

Income Tax

achieve the objective of the sponsor of the motion under consideration today.

Enough of these idealistic musings. Let us get back to earth. Suppose we look at how this particular proposal would work out in practice. First of all, we must realize that this idealistic and very selective process of transferring tax revenues would have to be indicated on the personal income tax return, also known as the T-1 form. Since it would be a reduction in tax payable, the amount would have to be indicated at the end of the return.

The taxpayer would have to be asked the following question: Do you wish to have your income tax reduced by 10.2 per cent, or whatever the percentage happened to be in that year, and have this portion transferred to the organizations involved in peace research and education as specified? I am not sure the sponsor of the motion provided any explanatory notes to indicate to the taxpayer what this particular percentage represents, in other words, the percentage of the federal budget directly allocated to defence.

Mr. Speaker, there are a number of comments one could make on this kind of proposal. Indeed, it raises a number of questions in my own mind, and I hope in the minds of the other Members of this House. For instance, what strict assurance does this somewhat fanciful procedure provide that the Government's tax revenues are allocated correctly and efficiently? We believe there is no way to predict the exact percentage of tax revenues to be transferred.

I believe we could expect the peace organizations that would benefit from this procedure to launch an all-out advertising campaign, urging taxpayers to opt for such a method. And after all, the taxpayer would probably be very quick to conclude, as we all would, that it would not cost us a cent to make what could be called a pious choice. Of course, Mr. Speaker, if someone is asked: Are you in favour of peace? He will probably answer right away: Why yes. Obviously. And in the taxpayer's mind, he would be giving the Government's money and not his own.

It is quite conceivable that the transfer of tax revenues could be very significant. After all, almost everyone is in favour of peace, with the exception of a few bellicose individuals and those who benefit directly from war. The taxpayer could well be in favour of this concept, believing it would not cost him a penny. And he would probably not consider other aspects of a plan he would assume had received official recognition since it appears on the income tax return.

However, there are other aspects to be considered. For instance, what assurance do we have that the revenues thus transferred to peace organizations are well spent? Will they achieve the desired results? And if the transfer of \$1 million to peace research and education achieves a certain level of results, would \$10 million increase those results tenfold? Or is there a law of decreasing returns that applies to this area as well?

Mr. Speaker, these are some of the questions a responsible Government must ask when allocating its budget expenditures.

However, the problem with the proposal before the House this evening is that such questions would not be asked. The Government would have no control over the percentage of tax revenues thus allocated to these expenditures. The scope and effectiveness of advertising campaigns orchestrated by peace organizations would probably have a significant impact on that amount. We would therefore have a percentage somewhere between zero and 10.2 per cent of federal tax revenues that would escape the control of Government and Parliament.

I said a few moments ago that the taxpayer would tend to think this plan would not cost him a penny. He might be wrong. If this proposal were fully implemented, it would mean that some \$4 million in tax revenues would be transferred from our personal income tax. Consequently, if the transferred amount is significant, the Government might well be obliged to increase taxes to fill the gap, unless Hon. Members are prepared to let the budget deficit increase over and above what it is now, which is out of the question, in terms of the Budget proposals formulated last May.

Supporters of this idea might maintain that the amount is relatively small, that peace is very important, and that it is worth setting aside the principles of appropriate control of public expenditures for the sake of a very noble cause. The argument is undoubtedly very seductive. But how far should we expand this principle? We would be opening the door very wide.

If we accept the transfer of tax revenues to peace research, would there be other causes we might have to accept as well? How far would we extend this new principle? For instance, Governments spend significant amounts of money on hospital care, health insurance and other kinds of public health plans. Would we accept a system under which the Canadian Medical Association could set up a private health care plan to which taxpayers could transfer a certain percentage of their tax payable?

There are Canadians who do not have children and who take a very sceptical view of the spending of public funds on education or daycare centres and the welfare and maintenance of families in general. Would we allow these Canadians to transfer another percentage of their income tax to an area closer to their interests or concerns? Would we then have as many mini-budgets as we have citizens in Canada?

I could give other examples, Mr. Speaker. The point I am trying to make is that the importance of peace research is not the issue here. We are dealing with a much more basic question, namely can Canadians shirk their social responsibilities as citizens? In our system of responsible democratic Government we use Governments to make certain decisions which benefit society as a whole. Oftentimes these are very difficult decisions to make, and now and again they are unpopular. But they are choices we cannot avoid