

colleague, the Hon. Member for Wellington-Dufferin-Simcoe (Mr. Beatty), has placed before the House today. For the purpose of the record and so that my remarks may be in context, I would like to repeat the motion. It provides:

● (1700)

That this House condemns the Government for its contempt for the taxpayers of Canada, which it demonstrates by the creation of a taxation system in the form of the Income Tax Act that is increasingly incomprehensible for individual taxpayers and, by its failure to end capricious and unfair practices of the Department of National Revenue.

It is apparent that the motion itself contains two separate charges—one charge laid against the Government generally for the fashion in which the principal revenue-generating statute of the country, namely the Income Tax Act, has been drawn; and the other charge relating to the way in which the income-generating arm of government, namely the Department of National Revenue, has functioned under the statute it administers.

I listened with some interest to the comments made by the Minister of National Revenue (Mr. Bussi eres) when he rose in his place to discuss this matter. Initially he directed those comments to the issue of draftsmanship, suggesting that it was not the fault of the Department of National Revenue that the wording in the statute might be somewhat complex. If one looks at the motion, very clearly we have condemned the Government, of which that Department happens to be a part and for which the Minister happens to be the chief spokesman on this issue, and accordingly that condemnation applies whether or not the Department of National Revenue which is to be condemned specifically under the second part of the motion.

In any event, the Minister proceeded to explain why in his view it was necessary to have such extreme complexity. He described it generally in this fashion. He said that the complexity was a reflection of the complex commercial society which has been created, as though the complexity of commerce created the complexity of the Act when indeed the reverse is true. Those changes have taken place in our commercial world as a consequence of a monstrous piece of legislation. It has forced taxpayers carrying on business to amend the way in which they would normally carry on business to take advantage of whatever advantages were created under the Act as an intention of Government. We now have a society brought about in its complexity and directed in that complexity as a direct consequence of the way in which the principal revenue-generating statute, the Income Tax Act, has been drafted. Accordingly I suggest to the Minister that he has the cart before the horse.

The issue of complications and the issue of difficulty are those which have been directed to the Minister of Finance (Mr. Lalonde) and to members of the Government. Indeed they are issues about which I have spoken when I have had an opportunity to deal with individual amendments to the Act as they are regularly made. The last time we spoke on the issue I specifically indicated that they were perpetuating a system which was in place and did no good to the solution of a

### Supply

problem which Government must surely recognize, the problem that we are passing laws in Parliament that Hon. Members of the House and the public do not understand.

I have suggested on a number of occasions—and I suggest it again for the purpose of the record—that the principle of law that ignorance of the law is no excuse and that we are obliged to obey the law becomes ludicrous in the face of language which cannot be understood. In his recommendations today, the Minister stood in his place and said that it would be desirable if we could promote a better understanding of the Act. That was like suggesting that the Minister would like to teach the people of Canada to speak Martian, a language which he himself does not understand.

Surely the Minister should direct his attention to remedial action which should be taken with respect to the issue of simplification. A number of problems have arisen over the years. It is necessary, if the Minister really has any intention of doing anything about this issue, for him to understand what the problems are. How is it that we have a monstrous statute of the kind I have described? Of course I am not alone in making this condemnation. Every chartered accountant, every tax lawyer and practitioner in the field, recognizes that the problem is so immense and out of hand that it is creating the very real possibility that the public, which today and up until now regularly embarked upon a process of self-assessment—the foundation of the whole system—will reject the system in the event that the harshness and difficulty built into the statute persists for much longer.

*Canadian Tax News*, a publication of Coopers & Lybrand, an international and certainly well-known Canadian accounting firm, through the work of the editor of that publication, referred to the wording in the statute as gobbledygook. It specifically indicated with respect to this issue that the problem was that we have created language so designed to block every conceivable loophole which could exist and to create a perfect fortress for the Department of National Revenue that we have made it impossible for the public to understand the words which have been used. The suggestions made are quite clearly that in the event we wish to preserve the self-assessing system, it may be necessary to use words which are not as complex and to eliminate sections which go on page after page after page using very precise terms of art and legal words. It may be necessary to abandon that practice if what we have at stake is the destruction of the entire self-assessing system.

Of course the risk of doing that is that through a reduction of some of the verbiage, through a loosening up of some of the fortress mentality brought upon the scene by the Department of Finance, it may in fact ensue that we will lose the odd dollar of taxation. However, compared with the possibility of destroying the basis for self-assessment, destroying the credibility which taxpayers of the nation have in the system, some suggest it is preferable to abandon the absolute ironclad fortress assurance of alleged perfection.

We have reached this point because this Act, the principal revenue-generating statute of Canada, is designed to do more than raise revenues alone. It is designed to establish social