

Income Tax

6. Yes. (a) The Canadian Embassy doctor, who is a British physician attached to the British Embassy, examined Mr. Leroux immediately following the accident and confirmed his death. An autopsy was subsequently carried out by a Soviet pathologist. (b) The finding was that Michel Leroux died instantly as the result of injuries sustained in the car accident.

MAHARISHI MAHESH YOGI

Question No. 4,674—**Mr. Friesen:**

Did the Government provide any assistance to the World Plan for Creative Intelligence, the Transcendental Meditation Movement or any other group under the direct or indirect authority of the Maharishi Mahesh Yogi and, if so (a) what was the nature of the assistance and on what date was it given (b) what were the names and addresses of the groups which received assistance?

Hon. Serge Joyal (Secretary of State): In so far as the Department of the Secretary of State is concerned: No. (a) and (b) Not applicable.

[*English*]

Mr. Smith: I ask that the remaining questions be allowed to stand.

[*Translation*]

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX

AMENDMENTS TO STATUTE LAW

The House resumed consideration of the motion of Mr. Lalonde that Bill C-139, to amend the Statute Law relating to Income Tax (No. 2), be read the second time and referred to a Committee of the Whole.

Hon. Jake Epp (Provencher): Madam Speaker, prior to the lunch break I was making the point that I had a constituent who had been employed by CP Rail and also had a farm. When his employment ended at CP Rail we were still not able to convince Revenue Canada that in fact his vocation was farming only. I think it is important for the Minister of National Revenue (Mr. Bussi eres)—and I wish he were here—to understand that there are judgments being made by Revenue Canada personnel, judgments which I believe have nothing to do with the Income Tax Act.

For instance, this person whose only income now is farming was told by Revenue Canada that, because his farm was not viable, he therefore was not a farmer; but they agreed that he had no other income other than from farming. They asked me the question: If the farm is not viable, how could he remain on the farm? I told them that if they understood anything about farming in previous years they would know that he and his

family had invested in the farm and obviously had not needed the farm income to support themselves on a day by day basis, but now that the only income they had was from farming, they obviously would invest less in the farm and have to take more of the profit for their day to day expenses. That, to me, seems a rather obvious approach, but to this day Revenue Canada officials have not accepted that approach.

In fact, I think there is a real concern when auditors go into these places to audit. I contact the auditor and the auditor says: "I do not have to speak to you; you have to speak to someone else in the Department." I suggest when Members of Parliament phone on behalf of their constituents, having been authorized to do so by their constituents, that that is not the approach that people who are getting paid by the public purse should take. Yet that is the attitude they do take.

I am sure that every Member in this House knows of cases where a spirit of decency and fairness has not been shown by Revenue Canada personnel. The regulations are now so complicated that average, ordinary Canadians who cannot expend large sums on tax preparation are concerned that the tax Department as such is seen more as confiscatory; that is, confiscating income and investments that people have rather than be fair to them.

I had another case concerning a gentleman who had sold a small service station and had to repossess it, and then subsequently sold it again. He was taxed on the capital gain from the service station that he had to repossess and then re-billed, because after he had sold the service station a second time, when he got the cash he bought averaging annuities, RRSPs, but did not do so after the first sale because he had no cash. He had not received any cash as the buyer defaulted. Yet Revenue Canada levied tax on a capital gain from the first sale although no revenues were realized.

What I am saying is that there has to be a different approach. I am not saying that people should not pay their taxes, but I am saying that many of the Revenue Canada people operate on the basis that a taxpayer must prove his innocence rather than they must prove the case that their assessment is correct. I believe it is true that many of them operate on that basis.

While we can argue about details and regulations and legislation, back on the farm and on the street where average Canadians are trying to make a living people have today a fear of the manner in which Revenue Canada assesses taxes on income earned. It seems to be very quick to add income and very slow to look at legitimate expenses. That raises this question. I wonder to what extent Revenue Canada has received instructions from this Government to try to recover whatever money it can because of the national deficit. As I speak to Revenue Canada people, their attitude to my mind is one not of being fair to the taxpayer but rather that it is seen much more as a collection agency against the taxpayer.