

Adjournment Debate

federal NDP but by a municipal candidate. That tax receipt can be used by the contributor as a deduction directly from federal income tax, not from the taxable income but from their federal income tax directly. In that way they get a tremendous benefit.

Do you think that that is legal, Madam Speaker? Do you think that that is in keeping with the spirit of the federal elections expenditure legislation? Do you think it is moral? My answer to all of those questions would be absolutely no.

What does the NDP say about that? The Hon. Leader—and I put that word in quotation marks—of the NDP, the Member for Oshawa (Mr. Broadbent), says that there is nothing wrong with that at all, it is quite legal, do not worry about it, everything is fine. Other members of the federal NDP caucus say that it is great. However, I must qualify that because not every Member of the New Democratic Party federal caucus says that it is great, legal, and moral. Some of them have told me that I am right, that this is not a proper thing to do and that they wish they were not doing it. However, their Leader says that it is okay and legal and so they go right on doing it even though they do not think it is the proper thing to do.

You may remember, Madam Speaker, that the NDP used to wash these contributions through the Ontario New Democratic Party. They used to turn them over to the Ontario New Democratic Party which, in turn, would give them to the municipal candidate and issue a tax receipt against Ontario provincial income tax. They do not do that anymore because the Ontario legislature, in its great wisdom, has said that that practice should not be legal, that it is contrary to the spirit of the elections contributions and expenses legislation and that it is immoral. It passed legislation which made it absolutely clear that it was illegal.

If I was an NDP candidate running for municipal office in Toronto at the moment, in light of this great scam set up by the federal New Democratic Party I would probably decide to pay for the election campaign out of my own pocket. Instead of spending the money directly from my own pocket, I would send it to the federal New Democratic Party which would send it back to me along with a tax receipt which I could deduct from my federal taxes. At the same time I would have the money in my hand to spend on my campaign.

What a scam. What a rip-off. It is just atrocious. The NDP has been using this tax loophole and it should not be allowed to get away with it. It should not be allowed to put its hand in our pockets. We must stop the artful dodgers of the NDP from doing this. Is the Parliamentary Secretary going to get the hand of the NDP out of my pocket and that of the rest of the taxpayers of the country?

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, I heard a Member of the New Democratic Party across the way say that the previous speaker is always worth

the price of admission. I wonder out of whose pocket the price is coming.

The Member raised this issue in the House, and justifiably so, at a time when other issues were being raised about the reporting of expenditures in the last election campaign.

The House is having difficulty concluding second reading of amendments to the Elections Act. It is a very thick Bill and we are having trouble at the grass roots Party level and in this Chamber agreeing to a short debate and movement of the Bill to committee where these issues could be dealt with in statute form.

The Member is right that it is a pocket-picking exercise for people to get tax receipts, therefore reducing the amount of money coming into the federal Treasury, and then spend the money for purposes which do not relate to federal politics. That is the issue the Member raises. There are other issues which came out of the examination by the Committee on Privileges and Elections of the election expenses returns for the County of Frontenac.

I had occasion to go through a number of election expense returns from all Parties, including my own. It is interesting to see the way in which Parties tend to treat elections in terms of both sides of the equation. There are a great many returns from some Parties on which the names of individuals making donations do not appear because the limit is set at \$100 and Parties only have to report the names of people who donate \$100 or more. We find large donations from political associations and unions. Then, with other Parties, the names of a great many individuals are reported as making donations. It is not that people are getting the tax receipt in one case and not in the other. It is simply the way Parties deal with the reporting of the names of individuals.

● (1730)

Another part of the form deals with rebates for election expenses. Money can be spent during an election campaign on campaign expenses, candidates' expenses and election expenses. Election expenses produce a refund, another pocket-picking exercise. Fifty per cent of the money spent on election expenses is refunded, and we must wonder whether, in some cases, items that properly belong under candidates' expenses or campaign expenses are put under election expenses simply to get a larger rebate, another pocket-picking exercise.

The Hon. Member has done the Chamber a favour by raising the issue. I hope that the Chamber will have the will to pass Bill C-79 through second reading stage and get it into committee so that we can get on with the business of amending the Elections Act prior to the next election. A little co-operation would be very much appreciated.

TAXATION—NORTHERN DEDUCTIONS—ELIGIBILITY OF COMMUNITIES

Mr. John Parry (Kenora—Rainy River): Madam Speaker, I have the honour today to rise again on the matter of the