

Oral Questions

situation wherein neither acting minister nor the minister himself is in the House. The Deputy Prime Minister clearly is unaware of some of the developments which have gone on respecting this highly intimidating document put forward by the Department of National Revenue.

Two years ago, on May 17 when a similar issue arose, the Minister of Employment and Immigration, who was then minister of national revenue, indicated to me that political activity had no definition in the act. Also, he admitted that 36,000 organizations had charitable tax status at that time and not one prosecution or action had taken place on the basis of any improper political activities.

Can someone on the other side, the Prime Minister or anyone else who would like to provide an answer, indicate what actions were taken which led to this government department producing a document laying down in specific terms the conditions under which charitable groups in this country could operate?

● (1422)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it seems to me that fact is the explanation of the guidelines which are being given out by the minister. The department is attempting to explain an area of the law which is general, which has to do with charitable donations and with the Income Tax Act. Because these activities are not defined, as the Deputy Prime Minister has said, the department is putting together cases on jurisprudence to indicate to the public how they should be guided.

It seems to me that rather than calling this an intimidating document, the hon. member opposite should welcome the department's trying to explain the law and the regulations.

Mr. MacDonald (Egmont): Mr. Speaker, I am not sure what area of reality the Prime Minister is following, but obviously if the government had been serious and responsible in this matter, there would have been some kind of advance consultations with a good cross-section of charitable organizations in respect of this issue. The fact that there has been none is an indication of the kind of respect the government has for voluntary organizations in this country.

In view of the fact that one church body, the Mennonite Central Committee, has already responded by having interviews with officers of National Revenue, trying to define what the government is getting at in this regard, and that the government, according to officers of National Revenue, have agreed that the Mennonite Central Committee can raise questions in respect of capital punishment, the purchase of fighter aircraft or a change in milk policy but cannot get involved in one of the church coalitions having to do with the upcoming disarmament assembly at the United Nations, will the Prime Minister indicate whether this action of intimidation in the circulation of last February is a direct attempt to remove the legitimate political rights of thousands of voluntary organizations in this country?

[Mr. MacDonald (Egmont).]

Mr. Trudeau: Mr. Speaker, I take objection to the word "intimidation". The department is attempting to explain an area of the law which, as with many areas of the law, has need for explanation. The hon. member knows there is such a thing as administrative law and he knows that the general law has to be applied by departments and by ministers in specific cases.

It would seem to me that this circular—which I have not read—is an attempt, by the description given to us by the hon. lady, to help the taxpayer know what is deductible and what is not. If there is some desire on the part of the taxpayer to obtain further clarification, of course he is always welcome to meet with officials of the department of revenue in order to obtain that clarification. Surely the hon. member should not describe as intimidation an action by the department to explain an area of administrative law.

Mr. MacDonald (Egmont): Mr. Speaker, I have one final supplementary question. The use of the word "intimidation" is mild, compared to the reaction of some of the voluntary organizations which have looked at this document. The Prime Minister, if he has not read it, should read it at the first opportunity, because it is putting the government on record as being an arbitrator in respect of the activities of non-governmental organizations, in respect of publications, in respect of representation and activity, suggesting that their activities must be impartial and objective—

Mr. Speaker: Order. If the hon. member has a question, will he put it, please.

Mr. MacDonald (Egmont): Will the Prime Minister indicate whether he or any other official of the government has instructed the Department of National Revenue to enter into serious conversations with charitable organizations to clear up what is, at the very least, a very bad misunderstanding between the government and these organizations or, better yet, withdraw this particular piece of intimidation and put the whole operation of non-governmental organizations in this country on the respectable footing they have always occupied?

Mr. Trudeau: Mr. Speaker, I take it that in this society nobody likes to pay taxes. The fact is that when you are a charitable organization, you do not have to pay taxes; you are exempt from certain provisions of the Income Tax Act. That is what the law says. Surely, what exactly is a charitable organization, how each particular organization qualifies under the act, and how others do not qualify, are matters for administrative law. Tribunals, in the end result, make a judgment in a particular case as to whether an organization is charitable under the law.

The department, surely, is discharging its duty in attempting to explain, for the benefit of the organizations themselves, what the courts in the past have viewed as charitable and otherwise.

● (1427)

Mr. MacDonald (Egmont): Big Brother is calling the shots again.