

From the Editor

The articles in this issue consider specific instances of government regulation and intervention in the activities of philanthropic organizations. What is and what should be the role of government continues to be of interest and concern to charities.

There is no statutory definition or comprehensive judicial interpretation of what constitutes “charitable objects” and, therefore, it remains uncertain what characteristics an organization must have in order to gain and retain exemption from taxation under *The Income Tax Act*. This uncertainty has permitted interpretation of what qualifies as “charitable activities” by the courts and even by civil servants, as in the case of Revenue Canada’s Information Circular No. 78-3, *Registered Charities: Political Objects and Activities*, and the subsequent decision by Revenue Canada to “deregister” The Manitoba Foundation for Canadian Studies. Even where the principles are supposedly clear, e.g., the principle that political involvement is not a charitable activity, the courts have not always applied the principles consistently.

The extent to which political activities by charities are permitted was last addressed in the Fall, 1980 issue of *The Philanthropist*. In this issue, Henry Intven discusses the legal and policy implications of political involvement by Canadian charities. On this same topic, Ian Morrison recommends the enactment of a statutory definition of “charity” in order to reduce the uncertainty created by government or judicial interpretation of the common law.

The power of the government to determine which organizations have the necessary qualifications to gain exemption from taxation under the *Income Tax Act* and to provide receipts entitling donors to deductions has resulted in a close consideration of tax measures as they affect charitable organizations. Joseph Berman and Edward Waitzer, in their article reviewing the debate as to whether a tax credit is a better device than a deduction for encouraging charitable contributions, suggest that, because charities are regulated by taxation authorities, there has been a preoccupation with tax issues divorced from their consequences for philanthropy. Wolfe Goodman provides his views on the tax credit-tax deduction debate and in doing so highlights another source of concern for charities—the government’s power to determine what tax incentives will be given to donors of gifts.

Donors of gifts to government may find that their gifts will not be dealt with as they, the donors, intended. Richard Woods and John Swaigen review the problem of ensuring that a donor’s intentions are honoured and suggest various solutions.

In addition to our regular features, Mary Louise Dickson outlines the consequences to charities in Ontario of the repeal of the *Mortmain and Charitable Uses Act*.

A handwritten signature in black ink, appearing to read "L. Bevan". The signature is fluid and cursive, with a large loop at the end.

LYNN BEVAN
Editor