

*Adjournment Debate*

forgotten that Canadians travel in their own country for a variety of reasons, to visit friends—

**The Acting Speaker (Mr. Paproski):** I would love to hear the hon. member for another few minutes, but her time has more than expired.

## CHARITABLE ORGANIZATIONS

**Mr. Stan Wilbee (Delta):** Mr. Speaker, I rise this afternoon on the question I asked last week of the Minister of National Revenue. It is based on the fact that each year 5 million Canadians claim charitable gifts of \$2.5 billion to Canada's 60,000 registered charities on their income tax return.

Canadians from all walks of life give millions of hours of their time as volunteers to these organizations. All Canadians benefit immeasurably from the work of the charities sector. Charities include welfare agencies, hospitals, universities, colleges, religious groups, and a myriad of community organizations established to assist those in need in every part of the country and to address such issues as the environment and the advancement of aboriginal peoples.

Throughout Canadian society, charities play a vital role in providing service in all facets of life, often delivering a more responsive, effective and economical service than could be provided through government action.

Historically, the federal government has recognized and supported this important contribution of charities by the granting of special tax status to charities. Charities are exempt from tax on their income, and donors may claim a tax credit or a deduction.

It is axiomatic that all charities rely on the goodwill of the public to accomplish their works. That this goodwill exists can be seen from the time and the money given freely by the people of this country. Canadians are justly proud of the vitality of the charities sector which reflects on the health of the country as a whole.

To my mind, the key to preserving a healthy charities sector is in maintaining that sector's credibility with Canadians. Only by sustaining this credibility will charities be able to continue to rely on the public to respond generously to their appeals for support.

It is regrettable, though perhaps not surprising, that on the relatively infrequent occasions when an individual associated with a charity steps outside the law, widespread media attention is paid to the issue. Too often the public reacts against the sector, rather than the individuals involved. On these occasions, it is unfortunate that the whole of the sector is harmed by the actions of the few. When these kinds of reports threaten to erode public confidence in the sector as a whole, this is a very serious matter for all Canadians.

I should stress that, to my knowledge, there is no widespread abuse by registered charities. But it does seem to me that the special tax treatment of charities must be justifiable to all taxpayers who must pay for the special tax concessions provided charities, because they in turn must shoulder a larger share of the tax burden.

I would therefore ask the Minister of National Revenue to let us know whether the government intends to ensure that public confidence in the sector is not eroded by the actions of a few charities such as we have seen in the last few months and which have been so widely published in the media.

• (1815)

**Hon. Otto Jelinek (Minister of National Revenue):** Mr. Speaker, first I would like to thank the hon. member for putting the question and congratulate him on the interest that he has demonstrated for this very important sector.

In answer to the question at the end of his statement, that is why we are conducting a review. As I pointed out in an answer to a question in the House just last week, and I will quote part of it: "There are some 60,000 charitable organizations across this country, the great majority of which are very legitimate organizations and benefit society as a whole. The hon. member is correct in saying that over the past months and the past couple of years there have been a few who have taken advantage of some loopholes and have abused the system at the expense of the majority of the others. Therefore, as recently as last November I advised my officials to begin a comprehensive review of the whole system. We are now in the process of consulting with interested individuals and organizations across the country with a view to eliminating any abuse that may in fact exist. Our objective is to make the system fairer, simpler and better for the majority of legitimate charitable organizations in this country."