

collate information about the impact of these groups on Canadian life.

● (1125)

In terms of the commitment of my Party, Mr. Speaker, during the leadership convention my Leader said:

A complete review of the Government's social programs, with a view to saving money wherever possible, will be a major priority of my Government. Encouraging greater participation of the voluntary sector in delivering our social programs is one way of doing just that.

—Canada's voluntary sector is an untapped resource that not only can reduce government spending, but can actually create jobs in the process.

—most of us in this room are volunteers. Our Party could not survive without them and neither could any other political Party. Let's have Canadians do things for ourselves, instead of having governments and bureaucracies do it for us.

In our Party we want to encourage a balance between the three sectors in Canadian life; government, the private sector and the voluntary sector. This is the balance which the current Government has allowed to erode and which we are committed to restore. This is why we are committed to a fundamental realignment of the tax treatment of charitable giving. We are committed to the principle of a charitable tax credit. We are committed to creating a tax environment which will offer equitable incentives to all taxpayers to support their charities. We want more funds to flow into that sector from taxpayers to whom, as members and supporters, these tens of thousands of organizations will be properly accountable.

Fundamentally, Mr. Speaker, we want to place government in the role of silent partner through the creation of a fair tax regime in which all Canadian taxpayers will enjoy similar incentives. This applies to the corporate taxpayer as well. The voluntary leaders of Canada have noted in their Macdonald Commission brief that small business does not have the same incentive to support charities as does big business. We will change that. Our goal in this reform is simple; to enhance the capacity of the voluntary sector without increasing its dependency on government.

In their proposal and submission to the Macdonald Commission, the coalition leaders have outlined what they have termed the give and take tax proposal, which is based on this incentive principle. They have said that the fundamental problem for individual charitable giving is that the current tax treatment of charitable gifts by individuals is highly inequitable because it is based upon a deduction principle. The cost to taxpayers of their charitable gifts varies inversely with their taxable incomes. They have reminded the Commission that, typically, a taxpayer paying \$15,000 in tax who makes a \$200 gift to a charity will be able to reduce his tax payment by only \$60, whereas a taxpayer paying \$60,000 in tax may reduce his tax payment by \$100 or more, depending on his province of residence. The cost of the same gift to one of these taxpayers is almost twice as large as the cost to the other.

This must not be allowed to continue, Mr. Speaker. The situation is inequitable, unjust and unfair. In the proposals that the NVO have outlined they have suggested a way of bringing equality in giving and also a mechanism which will encourage support to this vital part of our national life.

### Supply

Therefore, in moving this motion of condemnation of the Government for failing to put in place a comprehensive policy, may I also place before the House a motion which allows a positive action to encourage Canadian volunteers and the groups in which they participate.

● (1130)

**Mr. Bockstael:** One of the proposals made by these charitable organizations was that the standard \$100 deduction that is applicable to all taxpayers should be abolished. Is the Hon. Member in favour of that? I understand that in the most recent Budget this \$100 deduction will be eliminated for the year applicable to the 1984 tax year. Is that part of the proposition that the Member was making?

**Mr. McLean:** Mr. Speaker, I thank the Hon. Member for St. Boniface (Mr. Bockstael) for his question. He may recall that in a publication outlining that give and take tax proposal, which was circulated to all Members, there was an acceptance that the \$100 tax deduction be appropriately removed as part of the package of encouragement. When the Minister of Finance (Mr. Lalonde) introduced the Budget, the leadership in the voluntary sector were aghast to discover that there was take but no give. In other words, removing the tax deductible \$100, was really the equivalent of an \$80 million tax grab. There were no incentives.

There was general agreement that the \$100 tax deduction was not serving the purpose for which it was originally intended, but since no new incentive was put into the system for small voluntary organizations, each donation must now be receipted. Given rising postal costs with no offset for special postal rates by the Government as part of a comprehensive program, and given this increased bureaucratic implication with no new incentives for additional giving, this has been seen as a negative action. There would have been no disagreement if it had been part of the total package.

**Mr. Bockstael:** Mr. Speaker, the proposal made by these charitable organizations was that 50 per cent of any amount a corporation or individual would donate would be deductible from income tax. It seems that this would remove a great deal of revenue from the federal Government. Does the Hon. Member not believe that this could lead to an imbalance if large corporations or individuals with high incomes were to decide to donate all of their charitable funds to one organization, such as the United Appeal, while donating nothing to the cancer society, for example? It could create great imbalances for these various organizations. That is the way it strikes me, and I wonder if he could comment on that.

**Mr. McLean:** Mr. Speaker, it would be important for the Hon. Member to study in some depth the information which Canada's National Voluntary Organizations have documented. For example, they have a full discussion paper dating back to May, 1980, entitled "Tax Incentives for Charitable Giving". In their outline, they never suggest that there would not be a base limit and that it would be wide open. The suggestion is to bring some equality.