

*Income Tax Act*

Third reading would have been a very appropriate stage to bring in a new amendment every day, even up to a month, to test all the different ideas that should be put to the test and should be determined by the chamber because now, under the new rules, third reading is really the place where one decides on questions of principle. But a fat number of questions of principle we can decide, thanks to the time allocation rule that has been imposed upon us!

I also said that there are provisions in the bill that are absolutely abhorrent and that if we had any tax change that was worthy of the name of tax reform, surely changes could have been made in the areas that I will now proceed to list. One is the mamma and papa small business operation. I raised this question very early in the debate, so that the minister and his advisers had all the time in the world to try to come up with equity for this couple. Instead, mamma is to be the slave of papa, or papa the slave of mamma under the unique provisions of this bill lumping them together, and all we are told is that it is administratively difficult to separate mamma and papa. It should not be administratively difficult for mamma and papa to separate some of the Liberal members from their seats when the next election comes along, because they will know that they have been treated unjustly. This issue has been well scouted and I merely touch on it now.

The farming provisions of the bill are also the subject of debate here. I do not think the mistakes made in this legislation, which will become apparent when it comes into effect on January 1, 1972, can ever be sufficiently repaired by future amendments unless they are introduced very early next year. If such amendments are not introduced early, the family farm will have had it, and it will have been a deliberate decision by the government. We are all supposed to crowd into the cities, and a few large, baronial holdings will grow the food that we Canadians are to eat. That seems to be the effect of it. I don't know what everybody is expected to do when they get into the cities unless, I suppose, they sell insurance to each other.

Finally, there is the power given in the bill to the Minister of Justice whereby a person can be hauled into court on summary procedure for failing to deal properly with the Income Tax Act and, if convicted, faces a fine. But if the Minister of Justice says, "We will try you by indictment," then the mere fact of conviction means the miscreant must go to jail. What a power for any minister to have! In effect, if you have two similar cases he can say, "This one pays a fine, but that one goes to jail." All this could have been taken care of through the very simple amendment offered by the hon. member for Edmonton West (Mr. Lambert), who has been a medium of common sense in this whole debate, leaving the option of how to proceed with the minister but leaving it to the judge to decide whether, in addition to a financial penalty, he should impose a jail sentence.

In other words, the judge is faced with the evidence and he decides whether the difficulties that the taxpayer is in are really of such a criminal nature that he should not only be punished with a fine but should go to jail as well. That is a decision that should not be made by the Minister of Justice, no matter how well intentioned he may be, nor

[Mr. McCleave.]

should it be a matter decided by his officials. That point was made, and of course we got nowhere.

**An hon. Member:** Hear, hear!

**Mr. McCleave:** Somebody cheers. I do not know who it was. If he is on this side, I imagine he would be endorsing the scorn in my remarks, but if he is on the other side he would be saying the Minister of Justice is right. In tax reform or in something like that I would sooner be a compassionate fool than a heartless idiot.

Earlier today I indicated that the government had not kept faith with a former Liberal Prime Minister in bringing in certain sections of this legislation. I now wish to deal with that matter and put it clearly on the record. Back in April, 1964, Mr. Speaker, this House was considering the social insurance number plan that was being piloted through by the President of the Privy Council, then Minister of Labour, and a great furor was made about whether the scheme would be widely used or would be restricted. People are very suspicious of being given a number and treated as part of a computer system.

• (8:20 p.m.)

I wish to read into the record part of the exchange that took place at that time. At page 1918 of *Hansard* dated April 8, 1964, appears the following:

**MR. MACEachEN:** Mr. Speaker, my hon. friend will recall that the Glassco commission made a proposal that there be a common system of government record keeping and I am saying—and this is all the responsibility I can take—that this information is to be used for the unemployment insurance system and for the Canada Pension Plan.

**MR. DiefENBAKER:** And nothing else?

**MR. MACEachEN:** I am not in a position to indicate at this stage what system of government record keeping will be involved in the future, but that is the present attitude of the government.

**MR. DiefENBAKER:** Oh; income tax, and so on?

**MR. PEARSON:** Certainly not.

**MR. DiefENBAKER:** The Prime Minister is butting in. I ask him, will he give the undertaking on behalf of the government that this information will not be made available to other departments of government? We want to know that this is not a snooping operation for the use of the government.

**SOME HON. MEMBERS:** Oh, oh!

**MR. PEARSON:** Mr. Speaker, the same and, I would hope, more effective precautions will be taken in this regard as were taken under the regime of the right hon. gentleman.

**MR. DiefENBAKER:** All this means is that it is going to be used.

As usual, the right hon. member for Prince Albert (Mr. Diefenbaker) was not whistling Dixie when he said that, because that is precisely what will happen under this new Income Tax Act. Anybody who looks at the day care provisions will know this was a breach of faith in respect of a policy statement made by a former Prime Minister of this country.

Then as reported at page 1919 of *Hansard* for April 8, 1964, a member of the Ralliement Cr ditiste said:

**MR. RAYMOND LANGLOIS (MEGANTIC):** A supplementary question to the Prime Minister concerning this system. Is the government considering whether this system is going to be extended to other departments than those of the unemployment insurance commission and pensions?

**MR. PEARSON:** There is no necessity for extending this particular system for this particular purpose to any other department.