

*Supply—National Revenue*

as the minister probably knows, some of the old homesteads carry with them mineral rights. In other cases mineral lands are acquired or purchased from the C.P.R. or some other company and in the southeast corner of the province where those mineral rights exist, particularly oil rights in the part of the province where oil has been found, the estate tax branch is charging rather phenomenal values for lands carrying those mineral and oil rights. Whether or not oil has been discovered, in certain cases the department is charging such fantastic sums that it is a burden on the estate. Unfortunately my file has not been kept too well for some little time and the correspondence I have had in this connection has been mislaid, but in substance that is the fact.

It is a different proposition where oil has been discovered. In that case naturally where wells are producing those oil rights can very well be taxed; but where the mineral rights exist and the owner has ownership of the mineral rights but oil has not been discovered, they do not know whether there is any value to be placed upon it or not. This particular solicitor I am speaking about felt that the department was charging him too much.

I just bring that to the minister's attention and if I can locate the correspondence I would be glad to turn it over to him.

**Mr. Robichaud:** In introducing the taxation division of his department a few moments ago the minister referred to the staff decrease which has involved savings of \$270,000. In New Brunswick the population is served by the Saint John office and we all know that the citizens of New Brunswick are called upon to pay income tax whether they are farmers, fishermen, wage earners or others. In New Brunswick 42 per cent of the population are French speaking.

I would like to know from the minister what is the total number of employees in the Saint John office, and what percentage of those employees are classified as bilingual. I know that in the past we have had several complaints from French speaking taxpayers in New Brunswick to the effect that they could not be served in their own language by the Saint John office and I do not think there is any need for such complaints.

**Mr. Smith (Calgary South):** Mr. Chairman, it is hardly necessary for me to compliment the minister because he knows the high regard held of him on this side of the house. However, I should like to join with my colleagues in congratulating his staff in particular, and I am sure the members of the committee will agree that no member

of the civil service of Canada has a more difficult job and probably has more epithets directed at him. No one has done his work more conscientiously and I think for the benefit of all taxpayers he should be congratulated.

I want to remind the minister and his staff of two recommendations which were made a year ago by the estimates committee and to which he made some reference. I am referring specifically to our suggestion on the interpretation of taxation statutes.

We said at that time that the line separating taxable income from capital gain has in our view produced an area of uncertainty, particularly with regard to venture undertakings. We also argued that this lack of a clarity could act as a deterrent to resource development where high risk is involved. We went on to suggest a number of remedies and we came to the conclusion that one possible remedy would be to examine the advantages or disadvantages of providing advance taxation rulings in corporate or individual financial undertakings.

Otherwise, two problems arise. The first concerns a fair definition of what a business profit is, and what can be taxed as compared with a capital gain which is tax free, and the second point concerns the age old problem of knowing as a taxpayer exactly what your position is in the absence of competent advice as to whether or not your income is taxable. We have heard it said by taxpayers that the department is inclined to take the attitude: you go ahead and play the game, and we will make the rules afterwards. This I think exaggerates the situation but nevertheless that is an impression widely held. I would ask the minister to comment on this.

I would ask him also to make some further reference to the tax appeal board which he mentioned in his opening remarks. We noted a year ago that the board does indeed have a great deal of work. In fact, we said that while we appreciated that in some cases appeals were delayed at the request of an applicant, only 94 were postponed, 91 were listed for hearing and 188 were not dealt with at all, and we ended by recommending that the personnel should be increased so as to expedite the hearings, and we felt this was an important consideration.

Finally, I should like to bring to the attention of the minister a matter concerning assessment procedure and the assessment of individuals. We questioned whether there should not be greater uniformity in levying assessments from one area of Canada to another, and asked if greater liaison could not be brought about between one branch of his