

*Oral Questions*

Neil Nikolaisen was appealing a reassessment under Section 31, and used the Graham case as a precedent. Because the whole matter concerning Section 31 is in such a mess as far as the courts are concerned, why will the Minister not call a moratorium on all Section 31 cases until the matter is at least cleared up in the courts?

[*Translation*]

**Hon. Pierre Bussières (Minister of National Revenue):** Mr. Speaker, I was not aware of the second court judgment mentioned by the Hon. Member. However, I wish to emphasize that I am concerned about the application of Section 31 with respect to those cases which it does not cover, because, as the Hon. Member knows, generally speaking, Section 31 covers only two categories and the problem lies with the third category, for which there are no specific instructions. I shall examine this second case he has brought to my attention.

On the other hand, I wish to remind him that we have decided actually to appeal the ruling in the Graham case because of the implication it could have in interpreting the Income Tax Act. However, I should underline to the Hon. Member and all the Members of this House that I am concerned about the interpretation of this Section and the audit practices, especially when losses are disallowed where a farming operation does not meet the test of a possible or probable profit.

[*English*]

**Mr. Greenaway:** I hope this issue will be addressed in the Budget, because it will not go away. We on this side of the House will continue to raise it until some relief is brought to many farmers across the country who are suffering under the heavy and hard hand of the Minister's Department.

## SEIZURE OF TAX APPELLANTS' BANK ACCOUNTS

**Mr. Lorne Greenaway (Cariboo-Chilcotin):** Mr. Speaker, my supplementary question is directed to the same Minister. Is it legal under the laws of Canada to garnishee bank accounts and to use third party demands to collect funds from taxpayers who are appealing their reassessments?

[*Translation*]

**Hon. Pierre Bussières (Minister of National Revenue):** Mr. Speaker, I have already answered the Hon. Member many times. I do not recall which Section of the Income Tax Act deals with this matter, but it is clearly stated therein that, even if there is an appeal or an objection to an assessment notice, the Minister must collect the amounts which have been assessed.

[*English*]

## EMPLOYMENT

## GRANT TO ALLIANCE COMMUNITY SERVICES, TORONTO

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, my question is directed to the Minister of Employment and Immigration. I have before me the letters patent of last February of the Canadian Alliance for Italian Integration and Culture, the discussion paper of the Liberal Party of last summer asking for a storefront operation for the Liberal party, the application of this society for a storefront office, and finally the grant of \$583,000 to this group of prominent Liberals.

As the Minister of his Department, as the political Minister for Metropolitan Toronto, and as one who hopes perhaps to serve in a leadership capacity some day, when did he first find out about the Liberal connection with this particular grant and the opposition from the social services community in Metropolitan Toronto?

**Hon. John Roberts (Minister of Employment and Immigration):** Mr. Speaker, I want to thank the hon. gentleman for having sent me some of this information before Question Period. Unfortunately the background documents which were to have been attached to his letter were not there.

**Mr. Crosbie:** They have been shredded.

**Mr. Roberts:** I have asked my office to get them from his office, so I have not had a chance to look at all the material which he sent to me.

In relation to the two specific questions which I think he asked, the first being when was I aware of the representations made by the social service agencies, I became aware of those representations when they were made to me, which was after the contract for the grant had been signed. As to the question about the political connections, or the document outlining the political manifesto, or whatever it was, the answer is that I think I received it yesterday after the Hon. Member raised it in the House. It was a document which had been sent to me last week when I was not in the country. I believe my staff requested it when there were some newspaper references to it. But that was the first time I was aware of that document and therefore the alleged political affiliation of all these people in terms of the document which he has mentioned.

**Mr. Waddell:** The Minister might be interested in knowing that I checked with the Public Service in Toronto and was informed that this grant had the most perfunctory recommendation and that it had opposition to it; there are clearly Liberal connections behind the grant.

## REASONS FOR AWARDED GRANT

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, the Minister gave an interview yesterday after my question, to the *Toronto Star*. He was quoted as saying "that in approving a project and signing it, it was certainly not done on the basis of