

*Income Tax Act*

ly the degree to which it has now entered into a program of mystification. We seem to find ourselves faced with a government which is running into serious objections to its basic economic policies. Its response is not to try to understand and relate to the real situation but to confuse and to mystify. What the government has done with respect to the taxation proposals is to produce an exaltation of ad hocery while giving unwarranted prominence to what surely must be described as the supertechnocrat. I am referring to those individuals who perhaps have dedicated the better part of their lives to drafting taxation laws in such a form that not only the average layman will be unable to understand them but that most of the people who are charged with administering them or dealing with them on a day to day basis will have great difficulty in understanding them as well.

It has been mentioned before that when the members of the Bar Association met they expressed their own frustration and concern about the incomprehensibility of these taxation proposals. It should be said as well that the confusion and the disquiet that exists among many of the lawyers of this country, who of course will have much to do with the interpretation of any kind of taxation proposals, have extended well beyond the legal profession to include organized business as well. Anyone who has taken the time to study the recent submissions of the Canadian Chamber of Commerce—a pretty respectable and conservative institution in this country, I might say, and one whose members normally do not have too much difficulty in understanding the taxation proposals of the federal and provincial governments—would find that it, too, says time and time again, “We would like to have been able to understand more clearly what the taxation proposals meant but we were simply not able to get to the bottom of a number of fairly basic questions”. This organization suggested, too, in its submission to this government that if the confusion is to remain it will become almost impossible not only for individual citizens, not only for lawyers, but for the business interests in this country to be absolutely sure they understand these new taxation proposals. Indeed, the Chamber of Commerce went so far as to suggest that there may well be need for some period of time—they did not indicate how long—during which some kind of special forgiveness would be granted to those individuals or corporations who incorrectly filled out their income tax forms. There should be some kind of relaxation of the normal legal controls that exist because it will be quite natural, under the present proposals, to make mistakes and not be aware of them.

It is a well known fact that a taxation program in any country is extremely important to the level of activity, not only economic but in a variety of related fields such as social and cultural, and if it is true that of the vast majority of the people who specialize in the taxation law many find it difficult to understand what in fact the government is proposing, has it not crossed the minds of some people that there may be a reason for introducing this kind of obfuscation? Why is it that the government which was seemingly pretty clear in its proposals in the white paper based on the Carter report, which was clearly understood by most of those involved in the taxation fields, suddenly introduced this new element of confusion and incomprehensibility? Is it possible that the government

has some hidden agenda, some reason that it has not indicated to the Canadian people for keeping them somewhat in the dark about what the eventual effect will be of these new taxation proposals? Why are these supertechnocrats so happy that most people, apart from themselves, seem unable to understand all of the implications and effects of these taxation proposals?

• (5:00 p.m.)

Could it be, Mr. Speaker, that some changes are being smuggled in under the guise of reform or progressive taxation that are exactly the reverse? Could it be that steps are being taken in this legislation to achieve some of the most repugnant aspects of the original draft of the white paper? It is a question that many members of this House, and hopefully many specialists in tax law, will ask themselves repeatedly in an attempt to understand what exactly the government is up to in the proposals it has placed in this bill.

And I do not think it should be enough, Mr. Speaker, to say that simply because we are dealing with a massive overhaul of the federal tax system it will not be possible for most people to understand the details of that kind of endeavour. That is purely and simply a snow job, one which members of this House and members of the public generally should refuse to accept. For this reason, I hope we will have the opportunity to consider all of the implications of the taxation proposals that the government has placed before us.

I am reminded of the words of the Minister of National Revenue (Mr. Gray) when he spoke in this debate yesterday, as reported at page 7756 of *Hansard* and I quote:

A good tax system must be capable of efficient, economical and objective administration. And, as I mentioned earlier, in a country such as Canada the federal tax system must be capable of being harmonized with provincial tax systems to avoid a tax jungle.

The first place to stop a tax jungle is in your own backyard, and there is just too much of a tax jungle at present in the proposals that have been placed before us. But, Mr. Speaker, as I said in opening, we are dealing at the present time with an amendment, one which in the first instance focuses on one of the key problems facing the people of this country since the people of this country essentially are not concerned with all of the intricacies of tax reform.

While all of these reforms will have direct and indirect effects on the people, and hopefully benefits, there is really only one question that is of major concern to the people of Canada, and that is the degree to which this economy fails to offer employment opportunities to a significant number of Canadians. To me, it does not seem possible that we can engage in economic actions related to tax reform or anything else unless they are dealing directly with the basic economic problem of our day, and that is the problem of unemployment.

Again to refer to the remarks of the Minister of National Revenue yesterday, he said at one point, as recorded at page 7757 of *Hansard*:

Passage of this bill by Parliament will mean that 1 million taxpayers who would have paid taxes next year will be removed from the tax rolls.

That sounds great. I am sure that everyone could cheer when realizing that those who, unfairly and unjustly, had