

Senator Gigantès: He has, that is right. He has used that experience, of course, with Senator Charbonneau, whom they still call Speaker on the other side.

Yesterday Senator Bonnell was pointing out that he might have a whole new career as a referee in the National Hockey League, helping the team called the "Ottawa Senators". Senator Bonnell was suggesting that he might run off with the puck and put it in the opposing team's net, forgetting his status as a referee, and using his usual partisan tactics by himself.

A number of reasons are offered for the expectation that a consumption tax will reduce tax evasion at the income tax level. It is easier to enforce, and therefore you can catch people trying to evade.

[Translation]

Good morning, dear Senator Tremblay! I missed you. I am so glad you are here. You are really very nice and very quick, a lot quicker than the rest of your colleagues. I would like them to imitate you. Senator Bolduc is very nice also. All those who have never doubted the quality of Quebec's senior civil servants should think about it. We have two magnificent specimens here. They are really more impressive than the specimens from Quebec's business sector.

Hon. Arthur Tremblay: Senator Gigantès, "Timeo Danaos et dona ferentis" (I fear the Greeks, especially when they are bringing presents). I guess that apply also to compliments!

Senator Gigantès: No, dear senator, because my compliments are like scorpions; there is always something at the end. I am keeping that for later on. This morning, as I was saying, I am feeling particularly well.

I was asked yesterday, when I ended: what gave you the stamina to hold for 18 hours? I answered: Senator Simard. Senator Fairbairn asked me if, at the end, I had difficulty to focus. She used the expression "Focus your sight", and I said:

[English]

Focus your sight. It is only when I look at Senator Simard. So bless you for being here. You truly quintuple my strength, at least to begin with. As you go on it gets stronger and stronger. If only they would keep you here forever, I could speak forever.

Senator Simard: You have read enough, Senator MacEachen? I cannot blame you. I wish we could all leave.

Senator Gigantès: Senator MacEachen does not have to listen to me. You are the ones who have to provide a quorum. All of us except me, can leave. For a three hour stretch, I do not need the help of my friends for questions. Not yet; not yet.

Senator Frith: Even when Senator Simard is smiling, you might be all right.

Senator Stanbury: You can ask questions, though. That is all right.

[Translation]

Senator David: That is against the rules.

Séateur Gigantès: What? Giving me a piece of paper? He told me that one of them has his fly open. You have sent me

[Senator Stanbury.]

many notes like that when I was talking. I do not know who is mischievous enough on your side to play such a trick, like a grade 3 kid. I myself am in grade 4. I remember that in grade 3, we used to send little notes to the teacher saying that his fly was not closed. We thought it was very funny to see the teacher trying to button himself up.

I was always told that when you talk to a public with "short attention span", like you, you have to relieve pressure by changing subjects once in a while. I cannot talk to you about economy for longer than 30 seconds. It would not sink in, Senator Simard.

Senator Simard: You are perfectly able to talk more than 30 seconds. You are an expert.

[English]

Jack of all trades, master of none.

Please focus on something. Focus.

Senator Gigantès: On you? I will spoil my eyesight.

Senator Simard: Focus.

Senator Gigantès: I am focusing on the text. It is a very important text.

Senator Simard: Focus on the clock.

Senator Gigantès:

... even this simplistic economic model of evasion behaviour ignores the fact that higher tax rates increase the cost of evasion in two ways. First, an increase in the tax rate increases the penalty for evading, since fines are typically proportional to unpaid tax. Second, an increase in the tax rate increases the incentive for the tax department to audit; for a given level of under-reporting, a higher tax rate increases the total tax and penalty collected from an audit.

Mr. Brooks is saying that if you really want to catch tax evaders, a high income tax rate is a better investment for revenue, a better investment in tax police than it is for a 7 per cent consumption tax.

On balance, recent studies have found that the costs of noncompliance associated with an increase in tax rates outweigh the benefits, so that an increase in the tax rate should in theory actually increase compliance. A number of recent empirical studies have failed to find any relationship between tax rates and compliance.

I think they would probably find an inverse relationship between compliance and party affiliation. If you are a Tory, you dodge taxes, generally. You find ways of paying as little as possible.

Senator Turner: Are you saying they are not honest?

Senator Gigantès: Let us not use a vocabulary that they do not understand. Please, Senator, you keep coming back at me with words like, "integrity", and "honesty". We are talking to Tories now.

Senator Turner: That is what I was taught when I was a young lad; to be honest and truthful, and have a lots of integrity. That is what makes the world go round.