

Income Tax Act

It has also been pointed out that the non-taxable allowance granted to voluntary firemen set at \$500 should be increased. I think it is essential to take into consideration the fact that the deductions granted for job-related expenses which are already set at 3 per cent can go up to \$500 which gives a total non-taxable or deductible amount of \$1,000. I think it would be quite difficult to consider very high deductions in very special cases such as voluntary firemen. However, such a provision recognizes the importance of voluntary work.

I would also like to use this opportunity to refer to the case brought up by the hon. member for Edmonton South. He raised the entire issue of voluntary work and possible amendments to the existing provision in the Income Tax which provides for a general \$100 deduction for charitable donations.

The hon. member made some suggestions. I should like to tell him they are interesting but costly. I should like also to point out that last Friday my colleague, the Secretary of State and Minister of Communications, as well as other colleagues, had opportunity to meet with spokesmen of voluntary organizations. The whole question of how to help financially, through the tax system, the voluntary organizations or people making donations to those organizations is currently under review by the government. However we have to examine the cost of such measures and to what extent we can afford measures that would divert revenues still quite limited in the present circumstances.

The question has also been raised about benefits for parents who have to buy devices for the handicapped. I should like to point out, that a task force made up of parliamentarians will soon submit, if it has not done so already, a report on the needs of the handicapped. I am sure it will make recommendations to the Department of Finance about possible measures to help handicapped people through tax legislation. When this report is tabled, it will receive all the attention it deserves.

Some hon. members have also asked why the government has not retained the energy tax credit which was part of the December 1979 budget. I think this question has already been answered on several occasions in this House, either by the Minister of Finance or the Minister of Energy, Mines and Resources. This government has introduced an energy program which protects all Canadian consumers irrespective of their income level against increases in oil prices. This government has planned increases in oil prices which will not create as much hardship for the consumers as those forecast by the previous government. In this way, with smaller increases, there is no need to give back with the left hand what we have taken away with the right hand. That is the reason we have not retained this measure.

Some hon. members have also raised the question of the investment tax credit, especially in designated areas. I am referring to the representations made by the hon. member for Rimouski-Témiscouata and by the hon. member for York-Sunbury. The question of the areas selected for designation

which qualify for the investment tax credit, as always in such cases, concerns boundary lines. As a matter of fact, I suggest this credit is extremely generous, and as any measure—

● (2030)

The Deputy Chairman: I regret to interrupt the hon. minister but his allotted time has expired. He may, however, continue if there is unanimous consent.

Some hon. Members: Agreed.

Mr. Bussières: Mr. Chairman, I thank the hon. members for allowing me to go on with my remarks. As for any tax expenditures, we know where they begin, namely when the legislation is passed by Parliament, but we never know where they will end with regard to financial implications. It is with this first concern in mind, as well as our desire to help the areas which need it most, that we have delineated the boundaries of those areas which qualify for this very generous investment tax credit. It is precisely because of its generosity and the fact that it is difficult to assess the cost of such tax expenditures that the government has seen fit to limit this investment tax credit to areas that need it most. Furthermore, the level of economic activity, the various rates of unemployment, the capacity of the area to generate investment and employment opportunities have been determining factors in the designation of these areas.

The member for Vancouver East was in this House earlier is concerned about housing problems and has been critical of a measure contained in this budget, namely, a tax incentive for multiple unit residential buildings commonly referred to as MURBs. I must say to the hon. member that this is not the kind of measure most likely to generate extensive residential development. However, it has been introduced because of the over-all economic situation and, above all, of the desire of the government to limit its spendings.

The government believes that in areas where the demand for multiple units housing is strong and consequently where housing is the least available, this measure will help generate the construction of such housing facilities and will also reduce the hardships faced by these areas with regard to their housing demand. Of course, when times are better, government expenditures would be much less burdensome and we could then afford to introduce more generous programs to help the building industry. But I am convinced that Canadians understand the situation the government is in now and its unwavering determination to limit its expenditures to meet only the most urgent needs.

Another question which was raised by several hon. members, particularly the hon. member for Prince George-Peace River, is assistance to workers in the north. I would like to remind the House that following the concerns expressed by several hon. members, namely, the Minister of National Revenue, the Minister of State for Mines and the hon. member who