

Tax Court of Canada Act

made by the Government of Canada and because we now know that there will be hundreds and hundreds of cases which will clog the system because of what the Minister of Employment and Immigration (Miss MacDonald) has had to do because of here being forced by the President of the Treasury Board (Mr. de Cotret) to cut \$250 million from her Department's budget. We recommend and encourage all these people who will be latched on to by the Unemployment Insurance Commission to appeal to the federal tax court. If representatives of the Unemployment Insurance Commission say to these people: "You are not eligible because it has been determined by the Department of National Revenue that you are not eligible," what I say to those people is: "Appeal your case to the Minister of National Revenue. If the Minister says that you do not qualify, you have 90 days in which to appeal to the federal Tax Court of Canada." That is what will happen because of the cuts to the budget of the Department of Employment and Immigration. When that happens the system will become clogged and there will be just too many cases before the federal Tax Court of Canada. Too many people will be receiving a statement in the mail which reads: "In the Tax Court of Canada pursuant to—" and then there will be the appellant's name and the respondent will appear as the Minister of National Revenue. Following that will be the statement of fact. The poor person receiving this document will wonder what it is all about and how on earth he will defend himself. He will say: "I know that I am right and that the Government is wrong." What can a person do in that situation? Most Members of Parliament have appeared before the federal Tax Court of Canada. I am sure they have appeared before it in order to fight for their constituents because their constituents cannot afford a lawyer. It is quite a different thing to go before the federal Tax Court of Canada with respect to a case which is similar to another case which is simply a hearing by an umpire. Both situations involve Federal Court judges but in different courtroom situations.

I see that the time is passing quickly and that we have to go through all the clauses of the Bill, as I understand it, as well as third reading, before we conclude today's sitting, which will be at 6.30 p.m. I hope that if we conclude by 6.20 p.m., the Government House Leader will call it 6.30 p.m.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am pleased to have this opportunity to say a few words with respect to Bill C-72, a 239-page Bill, inclusive of 150 amendments in an effort to simplify the Tax Court of Canada Act.

This is something which actually happens two or three times a year when Members of Parliament are faced with 200 or 300 pages including somewhere between 125 and 175 amendments to the Income Tax Act in an attempt to simplify and clarify the existing Act. When one begins talking to an average citizen about tax provisions, or changes to the Income Tax Act, there is about the same amount of clarity as there is with Egyptian hieroglyphics. Believe me, what we have before us is no Rosetta Stone. In looking at Bill C-72 we see that it is simply one more step in the march toward complexity, misunderstanding and baffle-gab. I do not think it is the intention of

anyone here to create a more confusing tax system. However, that is the process in which we find ourselves today.

Mr. Blaikie: Just another job-creation project for lawyers.

Mr. Riis: As the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) says, it is just another job-creation project for lawyers, tax accountants and all those folks who live in the backrooms drafting this type of legislation.

If there is one thing which has become clear in the last while it is that the tax system of the country is too complex for virtually anyone to comprehend. I can remember distinctly a year and half ago when the Minister of Finance (Mr. Wilson) stood up in the House and said: "Listen, I have just an average income. I have no complex financial affairs and I have to go to the tax adviser at the corner in order to have my tax return filled out at the end of the year." If the Minister of Finance cannot do his own income tax return, then I think it is indicative of the point we find ourselves in today in terms of a document which is impossible for any ordinary Canadian citizen to comprehend, let alone fill out and submit.

Perhaps there is a more important aspect to this issue. When one looks carefully at the Bill before us, as I am sure all Members in the House have, and when one tries to understand each of the amendments put forward, what becomes clear is that our tax system is geared in favour of certain groups within our society and, in a sense, it acts against other groups. To be more blunt, it is an unfair tax system. It tends to be biased in favour of upper income earners at the expense of ordinary Canadians. It tends to be biased in favour of the large corporate sector at the expense of the small business sector. That is one of the reasons we in the New Democratic Party have decided it is time to take the matter seriously—to take the bull by the horns. That is why we have indicated we plan to spend the next number of months criss-crossing the country in order to hold public hearings. We intend to talk with tax experts and those who understand the tax implications of their sectors of the economy. We intend to do this in an effort to find ways and means of making the tax system not only more fair but more simple, so that people do not have to hire a contingent of legal experts and tax accountants to fill out some of the most simple business forms when it comes to taxation.

We are anxious to get out into the countryside. We will be sending out something in the neighbourhood of 2,000 questionnaires to ordinary Canadian citizens. We want them to indicate to us in these questionnaires how the tax system in their particular line of work could be made more fair, more simplified and how it could reflect the concerns of the average working man and woman in our country. One of the concerns our Party has is that more and more of the economy of Canada is moving underground. One of the reasons it is moving underground is because of the feeling that the system is unjust. The average earner hears about all those wealthy, or perhaps not wealthy, but upper income earners who pay no income tax at all year after year. The average earners out there paying his or her taxes each year faithfully and not being able to take advantage of the avalanche of loopholes and