

ORAL QUESTION PERIOD

[English]

NATIONAL REVENUE

REGULATIONS PERTAINING TO CHARITABLE ORGANIZATIONS

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Deputy Prime Minister. It relates to the circular sent out by the Minister of National Revenue to churches and charitable organizations limiting the expression of their views on political issues and, indeed, setting out the consequences if these organizations do not conform to the government guidelines.

Would the minister say whether the issuance of these guidelines at this particular time was a cabinet decision, or was it just the Minister of National Revenue acting independently of the cabinet, trying to exercise questionable authority by sending out these regressive regulations?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council): Mr. Speaker, I will try to answer the question asked by the hon. member. I understand that the circular which has been put out was under preparation last summer and was the distillation of existing information which was asked to be put together by the former minister because of an interest in clarifying what exactly is a charity under the Income Tax Act.

The purpose of the circular was to put together information relating to existing jurisprudence on the subject as to what is a charity under the Income Tax Act and what is political activity. There is absolutely no relationship between any possible future event and the putting out of this document. It was undertaken last summer at the request of the minister's predecessor and in response to requests from the field.

● (1417)

Miss MacDonald: Mr. Speaker, my supplementary question is directed to the same minister. I should like to refer to a letter which was sent to my colleague, the hon. member for St. John's East, dated April 18, 1978. It was written by the Minister of National Revenue. He stated that indeed, the charitable status of organizations would not be prejudiced by "limited attempts to promote the interests of these organizations at the political level".

In light of that, what type of criteria did the minister have in mind when he said that he may approve limited attempts to promote the interests of these organizations? In what way is the minister able to sit in judgment on the activities of the churches as to whether their attempts or interests should be limited in any way?

Mr. MacEachen: Mr. Speaker, I am sure no one would attempt to limit the interests of the churches or their activities. As I understand the income tax law, in order to qualify for charitable exemptions, it provides that all resources, including physical and financial, must be devoted to charitable purposes.

Oral Questions

Some people in the community, cynically, do not regard politics as essentially charitable.

MINISTER'S INTERPRETATION OF REGULATIONS PERTAINING TO CHARITABLE ORGANIZATIONS

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, the question I put to the minister concerned who would interpret the minister's expression of "limited attempts" by charitable organizations and churches to promote the interests of their organizations. How can the Minister of National Revenue have the power or authority to interpret what is meant by "limited attempts"? If I may, I should like to direct my final question to the Prime Minister.

Some hon. Members: Order.

Mr. Speaker: I was under the impression the hon. member had already put a question.

Miss MacDonald: My final question is directed to the Prime Minister, because in this instance we have not received answers from any minister in the House who would be speaking for the Minister of National Revenue.

Some hon. Members: Order.

Miss MacDonald: In light of this unaccountability, when will we have the benefit of a minister holding the portfolio of Minister of National Revenue in the House of Commons who will answer and be accountable to the House?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there is an acting minister and a second acting minister. They will gladly deal with policy matters raised by the hon. member.

Miss MacDonald: Who is the acting minister?

Mr. Trudeau: The acting minister is the Minister of National Health and Welfare.

Mr. Beatty: Where is she?

Mr. Trudeau: The second acting minister is the Solicitor General.

Mr. Gillies: Neither of them is here.

Miss MacDonald: Mr. Speaker, my final supplementary is directed—

Mr. Speaker: Order. The hon. member for Egmont.

Miss MacDonald: Neither the acting minister nor the second acting minister is here.

Mr. Speaker: The hon. member for Egmont.

REASON FOR CIRCULATION OF DOCUMENT ON REGULATIONS

Mr. David MacDonald (Egmont): Mr. Speaker, the Prime Minister has just shown the utter fraudulency of the present