

Further, we shall give effect, by order in council, to the decision we have taken, a couple of months ago, with a view to making the tax payable to Quebec on undistributed income and dividends consistent with the federal act. In other words, by virtue of such amendment, the province will only get 15 per cent of the rates authorized by the federal act in such cases.

Our provincial tax act on personal income is for a period of three years, that is to say, for each of the calendar years 1954, 1955 and 1956; we suggest that an agreement to be arrived at between Ottawa and Quebec should be for the same period.

The Quebec government wishes earnestly to reach an amicable settlement of this problem, and we express the hope that the above-mentioned provincial proposals will be favourably received by the federal authorities.

As I wrote you on October 11th, "if you decide to call a Canadian inter-governmental conference at Ottawa, we will be happy to attend and we will not hesitate to defer our parliamentary work should this conference take place during the session of our legislature".

Yours very truly,

(Sgd.) M. L. DUPLESSIS

Copy
Translation

Office of The Prime Minister
Canada

Ottawa, November 5th, 1954

The Honourable
Maurice L. Duplessis, Q.C., LL.D.,
Premier of the Province of Quebec,
Parliament Buildings,
Quebec, Que.

Dear Mr. Duplessis:

Pursuant to our telephone conversation of Wednesday November 3rd concerning your letter received the day before, I wish to inform you that I am having statistics compiled by our officials of the Department of Finance, with a view to determining what would result, as regards deductions, from the fact that, to establish the taxable income under the federal act and your own Act, the amount of such taxable income would be, for all single taxpayers, \$500.00 less under the Quebec act than the federal act and, for all married taxpayers, \$1,000.00 less.

Possibly, your officers have already prepared compilations to that effect, and if such were the case, it might be a good thing if we were to agree to their contacting ours, so as to prevent the possibility of misunderstanding which would affect the governing rules to be applied in order to eliminate double taxation.

Yours very truly,

(Sgd.) LOUIS S. ST. LAURENT