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Crédits du ministère du Revenu

Le 13 mai 1969

79

75

Président : l'honorable Gérard Lebel

Commission du revenu

Crédits du ministère

Séance du 13 mai 1969

(Vingt heures vingt-six minutes)

MR. JOHNSTON: Due to the absence of Mr. Desmeules, à would ask Mr. Sauvageau to act as the President of this committee.

MR. BOURASSA: We will agree, he was a good Chairman.

M. SAUVAGEAU (président de la commission du revenu): A l'ordre, messieurs!

Nous commençons l'étude des prévisions budgétaires du ministère du Revenu. Je laisse la parole au ministre.

MR. JOHNSTON: Mr. President, knowing that the Department of Revenue is a strictly administrative Department, since we sat and discussed the budget estimates a year ago, there have not been very many changes. Mr. LeBoeuf, The Assistant deputy minister, has taken his pension just recently and, since that time, we have had the opportunity to appoint three new assistant deputy ministers.

MR. BOURASSA: You said that Mr. Pierre LeBoeuf is gone.

MR. JOHNSTON: He has taken his pension.

MR. BOURASSA: When?

MR. JOHNSTON: He has approximately 34 years of service with the Department...

MR. BOURASSA: à know. He was a great civil servant and à realized that when à was a civil servant myself. à like to tell this because he was advisor to a lot of prime ministers and to various fiscal conferences. à would say that it is a great loss for the department.

MR. JOHNSTON: Yes, that is a loss for the department, but he choses to take his retreat, and as such, à think it is more or less his health he had to consider, à think it is possibly due to the fact that during the last year he lost two of his brothers.

But, in the event, we have had the opportunity of appointing Mr. Gauvln, Mr. Guerci and Mr. Bergeron as assistant deputy ministers. They are here tonight, with me, along with Mr. Després the active deputy minister.

MR. BOURASSA: Three to replace Mr. LeBoeuf, that is quite...

MR. JOHNSTON: Actually, at the time we were short two assistant deputy ministers.

MR. HYDE: à think that the three new assistant deputy-ministers are probably in charge of separate Departments.

MR. JOHNSTON: Mr. Gauvin is in charge of the income tax and corporation tax; Mr. Guerci is in charge of sales taxes and Mr. Bergeron is in charge of administration.

MR. SEGUIN: What is the Deputy Minister's name?

MR. JOHNSTON: Mr. Guerci.

MR. SEGUIN: And what is his responsibility again?

MR. JOHNSTON: He is in charge of the sales tax.

MR. HYDE: Does the Minister have a general comment?

MR. JOHNSTON: No.

MR. HYDE: Are there any other changes In either staff or equipment, location, etc?

MR. JOHNSTON: Well, in the last year, after having had a complete study made by experts, we have decided to mechanize our Department a little more. We have started a program, and it will take the next five years to implement. In the present year, we are implementing some of these changes.

MR. HYDE: Are you speaking of « traitement électronique des données »/ Data-processing? And you are getting more, you are speaking more in the sense of more autonomy, if we can say, autonomy within the Department, that you are dealing more with you own equipment rather than with the « centre de traitement des données ».

MR. JOHNSTON: We have been authorized to install our own data-processing center. The purpose of the present project is to have a fully integrated date-processing system, which will give us quite a bit of flexibility whatever changes are bound to take place in the Income Tax Act or the Sales Tax Act. At the present time, the part of mechanization which we have is programmed according to specific taxation acts, whereas the new system will provide for two master files, one having to do with businesses and the other one having to do with individuals, so that in a nutshell, if the taxpayer wants to know what he owes the Department, it will be tabulated for the total amount owed under any tax law, and the same thing would be true with businesses. So it will not matter if a change takes place for instance in the Income Tax Act or Sales Tax Act; the programs will not have to be changed as is the case at the present time.

During the first year, this year, we are running a parallel system with regard to the assessment of individual income tax returns. Next year, it will be fully automated and we will tackle the mecanization concerning businesses. That will be the second step. Over the next four years, we believe that the system will be fully integrated.

MR. HYDE: Will it be compatible or do you need to have it compatible with the system they have in Ottawa?

MR. JOHNSTON: It will not be built exactly along the same lines, but the data could be exchanged very rapidly, with very minor modifications. In other words, next year, starting in November, taxpayers will receive preaddressed tax forms and the assessment of the TP-1 short form will be fully automated, the same way as It is in Ottawa, except that the program, the updating and keeping of the data will be made in a slightly different way.

MR. TETLEY: à note you have an increase in staff this year, despite your automation. By how many persons has your staff increased?

MR. JOHNSTON: Well, the staff this year has increased by 70 persons, if my memory is...

MR. TETLEY: Seventy persons.

MR. JOHNSTON: Seventy persons in the sales tax division because we are adding a new branch both in Quebec and Montreal, to make sure that we will be in a position to visit every agent once every five years. But, in 1965, we were visiting agents once every thirty-two years. In 1967, we brought it down to the average of once every sixteen years. Next year, it will be once every five years.

M. TETLEY: Ici, vous avez à l'article 1, « traitements », 207 personnes comparativement à 260 personnes pour cette année. Voici une augmentation de 53 personnes.

MR. JOHNSTON: This, is compared with the number of people that were originally authorized when the budget was approved last year, But we were authorized to increase the number of people in The Data processing center by 53 during the course of the year.

MR. TETLEY: By supplementary budget.

MR. JOHNSTON: No by appropriations that were transferred from the special reserve of the Minister of Finance.

MR. TETLEY: Then, there are 70 more persons in the new budget, this is what you are saying.

MR. JOHNSTON: Right.

MR. TETLEY: And how many persons more will there be this year than at the beginning of last year?

MR. JOHNSTON: Well, you would have 125, and then...

MR. TETLEY: At budgetary post 4, you have another 170.

MR. JOHNSTON: There is 70 at post number 4 and there is an increase of 7 at post number 5, for a total of 130 new employees.

MR. TETLEY: Out of a total of how many?

MR. JOHNSTON: About 3,500 and it will be eventually to 3,618.

MR. TETLEY: And this is despite your automated equipment.

MR. JOHNSTON: This is despite of automation because, you see, what is going to happen with the advent of this integrated date-processing system is that the reduction will be effected in the number of temporary or casual employees we hire. When the peak period of the assessment of the tax return comes about, we have hired this year for instance, about 1,500 persons for a period of four to four and a half months. But next year, the number of temporary employees will be decreased by about 900 to 600.

MR. TETLEY: Where do those temporary people appear in your budget?

MR. JOHNSTON: They show up In salaries under the Income Tax Branch, but their number is not identified. There is only a prevision for the remunerations that will be paid to them.

MR. TETLEY: One more question on this point. The Federal Government was talking of an independant corporation, if you remember, which would be almost like a Crown Corporation, to collect income tax. Has the Minister considered such a solution for our problems? Is there any advantage or disadvantage to it?

MR. JOHNSTON: Well, we have talked about it, yes, in terms of possibly a corporation to collect all the revenues, because, actually, at the moment, different ministries are collecting revenues. And we will possibly rise to the situation some day, when we will be able to bring this all about under one department.

MR. TETLEY: You do not see any advantage to it now.

MR. JOHNSTON: à do not see any advantage right at the moment. Because actually we are just getting in the course of becoming geared, in a sense, to do a better form of collection.

MR. BOURASSA: Just a few questions, because à think they are discussing at the other committee the financial implication of the teachers'contract, so I was asked to be there but I have a few questions...

MR. JOHNSTON: Yes.

MR. BOURASSA: They are rather short. What is the explanation for the increase in the succession duties? In the budget speech, it was decided that there will be reduction of taxes. There is an increase of 10%. à was very surprised, do you expect rich people to die this year?

MR. JOHNSTON: Well, we are not hoping that anybody will die, we are not being vultures by any means, but nevertheless, when it comes to succession duties, we have a projected figure and we hope that, next year...

MR. BOURASSA: It is surprising because...

MR. JOHNSTON: ... that we will be very close to that projection.

MR. BOURASSA: You know what happened, everybody when they read the budget, said: This is a tricky budget because they are overestimating revenues and a clear example was succession duty. At one page, à do not know which one 45 or 50, there is reduction of taxes. Ten pages farther, there is an increase in revenue. How can we explain that?

MR. JOHNSTON: There are certain cases pending where we know that we will collect some large amounts of money which we hope will...

MR. BOURASSA: Yes, but in the budget speech, if à can interrupt you, it is mentioned that term payments will be given. So, that means that what is due to be collected this year, might be collected next year and other years. à do not understand your optimism, you are like Mr. Beaudry, à suppose, always optimistic...

MR. JOHNSTON: We are optimistic, all right but at the same time, it is...

MR. HYDE: It is not a question of being optimistic surely, other than optimistic in the sense that you are hoping that you say you have some large estates that you are expecting to collect from, but in the « memoire soumis au conseil des ministres par l'Association des constructeurs de route », you have seen that where they make certain suggestions about succession duties. Well, their suggestion is to eliminate it and, à don't think it is a secret that your department would perhaps be quite happy to do away with succession duties altogether, and not have to administer it. The only reason I mention the « mémoire » is that they show a table there giving proceeds from succession duties. No doubt they have checked their figures. For 63/64 $36 million, 64/65, $35 million, it goes down. The next year $35 million, $37 million, $35 million, 68/69 according the budget « Revenus pour onze mois, et l'évaluation pour un mois » you show $38 million.

MR. BOURASSA: Suddenly,...

MR. HYDE: Suddenly it is going to be $42 million, it has never been $40 million before. It is not an amount that goes up with « la croissance normale ».

MR. BOURASSA: You reduce the basis and secondly you have reduction of taxes. So, you would agree with me that it is a tricky budget.

MR. JOHNSTON: This is what we figure right at the moment,... yes, à would say that although we are not always in agreement. It is not exactly passing the buck but it was possibly set up more by Finances that by Revenue.

MR. BOURASSA.: That is a very fine admission. So, you would say, if à understand well, you said that...

MR. JOHNSTON: Not exactly passing the buck. It could be...

MR. BOURASSA: It could be a decision of the Minister of Finance.

MR. JOHNSTON: Well, the ministry, not he minister.

MR. BOURASSA: The Department of Finance in order to have an artificial equilibrium in the budget.

MR. JOHNSTON: Well, let us say that it is our objective to try and collect whatever they forecast.

MR. BOURASSA: By killing people? If necessary?

MR. JOHNSTON: As à said before, we are not vultures.

MR. BOURASSA: All right...

MR. HYDE: You cannot do it on the income tax either.

MR. JOHNSTON: In forecasting such a revenue for estate taxes, there is always a pattern that is bound to be established and there has been a very small number of millionnaires that died within the last two years and if you look at the figures...

MR. BOURASSA: But get terms of payments.

MR. JOHNSTON: Yes, but when you give terms of payments, you must...

MR. BOURASSA: And you reduce taxes.

MR. JOHNSTON: Yes, but you must remember when we give terms of payment, the estate has to have at least two thirds of the assessment in immovable or or corporation stock.

MR. BOURASSA: Yes, but you agree with me...

MR. HYDE: You have made sure that it is not going to apply to too many people. Is that what you are trying to say?

MR. JOHNSTON: à am just reading what the budget says.

MR. BOURASSA: Yes, but corporation stocks is the main source, as you know, so I would say that this is not a reply, if à can say that, very modestly, to the Deputy Minister. à would say this is not very convincing. What is the amount of the reduction of taxes?

MR. HYDE: What is it going to cost your Department?

MR. BOURASSA: Yes, the cost to the Department, approximately?

MR. JOHNSTON: We figured somewhere between $4 million and $5 million.

MR. BOURASSA: That is quite an amount. And you expect to get $42 million with a reduction of $4 million to $5 million. But, as you said, it was decided by the Department of Finance.

MR. JOHNSTON: Yes it is more or less a projective figure by the Department of Finance. But, at the same time, as mentionned, there is opting down, you know?

MR. HYDE: Is the minister able to say whether the amount of the anticipated revenue from succession, $46 millions, was that amount estimated before the proposed reduction of $5 million to $6 million? In other words, if there had been no change would your forecast have been $52 million?

MR. JOHNSTON: Well, this is the revenue perceived about that because as you know we make what we think would be the yield of every tax and this is in turn being submitted to the Department of Finance who also do their own forecast. And we do our own projection with regard with what we feel the tax yield is going to be under every act.

MR. HYDE: You furnish that to the Department of Finance which of course have their own forecasting people working on.

MR. BOURASSA; à suppose you rub your eyes when you saw that the Department of Finances...

MR. JOHNSTON: Well, of course.

MR. BOURASSA: Well, what about income tax? à would say that there is an increase of 17% on personal income tax. Could you explain that otherwise than by saying it was decided by the Minister of Finance? Because you know, if I can just elaborate a bit, that elasticity of income tax is somewhat high and the figure chosen by the Federal Government which has a lot of experience in that is between 1.45 to 1.78 and in your case the elasticity is over two which is quite an amount. So, à was surprised. I hope you will collect that because otherwise the taxpayers will have to pay taxes this Fall after the election, but à am surprised of such an increase of 17%.

MR. JOHNSTON: Well, à think you use the figures that we budget it for certainly $25 million more than what we would collect.

MR. BOURASSA: Yes, exactly.

MR. JOHNSTON: Well, à think your figure is projected a little higher also. We maybe project in a figure which a little bit higher, but we are still hoping that we will reach this figure.

MR. BOURASSA: You know the amount is with $825 million. You are hoping to collect $825 million. à do not know if it is a pious hope. How can you explain that?

MR. JOHNSTON: There could be a variation within the amount of income tax collected. But actually it is impossible to figure upward or downward what it is $25 million, certainly not at the present moment.

MR. BOURASSA: An amount of $125 million.

MR. JOHNSTON: An amount of $125 million, but we figure that we are going to collect.

MR. BOURASSA: What was the rate of increase last year?

MR. JOHNSTON: The increase was approximately 12%.

MR. BOURASSA: 12% last year, including the surtax which was collected on 14 months.

MR. JOHNSTON: Excluding the surtax.

MR. BOURASSA: Excluding the surtax, 12%.

MR. JOHNSTON: Yes.

MR. BOURASSA: And now you expect 17% as a good optimist.

MR. JOHNSTON: That is including the surtax, is it not?

MR. BOURASSA: You realize last year that surtax was collected on 14 months.

MR. JOHNSTON: This year, it is including the surtax.

MR. BOURASSA: Yes, but last year...

MR. JOHNSTON: Last year it was 12%.

MR. BOURASSA: And what is the surtax approximately for fourteen months?

MR. JOHNSTON: 6%.

MR. BOURASSA: So, that is 12% and you expect that. But how can you explain that, because the gross national product would increase at a slower rate this year than last year, and still you have a 17% figure? No, that is quite a challenge for me to understand, unless, of course, you agree with me that it is a tricky budget.

MR. JOHNSTON: This is the increase of 12% as last year, plus 5% for surtax on 12 months.

MR. BOURASSA: Yes, but still. It is...

MR. HYDE: Not bigger.

MR. BOURASSA: ... not bigger at least.

MR. JOHNSTON: Well, it could be slightly bigger not very much.

MR. BOURASSA: Let us ask a question to the deputy-minister, who is a very able expert in Canada, so... Je peux lui poser la question en français. Comment expliquer que, l'an dernier, selon votre propre admission, il y a eu un taux de croissance de 12% et que, cette année, avec un produit national brut qui s'accroît à un taux légèrement inférieur à celui de l'an dernier, on prévoit un taux de croissance de 17%? Je ne m'oppose pas à cela, je serai très heureux si vous pouviez obtenir ce taux de croissance. Je cherche des explications rationnelles pouvant justifier l'établissement d'un tel taux.

Est-ce que celui-là aussi a été fixé en dernier ressort par le ministre des Finances? Ce serait l'explication.

M. JOHNSTON: Les estimations définitives du rendement des différents impôts sont toujours établies par le ministère des Finances.

M. BOURASSA. Il n'y a pas d'autres explications que celle-là?

M. JOHNSTON: Evidemment, nous croyons que ce chiffre peut être atteint avec les pourcentages qui ont été estimés et l'élasticité qu'on peut donner à une loi comme celle de l'impôt sur le revenu en tenant compte des revenus moyens des gens et des augmentations possibles dans les différentes catégories de contribuables qui y sont assujettis.

M. BOURASSA: Si je pose une question au ministre ou au sous-ministre, puisque vous me répondez que les estimations définitives ont été fixées par le ministre des Finances, serait-ce indiscret de vous demander quelles sont les estimations du ministère du Revenu? A ce moment-là, vous serez capable de les justifier.

M. JOHNSTON: On peut dire que lorsque les estimations du revenu sont publiées, le ministère du Revenu les accepte et s'efforce de percevoir les revenus qui y sont prévus. Nous pouvons voir ce qui est raisonnable.

M. BOURASSA: Le ministre est un homme politique très habile, parce qu'il détourne.

M. HYDE: Pourrait-on tenir pour acquis que les estimations finales, qui ont été acceptées par le ministère du Revenu, ont généralement été supérieures à celles qui sont prévues originellement?

M. JOHNSTON: Oui, on peut dire...

M. HYDE: Elles sont généralement plus élevées...

M. BOURASSA: Elles ont été revisées à la hausse.

M. JOHNSTON: On peut dire que dans l'ensemble...

M. HYDE: ... que les prévisions qui ont été renvoyées par le ministère du Revenu au ministère des finances.

M. JOHNSTON: C'est-à-dire que, sur l'ensemble, je pense bien que cela revient au même parce qu'il y a des ajustements qui peuvent se produire, en fait, si votre impôt sur le revenu augmente sensiblement plus, il peut avoir une certaine incidence sur le rendement de la taxe de vente ou vice versa.

M. BOURASSA: Ce que l'ancien ministre demande, c'est que les prédictions, pour ce qui a trait aux droits de succession et à l'impôt sur le revenu... La question bien précise et bien concise que je pose au ministre, c'est: Est-ce que ces prédictions, dans ces deux cas, ont été revisées à la hausse par le ministère des Finances, oui ou non?

M. JOHNSTON: Elles ont pu être revisées à la hausse par le ministère des Finances. Je pense qu'on peut dire que le rendement global des impôts, tel qu'évalué par le ministère des Finances, est sensiblement le même que celui qui avait été suggéré par le ministère du Revenu.

M. BOURASSA: Sur une base de $3 milliards, $50 millions ou $60 millions, je comprends que le ministre peut répondre cela et ça lui fait...

M. JOHNSTON: En fait, dans certains cas, vous pouvez dire: On croit que l'impôt sur le revenu va augmenter...

M. BOURASSA: Y en a-t-il qui ont été revisées à la baisse?

M. JOHNSTON: Oui.

M. BOURASSA: Oui?

M. JOHNSTON: Cela se peut fort bien.

M. BOURASSA: Le ministre a-t-il des exemples d'impôts qui ont été revisés à la baisse par le ministère des Finances?

M. JOHNSTON: Tout ce que je sais, c'est que, pour l'ensemble des revenus fiscaux ici, le total correspond sensiblement aux estimations du ministre du Revenu.

M. BOURASSA: Ce que f ai dit dans ma réplique au discours du budget, c'est que dans le cas de deux ou trois impôts, il y avait eu surestimation d'au moins $25 à $30 millions. C'est ce que j'ai dit dans ma réplique et il n'y a absolument rien, dans ce qu'a répondu le ministre ou le sous-ministre, qui puisse me permettre de me dire que je me suis trompé.

M. JOHNSTON: En examinant les chiffres de revenu qui sont là, dans l'ensemble de l'estimation, je peux vous dire que cela correspond.

M. BOURASSA: Evidemment, $50 millions, ce n'est pas une grosse erreur. Il reste que c'est...

M. JOHNSTON: Cela correspond à ce que nous avons estimé.

M. BOURASSA: ... deux fois plus que...

M. JOHNSTON: Quand vous prenez un impôt qui rapporte $825 millions, quelqu'un dit: Cela peut être plus ou moins $5 millions ou plus ou moins $8 millions ou $20 millions. Chacun peut avoir une argumentation à l'appui de l'une et de l'autre thèses. C'est pour ça que je vous dis que, dans l'ensemble, ces estimations ne s'écartent pas de celles qui avaient été suggérées par le ministère.

M. BOURASSA: Laissons faire l'ensemble. Notre approche, nous de l'Opposition, c'est de prendre cas par cas, parce que c'est la seule façon de comprendre quelque chose. Alors, vous avez 12% dans l'impôt sur le revenu l'an dernier et, là, vous avez 17%. Vous me répondez à ça que cela a été révisé à la hausse par le ministère des Finances. J'accepte votre réponse. Je discuterai avec le ministre des Finances. Je lui soumettrai que, pour moi, une élasticité supérieure à 2, alors que tous les taux d'élasticité employés ailleurs varient entre 1.45 et 1.78, ça m'apparaît faire preuve d'un optimisme qui me rend soupçonneux sur les arrière-pensées de celui qui a rédigé le budget.

Pour l'impôt sur les corporations maintenant, comment peut-on évaluer le coût du bill 24 pour 69/70?

M. JOHNSTON: Le coût du bill 24 ne nous est pas encore connu parce que...

M. BOURASSA: Est-ce que l'on aurait une estimation?

M. JOHNSTON: L'estimation que nous avions l'an dernier, je pense...

M. BOURASSA: L'ancien premier ministre parlait de $60 millions par année. Je pense qu'évidemment il arrondissait les chiffres.

MR. JOHNSTON: It would be from $7 million to $9 million.

MR. BOURASSA: That is the reduction of taxes according to bill 24. So the cost will be around $9 million.

MR. JOHNSTON: Between $7 million and $9 million depending on how much...

MR. TETLEY: On bill 24, have corporations fulled returns yet? Do you have sources to look at?

MR. JOHNSTON: No, that is very little. The returns of those corporations whose financial year ends with the calendar year will be filed after June 30th.

MR. TETLEY: So the $9 million that you are speaking of is an estimate.

MR. JOHNSTON: It is an estimate. It could range according to our forecast between $5 million and $9 million. It would be between $5.8 million and $9.8 million.

M. TETLEY: But do the corporations not file a monthly payment as well?

MR. JOHNSTON: Here is what they do, they make quarterly instalments on the basis of the profit that they estimate for the current year, but the final adjustment is known to us with the detailed financial statement for those of which financial year ends on December 31st, it is known June 30th of the following year.

M. BOURASSA: Au cours du dernier budget, le ministre des Finances avait décidé d'accélérer les paiements. Combien est-ce que ça s'est trouvé à diminuer la croissance d'impôt sur les corporations, cette année? Il y a $27 millions, je pense, qui sont allés au budget de l'année dernière.

M. JOHNSTON: $27.5 millions.

M. BOURASSA: Alors, si on fait les calculs; l'an dernier, c'étaient $186 millions.

M. JOHNSTON: L'estimation était de $193 millions.

M. BOURASSA: Combien avez-vous perçu en impôts sur les profits? Alors, il faut soustraire, là, $27 millions.

M. JOHNSTON: $187 millions.

M. BOURASSA: Cela veut dire que, cette

année, donc, si on ajoute... Quel est le taux de croissance habituel de l'impôt sur les corporations? On m'a dit 7%. 10%?

M. JOHNSTON: C'est à peu près 10%.

M. BOURASSA: Alors, $186 millions, plus 10%, ça fait $205 millions, d'accord? Sans considération des paiements. Moins $27 millions, ça fait $180 millions; moins $8 millions pour le coût, ça fait $172 millions. Alors, cela s'équilibre. C'est la première fois que ça arrive ce soir.

M. JOHNSTON: Cela s'équilibre toujours.

M. BOURASSA: Quel est l'état de la coopération avec le gouvernement fédéral sur les enquêtes, par exemple, qui sont faites et au sujet des informations?

M. JOHNSTON: La coopération est excellente. D'abord, dans le domaine des enquêtes spéciales, nous avons une entente pour un échange complet de renseignements de façon à éviter toute duplication.

M. BOURASSA: Cela fait combien de temps que ça dure?

M. JOHNSTON: Cela dure depuis la fin de 1966. La discussion avait été amorcée au printemps de 1966 et nous nous sommes entendus sur un mécanisme à l'autombe 1966. Dans le domaine des corporations également, toutes les nouvelles cotisations des corporations sont échangées entre les deux niveaux de gouvernement. Il nous reste à parachever ces points pour essayer d'éviter la duplication dans les enquêtes qui se font chez les individus.

M. BOURASSA: Qu'est-ce qui retarde?

M. JOHNSTON: Ce qui retarde, c'est, que...

M. BOURASSA. Il n'y a aucune raison qu'il n'y ait pas de coopération là-dedans.

M. JOHNSTON: Les gens du gouvernement fédéral ne voient peut-être pas ça exactement du même oeil que nous.

M. BOURASSA: Pourquoi?

M. JOHNSTON: Bien, ils peuvent avoir différentes raisons. Evidemment, lorsque l'échange de renseignements se fait sur cette base, c'est ennuyeux pour ceux qui le font, mais nous croyons que ça diminuerait...

M. BOURASSA: Pourquoi est-ce que c'est ennuyeux?

M. JOHNSTON: Ecoutez, moi je ne trouve pas ça ennuyeux, mais eux semblent le trouver sous certains aspects. Alors, il faudrait...

M. BOURASSA: On parle de fédéralisme coopératif, on parle de collaboration nécessaire ou de coordination entre les niveaux de gouvernement, je ne comprends absolument pas qu'après plusieurs années — ça fait combien de temps, peut-être quinze ans, l'établissement de la perception de l'impôt sur le revenu — on ait encore des difficultés à avoir des informations.

M. JOHNSTON: Nous n'avons aucune difficulté à avoir de l'information, mais je peux toujours vous mentionner, M. Bourassa...

M. BOURASSA: Bien oui, mais vous dites que c'est...

M. JOHNSTON: ... que dans le domaine des individus, l'échange de renseignements existe mais n'est pas systématisé comme c'est le cas dans le domaine des corporations.

M. BOURASSA: Je comprends ce que ça veut dire. Vous savez que j'ai déjà travaillé dans ces secteurs-là.

M. JOHNSTON: Oui.

M. BOURASSA: Des échanges comme ça, selon le caprice des hommes en place, je pense que ce n'est pas aussi efficace que lorsque c'est systématisé comme dans les enquêtes spéciales, puis dans les corporations.

M. JOHNSON: Je pense que ça viendra éventuellement. De notre côté, nous sommes bien disposés à le faire. Une entente présupposera, évidemment, des échanges de programmes de vérification au niveau des individus.

M. BOURASSA: Est-ce que c'est discuté aux conférences fiscales, ces choses-là? C'est important. A lieu de parler de Québec d'abord puis de Québec 100%, est-ce qu'on discute de ces choses-là? C'est concret, c'est précis, ça peut rapporter des sous à la province.

M. JOHNSTON: Sur le plan des conférences fiscales, ce n'est pas mon domaine.

M. BOURASSA: Quand le ministre s'attend-il à cette coopération-là au niveau des individus? Je considère en effet que ça peut impliquer des sommes considérables. Je sais pour ma part que quand nous faisions des enquêtes, il y avait quand même des montants importants qui étaient impliqués. Quand on dit que le provincial n'a pas l'intérêt ou le bénéfice de ces enquêtes, qu'il est obligé soit de faire les mêmes enquêtes — donc de dépenser des sommes inutilement — soit de perdre le bénéfice des enquêtes qui sont faites ailleurs, ça m'apparaît inadmissible. Plus que ça, ça m'apparaït intolérable. Je trouve étrange que le ministre, ou le gouvernement, n'ait pas encore réussi à obtenir de coopération dans les choses aussi simples et aussi évidentes.

M. JOHNSTON: Bien des choses...

MR. HYDE: When the Minister attended the Federal-Provincial Conference on tax reform, was there any question on...

MR. JOHNSTON: No, à did not attend the tax reform meeting.

MR. HYDE: The Constitutional...

MR. JOHNSTON: The Constitutional, yes, but not the tax reform meeting.

MR. HYDE: Was there any question there on the cooperation...

MR. JOHNSTON: No.

MR. HYDE: ... between your Department and the Federal Department of Revenue proceeding...

MR. JOHNSTON: Nothing was studied on that matter. What à do know within the Department was that we are receiving considerable cooperation from the Federal Department.

MR. BOURASSA: In some sectors, yes. Yes. But the minister just said that in the case of indivuals there is no cooperation. à would suggest to the minister for the next fiscal conference that he send a memo to the prime minister to discuss that, because à think it is a waste of money which we cannot admit with high taxes either in the past or the future.

MR. JOHNSTON: If you allow me, à would like to say à do not think that there is no cooperation, but there are no...

MR. BOURASSA: You said that there is no systematic cooperation. à understand what that means.

MR. JOHNSTON: There is no systematic exchange of information with regard to the assessment of the individuals but the cooperation granted to us by the Federal Revenue Department has saved us a lot of work, for instance in the installation of our data-processing system...

MR. BOURASSA: Yes.

MR. JOHNSTON: ...where they have provided us with their master files of individuals. So there has been a tremendous amount of savings in money and in time. If we had been obliged to build up that file, it would have been quite costly. But à think we must take into account the fact that in exchanging information on individuals, that is in establishing a true system of exchange, we need to have the same basis for selecting files and we may have differences in the method of selecting the files.

Secondly, as you know, there are some differences in income taxes which would require each jurisdiction to correct or to establish...

MR. BOURASSA: Yes, but now we are finding other reasons. You said a few moments ago that the Federal Government was reluctant to give this information because... you could not say very much why, so à understand what it means.

MR. JOHNSTON: Perhaps à used the wrong words but what I implied to say was this: We have not found a way that would be satisfactory to both jurisdictions to develop a systematic process of exchange of information on assessment issued to indivuduals. But there is quite a bit of exchange of information.

MR. HYDE: à come back to the data-processing — l'informatique — where à asked you if your system would be compatible... Est-ce que ce serait intégré, pas nécessairement intégré mais compatible avec le système qu'ils ont à Ottawa. — Vous donnerez peut-être le numéro, c'est le numéro de l'assurance sociale, n'est-ce pas? Mais on pourrait, avec le systême, vous donner tous les renseignements dont vous pourriez avoir besoin, simplement avec ce numéro. Est-ce que ce serait compatible dans ce sens-là?

M. JOHNSTON: Oui, absolument, pour la plupart des opérations, les systèmes seront compatible.

M. HYDE: Vous allez utiliser le même numéro d'assurance sociale.

M. JOHNSTON: Voyez-vous, Ottawa utilise

deux numéros, le premier, qu'ils appellent le « red number » et l'autre, qui est le numéro d'assurance sociale. Dans notre cas, nous allons utiliser un seul numéro, le numéro d'assurance sociale. Sur cette base-là, l'échange de renseignements pourra se faire, parce que les différences dans notre programmation sont très minimes.

M. BOURASSA: Oui, mais le ministre ou le sous-ministre accepteraient-ils, par exemple — parce que nous avons beaucoup de plaintes, de notre côté, je suis convaincu que c'est la même chose pour mes collègues — devant ce système, disons à deux étages de perception... Le ministre serait-il prêt à envisager une coopération? Je lui pose la question sans être moi-même définitivement décidé sur ce plan-là, parce qu'il y a toutes sortes d'incidences politiques, à envisager un système de coopération où les champs d'action pourraient être partagés. Le ministère provincial pourrait s'y attaquer aux garagistes et le ministère fédéral aux médecins, de telle sorte que la coopération soit telle qu'il n'y ait aucune duplication dans le travail qui est fait en raison de l'échange d'informations. Que pense le sous-ministre de cette suggestion?

M. JOHNSTON: II n'y a pas de doute que cela pourrait se faire, ce qui contribuerait à éliminer la duplication sur le plan pratique. Maintenant, je pense qu'il y a d'autres considérations qui doivent entrer en ligne de compte.

M. BOURASSA: Lesquelles? Quand vous parlez d'autres considérations.

M. JOHNSTON: II y a des considérations purement administratives. Il faut d'abord s'assurer que les deux juridictions utilisent les mêmes méthodes d'enquêtes, qu'elles sont satisfaites à la fois des résultats que l'une et l'autre peuvent s'échanger.

Si nous partons de ce principe-là, je ne vois pas d'empêchement sur le plan administratif. D'ailleurs cela se fait déjà pour les corporations et les enquêtes spéciales. Du côté des particuliers nous pouvons dire que, pour être rentable, cela devrait se faire au niveau des gens que nous considérons comme étant en affaires ou les professionnels. Sur ce plan, il n'y a pas d'empêchement, à la condition que ce système élaboré soit accepté par les deux. Je pense que c'est une question de temps et que ça se fera.

MR. SEGUIN: Mr. President, if I may, just for the record. My comment is addressed to the minister. Do I understand — you will correct me — a moment ago or a few minutes ago, when you said that at the recent fiscal conference, the recent, the one last Fall, that you did not attend, I think it is what you said...

MR. JOHNSTON: à attended the conference on the constitution.

MR. SEGUIN: No, not the constitution.

MR. JOHNSTON: It is the one à attended but I did not attend the fiscal.

MR. SEGUIN: Was there anyone from your Department, that is from the Revenue Department, who attended. You did.

MR. JOHNSTON: The deputy minister did.

MR. SEGUIN: There was a representation. I was just wondering for once supplementing the Minister of Revenue for the Minister of Cultural Affairs or something, you know, on these occasions.

MR. JOHNSTON: It was not the case.

MR. SEGUIN: No.

MR. BOURASSA: Another question, Mr. Chairman. How can you explain the fact that, in the city of Montreal, concerning the sales tax, that the rate of increase is so low? The deputy-minister, à do not know, who is in charge of the sales tax...

MR. JOHNSTON: You know the way the formula works and for instance, in Montreal, they retain only 50% of what they collect and they share in the proportion of the tax collected in the region and in the province. Well, in the Metropolitan Montreal, is quite in expansion with regard to retail...

MR. BOURASSA: At the expense of Montreal itself.

MR. JOHNSTON: At the expense of Montreal.

MR. BOURASSA: Could we say also that there is regional billing which was previously made in Montreal itself? à mean big companies who were billing Montreal, now are billing all over the province, so it reduces the local collection.

MR. JOHNSTON: Not to our knowledge. There is a shift in the amount of sales done in Montreal, at the advantage of some large shopping centers that opened up one year in one section and the other year in another one. This is what we have been able to observe.

MR. BOURASSA: What is the amount in the budget — the total amount — which is forecast for sales tax next year, the increase à mean?

MR. JOHNSTON: The increase is from...

MR. BOURASSA: à mean new subsidies which are offered to cities or municipalities over 50,000. You do not have that go. I will ask that to the Minister of Finance, à think, because this is not in the budget.

MR. JOHNSTON: Not in the budget.

MR. BOURASSA: It is one of about 20 items which are not included.

MR. JOHNSTON: It is over...

MR. BOURASSA: You do not have figures for...

MR. JOHNSTON: à think according to the example which is based on the financial year ending on March 31st 1968, Montreal, would receive $3,780,000.

MR. BOURASSA: What is the total cost here, the total cost...

MR. HYDE: What is this going to cost the Government?

MR. BOURASSA: For 69/70, we do not have any figures in the budget speech.

MR. JOHNSTON: For 69/70, à do not think the Department of Finance is in a position to give a true figure because we have not obtained yet the final figures for every one of the municipalities.

MR. BOURASSA: He could estimate.

MR. HYDE: Is this something the Government is going to pay to the larger municipalities or does it mean that the smaller municipalities will get less?

MR. JOHNSTON: This is a special subsidy outside of the sales tax, as I understand it.

MR. HYDE: The Government is going to make a separate subsidy. For last year in the case of the city of Montreal the Government would have paid to the city of Montreal $3,780,000.

MR. JOHNSTON: That is right.

MR. HYDE: It is not coming out of the proceeds of the sales tax.

MR. JOHNSTON: No.

MR. HYDE: It is an additional subsidy and the...

MR. JOHNSTON: Additional grant, yes.

MR. HYDE: ...department is not in a position to give an estimate as to what this provision in the budget may cost for 69/70.

MR. JOHNSTON: No. We will know the final figures in a few weeks, but...

M. HYDE: Avant les élections.

MR. JOHNSTON: We can give them to the member as soon as we have them.

MR. BOURASSA: A technical question to the Minister.

J'ai fait une proposition dans le budget comme quoi, par exemple, les femmes mariées pourraient déduire de leur revenu le coût des gardiennes. Est-ce qu'en pratique il y a tellement d'objections...

M. JOHNSTON: Non, non, si on laisse de côté l'aspect purement politique...

M. BOURASSA: Oui, oui.

M. JOHNSTON: ... pour se placer au niveau de l'administration...

M. BOURASSA: Oui, je pose la question bien honnêtement, vous comprenez. Je ne veux pas faire de démagogie.

M. JOHNSTON: C'est une question de contrôle, parce que contrôle pourrait être, comme vous le savez, assez difficile.

M. BOURASSA: Pourquoi, avec des T-4?

M. JOHNSTON; Bien avec...

M. BOURASSA: Je ne parle pas des femmes qui vont étudier là et qui vont se servir de cet avantage, je pense qu'avec des T-4, 11 y aurait moyen de vérifier le...

M. JOHNSTON: Bien, avec le T-4 qui serait produit par chaque individu, si l'individu ne fait pas de retenue d'impôt à la source, s'il ne garde pas par exemple de registre, do paye pour que nous puissions faire une vérification, cela devient bien difficile à contrôler.

M. BOURASSA: Mais s'il le fait?

M. JOHNSTON: S'il le fait volontairement, on sera obligé de l'accepter.

M. BOURASSA: Il va falloir qu'il le fasse puisqu'il veut le déduire.

M. JOHNSTON: Oui, mais si on envisage le gardiennage comme un travail...

M. BOURASSA: Vous appelez ça le gardiennage?

M. JOHNSTON: ... régulier, si c'est une personne qui est employée à temps plein, ça présuppose que l'employeur gardera un registre de paye quelconque et à ce moment-là unn vérification devient possible. Mais s'il s'agit de gardiennes qui font ce genre de travail, occasionnellement, alors là, ça devient difficile.

M. BOURASSA: Ah, bien non! Ce n'est pas ce que j'ai soumis. Le sous-ministre admet que si c'est fait d'une façon régulière, il n'y a pas d'obstacle administratif insurmontable.

M. JOHNSTON: Sur le plan administratif, un employeur tient un registre, ce qu'il est obligé de faire par la loi.

M. BOURASSA: Forcément, s'il veut déduire, il va le faire. Alors, est-ce que le sous-ministre pourrait écrire un mémo à son ministre pour lui dire que ce serait une bonne suggestion?

Il y a une autre suggestion que j'ai faite, concernant les artistes et les athlètes qui ont seulement quelques années, disons, de revenus importants et qui sont pénalisés par le fait des taux progressifs. Serait-ce si compliqué d'accorder aux artistes et aux athlètes le droit d'étaler leurs revenus sur un certain nombre d'années ou d'avoir des comptes d'aplanissement de revenus, comme cela se fait dans d'autres pays? Dans ces pays les gens sont imposés seulement sur ce qu'ils veulent déclarer et ils peuvent déposer le reste dans des comptes à part, quitte à être imposés lorsqu'ils retirent les sommes et lorsqu'ils les utilisent.

Dans le premier cas, disons que j'avais des doutes, mais le sous-ministre m'a rassuré, en me disant que ça pouvait se faire. Dans ce cas-là, je n'ai aucundoute sur l'administration, mais je veux avoir, quand même, l'opinion du ministre là-dessus.

M. JOHNSTON: L'étalement du revenu se fait déjà pour les pêcheurs et...

M. BOURASSA: Les pêcheurs et les agriculteurs.

M. JOHNSTON: ... les agriculteurs.

M. BOURASSA: Cela pourrait se faire pour les athlètes et les artistes.

M. JOHNSTON: Sur le plan administratif, cela pourrait se faire. Mais il pourrait y avoir certaines autres difficultés.

MR. BOURASSA: Because the former prime minister, Mr. Johnson, was very anxious to have that reform and à am surprised it is not in the budget now.

Cela, c'étaient des exemples, M. le Président, que j'ai donnés et où la province pourrait prendre l'initiative dans des réformes fiscales. Là, j'ai l'assurance du sous-mlnistre que ça ne comporte pas do problème administratif. Je dois dire au ministre que je suis très déçu — je lui parle en tant que ministre du cabinet, en raison de la solidarité ministérielle — que ces réformes-là ne soient pas encore appliquées.

MR. JOHNSON: à can take these suggestions into consideration. We will discuss them within the department and then we will see what the Government thinks of them.

MR. BOURASSA: We will make the next budget, so we will deal with that.

MR. HYDE: We might ask « le comité de consultation ».

M. BRISSON: Concernant les ventes d'immobilisation, disons, sur une période de dix ou quinze ans, la Loi de l'impôt sur le revenu des particuliers diffère de celle des compagnies. L'an passé, j'avais soulevé le cas. Cette année, y a-t-il eu des études faites à ce sujet-là ou cela va-t-il être en retard, au moins dans la province? Les bases vont-elles êtra les mêmes. Il y a eu de la jurisprudence, d'ailleurs, sur ça.

M. JOHNSTON: Oui. Puis on a fait une étude.

M. BRISSON: C'est en appel.

M. JOHNSTON: C'est en appel. Le ministère en a appelé du jugement rendu par le tribunal de première instance. Vous parlez de la méthode fédérale d'imposer, si vous voulez, les profits sur la période de remboursement...

M. BRISSON: Oui, oui.

M. JOHNSTON: ... du bénéfice réalisé lors d'une vente d'immobilisation.

M. BRISSON: C'est ça. D'ailleurs, pour les compagnies de la province, cette méthode est acceptée.

M. JOHNSTON: Oui.

M. BRISSON: Cependant, pour l'individu, elle n'est pas acceptée. Je trouve que c'est un non-sens.

M. JOHNSTON: Non, elle n'est pas acceptée pour les compagnies, non plus; elle est acceptée pour les individus.

M. BRISSON: Au niveau des individus, non pour les compagnies.

M. JOHNSTON: Elle n'est pas acceptée pour les compagnies. Je dois vous dire que les études que nous faisons actuellement tendent à démontrer qu'il pourrait y avoir un certain allégement quant à la période sur laquelle l'impôt pourrait être payé. Cependant nous voyons des inconvénients sérieux à la méthode utilisée par le fédéral, parce que l'impôt ne devient payable qu'au fur et à mesure qu'une proportion du bénéfice qui est encaissée. Cela conduit à bien des abus qui tendent à minimiser considérablement, si vous voulez, l'impôt qui devrait normalement être payé.

Nous entrevoyons plutôt, dans les discussions que nous avons eues sur ce sujet, de calculer l'impôt sur le bénéfice, au moment où il est réalisé, quitte à permettre l'étalement du paiement sur un nombre d'années donné, ce qui est différent de la loi fédérale qui, elle, n'impose que le bénéfice, moins les dépenses dans l'année où il est réalisé.

M. BRISSON: Oui, on peut arriver aussi à créer une réserve pour la possibilité de pertes, quelque chose comme ça. Le bénéfice est réalisé en théorie, mais, en fait, on ne peut pas dire qu'il est tellement réalisé, parce que le type n'a pas son argent pour travailler.

M. JOHNSTON: C'est un peu comme pour ceux qui aujourd'hui, font de la vente à tempérament pour des biens mobiliers...

Le bénéfice lui-même n'est réalisé qu'au moment où le parfait paiement complet est acquitté.

M. BRISSON: Oui, mais la vente à tempérament peut s'échelonner sur douze mois au lieu de l'année fiscale.

M. JOHNSTON: Laissons cela de côté et appelons cela la vente à termes plutôt que la vente à tempérament. Du moins, les analyses qu'on a pu faire nous ont démontré que cela pouvait inciter à plusieurs abus et tendre à faire disparaître, sur une période donnée, à peu près tout le profit qui avait été théoriquement réalisé au moment de la transaction. C'est pour cela que, dans les études que nous avons faites — et nous avons plusieurs échantillons — nous envisageons plutôt de suggérer, peut-être comme allégement, que la corporation qui réalise le profit ou le bénéfice paie l'impôt total sur ce bénéfice, mais qu'elle puisse avoir la possibilité de payer sur une période déterminée l'impôt ainsi calculé.

M. BRISSON: En accord avec les versements reçus?

M. JOHNSTON: Cela pourrait être en accord avec les versements reçus ou disons, par exemple, que les premiers versements reçus serviraient de paiement de l'impôt dû sur le bénéfice réalisé.

Je voudrais juste revenir, si vous me le permettez, aux artistes et aux athlètes. Il y a peut-être une remarque importante que j'ai oublié de faire, c'est l'identification de ce qu'est un artiste et de ce qu'est un athlète.

M. BOURASSA: C'est une définition tout simplement.

M. JOHNSTON: Je me souviens que nous avons...

M. BOURASSA: Les politiciens ne sont pas là dedans, c'est certain.

M. JOHNSTON: Non, mais je vais vous dire que notre service de recherche a fait des études, peut-être pas aussi en profondeur qu'on pourrait le souhaiter, sur l'expérience que certains pays ont v é c u e . Il est difficile de déterminer qui est un artiste et qui est un athlète. Vous avez de l'amateurisme et du professionnalisme, mais aujourd'hui, la plupart des gens sont des artistes, d'une façon ou d'une autre. Cela devient difficile de dire si celui-ci est véritablement classé, aux fins de l'impôt, comme artiste, et l'autre à côté, par exemple, qui est artiste, tout en étant...

M. BOURASSA: Il y aurait des cas frontières, mais je veux dire que l'injustice serait moins grande.

M. JOHNSTON: Je tenais tout simplement à vous souligner cela, que ça pose parfois des difficultés.

M. BOURASSA: Oui, j'y avais pensé. What about the position of the department on the dividend stripping?

MR. JOHNSTON: This is something that has not been fully decided yet.

MR. BOURASSA: This is not fully decided yet. That is the only answer you can give?

MR. JOHNSTON: That is the only answer that we can give. It is under serious discussion at the cabinet level.

MR. BOURASSA: At the cabinet level.

MR. JOHNSTON: And we are waiting for a certain proposition.

MR. BOURASSA: You cannot give me a clue on those propositions?

MR. JOHNSTON: No, not for the moment, because certain propositions have been made and these propositions have not been accepted.

MR. BOURASSA: You mean propositions on the line of the federal one, like 16 2/3?

MR. JOHNSTON: Not exactly, but...

MR. BOURASSA: Around that.

MR. JOHNSTON: This has not been fully decided. We hope, within a couple of months, to have a final decision.

MR. BOURASSA: That means before the election.

MR. JOHNSTON: à hope so.

MR. HYDE : Have you got the number of cases in the department where this question has come up on dividend stripping?

MR. JOHNSTON: It is about 500.

MR. BOURASSA: What is the amount involved for the department?

MR. JOHNSTON: Between $5 and $7 million, because we have not completed our investigation. We have not decided on the...

MR. HYDE: Yes.

MR. BOURASSA: And you go beyond for 4 years or... ?

MR. JOHNSTON: This is another thing that has been seriously discussed.

MR. BOURASSA: No decision is made where to stop?

MR. JOHNSTON: We would like to remain within the statute bar.

MR. SEGUIN: Was it made, by your department, Mr. Minister, in connection of this?

MR. JOHNSTON: Well, it has been a recommendation made earlier to the cabinet.

MR. SEGUIN: Has your department made the recommendation to the cabinet?

MR. JOHNSTON: Yes.

MR. SEGUIN: How do you see the picture yourself, then, without speaking of the cabinet secret?

MR. JOHNSTON: Well, the cabinet and myself, on the matter, seem to agree...

MR. SEGUIN: The cabinet founds on the recommandations that your department has made.

MR. JOHNSTON: On following the usual procedure, following the letter of the law within the Department of Revenue, it looks sort of rough in a sense that the taxpayers of the Province of Quebec should pay double taxation, after having already paid to Ottawa.

MR. SEGUIN: Will it be safe to assume, since the recommendations from a budgetary point of view are not accepted by the Minister of Finance in their presentation that the Department's recommendations, on this occasion, will also be frowned upon by the Minister of Revenue or someone else in...

MR. JOHNSTON: No, à am sure that certain things that we are waiting for, one of them is the question of appeal which is before the Supreme Court at the moment.

MR. BOURASSA: There is no decision yet?

MR. JOHNSTON: There is no decision yet, this case is only coming up in June.

MR. BOURASSA: It was postponed again?

MR. JOHNSTON: It must have been postponed.

MR. SEGUIN: You are having a hard time, Sir, getting your recommendations across.

MR. JOHNSTON: Well, the situation is this: yes and no, following the letter of the law. We have not loophole similar to the Federal Government, really and truly that we could take into consideration to reduce the amount.

MR. SEGUIN: It almost appears as if we are operating a system of faith, hope and an educated guess.

MR. JOHNSTON: This is the thing. à am hoping that we can give these taxpayers the benefit of the doubt. After all, à do not like to see anybody paying double taxation. Why should somebody from the Province of Quebec pay more than somebody from the Province of Ontario?

MR. SEGUIN: This is the part à am afraid.

MR. JOHNSTON: This is the part à am debating myself.

MR. SEGUIN: Oh, fine. Thank you. Now, I know what your recommendation is.

MR. JOHNSTON: Thank you.

MR. HYDE: Speaking of recommendations which the Minister may have made to the cabinet, has the minister been asked or has there been any further considerations of the project that was very dear to the heart of the former prime minister and the present minister of Finance concerning succession duties and the question of possibly accepting an insurance policy payable to the Government, to cover succession duties which policy would itself be exempt from succession duties? This was a suggestion that the present Minister of Finance made to the Revenue Department, three or four years in a row, and Mr. Johnson, the former prime minister, brought it up very strongly in 1966. He seemed to think that it was a good idea, and the minister told us last year that it was under consideration and à wondered if there was anything more he can tell us as to what has been considered and whether it is going to be put into effect one day.

MR. JOHNSTON: No, Sir, there has not been any further study on it.

MR. HYDE: Is the Minister awareofthe fact that, according to Mr. Dozois, this was a system that existed in the other provinces... His words were: It existed in all the other provinces except Quebec.

MR. JOHNSTON: No, no, it was once tried by Ontario, a few years ago. But, it was abandoned thereafter.

MR. HYDE: At the time, Mr. Dozois said that it was in effect in all the other provinces except Quebec and that it is still in effect in many States of the United States.

MR. JOHNSTON: To my knowledge it is not in force in any province, at the present time.

MR. HYDE: Would the Minister be prepared to say that he would like to see an end to succession duties as a tax in the province?

MR. JOHNSTON: This would possibly be an incentive to bring more people into the country and possibly leave more capital in the country.
I think it has an advantage but this would have to be really studied, and a more thorough study would have to be made.

MR. HYDE: In the « memoire » that mentioned a moment ago that the « Association des constructeurs de routes » made to the Government, to justify their suggestion of doing away with succession duties, they pointed out that the revenue obtained from this source is a constantly diminishing figure in proportion to the total revenue of the province. For example, they say that for 64/65, succession duties represented 3.6% of the ordinary revenue of the province whereas for 67/68, it was 1.5% presumably with the budget.

MR. JOHNSTON: Is that 1.5% of the total budget?

MR. HYDE: Of the total revenues, total ordinary revenues. It is a figure that is going down because succession duties are going to stay at a constant level. That always has for many years.

MR. JOHNSTON: The rate of this tax has not been increased whereas the others have.

MR. HYDE: So that as time goes by, it becomes more and more in the nature of a nuisance tax.

MR. JOHNSTON: Well, à don't say that.

MR. HYDE: We know we are not saying that $35 million or $40 million is nothing but...

MR. JOHNSTON: To me all taxes are nuisance taxes but we still have to live with them. But it could represent a smaller proportion. It decreases as the budget increases.

MR. HYDE: The Minister of Finance this year has thought about succession duties, because they have given some relief to estates under $75,000, which you say it is going to cost $5 million or $6 million?

MR. JOHNSTON: $4 million to $5 million.

MR. HYDE: We mentioned the « comité consultatif », would the Minister like to tell us of the activities of this committee for the past year?

MR. JOHNSTON: We have met periodically, every three months, and we have discussed the matters pertinent to the department.

MR. HYDE: Could you give us an idea of the kind of things that they do study and any interesting suggestions that they may have made? Does the committee deal more with administrative matters or with matters of policy?

MR. JOHNSTON: With administrative matters more than with those of policy. Legislation is discussed, what effects it has on the taxpayers,...

MR. SEGUIN: Physical or mental effects? You mention effects that it has on taxpayers and my comment was physical or mental...

MR. JOHNSTON: Sometimes it is both. I have not got an agenda on hand, but we discussed of matters with the advisory committee and, I would say, in the views to more or less as a sounding board for proposed ideas within the department according to certain regulations and what their effects might be. One of the things which was discussed, of which we were speaking a few moments ago was surplus stripping. We intend to sit again in the second week-end of June.

MR. TETLEY: The third week! It is your convention.

MR. JOHNSTON: The third week is still taken for conventions.

MR. HYDE: Well, perhaps the Minister could give us the list of the members, my list may be out of date now.

MR. JOHNSTON: Well, the president is Lucien Bélair; the vice-president is Raymond G. Décarie; the members are René Amyot, Jean-Yves Cousineau, Charles Mclaughlin, Charles Pelletier, Albert Poisson and Heward Stikeman.

MR, HYDE: Did you mention Charles Pelletier?

MR. JOHNSTON: Charles Pelletier, yes.

MR. HYDE: It is the same committee as...

MR. JOHNSTON: The same committee. I think...

MR. HYDE : No changes since last year.

MR. JOHNSTON: ... à have given you before. The only member, à think, sat since I gave you those names, is Stikeman. He has been just appointed and à think his first sitting...

MR. HYDE: He was there last year.

MR. JOHNSTON: He was appointed after the budget discussion last year.

MR. HYDE: à have handed the Minister, a moment ago, a little form of restaurant bill which is the kind of bill that you get in a restaurant, this particular one, in the State of Vermont, in connection with the meals tax. I think the Minister will agree that if I, for example, go to a restaurant with my wife and four children and if, normally, à do not ask for separate checks, à will get one bill for the family on which the meals tax is calculated for the total amount. The law permits me to ask for separate checks for each individual which you do not normally do. In fact, à tried it once, I think it was at an A à W restaurant. They never heard of such a thing and they could not do it and they refused to do it anyway.

But, on the form that à showed the minister, it is set up, this particular one, for five sections and you go in and they take the meals separately so that the children, if they have a hamburger and a glass of milk, it is going to be less than $1.25 each one, and if the father and mother take an ordinary meal, each one is taxable. But only those meals are taxable which go beyond the $1.25. à wonder if the minister could not consider the possibility of using a similar form because the department supplies meal checks to any restaurant that asks for them and it seems to me that they could be set up in that way.

MR. JOHNSTON: Actually...

MR. HYDE: There should be an indication that they can set them up separately and it means something to a family with four, five, six children.

MR. JOHNSTON: Well, do you know if this form is applicable throughout all the states or just the state of Vermont?

MR. HYDE: This is one à picked up in a restaurant in Burlington and à assume that it is…

MR. JOHNSTON: à am just wondering, is it state-law, is it just a matter of Howard Johnson printing these bills to bill and tax separately.

MR. HYDE: Well, à am quite sure that it is in accordance with the laws of the State otherwise they would not be doing it for very long. But does the minister see any objection to…

MR. JOHNSTON: à do not see any objection...

MR. HYDE: … sending about the same type of forms...

MR. JOHNSTON: … it is quite an advantage in a sense because meals under $1.25 that are paid separately are not taxable. If you had to pay this in one lump sum, the whole thing would have been taxable.

MR. HYDE: Whereas if four of the meals on there are less than $1.25, are not taxable and the fifth one is $2.50, it becomes taxable; you only pay on the one that is taxable?

MR. JOHNSTON: There is nothing that would forbid that, it will be a little tougher for our auditors when they audit the books, but nothing would prevent us, à think, from doing it, even though at the present time, an individual going to a restaurant and asking for a separate bill, has a right to do so.

MR. HYDE: Yes, he has the right but he probably does not know that he has the right.

MR. JOHNSTON: In quite a few restaurants, we know this is a custom. It was extensively done during the Expo period where at different occasions and our inspectors found that many restaurants were issuing separate meal checks.

MR. BRISSON: Did the minister make any publicity to explain that to the people?

MR. JOHNSTON: We are trying to give the people a lot of explanations in a little sales tax bulletin which goes out every month with our remittance forms...

MR. BRISSON: Those bulletins are going to the owners of the place, not to the consumer.

MR. JOHNSTON: Not to the individual, I realize that.

MR. HYDE: à am quite sure that if you stop five people on the street and ask them If they know that they can ask for separate checks when they go four, five or six together to a restaurant, that four or five people do not know that they can ask for separate checks.

MR. JOHNSTON: à think a lot of waitresses are smart enough to do it because they figure that they may receive a more generous tip.

MR. HYDE: à never ran across a smart waitress... In that sense!

MR. JOHNSTON: Let us say that we will take it into consideration.

MR. TETLEY: à have four matters here.

I think we can get through them quickly.

The first is, the total cost of operating your ministry is $151 millions,

MR. JOHNSTON: Oh no! That is with the sales tax compensation.

MR. TETLEY: With the amount you pay out. Take off your $125 millions so it is $26 millions.

MR. JOHNSTON: Yes.

MR. TETLEY: And last year, it was, in effect, how much? $21 millions, roughly, is that right?

MR. JOHNSTON: Yes, roughly.

MR. TETLEY: So, there has been an increase of $4 millions over $21 millions or just under 20% or 18% à suppose it is?

The whole budget for the province has gone up 13% or 14%. Your department is going up 18% or 19%. The Minister of Finance has made great efforts, he has declared, and à am sure what he declares will be taken for true value, to cut expenses. What efforts were made in your department to cut expenses when we note that they have already gone up to 19%?

MR. JOHNSTON: A lot of this was forecasted in a sense to implement a data-processing center. A considerable amount of this increase was for the setting up of this center. There is also the increase of the number of personnel, monies which are being paid out to contractors to provide extra personnel and advisory services during the implementation period and also a few things during this coming year that we intend to do such as sending out personalized income tax forms, increases in postage and the general increase in the salaries due to agreements which will be coming about, an increase of salaries of some 7.5% this fall.

So, all this put together, à mean to say, accounts for the increase in the budget.

MR. TETLEY: Have you any idea what the increase will be for the year 70/71, if it is going to be $26 millions for this year?

MR. JOHNSTON: There might be a slight one; but, it should not be really a large increase.

MR. TETLEY: Have you any previsions, do you have a five year plan or two year plan?

MR. JOHNSTON: We have more or less a five year plan.

MR. TETLEY: Can you roughly estimate what it is going to be for 70/71 if this year is $26 millions?

MR. JOHNSTON: This, à must say, has not been done in detail. We have an overall plan. While it is true that the expenditures may increase, we must not forget that by dollar of revenue collected they go down. And then there is another reason why you see an increase from 67/68 to 68/69, it is the fact that, this year, we have hired over 380 new employees to fill the vacancies we had. In the Revenue Department, contrary to some other departments, the volume of work increases from one year to the next. You have, for instance, under the income Tax Act, an increase of about 100,000 new returns coming in every year. The number of people collecting sales taxes has a tendency to increase. So, this year, we have taken measures to try to reduce those costs, but when you are implementing a new system, you have got to run two systems in parallel in view of the amounts of money that are involved. This year, for instance, we run a manual system for the assessment of returns and we run also a mechanized system with the result that we definitely know that the remuneration paid to seasonal employees next year is going to drop down by about $1 million or $1,250,000.

We will realize this, but during the part of 70/71, when we make a test in introducing data-processing for part of the assessment of business, we know we will have to run again two systems in parallel and we are going to reap the benefits of this only, for instance, in 71/72. So, before we reap all the benefits from the new data-processing system we are implementing, it will be the year 73/74.

MR. TETLEY: But that is exactly my question. Do you have a five year plan or a three year plan or a ten year plan of expenses?

MR. JOHNSTON: With regards to data-processing, we have a five year plan well laid out.

MR. TETLEY: But, what will it cost as compared with the figure you have here in budget number 2? What will it cost every year? Is your plan that explicit?

MR. JOHNSTON: The plan provides for an increase in data-processing but as à mentioned...

MR. TETLEY: In dollars and cents, we do not have it.

MR. JOHNSTON: In dollars and cents, you know for instance that seasonal employment is going to be reduced.

MR. TETLEY: à know that, but can you tell, in dollars and cents, to cut down the discussion, it it was $1,500,000 in 68/69 and $3,540,000 in 69/70. What is it going to be in 70/71 and 71/72. Do you have it in dollars?

MR. JOHNSTON: For data-processing?

MR. TETLEY: Yes, and then for the whole budget.

MR. JOHNSTON: We do not have it for the whole budget, because you see, we have budgeted what the data-processing cost will be, over a five year period. Now, about the impact of the additional expenditures that we are going to make there, we can identify one type of decrease that is going to occur, it is in seasonal employment.

Secondly, we also know that we will not have to hire, for instance, as many clerks as we would have.

MR. TETLEY: à agree that you will have savings and so on, and some more expenses but the question is: Do you have the figure for the whole budget?

Why à am asking this question is because the treasurer in Ontario insisted that every department, not merely Revenue, but Finance, Education, Roads as well come down with a five year plan with priorities. Possibly they said to them: Well you cannot have data-processing till 73/74. Or perhaps they said: You may have it earlier.

MR. JOHNSTON: We had this data-processing center accepted in principle last year before the budget was cut. We started the mechanization of it last year and we have to proceed with it. Now, à would say within the framework of the budget we should not have to spend more next year, all things being equal, than we are spending this year.

MR. TETLEY: You do not have the precise figure for your whole budget which is $26 millions.

MR. JOHNSTON: No, not over a five year period, no.

MR. TETLEY: One other point à am trying to make — and as a very new member to this National Assembly à am certainly not an expert — is that in the budget speech however, in Ontario, which was very impressive at a certain point, and à have read it into the record in the Education today, so it is there, the minister said: « We kept down our whole budget to a 7.5% increase this year. » This is the treasurer speaking.

Quebec's increase is 13% to 14% and Canada's is 9.5%. And so, the question everyone should ask himself is: How did Ontario do it and Canada did it but we did not do it so well? And the Ontario treasurer said: « This is how we did it: à insisted that each department — apparently the treasurer is an extremely powerful person — file a five year plan of expenses. » And then, he allocated priorities to them. Perhaps he said: Yes, we will have data-processing but we will not have trucks or something, or we will not have so many employees. Again it seems to me that this planning should have been imposed, not necessarily by you, Mr. Minister, but by « le conseil des ministres ».

MR. JOHNSTON: This was done by the minister of Finance last August or September where we filed a five year budget for the Revenue Department and à think that...

MR. TETLEY: Have you got it?

ME. JOHNSTON: à do not have it with me but we have filed those figures, taking into account that the situation would remain the same. We have filed it with the Minister of Finance last August, à think.

MR. TETLEY: Was that a five year planning of revenues or a five year planning of your expenses?

MR. JOHNSTON: Planning both revenues and expenses.

MR. TETLEY: Providing there was no increase in taxes, and no extra work to do.

MR. JOHNSTON: That is right

MR. TETLEY: Do you have that, could you produce it or give it, send it over afterwards? Is the minister able to? Could you?

The second thing à would like to bring up — and the time is rushing on here — is the question of amounts of money that are not recovered when there is a bankruptcy. As you know, the Provincial Government and the Federal Government has the right to be considered as a privileged creditor, « un créancier privilégié ». à have four examples here which à have got: à went to the income tax department, Mr. President, if you allow me to have them distributed.

The last one — à do not know if the minister knows that person — it is someone from some other riding rather than Bagot actually, it is a « garagiste », 5188 De Salaberry. But these are just four quick examples where à drew files from the bankruptcy office in Montreal. And you will see, à have the documents here, take the Stage Coach Inn, there is apparently $141,737.70 owed to the provincial Revenue Department for meal taxes alone, which must be a very considerable number of meals, at current rate, particularly when there is a deduction.

It is much more than one month as my colleague here points out. Then there is deduction at source, $12,896.07. The point here that is so damaging is that not only will the Department probably lose much of this money, but if it gets some of it or all of it, il will be at the expense of the ordinary creditors. And in the case of the Stage Coach Inn, à have a copy of it here, there are two and a half pages of ordinary creditors. There are 136 of them for $443,000 and these are ordinary people, little compagnies unincorporated companies, who will not be paid if you collect, which is, à hope, possible but probably unlikely.

Can the minister give any explanation of the Stage Coach Inn bankruptcy or of Pettigrew's bankruptcy where it is $30,000 owed in sales taxes or in J.D. Labelle's bankrucptcy, being $69,000 for « déductions à la source » and sales and « taxes de vente » $11,000.

MR. JOHNSTON: When you take accounts like that one for example, the Stage Coach Inn, which is the larger of the two, before we are in a position to exercise any drastic collection effort, any agent of the Government can accumulate between seven and eight months of taxes collected. First of all you know that they remit the taxes one month after it is collected, right? So, at that time they have already accumulated two months of taxes. Then when it is processed you send them, what you may call it a delinquent notice. We are forced by the Act to do that. Then the third operation, you send them a final notice. Then there is a « mise en demeure » and it is sent to our legal department for execution.

Once you arrive at the court there are bound to be cases that are being postponed. After eight or nine months, even if we have taken a drastic action at that time, a lot of these people come to us and try to make an arrangement to pay on a schedule. We analyze their financial statement, and so on, and they may be given a delay. Some live up to it, others do not live up to it. In the case of the Stage Coach Inn, when it was brought to our attention, in May 1968, they did not live up to their commitments. Then we tried to obtain garanteed payments, we had all reasons to believe them. They made a few payments and then we had checks that bounced back and we had to run after them.

Therefore a situation is bound to develop.

I do not say that this is normal, in a matter of sales tax now, we can have against an agent a rapid judgment that is helping us in a way that we had not before.

In the case of the Stage Coach Inn, if my memory serves me right, this was not all collected taxes because there was a fair amount of money in there that had to do with taxes which were not paid, which were not remitted on equipment that was purchased and also, I think, on some building materials.

I am not at all sure but, If my memory serves me right, there was one or two assessments in there which were made in the year, I do not know if it is at the end of 1966 or 1967, of course à do not have the file with me. So, in that case, the normal collection efforts were made. à do not have all the details of the arrangements that were made with our officers but the department has tried, even in that case, to protect the amount that was due to it and has tried to recover as much as possible.

MR. TETLEY: à understand the Federal Government has a system whereby if moneys are due and whether or not there is some doubt as to whether they are due.

MR. JOHNSTON: Yes.

MR. TETLEY: It is automatically assumed they are due and you must pay and then you may contest. You do not have that system, do you?

MR. JOHNSTON: Oh yes.

MR. TETLEY: It is automatically due even when contested?

MR. JOHNSTON: It is automatically due.

MR. TETLEY: Well, à cannot appreciate how this very large sum was allowed to arise, the member for Westmount here has calculated it at a very high number of meals or...

MR. HYDE: It represents $2 millions worth of meals.

MR. JOHNSTON: There are meals but you must not forget that the drinks in there represent a lair portion because they were not selling meals only, they were selling liquor on which the tax is also payable.

MR. HYDE: On the point that Mr. Tetley has brought up comparing the Federal and the Provincial, let us leave the meals tax for a moment. The Federal deductions at the source right on the Stage Coach case, they only owed the Federal $4,000 whereas to the Provincial for deductions of the source, they owe them $12,000. Now the deductions at the source are roughly 50-50.

MR. JOHNSTON: They are much the same.

MR. HYDE: Pretty much the same. à think what the member for Notre-Dame-de-Grâce is suggesting is that the Federal obviously has some better machinery perhaps to keep after these people.

MR. JOHNSTON: Maybe they went quicker at this case, but if you were looking up any other cases, you will find also that the department moves ahead also.

MR. HYDE: Sometimes you get there first.

MR. JOHNSTON: That is right. There is a question, if you exercise for instance a rapid judgment you come in second and the guys take all the money. à mean you just cannot get more.

MR. TETLEY: Well in the case of the third in the list, à see that the Minister of National Revenue for Canada is owed only $11,000 while Quebec is owed $69,000. These examples are just picked out of the hat but...

MR. JOHNSTON: But for Quebec, à think it must include sales tax also whereas... à think for Quebec the larger amount of the case of J.B. Labelle is sales tax. à do not know what amount you have for sales tax.

MR. TETLEY: à will give you the document.

In the second one on my list, Pettigrew industries, the Minister of National Revenue is owed only $800 and this is for Canada. For the province, it is $30,675 « taxe de vente » et « déductions à la source » $7,000.

I just picked these at random and there are three out of three where the province has been owed very very much more, à have a number of others here, which à did not bother to list.

One last question on this bankruptcy matter, how much money was lost last year through bankruptcies, that was owed in sales tax and deductions at source?

MR. JOHNSTON: à do not know. Last year, the total amount of taxes involved in bankruptcies was $12,793,000. We have collected out of this approximately 40%. This does not mean that the balance was lost, because there is always the responsibility of the officers of the corporations involved. Because we may object, that they will be free from the bankruptcy, but we will watch them, and make sure that whenever conditions permit, we will collect what is owed us.

MR. TETLEY: Mr. Hyde has suggested that we will try to finish my last two questions so we can finish tonight. Do you mind, Mr. President?

In the Union Nationale program of 1966 was a promise, a suggestion that all succession duties be removed, has that been considered by the minister?

MR. JOHNSTON: As à mentioned to you, earlier, à am taking this into consideration. Actually, the case exists throughout Canada, and with the Federal Government. And as you mentioned or Mr. Hyde mentioned earlier, the figure is mainly pretty much the same every year but, nevertheless, it is difficult to eliminate an amount of some $40 millions out of the budget, immediately, without making some provision to keep our budget on an equal balance.

MR. TETLEY: Alberta has abolished them, as you know, and à do not know if the ministers or the Government has calculated the advantage of abolishing succession duties to encourage new investment and people moved to Quebec, as opposed to the income lost by retaining succession duties.

MR. JOHNSTON: Possibly, Alberta is in a much better financial situation — due to amounts of money which they are receiving as royalties from oil — than we are here in Quebec at the moment. But, nevertheless they abolished succession duties in 1968. à said this question of succession duties being eliminated was taken into consideration, but to eliminate this amount from the budget at this particular time it was decided to hold it for the time being.

MR. TETLEY: My one last question concerns real estate taxes which are not under your ministry, but which are, in some provinces. For example, in New-Brunswick, real estate taxes have now become a provincial matter. Because, as it has been pointed out time and time again, real estate rates and real estate assessment values vary throughout even the city of Quebec for example. In a short taxi ride, you go through areas with different assessments and different rates, let alone the whole province. This is for school taxes and municipal taxes. Has the minister or the Government considered the question of the central collection of real estate taxes? Similar to the New-Brunswick?

MR. JOHNSTON: At the moment, à would have to say no. Discussions have taken place, but we have not come yet to this point where the studies are being firmly taken into consideration. I know, as far as assessment is concerned, within the Department of Education, that norms have been set up to equalize one area against another in matters of taxation, but there has been no serious study, as far as à am concerned, of eliminating, or the ministry taking into account the collection of the real estate taxes.

MR. TETLEY: The Minister is obviously aware of the great advantages in spite of the political difficulties involved.

MR. JOHNSTON: Well, there are advantages and there are disadvantages similar to the taking over of the sales tax a few years ago; agreements were made, and today a lot of municipalities say that they are suffering due to the fact that the Government has taken the collection of sales tax. Sometimes it works out and sometimes it does not.

MR. TETLEY: The point à am making is the one which you know well enough. Many large industries are perhaps not even in a municipality, but are in some sort of a rural county and so they do not pay their fair share of taxes, either school or municipal, while others, we will say, in the center of Quebec city here, are paying very heavy share. And it affects development of areas and can cause the cities to become decadent and so on, because the taxes have to be so heavy. It has a dual effect, à think revenue is lost and it affects the economy of older areas.

MR. JOHNSTON: Of course, on the other hand, we talk about decentralizing our industries and, of course, this is one of the factors that is possibly attracting industry in some of the, let us say, rural areas or almost rural areas. And again there are certain conditions to certain industry to settle in the decentralizing area.

MR. TETLEY: Why bring this up again now? Ontario is not going to immediatly impose equal taxation across the province, because of the very great difficulties that you mentioned. But Ontario, this year has decided to investigate, in great detail, and come up with some new plan for real estate taxation. That was also announced in their budget. à think it is a long term plan and will require considerable time but, unless the plan is started now, we will be very far behind in the future. And so again, à suggest, from a new member of the National Assembly, that this might be considered in the light of the Ontario experience and the New Brunswick experience. We are in between these two provinces. We should and can benefit from this experience because part of our province resembles to a great extent as you know, New Brunswick and another part resembles, to a very great extent, Ontario. Their achievements and their errors can certainly benefit us.

MR. JOHNSTON: Your suggestions can be taken into consideration.

M. BRISSON: Une dernière question, M. le Président, concernant la taxe de vente : Ceux qui font les remboursements ont toujours droit à un rabais de 2%, je pense...

M. JOHNSTON: C'est cela.

M. BRISSON: Quelle est l'idée de donner ce rabais de 2%?

M. JOHNSTON: C'est une pratique qui a été suivie depuis que la taxe de vente a été mise en vigueur.

M. HYDE: Une espèce de commission.

M. BRISSON: Alors, c'est une commission, je suppose, pour le travail et la peine qu'ils se donnent à remplir les formules et à percevoir la taxe...

M. JOHNSTON: Je ne dirais pas cela, parce qu'il serait difficile d'établir ce qu'il en coûte exactement à chaque mandataire pour percevoir la taxe. Les coûts varient nécessairement d'un mandataire à l'autre, selon le prix des produits vendus. Disons donc que c'est une compensation introduite comme pratique administrative et qui n'a jamais été modifiée.

M. BRISSON: Alors, afin d'être uniforme, pourquoi ne donnerait-on pas également une compensation à ceux qui perçoivent les impôts à la source? Je pense qu'il y aurait lieu d'annuler ces 2% ou d'en donner à l'autre.

M. JOHNSTON: C'est quelque chose qui peut certainement être envisagé.

M. BRISSON: De quelle façon...

M. JOHNSTON: D'ailleurs, vous n'avez aucune uniformité à la grandeur de tout le continent nord-américain. Certains critères...

M. BRISSON: Maintenant, qu'est-ce que cela peut rapporter globalement? Quel montant cela représente-t-il?

M. JOHNSTON: La compensation de 2% n'est accordée que sur la taxe perçue. Je pense que c'est environ $5 millions par année.

M. BRISSON: $5 millions. Alors, si cette compensation était annulée, cela ferait $5 millions de plus. Cela inquiéterait beaucoup moins le ministre des Finances dans son déficit à venir.

Il me semble qu'en somme le but de l'affaire serait d'uniformiser les principes dans la province sur les perceptions de taxes. Je pense qu'à ce moment-là c'est $5 millions qu'on irait chercher parce que, si nous n'en donnons pas à un, nous n'avons pas à en donner à l'autre.

C'est une suggestion simplement que je fais. Je pense qu'une suggestion de $5 millions vaut la peine d'être prise en considération.

MR. JOHNSTON: The member is asking that we eliminate this compensation given to individuals collecting sales taxe.

MR. BRISSON: Yes.

MR. JOHNSTON: On the other hand, Just a few weeks ago, the Union of County Councils were in here and were asking us to increase it.

MR. BRISSON: If you do not eliminate it, you will have to give one what you give...

MR. JOHNSTON: à realize. It is discriminatory in a sense because you take a drug store has to account for maybe thousands of sales to collect $100, whereas a garage man has to look after a dozen of bills to get maybe $350. In a sense, it is not 100% fair. Nevertheless it is regularized through the province. à think in a sense, it also exists in Ontario in a different set up, and they are still continuing to pay for collection.

Il semble établi que la plupart des juridictions ont accordé une compensation pour la perception de la taxe de vente alors qu'ils n'en ont pas accordée pour aucune autre taxe.

M. BRISSON: Je trouve que si on accorde quelque chose à un, qu'on l'accorde à l'autre, parce qu'en somme les deux perçoivent des taxes; qu'on l'accorde ou qu'on l'annule.

MR. JOHNSTON: You are recommending that we discontinue paying for the collection or pay for others. We will study that affair.

MR. BRISSON: Yes.

MR. HYDE: Have you done any more study on the « Code du Revenu »?

MR. JOHNSTON: This study is progressing gradually. We are doing our best, but as we mentioned, commissions are recommending reforming the whole field of taxation. And this involved quite a major change so, maybe it will be better to make a final recommendation on that when we know exactly what is going on, what shape taxation will take in the very near future.

MR. HYDE: Yes, but à think we are talking there on a very, very long term basis and à think that part of the philosophy, I hope, of the Revenue Department is to inform the public, as far as possible, so that everyone is treated equally and à think that the suggestion that was made by the Bélanger Commission to set up a Revenue Code; part one being provisions which are common to all of the Revenue Laws and an up to date codification of the existing Laws; the second part containing provisions dealing with the individual Laws. That is only a beginning. If we are thinking further of a complete re-thinking and a new philosophy of taxation, at least you would then have something to start with.

I asked the Minister about this last year and...

MR. JOHNSTON: Yes.

MR. HYDE: ... à think the Minister said that it was under study and that work was being done. I think that it is a serious question and so meting that would be helpful, perhaps not only in the Department, but to the public at large and people who are dealing with taxes all the time, to have, at least, one part which deals with provisions common to all Revenue Acts, and a second part dealing with the individual imposition sections of each of the separate laws.

Has the minister had a codification of the Revenue Laws since... à think it was about... 1965 was the last one.

MR. JOHNSTON: It could be that.

MR. HYDE: It has not been...

MR. JOHNSTON: There has not been one for quite a while.

MR. HYDE: ... brought up to date since then.

M. JOHNSTON: Des codifications administratives?

M. HYDE: Des codifications administratives, oui.

MR. JOHNSTON: The sales act. The meals and hotel tax act and the communication tax act have come out about three weeks ago. « Les codifications administratives » are being brought up to date and...

MR. HYDE: Well, when you are working on « codifications administratives » à would think that at the same time, someone could be delegated to look at the aspect of the Revenue Code.

MR. JOHNSTON: We are integrating all the amendments.

MR. HYDE: All into one... Anyway...

MR. JOHNSTON: But there is duplication in every law.

M. LE PRESIDENT: Le poste budgétaire 1: Administration, adopté?

UNE VOIX: Adopté.

M. LE PRESIDENT: Le poste budgétaire 2: Service de l'informatique, adopté?

UNE VOIX:: Adopté.

M. LE PRESIDENT: Le poste budgétaire 3: Direction des impôts, adopté.

Le poste budgétaire 4: Direction des taxes de vente, adopté.

Le poste budgétaire 5: Direction des services auxilliaires et techniques, adopté.

Subvention 1: Compensation payable aux municipalités pour tenir lieu du droit...

M. HYDE: Pas nécessaire de le lire.

M. LE PRESIDENT: Non. Est-ce que les prévisions budgétaires du ministère du Revenu sont adoptées?

M. HYDE: Adopté.

M. LE PRESIDENT: Adopté.

M. HYDE: Nous ferons rapport à la Chambre.

(Fin de la séance: 22 h 22)