

Charity and the Canadian Income Tax: An Erratic History

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I feel strongly that when the history
of these great days comes to be written
that one of the brightest statements that
we shall be able to make will be concerning
that great achievement the voluntary
support towards this great cause.¹

Introduction

From time to time, when it has suited its purposes, the Government of Canada has recognized the value of financial contributions to charitable organizations by permitting certain qualified donations to be deducted from taxable income. This paper endeavours to trace the erratic history of the treatment of charity under Canadian tax law.

What is Charity?

“Charity” was first described in British law in the reign of Elizabeth I. When the *Statute of Charitable Uses* was enacted in 1601,² charity was defined as the:

. . . relief of aged impotent and poore people, some for maintenance of sicke and maymed souldiers and marriners, schooles of learninge, free schooles and schollers in universities, some for reparaire of bridges, portes, havens, causewaies, churches, seabanks and highwaies, some for education and pfermente of orphans, some for or towards reliefe stocke or maintenance for houses of correccion, some for mariages of poor maides, some for supportacon ayde and helpe of younge tradesmen, handicraftesmen, and prisoners or captives, and for aide or ease of any poore inhabitant concninge paymente of fifteenes, settinge out of souldiers and other taxes.³

The interpretation of what constitutes a “charitable organization” today is essentially the same as that of the British House of Lords in *John Frederick Pemsel v. the Commissioners for Special Purposes of the Income Tax*, July 20, 1891,⁴ when Lord Macnaghten found that:

“Charity” in its legal sense comprises four principal divisions: trusts for the relief of poverty; trusts for the advancement of education; trusts for the advancement of religion; and trusts for other purposes beneficial to the community, not falling under any of the preceding heads.⁵

Though a definition of what constitutes a charity has never appeared in Canadian income tax statutes, the above interpretation was used when our current

system of income tax deductions for donations to charitable organizations was first introduced in 1930.⁶ (It was applicable to the 1929 taxation year.)⁷ The most recent Revenue Canada description of what constitutes a charitable organization is (an organization for):

- a) the relief of poverty
- b) the advancement of religion
- c) the advancement of education, and
- d) other purposes beneficial to the community as a whole in a way which the law regards as charitable.⁸

Though it was believed in 1930 that such an interpretation of a “ ‘charitable organization’ covers every species of benevolence that any citizen of Canada may desire to indulge in”,⁹ it could be said that organizations have generally been excluded from activities that the government does not support and that it considers political if they wished to retain their “charitable” status.

The most concerted efforts to control the activities of charities have been made since 1960. Successive federal governments have appeared to believe that charities were operating outside government control and scrutiny. In 1978, the government attempted to clarify the meaning of “charitable objects and activities” in its Information Circular, “Registered Charities, Political Objects, and Activities”.¹⁰ That circular actually spelled out the government’s power (and desire) to limit severely charitable organizations’ right to engage in activities which might be designed “to embarrass or apply pressure upon a government”.¹¹ This antipathy, of course, was not new but it had not previously been enunciated so explicitly. In fact previous statements had been simply reactions to isolated pressures from some charities for social reform or to charities’ expressions of self-interest. Though, under pressure from the charitable sector, the circular was withdrawn, a past chairman of the Department of Finance’s Charities Study Group, Arthur B. C. Drache, noted that its “withdrawal has not made any difference to the policy position of the government”.¹² In 1982, the National Voluntary Organizations (NVO), a coalition of 124¹³ national voluntary/charitable organizations, proposed that the then 91-year-old interpretation of charity be updated to include the public interest advocacy and social reform activities¹⁴ which many charities had undertaken during the sixties and seventies and which often put them in direct opposition to government.

By the following year, the increasing importance of the charitable organizations was recognized by a member of the Opposition who stated in the House that the charitable sector employed more people, and had grown larger, than even the construction industry.¹⁵

The period of “benign neglect” which seems to have arisen from government’s perception that most charities served, rather than opposed, its purposes and which had resulted in the laws respecting charities remaining relatively unchanged since the introduction of the income tax in 1917, was over. (A side effect of the new era of formal government control has been the development of a new legal specialty: tax law relating to charities. As one American pundit put it, “the tax lawyer can make a philanthropist of the meanest of men”.)¹⁶

World War I to the Depression

In 1914, in a special war session, a bill to incorporate the Canadian Patriotic Fund (an organization with origins in the Boer War) was introduced. Its purpose was to raise and distribute funds to the families of servicemen and service-women.¹⁷

Later, in the hope that men and women would be more likely to enlist in the military service if they knew their families would be taken care of when in need,¹⁸ the government tried to see that other necessary charitable organizations were well supported while at the same time ensuring that government itself would not have to become directly involved with providing funds. There was discussion about instituting a special tax to raise the necessary money¹⁹ as it was felt that voluntary contributions would be insufficient and New Brunswick, in fact, did establish subscriptions to the Canadian Patriotic Fund through taxation. Opposing sentiments were expressed at an early conference of the Canadian Patriotic Fund. Though 85 per cent of the contributions were from voluntary sources, one faction insisted that “the people felt the most convenient way of raising the money was by taxation”²⁰ while a spokesman for others stated, “I certainly believe we should have our voluntary contribution, that should come first, and what is lacking should be made up by taxation or some other way”.²¹

Instead of providing direct relief, Parliament provided unlimited income tax deductions for “amounts paid by the taxpayer during the year to the Patriotic and Canadian Red Cross Funds, and other patriotic and war funds approved by the Minister”,²² when the *Income War Tax Act* was first introduced on September 20, 1917.²³ (It is interesting to note that while some parliamentarians recognized that the country had an obligation to help the families of men and women in the services if they were in need, in practice, the families, as one woman reported, “were often humiliated by the acceptance of it . . . because every time they came to my house they treated me as if I were receiving some charity which was doled out to me”.²⁴ The funds were not administered by the government but by a widespread network of private relief organizations.)

Parliamentarians of the day gave a lot of attention to the possibility that fraudulent unregulated “charitable” entrepreneurs might take advantage of the country’s patriotic generosity so a *War Charities Act*²⁵ was passed which both regulated and licensed approved charities. They were required to provide detailed financial returns twice yearly and the purpose of the *Act* was stated as follows:

. . . the relief of suffering or distress, or the supplying of needs or comforts to sufferers from the war or to soldiers, returned soldiers, or their families or dependants or any other charitable purposes connected with the present European War.²⁶

During the war, the following amounts of money were raised by approved charities for relief:

Canadian Patriotic Fund	\$46,187,763
Donations of Dominion and Provincial Governments to the Imperial Government	5,469,320
Manitoba Patriotic Fund	3,957,042
Canadian Red Cross (cash)	7,771,083
Canadian Red Cross (supplies)	13,500,000
British Red Cross	6,100,000
Belgian Relief (cash)	1,642,104
Belgian Relief (supplies)	1,512,800
YMCA (for military work)	4,574,821
Misc.	8,000,000
TOTAL	\$98,714,933²⁷

Unfortunately there is no indication of how much of this money was claimed as tax deductions, or how much such a tax incentive cost the government, as the figures show only how much might have been claimed. A study of other data might reveal this.²⁸

The Canadian Patriotic Fund continued until March 27, 1937. From 1914 to 1937 it raised \$51,584,521.03.²⁹ At its height it provided 54,000 families with relief. In 1916 it distributed \$900,000 a month.³⁰ It still provided funds into the 1930s but such relief was no longer a priority of the government. The Canadian Patriotic Fund was dissolved with the following sentiments expressed:

... their regret being that at its close there are still aged dependants and others in dire straits whom the Fund, due to the exhaustion of its resources, can no longer continue to assist.³¹

The *War Charities Act* itself was repealed in 1927.³² It was noted that 846 associations had been licensed during the war. Six hundred and seventy-one had left the registry by 1925 with 143 local associations of the Imperial Order of the Daughters of the Empire (I.O.D.E.) remaining. It was felt that there was no longer a need for charitable licensing. It was only a burden on the charities involved.³³

In 1920, under the Unionist Government, that section of the *Income War Tax Act* permitting deductions for the Patriotic and Red Cross Funds and other associations was repealed.³⁴ This motion for repeal was carried only after the following section, which would have been applicable to all charities, failed to pass:

Subject to such regulations as may be made by the minister, amounts paid by the taxpayer during the year to corporations organized and operated exclusively for hospitals, orphan asylums, and other charitable purposes, no part of the net earnings of which enures to the benefit of any private stock-

holder or individual to an amount not in excess of ten percent of the taxpayer's net income, as computed without any deduction being made therefrom under the provisions of this paragraph.³⁵

The American charitable tax deduction was cited as argument for a similar Canadian provision. It provided deductions for:

... contributions or gifts made within the taxable year to corporations organized and operated exclusively for religious, charitable, scientific, or educational purposes ... to an amount not in excess of 15 percent of the taxpayer's net income.³⁶

Though it was pointed out that those with relatively low incomes gave the greatest percentage of their incomes to charity, the government of the day said such exemptions would primarily benefit the rich and would also reduce taxes. Other sentiments expressed suggested that "charity to be worthy of commendation ... ought to hurt",³⁷ and there was opposition "as a matter of policy, to any public institution being dependent on charity".³⁸

Thus we see that, when the crisis of war was over, government quickly withdrew the tax incentives which had encouraged donations to wartime charities. Since it was no longer necessary to encourage enlistment, relief was no longer a priority, yet the need was still very evident; the largest charity apparently spent \$13.7 million between 1919-1929 although it had only \$4.4 million in revenue.³⁹ (During the same decade the federal government allotted less than \$2 million to relief for the unemployed.)⁴⁰

While removing the tax incentives for charitable giving, the government did retain the following exemptions from income taxation which have remained intact in one form or another since the inception of the *Act*:

... the income of any religious, charitable, agricultural and educational institutions, Boards of Trade and Chambers of Commerce.⁴¹

But from 1921 onwards these organizations were required to file annual returns⁴² although there were no special charitable income tax returns at that time.⁴³

The Years of the Great Depression

In 1929 the government was urged to assist the provinces and municipalities who were carrying a large burden of responsibility for providing relief to the unemployed.⁴⁴ On May 1, 1930 this amendment to the *Income War Tax Act* was moved by the government:

... that donations to the extent of ten per cent of the net income of the taxpayer to any church, university, college, school or hospital in Canada, be allowed as a deduction.⁴⁵

The Minister of Finance interpreted this proposed amendment broadly to include other charitable enterprises but at the same time wanted only a limited program: "I wish they would allow us to get a little experience in operating this first with a view to widening it in the future in a manner which will be sane and proper".⁴⁶

The amendment failed to take account of the fact that during the 1920s many community funds such as the Federated Charities of Montreal and a similar enterprise in Winnipeg, which served as charitable trusts, had been established. By introducing an income tax incentive which would apply only to institutions, the government was, in effect, directing donations away from the “community chests” as well as other unspecified charities. Many “leading citizens” expressed their concern.⁴⁷ As Protestant charities were most often secular and Roman Catholic charities were most often sectarian, it was felt that the amendment might also promote religious bigotry. There was even a suggestion that all eligible charities be named in the legislation.

Faced with these objections, the government relented and substituted the all-encompassing phrase “charitable organization” for the specific institutions originally named, relying on British common law for its interpretation of the term.⁴⁸ It was specified that only receipted donations would be acceptable for tax deduction, not “plate” donations. The 10 per cent figure was chosen because it originated in the Mosaic Law and the practice of tithing.⁴⁹ During the debates one speaker pointed out that a man with an income of \$250,000 who made a donation of \$25,000 would still have to pay \$10,000 tax on the donation.⁵⁰ This seemed to appeal to the parliamentarians and the amendment became law on May 30, 1930 during a special session called to deal with the Depression.⁵¹

Providing incentives to the populace to donate to private charities was a measure the government could introduce without itself assuming responsibility for relief. It could be seen to be assisting those in need even though, initially, it wanted to curtail the type of donations which qualified. The amendment also provided a means of assisting the overburdened provinces without the federal government becoming involved in a provincial responsibility. At least some of the impetus for its passing arose from fears of the unemployed. It was noted that the unemployed were organizing to demand assistance from municipalities, who were themselves in financial difficulties, and there were fears the organized unemployed would become Communists or resort to violence. (It was noted with alarm in the Senate that a Communist alderman had been elected in Winnipeg.)⁵² Nevertheless the tax incentives for private charity were not expected to do the entire job. A \$20-million *Unemployment Relief Bill* was also put forward. Costs were to be shared equally by the three levels of government and the money was to be used for public works and relief.⁵³

My research revealed few debates relating to charity and the income tax in the 1930s except that the 10 per cent limit was brought into question in 1934, not by the wealthy, but by members of unions who had donated 15 per cent of their incomes “to maintain the unemployed members of the union”.⁵⁴ The government of the day indicated that it administered the law pertaining to charitable donations very strictly and would not allow any of these special donations or union dues to be exempted from taxation. Another change did, however, come in 1934 when gift taxes were introduced. Donations to charities were exempted.⁵⁵

World War II

In 1939, with the outbreak of another war, charity once again became a priority of the federal government. Both the *War Charities Act*⁵⁶ and the *Canadian Patriotic Fund*⁵⁷ were re-enacted in a special session. There were many approved war charities such as patriotic organizations like the I.O.D.E., the Canadian Red Cross Society Fund, the Canadian Legion War Services Fund, and the Salvation Army War Services Fund.⁵⁸ These charities also provided overseas relief. Initially they were overseen by the Secretary of State, and later (1940) by the Department of National War Services.⁵⁹

Since the government had a vested interest in the work of war charities, 50 per cent of donations to those they approved could be deducted in 1939-1940,⁶⁰ 40 per cent in 1941.⁶¹ In 1941 corporate donations became a separate category for the first time. Individuals continued to be able to claim tax deductions for other charitable donations of up to 10 per cent of their incomes while corporations were limited to five per cent⁶² until 1958 when donation levels were equalized at 10 per cent.⁶³

From Recognition to Registration

The *Income War Tax Act* was replaced by the *Income Tax Act* in 1948.⁶⁴ At that time it was noted that there was no master list of charitable organizations available. Each income tax district kept its own.⁶⁵ However, after 1948, charities wishing to issue receipts for income tax purposes were required to apply for recognition as charitable organizations on a prescribed form.⁶⁶ Since the government believed that some wealthy citizens were setting up “charitable foundations” from which they themselves expected to benefit, in 1950 the government introduced legislation defining a charitable foundation and requiring such foundations to disburse 90 per cent of their annual incomes to charity.⁶⁷

A review of the federal government’s income tax forms from 1917 on, shows that the provisions relating to itemized deductions were continually being reorganized, regrouped, and rewritten. In 1942 charitable donations were first grouped with medical deductions. Any medical expenses over five per cent of the taxpayer’s net income were permitted as a deduction from taxable income. This was changed to four per cent in 1944 and three per cent in 1957. In 1942, gifts to the Crown were also grouped with charitable donations and medical expenses, though as separate items. After the implementation of the *Income Tax Act* (1948) charitable donations were grouped with both medical expenses and personal exemptions, though as separate items. From 1943 to 1956 business losses were included in this group.

In 1957 the optional \$100 standard deduction was established. It applied to charitable donations, medical expenses, and union, professional or similar dues.⁶⁸ This provision followed a revelation in 1956 that some regions were permitting unsubstantiated charitable deductions of amounts under \$25 as a matter of administrative expediency.⁶⁹ The Opposition of the day urged consistency. Introducing legislation permitting the \$100 standard deduction in 1957, the Minister of Finance indicated that a survey had shown that “for more

than half of income taxpayers, the combined claims for charitable organizations, medical expenses, union dues and professional fees of employees amount to less than \$100 a year per taxpayer".⁷⁰ He stated that for "the majority of taxpayers . . . the standard deduction will prove advantageous" and would even cost the government money. Emphasis was also placed on "eliminating a great deal of unproductive paperwork . . . not only for the government but for taxpayers as well".⁷¹

Although medical expenses were used in the example, some consideration was given to the encouragement of charitable giving: taxpayers whose donations exceeded the 10 per cent annual limit were permitted to carry the excess forward to the next tax year. This was a minor concession to supporters of the universities who were urging an increase in the 10 per cent limit.⁷² At the same time the Opposition proposed a 20 per cent ceiling for deductible charitable donations, as was the case in Great Britain and the United States.⁷³ A Social Credit member noted that "it seems to me unfair that someone who gives very little or nothing is allowed a deduction of \$100, whereas someone who is much more generous receives no exemption whatever for certain portions of his donation".⁷⁴ The injustice to those whose medical expenses were over \$100 but under three per cent of their net incomes was also noted. There was pressure to increase the personal and married exemption levels. The government came up with the \$100 standard deduction as a compromise.⁷⁵

A review of the statistics related to individual charitable giving since 1959⁷⁶ suggests that this particular policy has had a major impact on charitable donations. They have consistently decreased, although the measure somehow gave rise to a myth that it would increase charitable support. In fact, charities were not considered when the policy was formulated nor did it come about as a result of some national emergency or crisis. It was merely a side effect of a political compromise. Since it took until the 1984 taxation year for the standard deduction to be removed, it could be inferred that for at least 25 years there has been little political appreciation of what charities accomplish and that charities have little political influence. For example, in 1961 a member of the Opposition stated that while the level of other exemptions from personal income tax should be increased, charitable deductions should be eliminated as they were a loophole through which the government lost hundreds of millions of dollars in taxes.⁷⁷

Instituting the \$100 standard deduction did not, as the government had hoped, solve all the problems arising from charitable deductions. For example, it appeared that large numbers of parishioners of Quebec churches (which did not have an "envelope" tradition like many other churches) had been claiming unsubstantiated charitable donations as income tax deductions. They had merely indicated to their churches that they had given a particular sum and the churches had issued a corresponding receipt. These receipts did not, however, tally with the actual level of donations received as "plate" revenue by the churches concerned and it was estimated that this practice had resulted in an annual loss of about \$75 million in taxes.⁷⁸

In 1961 it was reported that Quebec residents had claimed donations of

\$164,616,000 to charity while residents of all the rest of Canada had claimed only \$137,713,000. In 1962, \$157 million in donations was reported for Quebec; \$85.6 million for Ontario.⁷⁹ Though it was apparent that donations were poorly recorded, the ensuing lively debate did not focus primarily on that issue. Instead, these figures were used as an indication of Quebec's wealth and it was suggested that the province's equalization payments be reduced. Even though abuse was apparent, critics made it appear as though the government was once again out to exploit Quebec, the debates tended to indicate religious bigotry against Quebec Catholics, and the government was seen to be attacking Quebec clergy.⁸⁰ The Department of National Revenue apparently then selected a sample of Quebec Catholic parishes and demanded that their parishioners' claims be substantiated. The percentage difference between the parishes' actual revenue and parishioners' claimed deductions was to be proportionately applied to reduce claims for all parishioners.⁸¹

To resolve the problem, an Opposition member from Quebec proposed that the \$100 standard deduction be raised to \$200 or that a 10 per cent standard deduction be introduced to accommodate "plate" donations. "For there is not a single Canadian who does not donate more than \$100 per year to charitable organizations across Canada," he stated.⁸²

The Minister of National Revenue had a different proposal to rectify "the matter of exaggerated receipts for which charitable deductions were claimed, a situation with which all honourable members are well acquainted".⁸³ After extensive debate, the government moved to create a charitable organization section with a registrar-general. Its function "would be to receive and review all applications for registration, receive and examine the prescribed information returns filed yearly, direct the program of audit and investigation to be carried out by the assessing staff at the district offices, develop the forms required and the regulations necessary, recommend such changes or amendments as might become advisable, and generally carry out the provision of the law".⁸⁴ Registration was to come into effect on January 1, 1967. In response to a member's question,⁸⁵ it was noted that as of December 31, 1963 there had been 1,040 charitable organizations and that local branches of a charity or regionally specific charities were not usually indicated.⁸⁶

(Another change had come about in 1965. Union dues and professional fees were excluded from the \$100 standard deduction which now applied only to charitable donations and medical expenses.)⁸⁷

To meet the registration requirement (each local charity was required to register) the government moved as quickly as possible to deal with applications. Processing 34,630 applications, the government approved 31,373 for 1967. In 1968, 3,123 out of 4,322 were approved and thereafter about half of an average of 2,000 annual applications was approved.⁸⁸ (The effects of registration were, it should be noted, not entirely benign. Such groups as the Union of Ontario Indians⁸⁹ and the International Fund for Animal Welfare⁹⁰ were deprived of their charitable status.)

As part of its program to curb abuses, in 1962 the government had issued an

Information Bulletin setting out the donations which would not qualify for income tax deductions:

- a) donations to charitable organizations outside Canada
- b) donations to individuals
- c) the value of services rendered
- d) the value of merchandise where its cost has been charged as an expense of business
- e) donations of old clothes, furniture, etc. . . . and other amounts paid for card parties, bingos, lotteries, etc.⁹¹

Following this first circular, bulletins became less negative, more detailed and more frequent.⁹²

1972 – 1984

In response to a White Paper on taxation, in 1972 the government introduced changes in the Budget which would permit deduction of charitable donations of up to 20 per cent of income.⁹³

However, the vast majority of legislative changes and proposals since 1950 have affected foundations and trusts rather than the average taxpayer. For example, in 1976 charitable foundations were divided into two categories: public and private foundations. They were also required to disburse the value of five per cent of their assets to charitable organizations. New regulations for registered charities required them to submit public information returns and permitted them to engage in related business activities.⁹⁴ These recommendations came out of the Department of Finance's Discussion Paper, *The Tax Treatment of Charities*⁹⁵ which was put forward after input from the charitable sector.

Further changes in the rules affecting foundations and charitable trusts were proposed in MacEachen's Budget of November 1981.⁹⁶ When a storm of opposition greeted these proposals the Department of Finance issued a related Discussion Paper in 1983 entitled, *Charities and the Canadian Tax System*.⁹⁷ Neither set of proposals has been implemented.⁹⁸ A *Non-Profit Corporations Bill* with 242 clauses designed further to regulate and restrict charities and non-profit organizations was introduced in 1978 but it, too, was later withdrawn.⁹⁹

While these changes and proposals from government did little to encourage Canadian support for charities, government did, beginning in 1971, initiate a number of statistical studies of the charitable sector,¹⁰⁰ and the Department of the Secretary of State established a National Advisory Council on Voluntary Action with representation from the charitable sector. (In 1977 this Council published a comprehensive set of recommendations,¹⁰¹ few of which have been implemented.)

At the same time, charities themselves were beginning to organize. For example, in the late seventies and early eighties, co-operative bodies like the National Voluntary Organizations and The Canadian Centre for Philanthropy were organized to advocate positive changes. Two major priorities of the National Voluntary Organizations have been elimination of the \$100 standard deduction

in favour of a 50 per cent tax credit for donations, and changes in the government's list of permitted activities for registered charities so that registered charities can engage in advocacy for social reform without risking deregistration.¹⁰² (It seems ironic that 67 years after the first income tax deductions for charitable donations were permitted as a means of encouraging support for the Canadian Patriotic Fund, it was reported in 1984 that the Canadian Home and School and Parent-Teacher Federation, a charity, was threatened with deregistration because of its patriotic objectives because "patriotism is seen as being too political".)¹⁰³ Both of these national charitable advocacy groups are publicizing the fact that the charitable sector is now a significant part of the national economy—there were 49,673 registered charities and 98 amateur athletic associations in Canada as of January 23, 1984¹⁰⁴—that warrants greater attention and support from government.

Conclusion

Tax deductions for personal charitable donations arose from the federal government's desire that such funds be used to achieve specific government objectives—recruiting in World War I and public relief during the Great Depression.

This type of manipulation is no longer possible. Charities are now discovering their historical and financial impact and have learned to organize and lobby for desired changes in government policies. Historical data are being collected¹⁰⁵ and fundamental questions about the role of charitable organizations are now being asked. For example: to what degree are charities only quasi-government bodies serving government interests and do they, or should they, foster social reform? A review of the history of income tax regulations affecting charity in Canada shows that future governments will have to be aware that charitable deductions or tax credits can provide either a regressive or progressive social tax, both through the revenues they may generate for charities and through the activities which are permitted or prohibited for those who seek charitable registration so that their donors may be eligible for income tax deductions.

FOOTNOTES

1. The Rev. A.H. Moore, St. John's, P.Q., in the *Report of the Proceedings at a Conference of Representatives of Branches of the Canadian Patriotic Fund in Eastern Canada held at Toronto, May 16-18, 1916*, Ottawa: The Simmons Printing Co. Ltd., p. 61.
2. Michael Chesterman, *Charities, Trusts, and Social Welfare*, London: Weidenfeld and Nicolson, 1979, p. 6.
3. In the preamble to 43 Eliz.I, c.4, John G. Smith, "Taxation Affecting Charities", in *Taxes and Charitable Corporations*, Peter A. Cumming and John G. Smith, eds., Toronto: Richard De Boo Ltd., 1974, p. 43.
4. *John Frederick Pemsel v. the Commissioners for Special Purposes of the Income Tax*, House of Lords, July 20, 1891, as reported in *Law Reports, Council of Law Reporting*, London: Wm. Clowes and Sons Ltd., 1891, pp. 531-592.

5. Lord Macnaghten, *ibid.*, p. 583.
6. Hon. William Daum Euler, M.P., (Liberal, Waterloo North), Minister of National Revenue, *House of Commons Debates*, 16th Parliament, 4th Session, Vol. III, May 28, 1930, pp. 2714-2715.
7. *Statutes of Canada*, 1930, Ch. 24, ss. 3,7, 20-21 George V, R. A. 30 May 1930.
8. Revenue Canada, Information Circular, "Registered Charities", 80-10, August 29, 1980, p. 2.
9. Hon. Richard Bedford Bennett, M.P., (Conservative, Calgary West), Leader of the Opposition, *House of Commons Debates*, 16th Parliament, 4th Session, Volume III, May 28, 1930, p. 2715.
10. Revenue Canada, Information Circular, "Registered Charities, Political Objects, and Activities", 78-3, February 27, 1978.
11. *Ibid.*, p. 3.
12. Arthur B. C. Drache, *Canadian Tax Treatment of Charities and Charitable Donations*, 2nd ed., Toronto: Richard De Boo Ltd., 1980, p.5.
13. Personal communication with the National Voluntary Organizations, June 21, 1984.
14. Coalition of National Voluntary Organizations, *Voluntary Action*, April 1982, p. 7.
15. Douglas Roche, M.P. (Progressive Conservative, Edmonton South), *House of Commons Debates*, 32 Parliament, 1st Session, Vol. XXII, April 26, 1983, p. 24891.
16. *The Philanthropist*, Vol. I, No. 1, Fall, 1972, p. 56.
17. Hon. Robert Rogers, M.P., (Conservative, Winnipeg), Minister of Public Works, *House of Commons Debates*, 12th Parliament, 4th Session, Volume: *Special War Session*, August 21, 1914, pp. 49-50; *Statutes of Canada*, 1915, Ch. 8, 5 George V, R. A. 22 August 1914.
18. Hon. George Perry Graham, M.P., (Liberal, Renfrew South), *House of Commons Debates*, 12th Parliament, 7th Session, Vol. I, Feb. 1, 1917, p. 377.
19. Hon. Alexander Kenneth Maclean, M.P., (Liberal, Halifax), *House of Commons Debates*, 12th Parliament, 7th Session, Vol. IV, Aug. 3, 1917, pp. 4125-4126.
20. Sir Herbert Brown Ames, M.P., (Conservative, Montreal-St. Antoine), author of *The City Below the Hill*, 1887, Honourary Secretary (1914-1918) for the Canadian Patriotic Fund in an address entitled, "The Policy of the Fund for 1917", footnote 1, *supra*, p. 59.
21. Mr. J.T. James, (Bridgebury), footnote 1, *supra*, p. 61.

22. 1917 Income War Tax Form and *Statutes of Canada*, 1917, Ch. 28, s.3.1.c, 7-8 George V, R.A. 20 Sept. 1917.
23. *Ibid.*
24. Hon. George Perry Graham, M.P., (Liberal, Renfrew South), *House of Commons Debates*, 12th Parliament, 7th Session, Vol. IV, Feb. 1, 1917, p. 379.
25. *Statutes of Canada*. 1917, Ch. 38, 7-8 George V, R.A. 20 Sept. 1917.
26. *The War Charities Act, 1917, and Regulations and Forms Thereunder with a Forward by the Hon. Martin Burrell, Secretary of State*, Ottawa: J. de Labroquiere Taché, Printer to the King's Most Excellent Majesty, 1918.
27. *Canada Year Book*, 1918, p. 660.
28. The Federal Government section of the Public Archives has boxes of available documents on "War Charities" under the general heading "Secretary of State".
29. E. L. Brittain, (Management Committee), for the Honourary Treasurer, Hon. E. N. Rhodes, in the *Canadian Patriotic Fund. A Record of its Activities from 1929-1937 and covering the period from August 1914 to March 27, 1937. Fourth and Final Report*, pp. 14-15.
30. W. F. Nickle, Honourary Secretary, *ibid.*, p. 6.
31. *Ibid.*, p. 12.
32. *Statutes of Canada*, 1926-1927, Ch. 39, 17 George V, R. A. 31 March 1927.
33. Hon. Arthur Bliss Copp, M.P., (Liberal, Westmorland), Secretary of State, *House of Commons Debates*, 14th Parliament, 4th Session, Vol. III, April 27, 1925, p. 2521.
34. *House of Commons Debates*, 13th Parliament, 4th Session, Vol. IV, June 9, 1920, p. 3315.
35. Hume Blake Cronyn, M.P., (Government Unionist, London), *ibid.*, p. 3311.
36. *Ibid.*, p. 3244.
37. Michael Clark, M.P., (Government Liberal Unionist, Red Deer), *ibid.*, p. 3312.
38. Hon. Daniel Duncan McKenzie, M.P. (Opposition Liberal, Cape Breton North-Victoria), *ibid.*, p. 3314.
39. Footnote 29, *supra*. The following figures are found on pp. 3-4:

Canadian Patriotic Fund

Years	1914-1919	1919-1924	1924-1929	1929-1937
Receipts	47,153,819.35	3,371,298.79	744,254.85	315,148.04
Expenditures	37,920,283.94	9,246,660.69	2,543,275.42	1,874,300.98
Differences	9,233,535.41	-5,875,361.90	-1,799,020.57	-1,559,152.94

Years	1914-1937	
Receipts	51,584,521.03	4,430,701.68
Expenditures	51,584,521.03	13,664,237.09
Differences	- 9,233,535.41	

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103. Hon. Arthur Jake Epp, M.P., (Progressive Conservative, Provencher), *House of Commons Debates*, 32nd Parliament, 2nd Session, June 13, 1984, p. 4613.
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	Charities	Amateur Athletic Associations
Registered	46,584	92
Reinstated	3,089	6
Terminated	3,872	0
Revoked	12,284	17
Annulled	20	0
TOTAL	65,849	115

105. Historical data are available from Revenue Canada. Under the title *Taxation Statistics*, they have been published annually since 1946.
 Historical data are available from Statistics Canada. Under the title *Corporation Taxation Statistics*, 61.208, they have been published annually since 1965.

Historical estimates are available from Statistics Canada. They are entitled *National Income and Expenditure Accounts*, 13.531, Vol. I, 1926-1974, March 1976; 13.201, 1968-1982, November 1983; 13,549, Vol. 3, Guide, September 1975.

Additional historical data are available from Statistics Canada. They are entitled *Charitable and Benevolent Institutions in Canada*, Vol. IX, 1931 Census, or 83-D-51; 83-D-56, 1936; 83-D-55, 1941 and 1946; 83-D-50, 1951.