

The Budget—Mr. Simmons

Again, if nothing is done there is no cost to Government. Therefore, take all the sponge and water out of a good part of the budget and what is there?

The one area on which I want to comment before my time expires is the removal of the \$100 allowance for charitable and medical expenses and its replacement with actual expenditures based upon receipts. All I can say is that I think about two-thirds of all personal taxpayers do not make that \$100 contribution to charity. All you have to do is to ask any clergyman, any parish priest, what is the average donation within his or her parish. All you have to do is ask national charitable organizations what is the average contribution. The sum total is far less than \$100. Therefore, taxpayers will lose on this provision. Those, however, who do contribute to charity in excess of \$100 based upon this marginal rate will get a benefit of maybe \$8 to \$20. The Government will gain up to \$80 and more on this particular provision.

Socially I think there is something I should draw to the attention of Hon. Members. In many instances gifts to private or voluntary organizations that qualify under the charitable gifts donation clause in the Income Tax Act were for \$100. A gift of less than \$100 gave no advantage and no incentive to the taxpayer because the taxpayer already had the deduction under the Income Tax Act.

There is a great deal to be said for gifts to voluntary organizations. I know some of my colleagues will be saying a good deal more about this during the debate on the Income Tax Act. But I feel that as much as possible we should encourage gifts to charitable organizations. I do not say there should be a tax credit dollar for dollar, but what is wrong with setting up—I am not the author of this particular suggestion, it has been made several times—a scheme similar to that given to people who make political donations within certain rules? On the first \$100 there should be a tax credit of, say, \$75 and then on up through the limits, but not a limit of \$1,000. I know there are many people who are well endowed with worldly goods who are quite prepared to donate to a university, a church, a museum, an art gallery or what have you, gifts far in excess of \$1,000. They should receive some encouragement. But all we do with the Income Tax Act at the present time is deter these individuals from making gifts to what you might call posterity. At the present time it is only in particularly artificial and devious ways, devious in that they are complicated, that major gifts may be made of collections of art to public purposes by donating the whole of the collection to the state and releasing for \$1, say, to the individual concerned who can keep the collection in his home or in his own particular gallery.

There are other matters which I think I should talk about at this time. We will do this much more thoroughly when considering the particular Bills in detail. As for those measures dealing with excise tax, we will see some fancy footwork with regard to the excise sales tax on aircraft tickets and journeys. We will see an increase next year in the excise tax to 10 per cent. What on earth will this do to the proposal now under discussion with the public to change the impact of the sales tax from the manufacturers to the wholesale level, and a reduction

of it to 8 per cent, without any concurrent reduction on building materials from 5 per cent to 4 per cent? The former Minister of Finance simply dismissed my question on that by saying "I need the revenue". It is a standard ploy with Government to say "We need the revenue", regardless of how wise the legislation is under which the Government will spend the revenue. There will also be an increase in the excise tax on domestic wines to 13 per cent. We will also see the continuation of indexation.

There is one point I want to mention favourably which we will be discussing later. I am speaking of the Index Security Investment Plan which arose from the Lortie Report. There were some changes from those offered in the Lortie Report. I do not know if everything is in good order because there are some hooks with it. It is not all gravy, but it may provide an incentive for investment in Canadian securities if they are grouped under this particular heading.

The last thing on which I want to comment is to say that we are now into the fourth year of this session of Parliament. There are some proposals which went through the Income Tax Act in 1980 and subsequently through Bill C-139 which, unfortunately, we cannot move now to strike out. As you know, Mr. Speaker, it is a rule that within the same session of Parliament a motion may not be introduced to reverse an earlier decision taken in that Parliament. Now we are into the fourth year and we cannot start to undo some of the nonsense which was imposed on this Parliament under the Income Tax Act and under the Excise Tax Act by a Government which was not thinking clearly.

● (1220)

For instance, a vicious principle of the indexation of excise tax based upon cost of living was introduced in a section of the Excise Tax Act. It is absolutely self-defeating, except for Government. Government can continue to tax at a higher level simply based upon an increasing cost of living without coming back to Parliament for approval. Talk about Government being interested in inflation! That is a classic example, Mr. Speaker.

I believe my time has expired but I hope I will be able to take up a number of other subjects when the various Bills come up.

Mr. Roger Simmons (Burin-St. George's): Mr. Speaker, many different yardsticks will be applied to this budget to determine its success. How many jobs will it create? How will it benefit consumers? To what extent will this budget serve to stimulate the economy? These yardsticks and many others, I know, will be applied to determine the success of the budget of the Minister of Finance (Mr. Lalonde).

I want you to know, Mr. Speaker, that I also intend to apply a yardstick to this budget. How far does this budget go to address the particular problems in the electoral riding of Burin-St. George's, which it is my honour to represent in this Parliament? There are those who will argue that my yardstick is too specific, that a budget ought to be concerned instead