

*Oral Questions*

dum. The concept of changes in taxation or tax value is applied both in cases where the changes are in the taxpayer's favour, in other words, when the taxpayer has overestimated the amount payable, and in cases where the amount is later reassessed in the Government's favour. When the "profitability" concept is applied, both aspects are taken into account. After the audit, amounts going back to the taxpayer, because of overpayment, are considered as well as assessments that add funds to the Treasury. I think it is important to realize—

**Mr. Speaker:** I would ask the Hon. Minister to be brief, if possible.

● (1420)

[English]

## PER DIEM MONETARY STIPULATION

**Hon. Perrin Beatty (Wellington-Dufferin-Simcoe):** Mr. Speaker, the House will note that in that windy answer the Minister did not deal with the question. The question was how he squares the fact that quotas have been imposed, at the insistence of headquarters, on auditors in Customs and Excise, with the statement he made yesterday that they were contrary to government policy and second, that they had not existed in Customs and Excise. The Minister denies that quotas exist.

What is the difference between a quota and a requirement that auditors in the PM-2 category have a change of \$330 per day? What is the difference between the two if that is not simply spelling out precisely what the quota is?

[Translation]

**Hon. Pierre Bussières (Minister of National Revenue):** Mr. Speaker, first of all, I would like to point out to the Hon. Member that on the occasion of a review of Excise management practices, the Auditor General approved a practice that has been in existence for ten years and is still being used to set up audit mechanisms within the Department as the most productive approach in order to deal fairly with both licence holders and the Government, since the study is to cover cases where reimbursements are due to taxpayers as well as those where, if I may use that expression, the Government has the advantage.

The Hon. Member ought to realize that to establish and manage this practice and measure the effectiveness of audit procedures, we are acting on the basis of statistics on previous audits, and we are using those statistics to develop an audit method that is the most suitable and the most advantageous, both for the licence holder and the Government.

I may add, Mr. Speaker, that last year, for example, out of a total audit rate of \$3, \$2 was in the Government's favour and \$1 was to the advantage of the licensee.

[English]

## DEPARTMENT'S POLICY

**Hon. Perrin Beatty (Wellington-Dufferin-Simcoe):** Mr. Speaker, what we have just heard is a defence of the quota system, not a denial that quotas exist.

I want to draw the Minister's attention to this statement in the document: "I draw to your attention that where an audit is not profitable or where it is determined that additional time would not be—

**Mr. Speaker:** Order, please. The practice of additional supplementaries has been well established in the House, but the question of reading documentation on a second supplementary question is a practice that gives the Chair concern. Would the Hon. Member put his question?

**Mr. Beatty:** Yes, Mr. Speaker. I want to ask the Minister—I hope I will get a straight answer from him for a change—if there has been a change in the Department's policy where profitability of audits, how much money can be brought in, is now the guiding criterion, rather than justice to make sure that everyone pays his fair share, no more and no less.

[Translation]

**Hon. Pierre Bussières (Minister of National Revenue):** Mr. Speaker, the Hon. Member was in the Government for a short time. However, instead of adding to his knowledge, it seems the experience has increased his ignorance.

I would refer him to the Auditor General's Report tabled in the House for the fiscal year ending March 31, 1979, on page 456, and as a Member of Parliament, he should already have read it. On that page, the Auditor General of Canada explains the concept of "profitability" as it applies to Excise audits. The Hon. Member will see that the Auditor General explains the concept in the same way this was done in the memorandum the Hon. Member failed to read properly. He will also see that the Auditor General of Canada confirms this is an effective concept for proper audits of taxpayers' accounts.

I may remind the Hon. Member that while for the year 1982-1983, \$95 million went to the Government, after audit, \$41 million was returned to taxpayers because they had declared excise taxes in excess.

● (1425)

[English]

**Mr. Speaker:** I might remind Hon. Members about the length of both questions and answers. Apparently minor debates are what are evolving instead of a Question Period. The Chair is in the hands of the House. Sometimes the nature of the question invites a longer response, and the Chair is trying to sharpen this procedure to make it more parliamentary if possible. The Hon. Member for Waterloo.