

Government Orders

to a broader range of information, increased use of technology and redeployment of additional resources to better attack the underground economy and combat smuggling.

So far, from savings realized through the administrative consolidation of headquarters, almost \$13 million has been reinvested in key customs initiatives such as enhanced technology at airports and border points to speed up the processing of travellers and goods and to facilitate the detention of contraband and high risk travellers.

● (1215)

In 1993 Revenue Canada customs seized a record amount of drugs worth more than \$1.4 billion. I am sure that customs officers will continue their outstanding work with law enforcement agencies to keep drugs off our streets.

Enforcement does not begin only at Canada's border. That is why Revenue Canada is negotiating agreements with carriers in other countries to work together in the international fight against drugs.

The government is very concerned about the level of smuggling we are currently experiencing. Such illegal activity cannot continue to the overall detriment of society and this government is considering its strategies in this regard. We believe that a strengthened enforcement role, both at the border and in the boardroom, will help the government to tackle the issues of smuggling and non-compliance.

I want to inform the House that by combining its resources, Revenue Canada will be able to get tough with the small minority who cheat the system. Administrative consolidation will give Revenue Canada the resources, expertise and information to conduct joint GST and income tax audits of individuals and businesses to identify non-registrants and those not reporting income, to conduct special investigations and to improve its ability to identify non-compliance with all of its acts and regulations.

It is up to this government to ensure that the law-abiding majority does not suffer because of those who deliberately cheat the system either by smuggling or not paying their taxes. All Canadians should pay their fair share.

As the Minister of National Revenue has said, such illegal activities constitute a significant threat to Canadian society and to our economy. This government is determined to maintain and enhance its ability to respond to these challenges. As well, this legislation will permit the minister to organize the delivery of programs and services. With improved accessibility, Canadians will no longer have to run from one Revenue Canada office to the next to get general information, make payments or pick up publications and forms. All of this can be done at one time at Revenue Canada's expanded network of offices across Canada.

As well, there will be a consolidated collections program. Clients will eventually be able to deal with one revenue official for all their accounts. The result will be efficient service that is more responsive to individual business circumstances and combined audits.

Revenue Canada recognizes that businesses usually have to deal with customs, excise, GST and income tax auditors separately. This is cumbersome and inconvenient, particularly for small businesses. Therefore, Revenue Canada is developing a consolidated approach to audit. This will mean better service, reduced costs and less duplication. It will be less intrusive to businesses because whenever possible combined audits will be done at one time.

Finally, we will have a single business registration number. Revenue Canada is taking the lead for the federal government by developing a single business registration number; one client, one account number. This is obviously a much simpler system for businesses that sometimes have to use several different account numbers when dealing with different parts of the department.

The department plans to pilot this initiative in eight cities in May of this year. There will be a single remittance for customs, GST and income tax. The department is now examining a plan which will allow it to accept single payments. This initiative will simplify and streamline accounting for hundreds and thousands of Canadian businesses and an offset system.

Eventually businesses will be able to offset a liability in one area such as taxation with overpayments or refunds from another area such as GST. This will make it possible for the department and businesses to reconcile their accounts with one single cheque. This will also simplify account processing for businesses, improve their cash flow and reduce the cost of doing business with the government.

We will also introduce a simplified combined annual business return. Beginning in the 1993 taxation year, small businesses with gross sales under \$500,000 will be able to file a combined annual return for both income tax and GST. They will be able to pay both taxes with one cheque and even use a credit from one tax account to pay an outstanding balance from another. This will bring existing GST legislation in line with the fairness policy which was recently developed for income tax filers. This policy gives Revenue Canada officials flexibility when dealing with persons who have not met their obligations due to circumstances beyond their control.

● (1220)

Revenue Canada is also piloting a new way of doing business with its commercial clients starting with pilots in the automotive and aerospace sectors.