

Income Tax Act

it is legislation that will do irreputable damage to business and the affairs of the country which it seeks to promote.

Of course, the Bill covers a waterfront of issues. Many of its provisions are ones which should have been passed last March had the Government not foreclosed Bill C-139 in the committee in the last session. I point out to the House that there was no filibuster of Bill C-139 in committee. We were working through the committee stage of that Bill in Committee of the Whole. We had managed to cover at least one-third of the Bill in Committee of the Whole. Yet the Government suddenly decided that it had had enough and the Bill must pass. It terminated the consideration of the Bill by the usual closure effort.

Today we are now faced with a clean-up of Bill C-139. Many of the measures contained in this Bill are complicated technical measures that should have been included when the income tax Bill was before us in March. However, they were not included because the Government insisted on bashing through that Bill without regard to these confusing matters.

There are some good measures and some bad measures in this Bill. Clearly, help to families who have young children at home by providing the ability to deduct child care to the extent of \$2,000 a year or \$8,000 in total for a family is a significant advantage. It is the type of measure which should have been introduced some time ago. Clearly, the extension of the child tax credit to \$343 is important. However, I caution the House not to get too carried away with that because as inflation progresses the sum of \$26,330 that represents the maximum income available on that tax credit scheme will slowly erode the value of that tax credit provision. At the same time, while the tax credit provision is eroded, so will the value of the \$710 presently available to those who claim children as a deductible expense.

From there on we run into problems with the Bill. The first and most dangerous problem concerns the way the Bill treats charities. The charitable groups of this country came before the Government with a fifty-fifty give and take proposition. They proposed to abolish the \$100 automatic deduction for charitable donations and give those people who contribute to charities a tax credit equal to 50 per cent of the donation. The concept was to encourage more gifts to the voluntary sector.

The Government took the take out of the give and take proposal but never gave anything. It abolished the right to claim an automatic \$100 on charitable donations in the tax return and gave the charities nothing. It stated that if someone wanted to deduct anything for a charitable donation, that person must prove every last nickel of the gift with a proper receipt. This may be all right if it were not so complicated to get receipts, but when it comes to small gifts it has been estimated that it costs \$8 for a charity to give a receipt, so that a \$5 gift would cost the charity \$3 if the person insisted on a receipt.

Mr. Evans: Nonsense.

Mr. Blenkarn: My friend across the way says nonsense. I refer him to page 2 of a brief which was presented to his

Minister on September 30 of this year by the National Society of Fund Raising Executives.

Not only did the Government do that to the charities, it also proceeded with a White Paper that told the charities that if they increased their overhead beyond a certain amount they would cease to be treated as charities. This put the charities between a rock and a hard place. This is what the Government intends to do to voluntary agencies. It does not want to treat them properly. While my colleagues will be speaking further on this issue, it does form part of the Bill and we must consider how charitable and voluntary organizations in this country have been treated in this legislation. Provisions of this nature must be eliminated from the Bill.

Next we come to the registered home ownership provisions. There are some provisions here that allowed some of these registered home ownership funds, to be used to buy a home, and to buy furniture. I have written to the Minister and suggested that those funds to be used for the purchase of furniture could also be used for the purpose of home improvements. At this point I suggest to the Government that RHOSP funds be used for home improvements and that repairs to homes might be included. At the same time, perhaps the time limit of December 31, 1983, might be extended so that that particular provision could be extended for at least another six months. I say that because I believe we will all agree in the House that we still suffer from a great deal of unemployment. Second, the kinds of funds that we are trying to get back into the system are funds that are RHOSP moneys that really should not be RHOSP moneys but occur by mistake or by a marriage. For example, if you, Sir, were to marry a lady who had a home and you moved in with her, you could not claim a RHOSP on your own and buy another house because you can only have one home as your principal residence and qualify for a RHOSP as an investment for a new home. The consequence is that funds of that nature are locked in and cannot be taken out. The concept behind these amendments was to allow those moneys to be released for home furnishings, and I suggest for home improvements as well.

• (1710)

The Bill goes on to deal with a number of exploration expenses and overseas employment tax credits. With respect to the overseas employment tax credit, it is our view that this whole question of overseas or foreign income should be free from Canadian tax, period. We see no particular reason for saying that there should be some complicated arrangement whereby a Canadian who earns a good part of his income out of the country should pay tax to Canada on that income earned in a foreign country. After all, that income in a foreign country is taxed in that foreign country. There is no reason for the very complicated provisions set out in this Bill somehow to try to bring some of that income, subject to an \$80,000 salary calculation, back into tax in the way it does. This is the kind of clause we should throw out. It is the kind of clause that adds needless complications to the tax provisions in the Income Tax Act.