

Income Tax Act

which the taxpayer is entitled to file an objection of the amount of the tax assessment. If the taxpayer files such an objection, formal collection proceedings for amounts in dispute will be delayed until 90 days after Revenue Canada has formally responded to the taxpayer's objection. If the taxpayer appeals that decision to the courts, collection proceedings will be further delayed until a court renders its decision. That is the new procedure which will be followed as a result of legislative changes now proposed by our Government. That will introduce a sense of fairness into the tax system and a sense of fair play among the taxpayers.

Under this proposed tax change, if the taxpayer loses his first appeal to the courts, he will then be required to pay the disputed amount or at least to post security for it. Even though an appeal is carried to a higher court, where an amount of tax which is in dispute has already been paid by the taxpayer, the new legislation will provide for its repayment to him, pending the court's decision. Again, that is a major change and an important one.

I believe the Minister of National Revenue has on occasion spoken in ways which would be relevant to the motion here today. He has tried to distinguish between taxpayers who try to escape payment of their taxes and people who are in financial difficulties which make it impossible for them to pay. In the moments remaining, I would like to mention some of these points because they are fundamental and must not be misunderstood in the context of this motion. Our Government is determined that Revenue Canada will treat people in need with compassion and decency. We have seen from past experience how an adversarial approach by Revenue Canada can lead to mistrust, frustration and most certainly to tax evasion. It is important in tax matters to be both firm and fair. Today, Revenue Canada, under the Minister of National Revenue, is acting promptly to improve the collection process. It is appointing additional staff which will give collectors more time to work with taxpayers who have difficulty in paying their taxes. The goal is to work out with the taxpayers mutually agreed plans for delayed payment. The target of the Department is to collect \$400 million in additional revenue to that which would have normally been collected from tax accounts owing to the federal Government.

The Minister has also addressed the problem of those Canadians who have been hiding unreported income in the so-called underground economy. Last fall in Toronto, the Minister spoke to the Canadian Tax Foundation and appealed to the taxpayers who have failed to disclose or declare all of their income so far to come forward now and pay up without fear of prosecution under the Department's procedures for voluntary disclosure. That, I think, Mr. Speaker, is the kind of amnesty which is appropriate in the present context of tax collection in this country.

On the collection side, the Department of National Revenue, I understand from my inquiries, will be doing a fair and more thorough job of collecting unpaid taxes. When a tax becomes overdue, the Department—and I think this procedure will be interesting to Hon. Members of the House because it

affects many of our constituents—will send out a series of collection notices which more clearly outline departmental policy and the rights of the taxpayer. Then, before taking legal action, the collection staff will be required to make every effort to contact the delinquent taxpayer by telephone so as to give him or her every opportunity to settle the debt short of legal process.

● (1740)

Other amendments to the Income Tax Act aim at the same goal of treating taxpayers with fairness, sensitivity and respect. It is because of that approach, and with those goals in mind, that I think that finally across this country Canadians have the sense that once again there is a Government on the banks of the Ottawa River that truly cares, one that is bringing a sense of fairness, firmness and compassion to the important task of raising the revenue so necessary to pay for the services which have given us such a high standard of living and a special position for this country.

Mr. Howard Crosby (Halifax West): Mr. Speaker, let me begin my remarks on the motion on the Hon. Member for Châteauguay (Mr. Lopez) by indicating that, while I may not agree entirely with the substance of the motion and the measure it proposes, I certainly agree with the underlying spirit of reform which I am sure prompted the Hon. Member to present this motion to the House of Commons. It has been pointed out by many that the spirit of reform is what the Minister of National Revenue (Mr. Beatty) has in mind as he approaches the task presented to him by his Ministry. I think the Hon. Member for Châteauguay, by presenting this motion, advances that process of reform, whether or not the specific proposal is consistent with the policies the Government may wish to pursue.

Before I continue my remarks, may I take this opportunity to record the fact that this is my first opportunity to address you as Speaker of the House in your occupancy of this famous chair. I have watched you in the House and on television and I am impressed by the high level of the demeanour you present to the House of Commons. I know it is no less than one can expect of you in the future.

Some Hon. Members: Hear, hear!

Mr. Crosby: I know the constituents of Edmonton North will miss your interventions in the debate in the House, but nonetheless they will be well represented by the influence you have and will continue to exercise in this House and Parliament. It is a testimonial to your record of public service in the past, and I am sure that I and all Members are very pleased that you are in this position today. We know you will conduct the proceedings of the House with the measure of good faith and fairness which you have always exhibited in the past.

With respect to the motion, Mr. Speaker, again may I say that we are more interested in the reform of the tax system in general terms than we are in the specific measures presented from time to time. We have to face the fact that specific measures in tax law are the duty and responsibility of the