

Income Tax Act

with limited financial resources, would not be under pressure to make extra demands. I believe that proposal has been addressed.

In terms of universality, what we are talking about is the individual's right to participate. It has never been suggested that the volunteer sector should do everything that the government should do but it needs help to make its contribution to society. Where there are gaps in society and there is no volunteer activity to fill them, the Canadian tradition has been for government to stimulate or encourage the voluntary sector from time to time. It is like the elephant that begins to get its nose into the tent and is soon inside. Now things have gone so far that they are saying: "Let us have the tent back and we will from time to time negotiate where that is necessary".

Mr. Roche: Mr. Speaker, I should like to put a question to the Hon. Member for Waterloo (Mr. McLean). Does this issue not come down to one thing, namely, that in the Budget brought in earlier this year by the Minister of Finance (Mr. Lalonde), he took half of the give and take proposal offered by the voluntary organizations when he cancelled the \$100 standard deduction? He did not take the other half of the proposal, however, which was the tax credit proposal. Is it not a fact that the Government has done a tax grab on the voluntary sector and has hurt it by not adopting the tax credit proposal to which it is legitimately entitled? Is that not the heart of the matter?

Mr. McLean: Mr. Speaker, the Hon. Member for Edmonton South (Mr. Roche) underlines the fact that this is not just a minor tax grab; \$80 million in tax revenue was anticipated and there was no incentive given to that voluntary sector. The Budget spoke of putting incentives and stimulation into different sectors but the voluntary sector was ignored. The irony of it is that, despite all the briefings he received, when the Minister was questioned in the House he said it got half of what it wanted. The proposal was that if the \$100 standard tax deduction was removed, people should be reminded that charities and agencies still depend on them. For the Government to go half way was worse than nothing.

Mr. Fisher: How is it worse than nothing?

Mr. McLean: It is worse than nothing because this sector depends on signals from the Government. At the present time people are hard pressed, so less revenue is going into this sector. Fewer volunteers are available because so many women have returned to the work force. The caring agencies have more work than ever and society is in need of some stroking from the Government.

All this has a lot to do with a tax measure which merely sends a signal to people that the Government is not even asking them to address the matter but is removing the assistance it formerly gave. That can only be interpreted as a refusal to see this sector of society as worth while.

The first priority of the National Voluntary Organizations is the 50 per cent tax credit; the second is the clarification of the definition of revenue; and the third is recognition of their role.

When the Parliamentary Secretary asks what they do with a half way measure like this, the answer is that the Government does nothing to give recognition to their role. It has not offered to undertake serious economic studies or to set up co-ordinating mechanisms. There were seven references to this in the Throne Speech and an indication at long last that a task force would be formed to study information that has been available for 10 or 15 years. We have not heard when the task force will meet, what its terms of reference are or when it will report. Those of us who are concerned can be forgiven for being somewhat cynical about whether the Government intends to take action in this sector.

Mr. Fisher: Mr. Speaker, that deserves some reply. At least I give credit to the NDP for recognizing that the \$100 standard deduction had previously been a personal deduction for people who did not make any contribution to any voluntary sector or charity. It was simply a standard deduction whether one gave or did not give; in fact, it was an incentive not to give because one could get the deduction without giving any money away.

Now, all that the Government is saying is that if you want the deduction, you must prove that you gave the money. We have said to the people who are not giving money and claiming the deduction: "Prove it. Come up with a receipt. Make the actual donation you are claiming you made".

● (1450)

We are not saying we are going to divert the money away from the voluntary sector and into the Treasury. We have not said that at all. As a matter of fact, we have said the very opposite. The Hon. Member for Edmonton South and the Hon. Member for Waterloo used terrific political rhetoric when they said it is a tax grab. It is not a tax grab. In fact, let me assure Hon. Members that we would be quite happy to forgo the \$80 million, provided there are \$80 million worth of receipts to show the money was given to the voluntary and charitable sector. We are not saying we are diverting the money away from those sectors. We are simply saying we would like it to be given to those people who give instead of simply being claimed—without any hot air.

Mr. McLean: Mr. Speaker, let me make a response to this last point. The evidence of the National Voluntary Organizations on the question of the demand for receipts is that it costs Canada's voluntary agencies \$8 every time they are now forced to give a receipt for \$5, what with the accentuated post office rates we have now and the records which are required by the Department. So they are now in the process of saying that this is truly a disincentive. This Government has given nothing on the other side to offset the costs. What it has done is put a net penalty on these voluntary agencies.

Mr. Bosley: Mr. Speaker, I have a question for the Hon. Member for Waterloo, given the previous interjection. Would the Hon. Member care to tell the House why, in his view, the Budget underlying this change estimates that the Government will increase its revenues by \$80 million as a direct result,