

Income Tax Act

with differing incomes giving the same amount to the Cancer Society, it would cost a person on a \$15,000 income more than it would the person on a \$50,000 income.

We are trying to encourage a sense of charity and generosity across our society. Something which is indexed against the low income person—who has as much right to give and to be encouraged to give as any other Canadian—surely should not be something which is given to the rich. Rather it should be something which enhances the health of our entire society, and our tax measures ought to affirm that.

● (1500)

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, the Hon. Member is arguing against himself even though he is being asked “put-up” questions. He is saying this deduction is going to hurt the guy who makes \$50,000 as much as it is going to hurt the guy who makes \$15,000. Is that not precisely what we want? Is it reasonable to expect that the person who makes \$50,000 a year and has no deductible receipts is going to get the same benefit as the fellow who makes \$15,000 and has no receipts? That is the kind of Tory financial argument we get in this House all the time.

The fact is that if you have to produce receipts to get a deduction, you are going to give enough so that those receipts will be large enough to warrant a deduction. The Opposition is saying that the guy who gives a quarter at the end of October for a poppy is entitled to a deduction of \$100, whether or not he gives anything else during the year. That is precisely what the Hon. Member for Waterloo is saying.

Mr. Kempling: What a sick mind.

Mr. Dionne (Northumberland-Miramichi): If it is the Hon. Member's position that the automatic deduction of \$100 per taxpayer, whether or not he gives anything, is beneficial to charities, I would like to have someone over there explain to me the logic of that convoluted nonsense.

Mr. McLean: Mr. Speaker, let me first of all express some measure of sorrow. The proposals I have been espousing today have been sent regularly by the National Voluntary Organizations Coalition to the Hon. Member's office. If his comments in response to those proposals reflect the seriousness with which he takes them, and if he does not have in his riding a cancer society, a Red Cross, a UNICEF, church groups, a ballet, a choir or a cultural group, or any national voluntary groups, then he will not need to worry about what that sector has been saying.

Mr. Dionne (Northumberland-Miramichi): You are trying to make another speech.

Mr. McLean: The Hon. Member raised the question of equity. I gave an illustration of a \$200 contribution to the cancer society from two taxpayers, one with a taxable income of \$50,000 and the other of \$15,000. The question I asked was, what does it cost these two citizens to support the Canadian Cancer Society? The higher income taxpayer deducts the \$200

from his taxable income, which is taxed at a marginal rate of at least 50 per cent depending on the province of residence. His net cost of making the \$200 gift ends up at \$100 or less. The lower income taxpayer deducts the gift from taxable income, which is taxed at less than 30 per cent. His or her after tax cost is therefore \$140. Given a difference of \$35,000 between the two, the lower income person is paying \$40 more for the privilege of participating in the voluntary sector life of Canada.

If the Hon. Member wishes I will arrange a meeting with the leadership of the National Voluntary Organizations and let them explain it to him the way they have to me. Possibly they can convince him where I cannot of the merit of this proposal.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, the Hon. Member's logic is impeccable but for the great flaw in it. The proposition he is putting forward is that the person who makes \$15,000 is going to contribute exactly the same as the person who makes \$50,000, \$60,000, \$70,000, \$80,000, or \$90,000. He expects us to sit here and swallow that garbage because of the self-righteousness with which he is putting forward the proposal. That is absolute nonsense and he knows it. Why does he not deal with the reality instead of the idealism he is trying to put forward here, which he himself does not believe in, any more than his colleagues believe in medicare? They are only supporting that because it is politically expedient.

Mr. Riis: Mr. Speaker, since Hon. Members have an opportunity to give speeches on the Bill before us, or on their views generally of the tax system, I suggest that we consider the question and answer period to have come to a close and go on to listen to other speakers with other points of view.

Mr. Fisher: Mr. Speaker, I understand the Hon. Member's sentiment. I regret but I happen to have a couple of questions more. I think we should put these questions to the Hon. Member for Waterloo for two reasons: first, because he is a good and positive spokesman for the give and take proposal when he decides to promote it positively instead of with a lot of political rhetoric; second, because there is some confusion here, which has been pointed out quite clearly by my good friend, the Hon. Member for Northumberland-Miramichi (Mr. Dionne).

Mr. Kempling: He is the one who is confused.

Mr. Fisher: The solution offered in the give and take proposal is worthy of debate. It is a good idea worthy of considerable examination. It may or may not fly but it certainly merits some debate. In the Budget we approached an entirely separate problem. The Hon. Member for Waterloo has said that tax deductions have certain problems and tax credits have certain attractions. In making that comment he has clearly distinguished between the current approach and his proposed approach. I ask him to stop mixing up the budget proposal, which is for immediate consideration, and his give and take proposal, which can be handled over the longer term and should be debated. By mixing them up he diminishes the