

*Income Tax Act*

citizen has no right to make such a statement, which is unfair to the people of the province of Quebec. There surely has been some abuse in that province, as in any other province of Canada. I do not share this individual's opinion at all and publicly denounce it. I think that such a statement is only a "breeding medium" for separatism.

If the idea of separatism is making some progress, these days, it is probably because of statements like that. I am sure that the people of Quebec are just as honest as anybody else.

Mr. Chairman, I have here a notice of assessment which was sent by the Department of National Revenue to a resident of the province of Quebec. This photocopy reads as follows:

After checking, your deduction for charitable donations to the parish has been reduced from \$340 to \$250.

In my opinion, that is absolutely meaningless. No good reason is given for reducing the deduction for charitable donations. In my opinion, officials of the Department of National Revenue have no authority under the act to reduce arbitrarily the amount of a receipt for charitable donation. Consequently, I object to such a practice.

I feel that the minister should seriously seek means to settle this problem once and for all. Several members have made interesting suggestions in that connection, but I do not fully agree with them. I will come back to that later on.

I should also like to know the total amount of the receipts for several years rejected by the Department of National Revenue. What is the total amount of those receipts? Every year, I am surprised when officials of the Department of National Revenue even go to rectories to check receipts for charitable donations.

In my opinion, it is an insult to so question the honesty of the clergy of the province of Quebec and of other provinces because, I am convinced that the same practice must be followed elsewhere and inspectors from the Department of National Revenue must be sent to check along these lines.

I should like to know whether in fact, the officials of the national revenue department audit the books of the Red Cross, for instance, or of the various community chests in the country. I wonder whether that is done with as much care as the investigations in the clergy houses where direct insults are made to their religious authorities.

I think that our Income Tax Act should be completely revised and adapted, not only to the Protestant denominations which I respect, but also in taking into consideration the Catholic religion. And on that matter, I should

[Mr. Pigeon.]

like to quote into the record from a speech by Mr. François-Albert Angers.

The story of the famous income tax receipts illustrates once more the troubles resulting for French Canadians or Catholics from a legislation conceived according to the philosophy of the English Protestant majority. Because as it was clearly established by the Tremblay commission, income tax is a matter which should remain entirely provincial, precisely because that is the tax which calls for interference into a multitude of family and private traditions: treatment of the children, concept of the relations between spouses, relations between parents and children, for instance, and the matter of salaries to be paid to the sons of farmers, etc., etc.

Consequently, I think it would be in our interest to revise completely our Income Tax Act and particularly that section.

Like other hon. members who made similar statements, I think we should find some scheme to eliminate those famous receipts. Some contend that there should be an automatic deduction of 10 per cent on the income. I think those people who advocate that system do not realize its impact.

In fact, if the government granted an automatic 10 per cent deduction without asking for charity receipts, that would be detrimental to those in the lower income brackets and the people in the higher brackets would profit from it.

I would prefer a 10 per cent exemption with a maximum of \$500 without asking for receipts of course. That would mean that the taxpayers whose annual income is not over \$5,000 would not have to ask for receipts every year in order to deduct 10 per cent from their taxable income. I think this is a constructive suggestion which should be taken into consideration by the government.

I just said that if the government granted an automatic 10 per cent deduction, it would discriminate against those in the lower income brackets.

As a matter of fact, before adopting make-shift solutions, it might be advisable to give some thought to the matter. The removal of the 10 per cent exemption for charitable donations would have, of course, the advantage of simplifying the matter, but it would not be the ideal solution.

Let us take for instance, the two provinces with the highest per capita income: Ontario and British Columbia. In the province of Ontario, out of 1,734,782 taxpayers, 1,168,669, or 62 per cent, use formula "A", that is, they claim the \$100 exemption without submitting receipts.

In British Columbia, out of 443,252 taxpayers, 349,160, or 78.9 per cent, do not submit receipts for charitable donations. Even in the province of Quebec, the exemptions claimed do not represent 10 per cent of the taxable