

Income Tax

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, I rise to speak to Bill C-139, an Act respecting the Income Tax Act.

Before I begin I would like to explain that I am not an expert on income tax and I want also to stress that I do not think there are many Canadians who are expert on income tax either. I do not think a taxpayer should have to have a five-year accounting degree in order to figure out what is going on with his taxes.

Now the Government is adding to the Income Tax Act another 300 pages, 300 pages of more complicated information for people to have to delve through and figure out. My office spends a lot of time helping people with their income tax problems, and I am sure many other Members of Parliament have many questions and concerns expressed to them by their constituents. We often have problems with our RRSPs, particularly with older people. It is one thing to sell people RRSPs but it is another thing to give them some counselling as to what kinds of benefits they provide, and what kinds of problems they will have if they do not cash them in at the right time, or if they cash them in all at once what difficulties they will be in. They are not getting that kind of counselling.

Unfortunately, the Government provides ways for them to be able to enter into these programs but in many, many cases it does not provide the follow up, so that explanations can be given to these people of what the advantages, if any, are.

• (1250)

Then there is taxation of small-businessmen, many of whom are going out of business. Many do not understand the income tax problem. This is a tremendous hazard for them, not only in operating their business but in having to get experts to figure out their taxation problems.

The problem with complicated taxes is that nobody understands them. When people do understand the tax system, it can be used to frighten or harass them. People are frightened and are concerned about whether they are filling out their tax forms correctly. This is what is happening to waiters and waitresses in my riding. The federal tax people have decided that waiters and waitresses are cheating on their income tax. I do not have the current figures, but according to the 1971 census a waitress earned \$1,442 and a waiter earned \$2,995. At that time the average income in Canada was about \$5,300. In 1971, waiters and waitresses earned only half the average annual income. The same is probably true today. Thousands of these people across the country have received letters from the tax Department stating that they have under-estimated their income by hundreds of thousands of dollars. What is disturbing is that the majority of Canadians who received those letters have no background in dealing with income tax problems. They are not aware of their rights and the tax department is not quick to help. They do not belong to unions, they are not organized. The tax Department representative walks in, corners them and makes them sign documents which may be very detrimental to them. I repeat, these people earn half the average wage in Canada.

There is a man in my constituency who tries to help these people. He has been working with the tax Department for nearly 20 years. He tells me that never in all that time has he run into anything like this. The tax Department is being pretty tough on waiters and waitresses, treating them differently from those who earn a lot of money.

When the original MacEachen budget was introduced, the Government said it would close a lot of loopholes in the taxation system. Many of these loopholes have since been reopened. The tax cuts for the well-to-do which were introduced in that budget have remained. For those with a taxable income under \$25,000 a year, there is no real change in their taxation under this Bill. However, if you earn a lot of money, this Bill puts you on the gravy train. Those earning \$86,000 to \$130,000 a year will receive a 5 per cent cut in taxes; those earning over \$130,000 will receive a 9 per cent cut. That is quite a Christmas present for the rich from the Minister of Finance (Mr. Lalonde).

The rich will not have to worry about paying more in corporation taxes. In 1960, corporation taxes made up over 40 per cent of federal tax revenues. Today it is about 30 per cent. Shame, taking it out on the working people of Canada. Obviously you can do a lot better with the tax Department if you make \$1 million a year and have a team of accountants working for you than if you were a waiter or waitress. If you are a waitress, the Government not only takes your money with no questions asked, but tells you how much you were supposed to have made.

With regard to Northern benefits, I asked the Parliamentary Secretary about this and he said there was no increase in taxation.

Mr. Fisher: Who said that?

Mr. Parker: The Hon. Member for Ottawa Centre (Mr. Evans) stated in his speech that there was no increase. I want to tell him that there is a very serious increase in the taxation of the benefits of housing and particularly in single-industry communities such as I represent.

Northern benefits have been changed a little to help assist Northern groups for the year ending 1983, but they are of absolutely no assistance for the single-industry communities such as I represent—those who have been laid off. Those in the logging camps will now have to pay tax on room and meal benefits and on their automobile expenses. That is a shame at this time when our logging and mining industries as well as the coal industry in my riding are in such a predicament.

The problem has been created by the federal and provincial Governments which have allowed funding in Northern British Columbia to take away jobs from those who pay taxes, those who are trying to make a living in the single-industry communities. I wrote to the Minister about these problems but I have not received an answer. Shame! A Member of Parliament cannot even get an answer from a Minister on a very important issue like this.