

Charitable Donations

Evans) was not prepared to suggest that the subject matter of the motion now before us be referred to an appropriate committee for further consideration.

I recognize that the parliamentary secretary found two aspects of the motion before us not to the government's liking. I am inclined to agree with the two criticisms that were made by the hon. member speaking for the government.

Those two criticisms related, first of all, to the fact that by leaving medical expenses as the subject of a \$100 deduction for everyone, in view of the fact that medicare takes care of most expenses, it would have the effect of adding \$100 to the exemption level across the board. Maybe that should be done, except that it conflicts with our tax credit ideas, but if that is to be done, let it be done on its own and not in this way.

The second criticism the parliamentary secretary had about the motion was to the effect that offering the taxpayer an option of either a tax credit equal to 50 per cent of his donation to charity, or the present system of a deduction from taxable income, is a bonanza to those in the upper brackets, and if it should be considered at all it should be on the basis of a tax credit system all the way.

I say to the parliamentary secretary that I happen to agree with him, but that does not invalidate the fundamental principle the hon. member for Edmonton South (Mr. Roche) is trying to put forward, namely, that contributions to recognized charities should get the same income tax treatment we give to contributions to recognized political parties. This is something that not only has the support of church organizations and voluntary groups throughout our society, but it also makes good sense. This is a case of fair play and equality, and I think it should be considered.

From the way the parliamentary secretary started his speech I felt he might get around to that, and actually say that in spite of the shortcomings of the motion the fundamental idea was sound and he would be happy to ask that it be referred for further consideration. It is not the first time we have been disappointed by government responses to private members' motions, but my experience around this place is that if you have a good idea and you put it forward in a private member's motion or a private member's bill, after a while if you stay with it long enough you win. This is an idea, if I may quote the words of the hon. member for Nepean-Carleton, whose time I think has come, and I hope it will receive favourable consideration.

I say again that what I am supporting is the basic principle that voluntary contributions made to recognized charities should receive the same income tax treatment we accord to voluntary contributions made to recognized political parties. Because that is my view I commend the hon. member for Edmonton South for bringing the subject before us this afternoon.

Mr. Jim Peterson (Willowdale): Mr. Speaker, I too wish to commend the hon. member for Edmonton South (Mr. Roche) for having brought forward this motion. As the two previous speakers have said, it raises a very important issue in this

House. It raises the whole issue of volunteerism, the role of the individual in society and the responsibility of that individual to try to better his or her society by working through it in a non-profit, non-paid way. All of us feel, I believe, that this is the type of activity which deserves commendation, support and understanding, and we should work to promote it.

We have, however, a couple of problems with this bill, and this is in spite of the fact that from the standpoint of the taxpayer the changes being proposed are attractive. They would mean additional tax benefits to the majority of taxpayers. Unfortunately, these additional benefits would cost us, we estimate, in the neighbourhood of \$500 million. That is a lot of money and we would have to find a way of raising that type of revenue.

Members opposite have, time and time again in the past, worried about small amounts they felt this government was overspending. Unfortunately we are in a time of tough restraint, and we cannot do everything that we would like. We do not have the money, and we must put our priorities in order. That is why the staggering amount of \$500 million is a very sobering and chilling fact.

● (1750)

Mr. Nickerson: So is \$12 billion.

Mr. Peterson: Twelve billion dollars is very big, and this would be approximately one twenty fourth of that. I believe that there is no disagreement among members of this House as to the value and the importance of helping voluntary, charitable organizations in their work. They deserve our encouragement and support.

The proposals in this motion are similar to the submissions which were made in 1978 by the national voluntary organizations. This brief attracted the interest of the hon. member who moved the motion which is presently before the House. It is important to examine the reasons why this brief was employed, and the principles which it set forth. The goal of this brief was to increase the level of public support for voluntary charitable societies and to improve the degree of equity in the manner in which the tax incentive was being applied. These are two key principles which we must look at—improved incentives for charitable donations to help the volunteer aspect in our society, and increased equity. I would like to turn for a moment to both of these issues.

[*Translation*]

Mr. Speaker, the motion provides for a possible change under the form of a tax credit to encourage taxpayers to make charitable donations. What would be beneficial in this case would be a tax credit which would be an identical incentive for all donors notwithstanding their income level. Even if their maximum tax rate is 15 per cent or 50 per cent, the taxpayers would take advantage of a tax credit equivalent to the same percentage of charitable donations. The present system which allows the deduction of charitable donations is discriminatory. Consequently, even if the federal treasury could not allow a tax credit of 50 per cent, we should still consider the possibility