

(a) electronic media—\$22,187.00

(b) print media—\$6,565.75

[Translation]

**Mr. Evans:** Mr. Speaker, I ask that the remaining questions be allowed to stand.

**Mr. Speaker:** The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

**Some Hon. Members:** Agreed.

## GOVERNMENT ORDERS

[English]

### BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—NON-CONFIDENCE MOTION—REVENUE CANADA

The House resumed consideration of the motion of Mr. Beatty:

That this House regrets the failure of the Government to satisfactorily protect the civil liberties of Canadian taxpayers in their dealings with the Department of National Revenue and calls upon the Government to implement without delay the recommendations of the Progressive Conservative Task Force on Revenue Canada and, in particular, to curtail the Department's powers of search and seizure under Section 231 of the Income Tax Act, to guarantee taxpayers the right to a fair hearing on disputed reassessments before having to make payments or post security, to create a Taxpayers' Bill of Rights, and to provide an adequate system of appeals of unfair decisions concerning collections.

And of the amendment of Mr. Althouse to remove the period at the end of the motion and add the following words:

—and further, to recognize the inequity of the appeal process by guaranteeing to taxpayers who are successful in an appeal through the courts that their legal costs will be paid for by Revenue Canada.

**Mr. Vic Althouse (Humboldt-Lake Centre):** Mr. Speaker, just before the luncheon adjournment I introduced an amendment to the motion before us today. I noticed when I received the "blues" over the lunch hour that when I introduced the amendment, some Hon. Members seemed to think that indeed there were now guarantees which recognized the problems of taxpayers appealing their cases before the courts. They shouted that the Government would now permit Revenue Canada to pay legal costs when taxpayers are proven to be in the right. I have a slightly different understanding of what is a guarantee.

I recognize that the Minister of National Revenue (Mr. Bussi eres) has directed his Department to pay the cost of such appeals when the Department is clearly in the wrong. However, I do not think that is a guarantee which will be of any good to my constituents who run into difficulty next year, the year after or 10 years from now. Indeed, constituents have experienced problems with the Minister and with the Department interpreting somewhat differently that same law of Parliament. When I talk about guarantees, I mean guarantees in

### Supply

the form of a law or Bill passed in the House of Commons which makes it clearly understood where the responsibility lies. This is what we will be voting upon later this afternoon.

I should like to deal with some of the cases to which I referred just prior to the luncheon adjournment. For example, a small farmer who is in his late fifties or early sixties, has farmed all his life on a small acreage, raised his family and has run into a succession of crop failures due to hail and frost for four years in a row, has no choice but to go out and work. The very fact that he did this in his late fifties or early sixties got him into trouble under Section 31 of the Income Tax Act. An assessor in the Department decided that because crop failure forced him to go out and work, according to the rules he was suddenly a hobby farmer, even though he had lived and worked on that farm all his life.

On the fifth year, as luck would have it—and it was purely luck—he showed a profit from his crop. He had that argument to make when the Department decided to press its case and take him to court. The poor man had no recourse but to obtain legal assistance from a lawyer and pay the legal costs. The case reached the point where the prosecuting attorney looked at it and decided that there was really no case to win in court. Therefore he telephoned my constituent's lawyer and said: "Why do we not get the Department to change the allocation and, instead of putting him under no losses, allow him to operate under the restricted farm loss section?" This meant he could have losses of up to \$2,500 per year. Since the difference was somewhere between \$3,000, the amount of the original assessment, and \$600 to \$700 under the new assessment, the lawyer convinced his client that it was the way to go. Instead of being assessed at something in the neighbourhood of \$3,000, my constituent paid between \$600 and \$700 to the Department of National Revenue and a legal bill of something over \$1,000. Had he and thousands of other small taxpayers been guaranteed in law that the Department would be responsible for paying the legal costs if the case were pursued, he would have pursued it, showed that he was indeed a farmer and liable to no taxation. The legal costs would have rested on the shoulders of the Department rather than his own. As it turned out, he paid out nearly as much in combined legal and tax fees as he would have paid had he paid the original assessment.

• (1530)

Thousands of small taxpayers are in this position. They have the choice of fighting the case and paying more in legal fees than what the assessment is, or simply caving in, paying the assessment and writing it off to experience. It is necessary to have guarantees written into the law of Canada, not into the operating procedures of the Department or leaving it to ministerial discretion. There should be guarantees from this House of Commons that taxpayers' rights are clear and guaranteed to them.

I have a number of other cases I want to point out to the House to show where I believe the responsibility of tax collectors and tax assessors has been overrun. I cite the case of a younger farmer who ran into some financial difficulties. His