

ORAL QUESTION PERIOD

[English]

INCOME TAX

AUDITING OF FARMERS' INCOME—INTERPRETATION OF LAW

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, my question is for the Minister of National Revenue. It concerns, once again, the unfair application by Revenue Canada of Section 31 of the Income Tax Act.

The answer to my Order Paper question No. 4,766 reveals that 9,355 Canadian farmers were audited in the 11-month period ending February 28, 1983. Many Members of the House are receiving information on cases that indicate that Revenue Canada is disallowing farm losses and is reassessing four years in back taxes, penalties, and interest. The majority of these farmers use chartered accountants and follow their advice on tax matters.

I should like to ask the Minister why it is that farmers and chartered accountants who, according to Revenue Canada auditors, in past years have obeyed the tax laws implicitly, are now suddenly finding that the interpretation of these laws has been changed by the Government.

[Translation]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, the Hon. Member has raised this question before in this House and, if I remember well, at that time I suggested to him that he check the facts. Once more I would urge him to do so, because I know he is not in the habit of checking facts and having his questions based on factual data.

The Department of National Revenue has not changed anything with respect to the interpretation or implementation of the Income Tax Act. However if the Hon. Member will take the time to read carefully the provisions of Section 31 of the Income Tax Act, and especially the criteria for eligibility as a farmer, he will see that there is a certain period of time allowed to taxpayers in order to qualify as farmers, if they own property that may be operated as a farm, and taxpayers are allowed this period of time in order to submit such evidence. Unless this evidence is submitted, we must collect the taxes owed to society by those taxpayers.

[English]

Mr. Greenaway: Madam Speaker, the reason for this, as the farmers of Canada will tell the Minister, is that this is nothing but a tax grab by a bankrupt Government. That is what this is all about.

STAND TAKEN BY FARMERS—MINISTER'S POSITION

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, I have a supplementary question. Farmers across the country are presently banding together to fight Revenue

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Canada over this issue. Over the past weeks I have provided the Minister with 36 typical cases but, as far as I have seen so far, no action has been taken by the Minister on these cases which he asked me for in the House.

Is the Minister of National Revenue not going to get Revenue Canada off the backs of Canadian farmers? Is he simply going to sit and take the responsibility of Canada's first major tax revolt?

[Translation]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, if I suggested in my previous answer that the Hon. Member was not the most industrious of fact finders, it was because I went to the trouble of making a careful study of each and every case he has submitted to me. It is my view that he is not properly using the term "farmer", because there is no obligation to own property or land that can be farmed in order to qualify as a farmer. But in order to qualify, one must comply with very strict provisions in the Income Tax Act, and this is to prevent a lot of abuse the Hon. Member is perfectly aware of. I would therefore invite him to exercise a little more patience, and I can then show him exactly that in the cases submitted by him, the Act has been implemented in a very fair way as far as the taxpayer is concerned.

[English]

Mr. Greenaway: Madam Speaker, we are all aware that there are abuses of Section 31. Be that as it may, there are lots of legitimate farmers being attacked under this unfair and ambiguous Section of the Act.

DISALLOWANCE OF WIVES' LABOUR

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, my final supplementary question is directed to the Minister responsible for the Status of Women. We have heard from farmers across the country that Revenue Canada auditors appear to have a list of arbitrary criteria that they use to classify farms. One such criteria is the number of hours per year spent working on a farm. In recent years many farmers have been forced to work off the farm because of unexpected high costs. Many farm wives have had to take up the slack. Is the Minister responsible for the Status of Women aware that Revenue Canada auditors are rejecting and disallowing the hours of labour of these women? Is this not rank discrimination against women?

Hon. Judy Erola (Minister of State (Mines)): No, Madam Speaker, I am not aware, but it is true that the Government made some changes some time ago to allow the salaries paid to farm wives as a deductible expense. I am concerned that there is some misuse of this, and I would appreciate very much if the Hon. Member would bring the matter to my attention.