

International Conventions

Mr. Speaker, I do not want to take more of the time of the House for this bill which is very well known as the previous government had already introduced it, and I am happy to see that hon. members are prepared to pass this bill on a priority basis.

● (1430)

[English]

Hon. John C. Crosbie (St. John's West): Mr. Speaker, we would like to congratulate the Minister of State (Finance) (Mr. Bussi res) on his speech. He is far more informative than the Minister of Finance (Mr. MacEachen). As a matter of fact, the more the Minister of State (Finance) performs, the less there is for the Minister of Finance to do.

Some hon. Members: Hear, hear!

Mr. Crosbie: As a matter of fact he is doing less. His main job is obfuscation; that is, to seem to be answering questions in the House while telling us nothing. So the Minister of State (Finance) is a refreshing change.

Now, the legislation before the House is not exactly earth-shaking but it is an indictment of our system, Mr. Speaker, that it has taken so long for it to go through the House. If my memory serves me right, some of these tax agreements were entered into by the minister something like three or four years ago directly with countries such as Spain, Liberia, Austria, Italy and so on. It is extremely embarrassing for the Canadian government when they have to go year after year and advise these countries, which presumably ratified these tax conventions long ago, that the Canadian Parliament still has not acted because the government has not so timed its business in the House of Commons that the legislation can be dealt with. So we certainly do not want to hold up this bill; we hope it will be dealt with expeditiously.

However, I do want to ask a few questions in that field on some legislation that may be coming up—further legislation dealing with tax conventions. The legislation before us this afternoon has to do with avoiding double taxation. I wish the government party had avoided double-tracking during the election campaign and that they would avoid double-crossing the Canadian electorate.

An hon. Member: Since the election.

Mr. Crosbie: Yes, since the election. There is every indication that their fondness for doubles is going to continue—double-tracking, double-taxation and double-crossing.

An hon. Member: Double talk!

Mr. Crosbie: Before getting on with that, though, I would like to say a word as somebody who was minister for a few

months in the Department of Finance. I think our tax officials, the people who work for the department, should have a kind word said about them. This is not normal. I do not know of any taxpayer across the country, from St. John's to Vancouver or Victoria, who has much in the way of kind words to say about the tax department or the tax policy department. But as the minister I found them to be very hard working. They deal in an area of great intricacy and difficulty in a technical sense and they do a good job.

It is alarming to see the length of time which has elapsed since Dr. Neufeld retired. He left the department in January or February, I believe, some time during the early winter. He was the assistant deputy minister for taxation and did an absolutely first-class job. But Dr. Neufeld has gone from the Department of Finance and is now vice-president and chief economist with the Bank of Montreal. As a matter of fact, a few days ago I saw reported in the paper an address he made in London which was of very high quality, as I would expect from Dr. Neufeld. But the department has not yet been able to find a replacement for Dr. Neufeld.

An article I noted in the *Financial Post* drew attention to the difficulties the department has been having. It drew attention to the need for attracting first-class tax lawyers to work for the tax policy branch of the department and pointed out the difficulty experienced in getting any lawyers who have expertise in taxation to come to the department because of the pay which is offered them. The government will have to consider whether to remove the tax policy people from the ordinary salary levels of people in other departments in order to attract the person of high calibre who is needed for the tax policy division of the Department of Finance. I wish my memory served me better but it must be three or four months at least since Dr. Neufeld left the department—it is almost six months now—and we have not had an assistant deputy minister of finance, taxation, in that time. Mr. Sid Rubinoff is the acting assistant deputy minister for that branch but he is also in charge of his own section of the department and can hardly do justice to both of these very heavy positions.

We also know, from what we have seen and heard, that the department is examining tax expenditures and areas in which they can raise tax revenues and whether tax expenditure loopholes should be closed or what should be done. It is very difficult to do this work if you do not have a full-time, top-notch tax expert at the head of the section. So while there are some fine people there, Mr. Speaker, they need strengthening, they need assistance.

Having been the minister, I can assure the House that the complexities of this area are immense. Everyone in the country is interested in this field; at least, anybody who makes money, anyone in the business world, anyone who pays income tax. So very many people in this country have an intense interest in this area. They are all looking for loopholes, for ways to avoid paying taxes or ways to reduce the burden of taxation on themselves and their companies. The government is going to be very badly off unless this crisis can be overcome. It is my suggestion that the government start thinking about paying