

*Income Tax Act*

prescription of a minimum penalty. In the case of an indictable offence the minimum penalty is one involving imprisonment for a term not exceeding five years and not less than two months; that is provided for by section 239(2). Thus, when the Attorney General of Canada chooses to proceed by way of indictment, and when a conviction is registered by the court, the option of the court in imposing sentence is thereby narrowed.

It is true that this is not the general principle of the law. It is not the general custom, though I submit it is highly justifiable in a case of this kind. In order to see how justifiable it is, I think we must take a broader look at the question and at the kind of morality that holds sway in society, or at what I submit are the conflicting moralities that exist in this area.

I believe that we have here, on the one hand, a business morality, not to say a big business morality, and on the other hand a social morality. It does not surprise me that the hon. member for Edmonton West, who is the financial spokesman of a party that traditionally has been the party of big business in this country, defends the big business morality in a case of this kind.

**Mr. Lambert (Edmonton West):** It is the little guy who gets hit.

**Mr. MacGuigan:** I do not agree that it is the little guy who gets hit. It is not the little guy who usually has a stake in wilfully evading the payment of his taxes; rather it is the malefactor about whom my hon. friend is concerned, the one who has a heavier tax burden.

This is one view of morality which claims the allegiance of some people in our society, and I suggest it may claim the allegiance of too many. It would seem to many in our society that the person who commits what is sometimes called a white collar crime, a crime not involving violence, a crime that is not habitually associated with those committed by the less well off in our society, often escapes the penalty of the law. I do not believe that is true, but it sometimes seems that way when such a person receives a penalty that is regarded by some as being too light.

In considering legislation such as this we must bear in mind that a different social morality must be taken into account. The big businessman who offends against the law should not receive a penalty that is ineffective in his position in society. It may be that in order to give public credence to the administration of justice it is necessary to impose a minimum sentence; indeed, I believe that to be the case. If the Crown decides to proceed by way of indictment, in the case of a conviction the sentence imposed here is a minimum sentence of only two months, certainly not a long sentence. If I am right in thinking that it is the humiliation of the imposition of a jail sentence that serves as an effective deterrent in a case like this, then I believe a jail sentence of two months, indeed any jail sentence that has more than a purely nominal effect, constitutes a considerable deterrent to those who might become involved in crimes of this kind.

I think it is just as important that there be a symbol to the people of the country that the parliament of Canada is determined to see to it that the law is upheld equally by all; that those who are better off in our society are going to be discouraged from breaking the law and committing

[Mr. MacGuigan.]

crimes just as much as those who are less well off. This is why I suggest we cannot take a narrow look at a provision such as this. Experience in the courts suggests that such a provision is necessary, and I believe I find support for this contention from the need of our society for a social morality and for a proclamation by the parliament of Canada through legislation of this kind that it adheres to a social morality in which white collar crime does not have some kind of special place.

For these reasons, I am unable to support the bill that has been presented to us by the hon. member for Edmonton West. Despite the fact that it appears to make only a small change in the law, I believe that the change that he proposes is large and significant.

**Mr. Bill Knight (Assiniboia):** Mr. Speaker, I listened with a great deal of interest to the remarks of the hon. member for Edmonton West (Mr. Lambert). I found it an honour to listen to him during the debate on tax reform, and I also listened to the argument raised in support of this amendment when it came before the House on a previous occasion. I also found the remarks of the hon. member for Windsor-Walkerville (Mr. MacGuigan) somewhat entertaining.

I am always amused when members of the Liberal or Conservative parties debate that which is totally irrelevant. In a tax system which has all the loopholes and protection for the rich already built in, the amendment of the hon. member for Edmonton West is not worth much at all. We can cry crocodile tears for the workingman, but it is not he who is in a situation where he breaks the law by evading payment of tax. The system is such that those with large amounts of income or who receive large profits from certain areas of activity already get special tax breaks. This is something that both parties quite often ignore.

If we had a tax system in which a dollar was a dollar and was taxed as such, then we might be able to look at this amendment a little differently. But our present tax system protects the rich, and certainly they do not need any added protection of the kind suggested by the hon. member for Edmonton West.

• (1730)

If a workingman earns \$10,000 he pays income tax of \$2,285. If a man is a wheeler-dealer and obtains \$10,000 in the form of a capital gain, and has no other income, he pays income tax of \$833 in our so-called just society. The man who collects dividends from shares in the Canadian stock-market and benefits by \$10,000 does not pay nearly as much income tax as the workingman who pays \$2,285 or the man with a capital gain who pays \$833; he pays \$197. This is a matter which should be debated in this chamber.

I know my hon. friend from Edmonton West (Mr. Lambert) is quite a capable man in the area of taxation. He has strong views on how the tax system should work under the method we have adopted. I agree with the hon. member for Edmonton West that all the talk about tax reform and the time we spent last fall was wasted because we failed to provide the type of protection we had previously. That debate ought to have created a happy situa-