

Supply—National Revenue

Under date of October 7, 1952, did Mr. Weston receive a registered letter from the Calgary income tax office quoting sections 114 and 119 of the Income Tax Act, stating that Mr. Weston's records were inadequate for income tax purposes and that he "must maintain such records that will set out in properly classified detail all your"—the taxpayer's—"business transactions yearly". How many officials of the Calgary income tax office have the authority to judge what constitutes or does not constitute "such records that will set out in properly classified detail all your business transactions yearly?"

Well, Mr. Chairman, I submit that is a most important question, because in the case of Mr. Weston, the power of the man who visited him, in the matter of saying whether Mr. Weston's particular type of bookkeeping was satisfactory, meant a tremendous loss to Mr. Weston; thousands and thousands of dollars if conditions go on as they are at the present time. I would say that a man who has the authority to do that should be one of the highest probity, one of the finest judges in the land.

Here is a man able to come into a businessman's office and decide whether his bookkeeping is satisfactory and, on the basis of that, visit upon him the most outrageous abuses, as we shall find out.

Who has the responsibility of measuring and deciding upon the qualifications of a given candidate as to eligibility for the position of one to be given the authority and responsibility to judge as to the adequacy or inadequacy of any given set of records for income tax purposes? Mr. Chairman, to show you how important that matter is may I recall a document which came up in a certain debate in this house where it was pointed out that the government had eight different kinds of bookkeeping in one of its departments. I presume that every one of those systems was considered by the government to be satisfactory, but an income tax official visiting them would say that one was all right and that all the others were wrong. He would be the sole judge, and against his decision there would be no recourse. That sounds very close to irresponsibility to me.

By what standards of measurement are a given candidate's qualifications gauged? In other words, does the man who is going to decide whether an income tax officer is to be given this tremendous authority have a score card to go by, or does it depend on just how he feels when he gets up that morning? Are our income tax inspectors ever given refresher courses to make sure they are judging by the same standards? Is there only one acceptable form in which records

[Mr. Blackmore.]

for income tax purposes might be kept? It is time that matter was decided and approved by this house and by the country. Is that form readily available to all taxpayers and to all income tax officials? How does the minister account for the fact that the Calgary income tax officer who visited Mr. Weston in 1950 made no complaint about Mr. Weston's books while the official visiting him in the year 1952 made so much complaint that he has practically ruined Mr. Weston? One official alone did it!

Did the Calgary income tax office somewhere about October 20, 1952, send Mr. Weston a four-page statement: (a) purporting to show that Mr. Weston's net worth had increased from \$21,461.61 as of December 31, 1947 to \$48,053.27 at December 31, 1951; (b) reassessing Mr. Weston for the years 1948, 1949, 1950, 1951 and claiming additional income tax in the amount of \$5,639.50 including \$447.14 for penalties and interest, when Mr. Weston had not known a single thing about any responsibility according to any regulation for the neglect of which he could be subject to penalty? Mr. Chairman, these things are terrible things.

Next, did Mr. Weston file an appeal against this reassessment setting out that in the consideration of only 17 items of the mass of details the Calgary office submitted in its four-page statement sent to Mr. Weston, there were mistakes amounting to a total error of \$14,505.07, of the \$27,806.66 increase in Mr. Weston's net worth position claimed by the Calgary office, a very serious total error on the part of the Calgary income tax office. Notwithstanding the fact that these 17 items were listed by Mr. Weston and were submitted with proof that could not be gainsaid, Mr. Weston was unable to register any influence whatsoever with the man who proceeded with his case, as I shall show later on.

Next, did Mr. Weston in his appeal express the view that further search would show that additional Calgary office errors would account for all the rest of the \$27,806.66 additional net worth claimed by the Calgary office? The answer in this case will be yes, and I have that appeal right before me, Mr. Chairman.

Did Mr. Weston at the same time write the Calgary office asking them to delay their demand for immediate payment of the additional tax of \$5,639.30? Mark, Mr. Chairman, here is a man who has never failed to file his income tax return, who has never been delinquent in paying any money he owed, and who has always been co-operative. He