

Oral Questions

department is doing is saying: "Wait until we take a look at it." I applaud the Minister on what he is doing. It is to the credit of this Party that it is happening. Will the Minister admit that there has been a significant change in collection policy which affects all people in Canada, especially artists?

[Translation]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I have already told the House that I was concerned by the rapidly increasing number of objection notices filed with the Department, and, long before yesterday, I told Members of this House to complain to departmental officials and ask them to make a very careful review of assessment notices and audits to determine whether it would be possible to reduce the number of complaints and settle the conflicts even before the taxpayer has to present an objection notice.

Mr. Speaker, this is not a new policy. The Department has simply intensified an on-going procedure to avoid forcing taxpayers to fill in other forms and apply for a time extension for the payment of their taxes.

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[English]

FINANCE

PREPAYMENT OF MUNICIPAL TAXES—HOME OWNERS' MORTGAGE AGREEMENTS WITH BANKS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct my question to the Minister of Finance. As the Minister knows, there are hundreds of thousands of people paying for houses which they purchased through mortgage agreements, usually with a bank. In most of the monthly payments is included not only the mortgage payment, but also the municipal tax. For a good part of the year that money is prepaid. Is the Minister aware of the fact that very often, if not always, the bank pays to the mortgage holder either no interest, or merely 3 or 4 per cent interest, at a time when the bank is charging 12 per cent or more on loans it makes? Given the fact that the banks are making such large profits, would the Minister have the Inspector General of Banks look into this practice to see whether in fact the banks are mistreating people who have purchased mortgages through them?

● (1440)

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I would be very pleased indeed to draw the point raised by the Hon. Member to the attention of the Inspector of Banks, and ask him to examine this issue and report to me. I will be very pleased to inform the Hon. Member of the results of the investigation by the Inspector General of Banks.

INFORMING MORTGAGEES OF RIGHTS

Mr. David Orlikow (Winnipeg North): Would the Minister have the Inspector General of Banks look into the question of whether the banks and mortgage companies let people arrang-

ing a mortgage know that if they want they can prepay their municipal taxes and in that way save a substantial amount of money?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I will certainly pass on the suggestion of the Hon. Member to the Inspector General of Banks. I will ask him to raise this issue and report to me. I will be pleased to inform the Hon. Member of the result of those discussions.

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NATIONAL REVENUE

DEPARTMENT'S TREATMENT OF SMALL BUSINESSES

Mr. Otto Jelinek (Halton): Mr. Speaker, my question is for the Minister of National Revenue. Notwithstanding the Minister's constant excuses, according to the senior tax policy adviser to the Canadian Federation of Independent Business, which represents 65,000 small businesses across Canada, it has come to light that Revenue Canada no longer asks taxpayers to justify questionable tax deductions. Instead, it simply disallows them automatically and gives the taxpayer 90 days to appeal.

Does the Minister not realize that small businesses and individuals are too busy struggling to make ends meet to argue with the Government, let alone to afford the costs involved? Will the Minister take immediate steps to alleviate this unfair practice in order to enable our small businesses to operate in an atmosphere free of harassment?

[Translation]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I have already indicated in this House, and indeed I said it again in my speech this morning, that I have had discussions with my senior officials on the matter. As I indicated, I am concerned by the increasing number of notices of objection that are filed with the Department, and I have asked for ways and means of holding discussions with the taxpayers, after audits are made and notices of assessment are sent out, to come to an understanding and spare the taxpayers further proceedings, as was mentioned by the Hon. Member.

It should also be kept in mind that this provision of the Act, which allows a taxpayer to object to a notice of assessment issued by the Department, does protect the taxpayer. Looking for instance at the outcome of such objections, it may be noted that most of the decisions being made at that level are in favour of the taxpayers, and therefore this is a procedure that gives extra protection to the taxpayers in dealing with the assessments issued by the Department.

[English]

REQUEST FOR MINISTERIAL ACTION

Mr. Otto Jelinek (Halton): Mr. Speaker, it is obvious the Minister does not understand the process. My supplementary