

Income Tax Act

Mr. Alkenbrack: I rise on a point of order, Mr. Chairman. I did not make any recommendation along a political line. I think the parliamentary secretary has misinterpreted the meaning of my remarks.

Mr. Downey: Mr. Chairman, I am in complete agreement with the member who just spoke. We should stand this section. The parliamentary secretary did not seem to be in agreement with the reasons given. However, if you look at the penalties being handed out under other laws, you are inclined to think that the judiciary is becoming more permissive in its interpretation of the law. I recall a prominent legal counsel, a member of this chamber, speaking about a situation with regard to a case he defended. It concerned some bank robbers and something in the area of \$1 million which was removed from a chartered bank. In the final analysis, fines of \$1,000 were assessed against those concerned. This was about two years ago.

• (4:30 p.m.)

We might consider also the degree of permissiveness in the capital punishment area. What has been done to the people involved in the incidents which brought the War Measures Act upon us a year or so ago. Capital punishment is supposedly still with us for murderers of policemen and prison guards. But as I recall it, the last occasion when a man received the maximum penalty in Canada was in 1962. I stand to be corrected, but I think it was about that time. It seems odd to me, bearing in mind the direction society is taking, that in an income tax law we should be asked to double the penalties, and I would use this argument in support of the proposition that the clause before us should be stood, reconsidered and brought forward at a future date.

Mr. Mahoney: I am quite agreeable to standing the section if good reason can be shown. However, I did not feel that the reason given by the hon. member for Frontenac-Lennox and Addington, namely that the members who were present here today were not competent to pass on the section and that we should wait for others to come and discuss it, was a valid one. If the reason is to give the government an opportunity to consider what has been said as to the substance of the clause, and the validity of the arguments advanced, I would be quite prepared to stand it.

Mr. Alkenbrack: I rise on a question of privilege, Mr. Chairman. The parliamentary secretary intimated I had said the members of this committee who are present today were not competent to deal with the bill before us. I made no such statement. I know perfectly well, and so does the parliamentary secretary, that the members present here are perfectly competent. But if there were more members present from the government side we would be that much more competent to deal with this subject and that much more determined to correct this proposal and give it further consideration. I make one more appeal to the parliamentary secretary to use his good offices and stand this section along with the other sections which have been stood so we can reach a satisfactory conclusion in the near future.

[Mr. Mahoney.]

Mr. Ritchie: I should like to add a few words in support of the proposal that the government stand this bill and have a further look at it. The committee should bear in mind that the previous penalty was, generally, 25 per cent, at least in the experience of one person who had some connection with it. The parliamentary secretary does not seem to be sure why the penalty has been raised from 25 per cent to 50 per cent. It looks as though some bureaucratic action has been taken on the basis that since it was between 25 per cent and 50 per cent, things could be simplified by making the penalty 50 per cent.

As my hon. friend has just pointed out, in this day and age we have become more permissive in many directions and it seems unusual that the penalties should be increased in this particular area unless a very good reason can be supplied. In my opinion, the parliamentary secretary has not yet been able to supply this information.

Mr. Hogarth: I should like to ask the parliamentary secretary whether he would not consider the following to be a valid reason for standing the section. First, there is no limitation as to the number of sections under which the minister can assess. He can assess under 162, 163(1) and 163(2). And even then, he can prosecute under section 238. With respect, I ask the parliamentary secretary whether he does not consider that this is being a little vindictive in the light of the fact that there is a minimum penalty under section 238. Either the department should move to assess or it should prosecute under section 238. One or the other.

Mr. Mahoney: Well, some time ago I agreed to stand the section. However, it seems that this would deprive hon. members of their opportunity to continue to debate the matter. I am quite agreeable to standing the section—not, as the hon. member for Dauphin suggested, the bill, but certainly this section. On the other hand, if hon. members wish to continue the debate today, I cannot stand it.

Mr. Aiken: I am not rising to debate the section further, Mr. Chairman. If we had received any reasonable explanation as to why the rate had been set at a straight 50 per cent, we would feel that at least we had carried our objections as far as we could. This is the real point at issue, the point with regard to which, as far as I am concerned, we would like an answer.

The Deputy Chairman: Shall section 163 stand?

Some hon. Members: Agreed.

On clause 1—section 164—*Refunds*

Mr. Downey: With regard to this section, the parliamentary secretary will correct me if I am wrong, but I gather that refunds amount to some 10 per cent of the total taxes which are collected. Since there is sometimes a long delay in paying these amounts back to the individuals concerned, a great many people are involved. I think we should establish once and for all that what is sauce for the goose is sauce for the gander, and that the taxpayer should be put on an equal footing with the tax department. The question is, who is the master and who is the servant? Are not the officials of the tax department the servants of the taxpayers and the members of this House? Or is it the case that the taxpayers are supposed to make things easier for the tax department?