

*Income Tax Act*

industries which would set up in so-called underdeveloped or depressed areas.

Now, I represent a region which was designated as a depressed area about three weeks ago. The main industry in that region is the mining industry and even if the Minister of Finance (Mr. Gordon) or the government would urge new industries to set up in our region, I think that first, they should think for instance, about changing our climate and the distance between us and the large centres such as Montreal, Quebec, Three Rivers and Valleyfield.

In fact, the management of Noranda mine, one of the largest companies in our region, have set up a zinc refinery in Valleyfield, precisely because the towns of Rouyn and Noranda were too far from the large communities. So, this legislation will surely not prompt new industries to set up in our region.

However, there is another way to hasten the solution of the problem facing us in northwestern Quebec, and it is to increase the price of gold. That would probably create some 30 new mining industries in the district, and it would enrich the federal treasury. In addition, it would help fight unemployment, which is fairly high in our area, and it would contribute to the economic development of the district. Then, the government could boast of having introduced legislation to help a depressed area.

Mr. Chairman, one of the clauses of this bill provides that the government will make tax concessions where there is relocation of secondary industries.

Now, just a few weeks ago, a bill was introduced in the house to amend the personal income tax. How does the government conciliate moves like that?

On the one hand, it gives tax incentives to industry and, on the other hand, it increases the personal income tax to reduce the purchasing power of individuals.

It seems that nothing worth while is being done, that no positive solution is being offered, no solutions likely to solve this problem which is becoming more and more acute and serious.

The problem will not be solved only by introducing measures that are more or less senseless. At this very time, some small Canadian industries are on the brink of bankruptcy. We are not helping small industries; there is no provision in this bill to give them assistance. Why not help those that are already in operation? It seems to me that this would be a more logical solution than the one now being suggested.

[Mr. Caouette.]

Mr. Chairman, while on the subject of personal income tax, I shall refer to a notice of assessment forwarded to me by one of my constituents.

I refer to notice of assessment No. 0839136, in the name of Mr. Jean Guy Trepanier, 187 Saguenay St., Noranda, P.Q. As indicated at the bottom of the notice of assessment, here is the decision of an income tax official:

The deduction claimed for charitable donations has been reduced from \$511 to \$200.

This income tax official admits having in hand the receipts for charitable donations and arbitrarily decides to reduce the amount from \$511 to \$200. This is in connection with personal income tax.

Mr. Chairman, in the newspaper—

**Mr. Habel:** Could the hon. member for Villeneuve tell us what was the net tax amount owing?

**Mr. Caouette:** In reply to my excellent friend from Cochrane, the federal tax amounted to \$349.

**Mr. Habel:** No, I mean what was the net amount of taxable income?

**Mr. Caouette:** The net taxable income is not mentioned on the assessment notice.

**Mr. Habel:** It could throw light on the situation.

**Mr. Caouette:** No, it could not throw light on the situation. I will answer the hon. member for Cochrane by saying that it could not change the deduction, because the deduction claimed for charitable donations accompanied by receipts has been reduced from \$511 to \$200. One thing is certain, however, it was not larger than 10 per cent; it was scarcely 7 per cent. That, I know.

We suggest to the Minister of Finance and to the Minister of National Revenue to free the Canadian citizens from the petty annoyances which stem from arbitrary decisions of federal officials, and to generalize that measure in order to increase the buying power of the Canadian consumer. If this buying power were increased, the Canadian industry would be promoted and would make great strides, while today it finds itself paralysed, because its stockrooms are overfilled and it cannot sell its production as it would normally.

That is indeed the crux of the matter. We are not confronted with a need for greater production, but with a problem of distribution of existing production.

Inventories, annual production, excess production, we have all that. No Canadian alive today has to worry about finding clothes, houses or what have you. But all, without exception, wonder how they can buy these