative.

There are such persons. They are, however, not within the purview of the Income War Tax Act. They are required to pay only in respect of income which has its source in Canada, in the same manner as other non-residents of Canada who have the source of their income within Canada.

There are a number of persons, said to be well-to-do, who continue to maintain a residence in Canada but who also have a residence abroad in which they spend a considerable portion of their time. The government is not aware that any of these persons evade their Canadian income tax liability. They are all liable to income tax on the total income from whatever source derived throughout the world, whether directly or through the holding of shares of personal corporations incorporated abroad, because they have a residence in Canada, which brings them within the purview of the law whether they are personally in Canada or not.