

## EFFECTIVENESS OF GUIDELINES

**Mr. Arnold Malone (Crowfoot):** Madam Speaker, if the onus is on the individual, then what is the purpose of a guideline, if the line to which the Ministers are to be guided is simply their own judgment? Why would there be conflict of interest guidelines if the judgment were to be reflected back only to individuals? That is simply to say the Government has no guidelines. To what line do the guidelines guide the Ministers, and by what force are they to be held to those guidelines?

**Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs):** Madam Speaker, the Hon. Member should read the guidelines—

**Some Hon. Members:** Oh, oh!

**Mr. MacEachen:**—and he will know that these guidelines with respect to personal assets and business activities, and the handling of personal resources, have been complied with by all Ministers and all office holders. If the Hon. Member wants to make an inquiry—

**Mr. Clark:** Except MacEachen, Lalonde, and Erola.

**Mr. MacEachen:**—with the Registrar General, he will find out that they have been fully observed. If any particular Minister refuses to observe these guidelines, he must face the court of public opinion. If I recall, in the former Government of the former Leader of the Opposition there were a number of Ministers who balked very vigorously at observing the guidelines with respect to their own personal assets. At least that is what the press told us at the time.

**Some Hon. Members:** Hear, hear!

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## INCOME TAX

## TREATMENT OF INCOME DERIVED THROUGH SERVICE TIPS

**Mr. Doug Anguish (The Battlefords-Meadow Lake):** Madam Speaker, my question is directed to the Minister of National Revenue and it concerns a very serious problem, a double standard by the Government. As the Minister will be aware, waitresses and waiters across the country, a couple of hundred thousand of them, mostly women, are taxed on their tips. When it comes to taxation, their tips are viewed as income. On the other hand, with respect to their benefits, their tips are not put into their income amount. This causes a very serious situation in unemployment insurance and the Canada Pension Plan for these waiters and waitresses. Would the Minister tell us what the Minister and his Department are doing to correct this injustice to the waiters and waitresses across Canada? What steps is he taking to rectify that situation?

[Translation]

**Hon. Pierre Bussières (Minister of National Revenue):** Madam Speaker, the matter raised by the Hon. Member is

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very interesting and also very, very complex. I would like to point out that as far as tax returns are concerned, the Income Tax Act is based on the principle that individuals and taxpayers are making a voluntary statement of income, so that a person receiving income other than that declared by his employer has to declare that income himself.

As far as the case mentioned by the Hon. Member is concerned, namely, people who receive tips in the course of their employment, it is up to the individual to declare both the income received from the employer and the additional income received in the form of tips.

In addition, there is a far more complex problem, namely, the deductions for pension plans whether it is the Canada Pension Plan or the Quebec Pension Plan, and also deductions for unemployment insurance. Such deductions will require regular statements of income by these people. Following a substantial number of representations on this matter, I asked my departmental officials to make an in-depth study of this very complex problem which, in addition to the Department of National Revenue, also involves the Departments of Employment and Immigration and National Health and Welfare.

[English]

## REQUEST FOR MINISTERIAL ACTION

**Mr. Doug Anguish (The Battlefords-Meadow Lake):** Madam Speaker, it seems to me that the Minister is agreeing that there is a double standard set by the Government, and I appreciate the fact that he has taken it upon himself to be in contact with the other Ministers concerned with the benefits side of this package. I would like to know when this committee will start and will the Minister make personal representations to the other two Ministers involved, namely, the Minister of National Health and Welfare for the Canada Pension Plan, and the Minister of Employment and Immigration with respect to the unemployment insurance situation? Will the Minister take action on this problem in the very near future so that it will not be covered by a review within only one Department when there are other Departments affected? Will the Minister personally take some responsibility in this area to clear up this dual standard within the Government?

[Translation]

**Hon. Pierre Bussières (Minister of National Revenue):** Madam Speaker, I am not quite sure I understand the Hon. Member's conclusions. I did say the problem was complex, and I wish the Hon. Member would realize this. I also pointed out that it was up to the individual to declare his income and ensure he is paying taxes on his entire income. I am prepared to look into the possibility of making things easier for taxpayers and enabling people to draw any benefits to which they are entitled on the basis of their income statements. However, I