

Income Tax Act

ing words in a brief to the government early in September:

We regret that it has been found necessary to express the new law in language so involved that it will be difficult for many taxpayers to understand their own tax position and to be able to complete and file their own returns without professional assistance.

I emphasize the last few words, Mr. Speaker, "without professional assistance". Some may doubt whether even professional help will solve the problem.

The *Financial Times* reports that the common complaint from the private sector, so far, has been that the bill is badly worded and too unwieldy for even taxation experts to understand quickly. One of the nation's foremost tax experts, Lancelot J. Smith, President of the Canadian Institute of Chartered Accountants, described the bill in these words:

The most complex and formidable piece of tax legislation ever put before parliament.

In spite of a lifetime as a tax practitioner, Mr. Smith told the annual meeting of the institute in Winnipeg: "The intricacies of Bill C-259 have so far eluded my grasp." "If this is so with my background", he added, "God help the general practitioner." Mr. Smith was chairman of the Ontario Tax Reform Commission.

Another financial expert, Vincent Egan, Financial Editor of the *Toronto Telegram*, wrote in that newspaper on September 10:

The new tax reforms will result in a more complicated, patched up system than ever before. If it's a joke, it's not funny! If it is not, then Mr. Benson, and his draftsmen, must be prepared, even at this late date, to simplify it wherever possible.

The Canadian Bar Association finds Bill C-259 as puzzling as do the accountants. The *Globe and Mail* of September 3, reports:

Finance Minister Edgar Benson's tax reform legislation is complex, difficult, confusing and a let-down.

Delegates heard 17 papers containing more than 120,000 words on various aspects of the legislation and the Association's special committee on the tax reform bill intends to make representations to Mr. Benson.

Ronald D. Bell of Calgary said if the new bill's concepts are difficult of comprehension, they seem remarkably clear compared with the language construction which purports to convey same to the Canadian public. Lawyers entering the taxation field periodically would find it absolutely impossible from reading the bill to obtain a working knowledge of the new system. The government should not have released the tax reforms until the new concepts had been put in clear language.

Another lawyer, John D. Smith of Vancouver, said the bill was immensely complicated and written in unfamiliar language and concepts. It was drafted with "so much use of definitions and cross-references that the drafter must have been raised on the game of Snakes and Ladders".

• (2:20 p.m.)

Mr. Howard (Okanagan Boundary): A point of order, Mr. Speaker.

Mr. Crouse: If the hon. member who interjects will sit and listen—

The Acting Speaker (Mr. Laniel): Order. The Parliamentary Secretary to the Minister of Industry, Trade and Commerce is rising on a point of order.

Mr. Howard (Okanagan Boundary): I just want to point out, in the absence of the hon. member for Cape Breton-East Richmond, that the hon. member is reading his speech.

Mr. Crouse: No, Mr. Speaker, the hon. member is not reading his speech. The hon. member is reading quotations from those who have condemned this tax reform bill which is presently before the House. If the parliamentary secretary had been listening to these condemnations he would have realized the concern of tax experts and economists across the country over the maze that has been introduced under the guise of tax reform.

Mr. Howard (Okanagan Boundary): Would the hon. member permit a question?

Mr. Crouse: I have the floor, Mr. Speaker. When I have finished my remarks I will answer any questions that the Parliamentary Secretary to the Minister of Industry, Trade and Commerce would like to put to me.

What are we being asked to do now? Parliament is being asked to pass this maze of tax changes quickly, so quickly that they can become law by January 1, 1972. In my opinion, haste in passing this massive change, haste in imposing fresh new tax burdens on Canadians at this time, is unseemly. I believe that in these days of heavy unemployment and the stifling of enterprise by taxation, the members of this House have a prime duty to see that these tax dollars are spent wisely. This raises the question: Why does the present government require all these additional funds? Are these funds being properly spent by the administration? Are they being properly utilized? After all, we are not fighting a war at the present time, and our population has not exceeded 22 million people. We cannot help but wonder just where all the money is going.

For the answer to these questions, we need turn only to the Auditor General's report for the fiscal year ending March 31, 1970, and in doing so we become painfully aware of the waste and extravagance of this government, whose spending spiral continues skyward like a moon rocket. It would be too painful to read the entire report, but I shall single out some items that clearly indicate why the present government stands condemned for its wasteful practices and why it must continue to dig deeper and deeper into the pockets of the average Canadian taxpayer.

For example, at page 11 of the report we read under item 18, headed: "Communications", that the listed increase in departmental expenditures, exclusive of the Post Office, was largely due to an increase of \$3.2 million, or 28 per cent, in administration, operation and maintenance costs. The increase of \$21 million that was authorized for the post office was due primarily to an increase of \$11 million in salaries and allowances and \$9 million in mail conveyance costs. Then, there is a little addendum which says that these expenditures do not include retroactive salary adjustments of \$3.9 million paid during the year and charged to the reserve for salary revisions.