

*Income Tax Act Amendment*

**Mr. MacInnis (Cape Breton South):** Mr. Chairman, I should like to ask the minister another question. Apparently he has some doubt about the suggestion that this type of equipment is available. Perhaps he will refer to the national news of Tuesday evening. Information was given to the effect that computers no longer depend on numbers but can now distinguish between names and numbers. Perhaps the minister would check on this information.

**Mr. Herridge:** Mr. Chairman, I should like to support the minister's contention that we in Canada have an objection to regimentation. I have had some experience in this regard in relation to applications for pension. I am inclined to agree with the minister when he suggests that it would be difficult to deal with numerous applications of this type, because of the number of names involved. Many people in this country have the same name, and as a result a great deal of confusion may exist with the use of computers.

**Mr. MacInnis (Cape Breton South):** Mr. Chairman, I agree with the hon. member who has just spoken in that names present a problem, but according to the latest information available computers no longer depend on names only, but can distinguish between names and addresses. Surely this could apply in respect of the Post Office Department just as it does in respect of Veterans Affairs.

**Mr. Kindt:** Mr. Chairman, there has been a great deal of criticism about the computerized income tax form. These complaints have been of a very general nature and undoubtedly the Minister of Finance is aware of them. If a mistake occurred in the income tax branch computer system, perhaps my pension would be tremendously increased and the minister's pension would be substantially decreased. Will the minister give us some indication of the situation which now exists in respect of the use of computers in departments concerned with finances?

**Mr. Sharp:** Mr. Chairman, a number of different types of computers is now available, but so far as income tax information is concerned taxpayers file returns and indicate their social insurance numbers. Sometimes these taxpayers inadvertently give the wrong number. This results in some confusion, and this confusion must be straightened out. However, no problem would exist in this regard because the accounts would be handled separately.

**Mr. Kindt:** Under those circumstances the error must be related to the taxpayer. For this reason some check of an internal nature in the Department of National Revenue must be made before any disposition is made of the funds collected.

**Miss LaMarsh:** Mr. Chairman, perhaps I can be of some help to the committee in this regard. This whole matter was one of the main subjects considered during our discussions. I think it was resolved by the fact that every two or three years all the documentation is copied and sent out.

**The Chairman:** Shall clause 21 carry?

**Mr. Monteith:** On division.

Clause agreed to.

On clause 22—*Appeal from order of direction.*

**Mr. Ballard:** Mr. Chairman, I should like again to raise the question with the minister in respect of the traditional concept of confidentiality in respect of income tax returns. There has always been an accepted principle that information passing from taxpayers to the Department of National Revenue shall be considered as confidential. While I realize that under certain circumstances some information must be circulated between departments the income taxpayer must be protected.

Recently our attention has been directed to security, and it has become apparent that certain information has been made available to the income tax department. It is obvious that this type of information must be circulated for the purposes of administering the Canada Pension Plan and other government social security measures, but information collected by the income tax department should not be made available indiscriminantly. There is some valid apprehension about the exchange of information as a result of our present state of cybernetics. Very often, because of our methods of assessing taxes, we have allowed this traditional right to slip through our fingers.

• (9:10 p.m.)

It has always been the case that information on file with the director of taxation could be used in the case of a criminal court case but never in the case of a civil court case. Last year the door was opened when an amendment was made to section 133 of the Income Tax Act which allowed this information to be passed on to any authorized person or to