

of the 44,000 charities should be disqualified. When charities are registered for charitable purposes, why is their validity as charities not examined? The Hon. Member is all worked up about which one should and which one should not qualify, but that is a matter of administration of a tax statute. It is not a question of the validity of whether donations to the Red Cross should be treated in a worse way than our political donations.

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I have listened to the debate today, especially with regard to voluntary organizations. I have a very close friend who has done a paper in this area which is intriguing. The give and take proposal falls into the over-all concept that he has put forward about allowing taxpayers to specify how their tax dollars should be used by receiving some form of tax credit in exchange for the allocation of their funds for some acceptable public social purpose that would be carried out by the private sector. The Hon. Member for Mississauga South (Mr. Blenkarn) has raised this notion, and it is an intriguing one which should be looked at. However, I am afraid that it goes far beyond the scope of the Bill that is before us today.

● (1740)

The Bill before us today is an attempt to implement the tax measures which were brought down in the April budget. Quite frankly, I have listened to the members of the opposition Party raise great concerns about this Bill. To their way of thinking, or at least the way they are expressing their thinking today, this is a Bill that should not be passed and one that we should debate in the House forever and ever. I quite frankly do not understand that position. I was Chairman of the Finance Committee when, for the second time during my tenure, the Minister of Finance (Mr. Lalonde) referred the Ways and Means motions to our Committee.

Mr. Blenkarn: But he didn't refer them all.

Mr. Evans: All except for the ISIP, the tax credit and one other. However, all of the others were referred to the Committee. The first time they were referred to the Committee was a year ago. We came back with a report, to which the Minister responded by making changes to the legislation, which was Bill C-139.

In addition, Mr. Speaker, the Minister then referred the Ways and Means motions from his April budget to the Committee and the Committee undertook its standard procedure, which was to advertise widely across the country. I have with me the proceedings of the Committee which reflect the report that we drafted after our deliberations. We considered all of the Ways and Means motions. We had officials from the Department of Finance before us and we questioned them at length regarding each provision in the Ways and Means motions, and as well we went through the explanatory notes which were before us in detail and asked the officials to explain them, after which questions were raised by the members.

Income Tax Act

I should indicate to you, Mr. Speaker, that we advertised in every Canadian daily newspaper from coast to coast asking for submissions. From that process, we received 15 submissions from across the entire country of which two related directly to the Ways and Means motions that were before the Committee. Thirteen of those submissions dealt with tax matters and general tax policies that went far beyond the scope of the Committee's mandate and far beyond the scope of the Bill that is before us today.

In other words, after advertising, calling for submissions and calling for witnesses, we received two relevant submissions. That implies to me, Mr. Speaker, and I think I draw a valid conclusion, that this Bill and its provisions are widely accepted in the community. There is no great concern about the Bill. The provisions have been scrutinized in public, they were scrutinized at the time the budget was brought down and they have been scrutinized since mid-summer when the Ways and Means motions were publicly available. We advertised for submissions and received only two.

The Committee went through the entire process of examining the Ways and Means motions and we drafted our final report. Our final report on this entire matter, excepting only two or three of the provisions that were not in the Ways and Means motions that I and the Hon. Member for Mississauga South have already mentioned, comprises only two pages. If there is any criticism of this Bill, it is certainly in the most muted of tones.

We have spoken about the overseas employment tax credit, and the Hon. Member for Mississauga South was correct. There are two issues which we said had remained unaddressed. One issue is that income from foreign assignments should perhaps not be taxable in Canada at all, and the Hon. Member has raised that point. We referred that issue to the Minister and, indeed, we believe that the Minister is considering it. However, it does not form part of this Bill because it has far-reaching implications that could not be incorporated into the current legislation. The Minister certainly is aware of the matter because it was contained in our report.

Second, dealing with overseas employment, the amount that is non-taxable refers to certain types of employment income, and we as a committee questioned whether or not it should apply to all income from all sources of employment. It is now relatively restricted and we thought the provision was unduly restricted. Again, the Minister has agreed to examine this and take that under consideration in subsequent legislation and budget proposals.

The investment tax credits have been extended to a three-year carryback and a seven-year carryforward, and we are concerned that there may be more than one benefit such that the combined tax benefits may exceed the investment. In other words, there are several forms of investment tax credits. We thought that this was a good proposal which would provide some impetus to investment, but we were concerned with the so-called stacking problem. We were concerned that if a province allows an investment tax credit and the federal Government allows an investment tax credit, then indeed these