

Income Tax Act

Approximately an hour ago I had a telephone conversation with the Saskatchewan minister of finance. He indicated that the Minister of Finance should go back and meet with Quebec's minister of finance in order to make arrangements to give Quebec the share it is properly entitled to, the \$226 million. In fact, arrangements should be made to give every province that to which they are entitled. How Quebec chooses to reduce sales tax is Quebec's business, just as it is the business of Saskatchewan, Nova Scotia or any other province.

● (1452)

This business of the Minister of Finance trying to set up a budget on the basis of hotel room discussions with successive ministers and premiers, from one day to the next, just a few weeks prior to bringing down the budget, is not good enough. This is not what you could call real consultation. There is no reason this idea could not have been put on the table at the first minister's conference in February. It could have been discussed then, and the nation as a whole could have watched the ten premiers and the Prime Minister negotiating and agreeing to proposals for a national budget and budgets of nine provincial governments, reducing sales tax with federal and provincial cooperation. They could have agreed then on how the reductions would be shared. That did not happen.

The manner in which it has been carried out is just not good enough for at least four western premiers who have indicated their unhappiness about it. They will stick by what they agreed and committed themselves to; they are men of their word. Since the minister put the budget proposal to the province of Quebec and that province chose to reduce its sales tax in a different manner than the other provinces, I do not see why the federal government should think it has a problem. This is accomplishing in a different way what the national government want to see accomplished by its budget, namely, significant reductions in sales tax to increase consumer spending and thereby stimulate economic growth and employment.

The argument is not so much in opposition to what is being done by the federal government, but how it is being done. The federal government is trying to suggest to the provinces, whether they be Quebec, Saskatchewan or others, how they should levy their retail sales tax, something in respect of which the federal government has no business, jurisdiction or authority whatsoever.

It seems to me this government would do well to say it will not call this bill for another two or three weeks, or it will accept the amendment proposed by my leader, the hon. member for Oshawa-Whitby (Mr. Broadbent), will go back to the other provinces to work out an agreement, and then come back in a month's time with an amended bill. I am sure the government would then find members on this side of the House ready to see it passed quickly. That is all that is needed. I would not even expect members of this government to blush; just admit they have made a mistake and are happy to do all they can to correct it, and are willing to do what the Minister of Finance has suggested on previous occasions, namely, negotiate. Surely that would be a sign of real leadership and

[Mr. Benjamin.]

statesmanship. Surely that would restore some confidence in cooperative federalism. That would be a move toward national unity instead of playing into the hands of the separatists.

As things stand now those separatists can suggest that, in a tax field that is entirely provincial, Ottawa is trying to interfere, and Confederation is not working for them. In this way the Minister of Finance and the Liberal government have played into the hands of those who want to destroy Confederation.

There are other ways in respect of this bill or a subsequent one in which the government could help Canadians through our present economic difficulties. Let me put forward one suggestion which I know the Prime Minister has received and has said has been turned over to the Minister of Finance for serious consideration.

We require an amendment to our income tax laws that would do away with the standard \$100 deduction for charitable contributions. The standard deduction would then only apply in respect of medical expenses. Those who give to charitable or voluntary organizations would get credit in respect of income tax, but only if they actually made contributions. A tax credit of 50 per cent, as has been suggested by voluntary organizations, would be allowed in respect of those contributions. This would encourage even bigger contributions by Canadians to these worthwhile organizations. The Association of Voluntary Organizations in Canada is unanimous in this suggestion, and this includes the Canadian Cancer Society, the YMCA, and a host of others.

An increase in the funding of those organizations would benefit not only those who are the beneficiaries of their activities, but also those who would be hired to staff the organizations in order to carry out additional work. The organizations would then be in a position to do an even better job in communities across this country.

This is a provision which may not look like very much at first blush, but one which would provide the incentive and opportunity for Canadians to do an even better job in helping one another through these voluntary organizations. It would also stop some of those who are now taking advantage of the standard \$100 deduction as a credit on income tax without giving a nickel. Let us remove that provision and provide a tax credit for those who now give generously and might then give even more generously.

Such a change would be helpful and useful to the communities in Canada. It would encourage people to work together even more than they now are, and would be a symbol or a sign of how this parliament and this government are making significant efforts toward fostering national unity and cooperative federalism.

I began my remarks by saying we are not going to assist this government to precipitate the suicide of our Confederation. I do not care if Liberals want to commit suicide, but we are not going to offer that kind of assistance. I hope members opposite will accept our amendment. I plead with them to return to the finance ministers of Quebec and the other nine provinces for