

Income Tax Act

which had secured the information for the sole purpose of levying taxes.

I am of the opinion that the passing of these proposed amendments would be a backward step that would seriously retard and handicap the administration of this act. Accordingly, I oppose this bill.

Mr. Diefenbaker: Would the minister now allow a question asked for the purpose of information, because I am so fully in agreement with what he says? Was there not recently a judgment in the Supreme Court of Canada to the effect that income tax returns are available for use in the courts? If I am right in that, has any consideration been given by the minister to ensuring that income tax returns are secret and are not compellable for production in court?

Mr. McCann: My understanding of the case, and perhaps it is not the one which the hon. gentleman refers to, is that it was so held in the British Columbia court where, although we resisted being subpoenaed to give evidence in a criminal case, the court decided that we had to give evidence and this was done. The evidence related to a gangster or something like that; but it was still maintained, I think, that in relation to civil cases, if that is what you call them, you can resist appearing in court on the grounds that it is not in the public interest, and that it would violate the secrecy provisions of the act.

Mr. Diefenbaker: Has the minister given consideration to making clear provision in the act to that effect?

Mr. McCann: I understand that is being given consideration at the present time by the law officers of the department, in conjunction with the Department of Justice.

Mr. J. W. Monteith (Perth): Mr. Speaker, I should like to take a moment to illustrate how in my opinion this bill is actually quite unfair. I gather that the hon. member for Winnipeg North Centre is after what he might call big corporations. However, the bill does not stipulate that. It includes all corporations.

Many corporations, as we know, are extremely small. There are cases of partnerships or individual proprietorships that run along for years and years, and suddenly the proprietor or one or all the partners realize that they are getting older and they decide to incorporate. They do so for no other purpose than that in case of an estate, stock certificate shares are much more readily handled than bricks and mortar, as anybody will realize. They do not make any more money, but they are no longer a partnership

or a proprietorship. They are a small corporation. One person can incorporate and have his wife and daughter as directors.

Is it not quite unfair that just because there is an incorporation this information should be revealed? According to the bill it would be subject to disclosure. I do not think it is equitable that information relating to a proprietorship should not be subject to disclosure, while information relating to the corporation that takes its place, exactly the same entity, should be subject to disclosure. These matters may be of interest to the public, as the hon. member for Winnipeg North Centre says, but in my estimation disclosure would not be in the public interest.

Mr. Knowles: Mr. Speaker—

Mr. Deputy Speaker: May I remind hon. members that if the hon. member for Winnipeg North Centre speaks now he will conclude the debate.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, first of all I want to thank the hon. member for Greenwood for putting on the record again a good portion of the speech I made in opening the debate on second reading of this bill. I have no quarrel with the selections he made from my speech. In fact he has made it unnecessary for me to repeat some of the arguments I made on that occasion. I must say that even though I had reason to anticipate the position that might be taken by members of the Progressive Conservative party and of the Liberal party in connection with a bill of this kind, I have been astounded at some of the things that have been said by those who have spoken.

For example, although I did not take down his words I think I am reporting him faithfully when I say that the hon. member for Greenwood said we must have confidence in the responsibility of the government in administering these matters. I must confess that it seems strange indeed to hear the hon. member for Greenwood talking of confidence in the government, in the light of the many times he stands up in the house and expresses the very opposite, his complete non-confidence in the so and so's who have been across the way far too long.

Mr. Macdonnell: Will the hon. member permit a question? Does he not distinguish in his own mind, as I do in mine, between matters of policy and questions of administration by skilled civil servants of legislation passed in the house by ourselves? That is all I expressed confidence in.

Mr. Knowles: Certainly there is such a distinction; but the final responsibility for what