

Income Tax Act

Mr. Speaker, I wish the hon. member for Mercier (Mr. Boulanger) would turn his voice the other way, toward the Secretary of State (Mr. Pelletier). I find their conversation distracting.

I think we should be asking ourselves if it is only a matter of finding something that can be squirrelled away by the oil companies and marked as part of the natural resources of oil in North America without doing anything about it. Should we not give exemptions and benefits to the companies that search for oil, ensuring that such benefit is available only if there is a use for the oil? I fear that we may establish beyond all reasonable doubt that there is oil in commercial quantities off the coast of Atlantic Canada but we will not in some way ensure that the oil is not exploited in such a way that we have a resource in Nova Scotia that perhaps we cannot use. That situation could be avoided by provision in the act that we are considering.

I should like to quote a submission made to the House of Commons Committee on Tax Reform by the Nova Scotia Voluntary Planning Board:

Many aspects of the proposals and of the projections remain implicit. The assumptions underlying the proposals are not given so that it is impossible to determine what kind of economic model is used as a basis. Is it a growth model and does the model incorporate a rate of inflation? Has analysis been undertaken of the effect of the proposed tax changes on the rate of saving in Canada, and, perhaps more importantly, on the inducement to invest? Is it known what effect the changes will have on initiative, entrepreneurship, and the willingness to work, particularly on the part of the entrepreneurial group?

Those questions have not been answered, Mr. Speaker, although they were presented some time ago by a responsible organization. At a time when we are in economic trouble, when we have to ask ourselves the purpose of our tax laws, when perhaps more than ever before we have to ask people to be prepared to invest and risk money without any guarantee that it will come back, to risk money for the sake of promoting development in Canada and providing jobs for Canadians, these are valid questions. The reasoned amendment presented by the hon. member for Edmonton West (Mr. Lambert), on which we will be voting shortly, commends itself because it asks these basic questions and says to the Minister of Finance, "You have not gone far enough. You should have been able to show us that this fancy package has the objective of increasing the Canadian economic potential."

The brief presented by the Nova Scotia Voluntary Planning Board continues:

If the proposals lead to a reduction in private saving—

And I think that will happen.

—owing to the incidence of taxes on decisions to work and to save, it will be necessary to resort to public saving and/or borrowing, or the attraction of more external funds to finance economic growth. When the private sector is acquiring liabilities and assets at a rapid rate there is prosperity,—

I suppose one could say, parenthetically, that this has been the case in the past.

—but when the public sector is required to acquire liabilities, there is an increase in public debt. The situation may become very confused owing to different attitudes toward public and private finance.

I think those are very valid questions and are as valid now as they were at that time.

Mr. Speaker, it is close to six o'clock and my next thought cannot be unburdened in anything less than five minutes because it deals with the language of the proposal. May I suggest that it is now six o'clock?

The Acting Speaker (Mr. Laniel): It being six o'clock, I do now leave the chair until eight o'clock tonight.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. McCleave: Mr. Speaker, when I broke off my remarks just before the supper hour I had tried to express my feelings about one or two of the principles that ought to guide us in our quest for tax reform. Now I wish to carry my argument forward to a more specific field and deal with how that tax reform should be achieved.

I am a lawyer. Quite a number of members of this House are lawyers. Sometimes it is said that perhaps there are too many lawyers here. I always vigorously disagree with that contention. It is an old axiom of the law that everybody is presumed to know what the law is. Obviously, that must be a legal fiction because it could never be fact. Even if you read the many pages of the bill dealing with tax reform and knew what the law was, at the end of it all you still would not know the law in all its detail.

One of the complaints about the new legislation is that it will be very difficult for anyone to know what the law is. It is expressed in such cumbersome language that no one can read it and understand instantly what one's rights are. I think we should not forget that point when dealing with the bill. After all, the cumbersome language will lend itself to this difficulty: if we accept the draftsmanship of the Minister of Finance and his officials—and a lot of thought went into the drafting of the bill—and the legislation is proclaimed law, for a long time many people will be coming to the Department of National Revenue to find out exactly what rulings have been made on what the department and the government thought was the law. I can see a practical difficulty here, Mr. Speaker. That could be done for a considerable period and suddenly some bold soul could take this law before the courts. After winding its way through the lower courts of the land, the legislation could wind up before the Supreme Court of Canada and, bang, there could be a decision dead against any interpretation made by lower courts all down the line, as well as by the Department of National Revenue.

That is why I say that regard must be paid to drafting this bill in the best and clearest language. If it is not, the Department of National Revenue will find itself in difficulties and we in this chamber will find ourselves under a certain amount of opprobrium for passing such a law. There may need to be a fair amount of fighting to achieve this clarity. I give the other side of the House warning that there may have to be a fight if we are to achieve what chartered accountants of Canada, bar associations and the like have said we must achieve. They have said that the proposed law is simply not expressed in clear enough terms; it must be clearer.