

● (1200)

Going back to the issue of the Department's powers in gaining access to records, there is something seriously wrong when the Department has the right to come into a business and seize business records which may be essential to the functioning of that business, take them to the departmental office and hold them for 120 days before having to go to court for an extension. It then has a right, which we do not dispute, to go to the court to ask for an extension.

What is extraordinary with the way the Act is written today is that the Department has the right to go in secrecy, without the presence of the taxpayer, to argue that it should be allowed to hold those essential business records. We say, as the Canadian Institute of Chartered Accountants and the Canadian Bar Association said, that these *ex parte* proceedings must be stopped. We must amend the Act to prevent this sort of abuse taking place in the future.

What conceivable justification can there be for this? Is it a case where the taxpayer could destroy the documents or hide them? Of course not. They are held in the possession of the Department. I ask the Minister, what is the risk to the Department in a taxpayer being able to be in court to argue against the Department having an extension and holding essential business records? Surely under our system of Canadian justice you have a right to be present at proceedings which affect your basic liberties and your right to earn a living. As things stand today in Canada with the present Income Tax Act, you do not have that right.

We argue as well in this motion, as we argued in the task force report, that it is essential that there be a proper appeals procedure on collection. What we have increasingly found over recent years is that the Department says that because a person is liable the money as soon as he is reassessed, it will use its powers as fully as it can. Garnishees are issued to take away people's funds in their bank accounts or their pay cheques before they have had a chance for a fair hearing.

In addition, we found that the Department has often refused to use a discretion open to it to arrange reasonable collection procedures where a taxpayer is reassessed and it is clear there is no fraud, where the Department does not dispute that, where it recognizes that an error may have been made or there is a difference in interpretation of the law, with no intent on the part of the taxpayer to commit fraud. Taxpayers often ask to be given an extended payment term and be allowed to make the payment of every penny that is owed, with interest, over a period of time. We increasingly find that the Department has refused to do that. We have argued for an appellate procedure which would allow taxpayers to appeal unreasonable decisions.

I see that my 20 minutes is expiring. There are many other issues I would have liked to raise today, but in conclusion I want to express this message on behalf of my colleagues and repeat the offer that was made. There is no reason for not acting to guarantee taxpayers' rights now before an election. If the Minister and his colleagues bring forward legislation consistent with the report, we will co-operate fully. However, I serve notice on him publicly today that if the Government

Supply

continues to refuse to act, this issue will be taken to the Canadian people in an election campaign. The recommendations of the task force will be a high priority for a Progressive Conservative Government.

The Acting Speaker (Mr. Laniel): The speech of the Hon. Member being concluded, there is a ten-minute period for questions. Are there any questions?

[Translation]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I listened with great interest to the comments made by the Hon. Member for Wellington-Dufferin-Simcoe (Mr. Beatty). Actually, what the Hon. Member said was not particularly new to me, because besides examining the report prepared by the committee chaired by the Hon. Member on behalf of his Party's Caucus, I also had a long meeting with the Hon. Member and members of his task force during which we thoroughly explored a number of subjects he has raised today and which are the subject of recommendations made by his task force.

I do have some trouble accepting "certain charges", if I may use the expression, which were made by the Hon. Member. However, I hasten to say that I fully agree with the principles underlying the task force's recommendations. They are the same principles that form the basis for my Department's policy in administering the Income Tax Act.

Before speaking to the subject of the motion before the House today, I note, Mr. Speaker, that the Hon. Member remarked that although it was time to act, no measures had been taken. I am sorry but I must object to this remark. A number of measures have been taken, and I am sure that the Hon. Member and many of his colleagues will acknowledge they have heard as much from their constituents, or have seen for themselves the results of such measures. These measures have taken the form of guidelines or basic principles to be adhered to in administering the Department, principles which I put down in writing when my deputy minister took up his duties at the Department of National Revenue. I believe these principles provide a very clear concept of the kind of action that should be taken in administering the Income Tax Act and that they cover much of the ground that was covered by the recommendations of the task force chaired by the Hon. Member.

A third preliminary remark is appropriate, Mr. Speaker. We must make a distinction, and this is particularly relevant considering what the Hon. Member said in his conclusions, between the responsibilities of the Minister of National Revenue and those of other ministers. I think that the Hon. Member, in formulating his motion, wished to indicate that distinction by going beyond the responsibilities of the Minister of National Revenue. For instance, when he refers to the changes to be made in certain provisions of the Income Tax Act and when these provisions are as general as Section 231,