

qualified insurance agent in the city in which she lived. He filled in the one form and sent it in on her behalf. Of course, she paid to have that done. Her 1978 assessment was dated June 26, 1979. The provincial tax was assessed at some \$258 and the federal tax at \$370. Tax deductions were applied, which gave her a credit of \$1,618. The payment made on filing left her \$781, and the refund interest assessed was \$24. The department sent her a cheque for \$1,795. She was delighted. She not only received all the money she had sent, but some more, which apparently should not have been paid. Any widow who has no husband to earn for her and who is living on a fixed income would be happy to receive a refund of \$1,700 from the Department of National Revenue. That took place on June 26.

● (2120)

On December 7, 1979, she received another letter from the Department of Revenue stating that the provincial tax had been reassessed. The amount had increased from \$258 to \$982. The letter informed her the federal tax had been reassessed; the amount had increased from \$370 to \$2,550. The interest arrears were adjusted to \$167, and the refund interest recaptured was \$24. She now owed the department \$3,725. I ask hon. members to bear in mind that these are the same forms which were assessed on June 26. No additional forms had been sent in. The widow was very worried. Instead of having \$1,795 to her credit she suddenly found she had a debt. Before receiving that information she received a letter from the department telling her that the computer had made a mistake and had sent her the \$1,795 in error. Almost immediately she returned the \$1,795 to the department.

On December 7, 1979, she received a reassessment. The department was now charging her \$3,725. She was overwhelmed. Then 1980 arrived, and she received another letter stating that the arrears on interest had been adjusted to \$92. This raised her total debt to \$3,818. Then she received another letter. The department reassessed her situation. The provincial tax was reassessed, which gave her a credit of \$218 instead of a debit of \$982. The federal tax had been reassessed allowing her a credit of \$566 instead of a debit of \$2,550, and the interest on arrears was adjusted to \$67. A tax deduction of \$51 was credited. The department then sent her a bill for \$2,915 in place of the bill for \$3,800 which she had received a few months before. That, at least, was a saving to her. She did not know how on earth she would obtain all this money, but she was in receipt of the bill, and there was a reduction. But not for very long; she soon received another letter on March 9, 1980. The reassessment was March 7. The letter informed her she was entitled to a credit of \$1,665. The interest arrears were readjusted; the department found \$5.44 more. The arrears were adjusted again to \$12, and then to \$7. She now owes \$1,275. Does anybody wonder about a woman receiving this kind of bookkeeping?

That was not the end of it. On May 23 she received another reassessment. The provincial tax was reassessed to \$159. The federal tax was reassessed to \$414. The interest on arrears was adjusted to \$59. Then the interest arrears were adjusted

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again to \$8.82, then again to \$6.86, and then to \$14. This is contained in a statement she received from the department. I am not making these figures up. Imagine a widow receiving a statement like this!

She then made a payment of \$1,630, which left her owing \$1,938. The payment of \$1,630 was all she could scrape up at the time. Of course, the figures were then readjusted and there was added interest on arrears. They are now charging her interest because the computer made a mistake and sent her \$1,700 which she had for a month. They are now charging her interest on the \$1,700 which were sent to her in error.

Those are the figures to date. We are expecting another reassessment at any time. The interest on arrears adjustment gave her a credit of \$208. She now owes the department \$121.74. I might add that these last three adjustments, which were in her favour, were carried out with the co-operation of the Minister of National Revenue. I believe he is as disgusted with this situation as I. The bookkeeping is so bad in this case that I have asked the Minister of National Revenue to close it out. Surely we cannot antagonize our citizens with readjustment after readjustment and reassessment after reassessment. It would drive anybody crazy. And all of this is being done to a widow who is trying to be honest. She would not think of cheating anyone out of five cents, let alone the amounts I have been talking about. Now she owes \$121.74. I think the men who have been doing this should pay that \$121.

**Some hon. Members:** Hear, hear!

**Mr. Taylor:** This woman should be told by the government that we will not put up with this kind of bookkeeping.

**Mr. Munro (Esquimalt-Saanich):** Then they should be fired.

**Mr. Taylor:** Yes, then they should be fired. People who do that kind of work do the government no good. The case I have been talking about is an actual one. Hon. members can obtain a copy of the statement from the minister of revenue if they wish.

The other case I would like to deal with has even more far-reaching ramifications. It is something which frightens me. I refer to the "deemed income" contained in the act. The hon. member for Portage-Marquette spoke about this a few minutes ago. I wish to deal with it because I do not think deemed income has any place in our legislation. It is a totalitarian concept which can ruin any farmer in this country, if it is applied in the way this legislation permits. It has been applied in one or two cases and, again, they were settled only through the intervention of the minister of revenue. I am sure he is not prepared to put up with this kind of nonsense. I raise this matter tonight because I think the Minister of Finance should give some serious consideration to taking this deemed income out of the act.

I would like to show hon. members what happened in this particular case. It is one case, but I am fearful that if the circumstances were to occur in many places our farmers could