

*Income Tax*

amount. That simply means that he was spreading out the forward averaging. He still had some tax credits to get. In the year of death the accumulated averaging amount not brought back into income in that year is taxed as if one-third of the amount thereof were added to his taxable income in each of the three years preceding the year in which he died.

That simply means that if a man sells to his son on a ten-year basis but dies after three years, all of the accumulated taxes due then are applied to the three years before he died. This means that the state, the Liberal Government, is taking a massive amount of that person's farm. That is going to result in increased cost of food, make it impossible for young farmers to carry on, and that is going to impact on us, we who live in the cities, because we will be standing in food lines.

**Mr. Gordon Taylor (Bow River):** Mr. Speaker, I want to deal with some individual income tax cases. One of the things that is most irritating to me and, I suppose, to hundreds of Canadians is the bureaucrats who just do not treat the people decently, and that is putting it mildly. There is too much arrogance shown in some of our Revenue offices. Some of the personnel are excellent but some are terrible. I think the Minister should know what is going on in the field. As a matter of fact, in some cases the bureaucrats are running the Government, not the Ministers.

I want to give one or two examples to show that I am not simply making a wild statement but that I can back up what I am saying. For instance, the Small Business Development Bond can provide \$500,000 to an individual company. One of my constituents thought it over and figured that if he could get the money within a month he did not have to borrow the whole amount. Being considerate of others and considerate of the Government, he borrowed barely what he needed, \$370,000. But that money did not arrive for several months, and by that time the interest rate had gone up and up and up. So consequently, because of inflation, rising interest rates and the delay in getting the money, the \$370,000 was not enough. He then said he would like to get the balance of that \$500,000 but was told that he was not allowed to because he could only have one bond, that that is the law. I checked and that is so.

I went to the Minister of Finance (Mr. MacEachen) at the time and outlined the problem. He said that it did not seem right, that the man might lose everything if he did not receive the balance, and I agreed that that was exactly right. The Minister said he would see what he could do about it and, true to his word, he made provision for the purchase of the second bond, as long as the two bonds did not total more than \$500,000, which was sensible and reasonable. He sent me a letter dated February 10, 1982, and I quote:

This is in reply to your letter dated December 15, 1981 concerning the Small Business Development Bond (SBDB) program.

Enclosed you will find a copy of a press release outlining new rules which will allow a qualifying corporation that is in financial difficulty to issue more than one bond provided that the total principal amount of all bonds issued by the corporation does not exceed \$500,000. This proposal will enable your constituent to obtain additional funds under the SBDB program.

I was delighted when I received this letter, and so was my constituent. That was in February of 1982. My constituent immediately went to the lender of the money, and since that time he has been trying unsuccessfully to get the additional amount of \$130,000. In spite of the fact that the Minister himself authorized it, the bureaucrats said no. They put up this reason, that reason and the other reason.

It is not fair to the Government or to the Minister and this is why I am bringing it to the attention of this House. I appreciate the fact that the Minister understood the problem but the bureaucrats have refused to comply. I am now dealing with another Minister who is looking into it. But surely when a Minister changes the regulations to permit this type of thing, the bureaucrats should not say no and put up obstacle after obstacle after obstacle. My constituent still does not have the \$130,000. He is on the brink of collapse; that is how bad it is. As long as bureaucrats run the Government, that will happen. It is time some of these bureaucrats were told where to go. Fire them; get rid of them if they cannot obey the rules of the Minister who sets out the policy.

• (1250)

That is one case. I want to deal with another case that is very serious. I am sorry the Minister is not here because I previously brought this matter to his attention. In 1975 one of my constituents sent three \$1,000 instalments to Revenue Canada. I have photocopies of the cheques which went through a bank in Calgary. Revenue Canada did not credit him or his partner with the money. They started to make inquiries almost right away. They went to the bank and to Revenue Canada. There were many letters back and forth. In November, 1979 the matter was brought to my attention. I went to the then Minister. On November 6, 1975 he said that the records had been destroyed. This was after five years. They go after individuals for seven years, yet Revenue Canada destroys its files before that period. In 1980 they had already been destroyed.

The Minister said that although the records had been destroyed, they did have an indication that on November 6, 1975 \$2,000 was returned to the bank because the bank had not said to whom it was applicable. I cannot understand that. The names were on the cheques. I went to the bank and asked what had been done with the \$2,000. The bank said their records had been destroyed. Each of these two taxpayers is out \$1,000 because Revenue Canada destroyed their records and the bank destroyed theirs. Who is left holding the bag? That is \$2,000 of hard-earned cash. It is not satisfactory for someone in Revenue Canada to say that they destroyed their records and wipe their hands of the case. That is not fair.

One of my constituents sent in \$1,000 for which he did not receive credit. I want that man to get credit. If it is the fault of the bank, let it pay up. If it is the fault of Revenue Canada, let it pay. The money was received by Revenue Canada and Revenue Canada should look into it, not simply say they have closed their books and cannot be of any help.