

tion for the hon. member in respect of tax reform because it was no more than a cover for the special privileges which existed then and which continue now. In this case, the hon. member for Edmonton West wants to get back to the area of further special protection for his privileged group.

I cannot get very excited about this bill, although it does give us an opportunity to again debate the question of instituting a fundamental tax system in our country. Those who are offenders in relation to section 239(1) of the act are people who have, as was very aptly pointed out by the hon. member for Windsor-Walkerville, a refuge which enables them to make false statements, and so on. I have no sympathy for them when I know that most wage earners in this country have income tax taken off at the source. This system may allow the government to collect a considerable amount of money that they can play with. However, I believe the provision should remain in the act.

I have no reason to support the bill. I was very attentive to the remarks of the hon. member for Edmonton West, but when he made the statement that this was not a measure to protect the rich he looked at me and I was suspicious that he thought he was introducing in the bill a principle at variance to my socialist philosophy. It is. I oppose this bill introduced by the hon. member, as I opposed the hon. member on his views in respect of the taxation of co-operatives and credit unions and the question of foreign takeovers. He is the financial critic for his party. He does very well to defend the status quo in this nation and to show us in the New Democratic Party that if in fact we change the Tweedledees for the Tweedledums there will be no fundamental change in the serious problems which affect this country.

Mr. Judd Buchanan (London West): Mr. Speaker, as the hon. member for Edmonton West (Mr. Lambert) stated in his remarks, it is somewhat like old home week this afternoon in respect of the debate we had previously on Bill C-259. In the last parliament the hon. member introduced an amendment on November 30, 1971 which in substance was the same as the bill he has now introduced. His amendment at that time was debated at some length.

The problem under section 239 is twofold. In the first place, the section permits the Attorney General of Canada to prosecute an offence either by way of summary conviction or by way of indictment. If the prosecution is by way of summary conviction, then a court may impose a monetary fine or a monetary fine coupled with a prison sentence for a term not exceeding two years. If the prosecution is by way of indictment, then only a prison sentence can be imposed but in this instance the term of the sentence cannot exceed five years and cannot be less than two months. The criticism levelled at this choice of procedure is that two taxpayers, having committed an identical offence, can be punished in two different ways depending upon the choice of procedure by the government. This choice of procedure parallels the procedures to be found under the Criminal Code and other federal statutes.

I suspect that the Minister of National Revenue (Mr. Stanbury) would wish to retain this option on procedure, with its consequent difference in penalty, because it performs a useful deterrent service. In some instances there is a possibility that a fine would simply be regarded as a

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cost of doing business and would have no deterrent effect. It seems to me that it is important, in a system which depends to a large degree on self-assessment, that the threat of imprisonment be a real deterrent.

In passing, we should note that the constitutional validity of this optional procedure was recently examined by the Supreme Court of Canada in the Smythe case. Although the court carefully refrained from expressing a policy view on this issue, it unequivocally held that such a practice was *intra vires* and did not offend the Bill of Rights.

In the debate on this subject on December 6, 1971, the hon. member for Winnipeg North Centre (Mr. Knowles) expressed puzzlement as to whether the Minister of Justice or the courts should decide whether an individual should go to jail. The then hon. member for Calgary South replied as follows:

What does happen is that the Minister of Justice may determine in this particular case, as I understand he can in some others, that the matter is of such a serious nature that it should proceed by indictment rather than by summary conviction before a magistrate; in other words, that it must proceed by indictment to the Supreme Court. At that point the court must still decide, on the evidence presented to it, whether an offence has been committed and whether a conviction is warranted. Once the court decides that, then certainly this section does come into operation: it does provide a minimum penalty of two months' imprisonment. But it is not the Minister of Justice who determines whether a person is guilty or innocent, or what the penalty will be. That decision is the decision of the court.

Thank you, Mr. Speaker.

• (1740)

[*Translation*]

Mr. J.-Roland Comtois (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I simply want to say a few words during this debate. I do not pretend to be a taxation expert as the hon. member for Edmonton-West (Mr. Lambert) and during the few years I have been sitting in the House, I have always closely followed his comments and his amendments on almost any tax measure or reform.

I was pleased to hear the speech of my colleague, the Parliamentary Secretary to the Minister of Manpower and Immigration (Mr. MacGuigan), who comprehensively outlined the problem. I think that his arguments were quite valid and that we can rightfully object to that amendment which, while being apparently very harmless, completely alters the subject matter of the clause.

Mr. Lambert (Edmonton West): If you are in favour, you take one path and if you are against, you take another.

Mr. Comtois: Mr. Speaker, I also liked the remarks of the hon. member for Assiniboia (Mr. Knight) who held an opinion quite different from that of the hon. member for Edmonton West. The latter brought up an interesting point, namely that the worker, the wage earner has no problem with that section since his tax is withheld each week. I feel that is quite an important point and that the deterrent effect of the section is excellent since it prevents professionals of taxation from seeking potential over-convenient loop-holes. This fear of imprisonment remains an excellent deterrent measure and I hope that will be kept