

*Income Tax Act*

Mr. Speaker, I feel there is too great a difference. In fact a \$12 meal for an employee who is wondering what he was hired to do and a \$2.50 meal for another whose 65-hour week is not long enough for him to do his work, is somewhat revolting.

Now, Mr. Speaker, I wonder what to believe. Because of contradictory documents, I am under the impression that the more you ask the greater the chances of getting it. And in certain cases regulations seem to be truly ignored. Allowing \$5.25 to a truck driver who works about 250 days a year means that he can claim about \$1,300 a year. In the riding of Portneuf one man put in a claim for \$1,675. For 1971 he gets back from the Department of National Revenue the following correction: Travel expenses claimed: \$1,675, revised travel expenses: \$1,115, which is not too bad for this man.

There is another one who asked for \$1,500 for 1970. The department answered: revised travelling expenses—\$1,000. Another one, Mr. Speaker, had claimed \$1,300 for travelling expenses in 1971. He received the following adjustment: revised travelling expenses—\$910. A third applied for past travelling expenses of \$1,312 for 1971. He was abiding by the rules, according to the letter from the former Minister of National Revenue. Nevertheless, the department sent him a new bill which read: revised travelling expenses—\$875.

A fourth claimed \$1,275. He received the following note: revised travelling expenses—\$875. A fifth claimed \$1,280 which was reduced to \$868. One who had applied for \$1,026 for 1970 was allowed a deduction of \$708.75. Another who had claimed \$1,061 for 1971 was allowed \$647.

Mr. Speaker, another claim of \$941 for past travelling expenses in 1971 was changed to read: revised travelling expenses—\$437.50.

Some were totally disallowed. Others filed a regular claim and were disallowed 50 per cent of it.

Mr. Speaker, how are regulations applied? I am still wondering since I am under the impression that the higher the claim, the likelier a truck driver is to see his expenses allowed.

On March 4, 1971, the Parliamentary Secretary to the Minister of Finance (Mr. Mahoney) gave me the following answer which I am reading as it appears in *Hansard* for March 4, 1971, page 3981:

Meanwhile, the hon. member may be assured that the 9,000 audits referred to in the question he asked originally—and presumably the instance that he cited this evening was an example of one of those—are simply desk audits in the ordinary course of the department's 1970-71 reassessment program pertaining to the returns of taxpayers who have claimed deductions from taxable income of personal living expenses while away from their ordinary place of residence. This is part of the regular departmental procedure to assure that our self-assessing tax system works properly.

Mr. Speaker, accounts are sent to know if the system works. I think that we can work with such methods only in the name of the law. We want to know if it works, so we send accounts. Let us imagine the small retailer who would send fictitious accounts to residences in his neighbourhood to know how it works! Imagine a taxi company that would start collecting money for fictitious trips to know how it works. I think it would not be long before

people would call it highway robbery or a scandal. I think they would be right. This is called tampering.

Mr. Speaker, the many officials working for the department should concentrate on something else. In the name of the law, foolish things, can be done, but I ask the Minister of National Revenue to suggest to his officials to proceed with understanding, honesty and, above all, common sense.

Also, Mr. Speaker, I wish the minister would make us aware of his intentions. I wish he would make a statement to the House in order to assure the nation's truck drivers that they are entitled to three meals a day.

I would also like to suggest that the act provides for a penalty equal to 50 per cent of the present tax which some citizens would try to evade. I do not see anything in this bill aimed at changing this provision of the act.

In fact, right now, anyone having violated the Income Tax Act has to pay a fine equal to 50 per cent of the unpaid tax. Which means that if a person owes \$5,000 in income tax, he will have to pay \$7,500.

• (1250)

In some cases, I find this legislation quite ridiculous, because we often realize that those who worked harder are those who are the most hurt by its enforcement.

Tax officials go everywhere, make investigations, harassing small businesses, mostly, private enterprise, corner stores, those who work 365 days a year, who never go to Florida and who support only one woman, their wife.

Then, they show up at a business that does not operate like a company. This businessman has been living so sparingly that he has managed to save \$150,000 over 20 years. Now the investigators prosecute him. He is charged with having concealed some income, and he is billed. In addition to his income tax, he must pay a fine. As he is kind-hearted—whether he is a dealer or a businessman—who earns his living and has customers, too often he pays without uttering a word, because he is unfortunately afraid of being pointed at. I think he could avail himself of the act and demand that his case be heard before a court. But to save his reputation and his business he cannot afford to make his problem known publicly.

Unfortunately it is too often that industrialists and businessmen are faced with that problem. I would like to get the minister's views on that practice.

We know that there are families which manage with \$6,000 a year and that for others \$12,000 is not enough. I think that surveys made by the Department of National Revenue should take those facts into consideration.

When an industrialist or a businessman has set \$10,000 aside, it might well be that he hid nothing but it can very well be that he administered his business as a true businessman.

Another thing I would like to point out with regard to Bill C-170 is that the bill contains certain provisions dealing with the transfer of family farms. On the face of it the provisions seem interesting. However, looked at in the general picture this measure is far from being adequate