

[Translation]

Hon. André Ouellet (Minister of Labour): Mr. Speaker, I cannot agree with the Hon. Member's assertions because I strongly believe that the postal service has improved considerably in many places throughout Canada.

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[English]

NATIONAL REVENUE

RETROACTIVITY OF TAX DEMANDS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have a question for the Minister of National Revenue. It seems to me that one of the things that really bothers people about the way the tax department is carrying on, and why there is so much attention being paid to it, is the whole question of retroactivity. I have a constituent who, for the years on which he is now being judged, was actually given back more money by the tax department than he claimed in his application for a refund. Now the department is asking him for more money, going back to 1978. It is the injustice of being asked to pay all the way back to 1978 that really gets to people.

Could the Minister tell the House whether he is at least willing to consider the whole matter of retroactivity and the way his Department is jumping on small farmers and others who, through no fault of their own, over the years have had their tax refunds validated by Revenue Canada and now are being asked to pay back money that they did not know they owed?

Some Hon. Members: Hear, hear!

[Translation]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the Hon. Member should be aware of the provisions of the Income Tax Act, which specify that the Department is responsible for making sure that tax returns agree with the facts and with the taxpayers' incomes, and once again, this is to guarantee the fairness of the audit system.

The Hon. Member spoke of retroactive audits. It is obvious that the Department cannot in any given year check the accounts of all Canadian taxpayers. Only a small minority are checked, and if it is discovered that, over a number of previous years, certain taxpayers have filed incomplete statements of their income, since the Act provides that taxpayers must declare their entire income, the Department is responsible for assessing taxes over the number of years involved, as provided under the Act.

Privilege—Mr. Huntington

● (1500)

[English]

PETITION

MR. WADDELL—UNEMPLOYMENT INSURANCE PAYMENTS

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Vancouver-Kingsway (Mr. Waddell) meets the requirements of the Standing Orders as to form.

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PRIVILEGE

Mr. Speaker: The Hon. Member for Capilano (Mr. Huntington) has served notice to the Chair of a question of privilege he wishes to raise at this point.

MR. HUNTINGTON—STATEMENT OF MISS BÉGIN ALLEGED MISLEADING

Hon. Ron Huntington (Capilano): Mr. Speaker, my question of privilege concerns the answer of the Minister of National Health and Welfare (Miss Bégin) to the Hon. Member for Welland (Mr. Parent) which was reported in *Hansard* of January 26. The answer given, Sir, in at least three areas is totally misleading and makes allegations with respect to myself and my Party which are misleading.

In *The Toronto Sun* of January 27, 1984, the headline reads: "PCs blamed for tax grab". This is as a result of the reply the Minister gave to the Hon. Member for Welland in which she referred to the fact that I had asked a question on January 24 to which she replied that she would take it as notice and would have to understand the implications of the question. I was not in the House on January 26 when the Hon. Member for Welland asked the question. The Minister alleged that while the Conservative Government was in office in 1979 it gave Revenue Canada the power through Section 224.1 of the Income Tax Act to collect taxes owed from pensions and seniors, including the Canada Pension Plan.

My question of privilege is this. That reply and that inference is misleading and inaccurate and I would like the Minister of National Health and Welfare to stand in the House and apologize for the inaccuracy of that statement. If she had gone back and done her homework as she had alleged, she would have found that the Budget of the then Minister of Finance, the Hon. Member for St. John's West (Mr. Crosbie), during the time of the Clark Government, was a Budget which was carrying forth legislation given to the country in the Chrétien Budget of November, 1978.

With respect to the claim by the Minister that the PCs gave Revenue Canada the power in Section 224.1 of the Income Tax Act to garnishee pensions, I would like to remind you, Sir, and the Minister that Section 224 of the Income Tax Act was placed into legislation by the Liberal Government back in 1970-71 and that the Chrétien Budget of November 16, 1978