

*Income Tax—Calgary area farmers*

This matter came to my attention while I was in Calgary during the Christmas recess, at which time I was shown a letter sent to one of these farmers from the income tax office demanding a large amount of information. The information supplied as a result of the letter, and an interview with the farmer, was then used for the purpose of determining his net worth and then, in many cases, imposing arbitrary assessments for income tax purposes.

I made a copy of this particular letter. It was headed in this way: "Re income tax returns 1946 to 1952, inclusive." In other words, they were going back a considerable length of time. I will not take time to read it all because I want to get finished shortly. In any event, the farmer was required to come into the income tax office and bring his records. The letter says:

Please bring with you all record books, vouchers and receipts pertaining to the income and expenses of the years under review; also your bank pass books or ledger sheets (all banks), for both current and savings account (a wife's account to be included) and your cancelled cheques.

The farmer is asked to give all sorts of information in regard to land owned, when it was secured and so forth, balance of principal owing, interest and so forth during this period. He is asked the same in connection with any land that had been sold and in connection with all chattels; he is asked questions in regard to his machinery and so forth back over all this period. He is asked about items he had purchased, the original cost, the date and month of sale, the selling price or trade value and the name and address of purchaser or dealer. He is asked the same in connection with all livestock.

It is manifestly clear that when you ask a man to go back six or seven years and tell how many pigs he had on a certain date and how many chickens he had and so forth, he just cannot do it; he has to guess at it. In other words, a good deal of the information was not such as 99 farmers out of 100 could reasonably be asked to furnish or could furnish. Then the letter goes on to say that:

"Certain other information respecting your affairs will be requested at the time of the interview. If you are unable to attend on the day mentioned, please arrange for an alternative date to suit your convenience.

You will realize that this arrangement affords you a reasonable convenient opportunity of giving or requesting needed information and enables you to produce documents for examination without the difficulty that sometimes arises through correspondence.

Your efforts in assembling the records and bringing them with you at the appointed time and place will be appreciated and should serve to provide a proper understanding of your affairs which may be of benefit in the future.

[Mr. Harkness.]

The whole tone of the letter is to give the farmer the opinion that this is going to be of benefit to him, to help him out. Any benefit that might be derived from that procedure was quite naturally going to be for the income tax officials and not for the farmer. That certainly is not the way the thing was worded, and the understanding which I think was wrong was that it would help the farmer. I put some questions on the order paper in connection with this matter. The first question was: Was a letter of this kind sent out? The answer was yes. The answer was contained in a return dated February 12, 1954. The second question was:

If so, to how many farmers?

The answer was:

Approximately 500.

That is in the Calgary income tax district. My third question was:

Were similar letters sent to any other class of income taxpayers?

The answer was no. I would ask first of all why our farmers of all the classes and groups of taxpayers in Canada are singled out for this particular type of treatment? Why are they the only class of people? If farmers are going to be subject to this type of thing and to the inquisition, which I will come to later, which follows it, why are not other classes of taxpayers to be subject to it? Why pick on only one group of people? Why are they treated in a different way from other income taxpayers in this country? My next question was:

If so, how many of these letters were sent out in each of the provinces?

The answer to that question was:

Answered by No. 3.

In other words, I did not get any further information there. My next question was:

If this letter was sent out, what was the purpose of same?

The answer was:

To arrange a meeting with each farmer, at a time and place convenient to him, at which his income tax returns for specified years could be reviewed and reference made, where necessary, to his books and records supporting the figures shown on the tax returns.

My next question was:

What benefit to the farmers is envisaged?

The answer was:

An opportunity is afforded the farmers to clarify, with the aid of factual data, all points in their returns requiring explanation and to discuss, in general, income tax matters of interest to them.

I submit, Mr. Speaker, that these two answers were, if not designed to mislead me, certainly phrased in such a way that if I took