

APPENDIX

CORRESPONDENCE RESPECTING PROVINCIAL INCOME TAX

Copy
Translation

Office of the Premier
Province of Quebec

Quebec, October 11, 1954.

The Right Honourable
Louis S. St-Laurent, P.C., Q.C.,
Prime Minister of Canada,
Ottawa.

My dear Prime Minister:

Since our pleasant meeting last Tuesday in Montreal, my colleagues and I, with particular attention and with the sincere desire of co-operating to the fullest reasonable extent in its solution, have studied the important fiscal problem which was the subject of our interview.

Our Legislative Assembly opens in a few weeks, on November 17th. I need hardly mention the vast additional amount of work involved in its preparation. Moreover, I am leaving this week on a vacation of about ten days' duration, the first I have taken in over a year.

Under the circumstances, even with the best of intentions, it is physically impossible before my departure to obtain and study the statistics which form the basis of the subject. At the earliest possible moment I will write you again on my return.

Nevertheless, I wish to mention here that, 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.

With my sincere regards,
(Sgd.) M. L. DUPLESSIS

Copy
Translation

Office of the Prime Minister
Canada

Ottawa, October 15, 1954.

The Honourable M. L. Duplessis,
Premier of the Province of Quebec,
Parliament Buildings,
Quebec, Que.

My dear Premier:

I have received your letter of October 11th and I understand that, under the circumstances, it has not been possible for you to

send me the information which, at our meeting of October 5th concerning your suggested amendments to your Income Tax Act, we had agreed you would forward to me.

I hope that, when you receive this letter on your return, you will have had a pleasant and restful vacation and that we will then be able to resume consideration of a temporary and acceptable solution of the matter which is a problem for all of us.

With kind regards,

Yours sincerely,
(Sgd.) LOUIS S. ST. LAURENT

Copy
Translation

Office of the Premier
Province of Quebec

Quebec, November 1st, 1954.

The Right Honourable
Louis S. St-Laurent, P.C., Q.C.,
Prime Minister of Canada,
Ottawa, Ontario.

Dear Mr. Prime Minister:

Pursuant to our interview in Montreal on October 5th last and to the letter I sent you on the 11th of the same month, I am writing you on the subject of the provincial income tax in and for the Province of Quebec.

We believe that we clearly defined the opinion and the attitude of the Government of the Province of Quebec, in matters of the powers of taxation during the Canadian intergovernmental conferences which were held in Ottawa since 1945 and came to a close at Quebec in 1950, as well as in the correspondence we have had with federal authorities, particularly since 1949.

The agreement concluded between the preceding provincial government and the federal authorities, concerning important provincial powers of taxation, expired in 1947. Since then, the Province of Quebec has not availed itself of its right to collect a provincial income tax in the province. This shows the earnest desire of the Quebec government to come to an agreement with Ottawa and, after all, the federal government has profited financially, to a large extent, by this situation which lasted approximately seven years.

The great progress and the tremendous developments, from which our immense province benefits, particularly large and numerous districts which were formerly less-favoured,