

Adjournment Debate

• (1910)

In my riding, it is the mayors of the communities who pointed out that they want this tax stopped. They have done that through personal calls to me over the weekend and they have done it through their councils passing referendums. In the elections just held, the city of Vancouver had a referendum where it showed 85 per cent of the people voted against the goods and services tax. The city of Kitimat showed 88 per cent of the people were against the goods and services tax.

I would like to end by stating that a constituent of mine, Malcolm McPherson, owner of the Richter Pass Motel, pointed out on the weekend that there had to be some way of stopping this goods and services tax. He asked me: "Does this government know what this tax is going to do to the tourist industry?" These comments point out a small part of the fraud aspect, but it is much broader. This tax must be stopped.

Mr. Patrick Boyer (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I am replying tonight in the absence of the Minister of Revenue who is still recovering from the soapsuds in his mouth.

[*Translation*]

I simply want to say that Revenue Canada is aware that in GST, as in any tax, there is the potential for fraud.

A number of steps have been taken to ensure the detection and prevention of fraud. Audit staff are being trained in the detection and prevention of fraud. Also,

Revenue Canada is developing and implementing audit programs designed to uncover fraudulent practices.

Revenue Canada's automated claim processing system has built-in edit checks which reflect the knowledge gained from its own experience as well as that of other countries. Rebate claims which fail the tests will be subjected to audit at the local office level.

Some aspects of the rebate program itself have been designed to encourage factual and accurate claims. For example, inventories, for F.S.T. rebates, will be valued on the same basis as that used for income tax purposes. As inflated inventory values are a disadvantage from an income tax perspective, there is a built-in inducement to realistic and accurate valuation of inventories.

Officials from Revenue Canada have reached an agreement with representatives of the professional accounting community respecting their attestation to the inventory values being claimed. F.S.T. rebate claims accompanied by a report of a licensed accountant will be expedited in our process. Those claimants who opt for this independent third party review will receive their refunds quicker and the integrity of the rebate system will be enhanced by these certifications.

Mr. Speaker, Revenue Canada will have the programs to ensure the detection and prevention of fraud.

The Acting Speaker (Mr. DeBlois): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 7.15 p.m.