Turpin, who robbed the rich in order to pay the poor. However, for my part, I would like to consider it a matter of fairness on the part of the more wealthy provinces; a matter of consideration to which we all consent. I am all for it.

I am strongly in favour of grants for equalization as between the provinces—and please note that I come from the wealthier province of Ontario—but surely, honourable senators, no one would justify the $250 million odd given to the province of Ontario this last year, upon any theory of equalization. Equalization has practically disappeared from this bill, and what you have in it is the grab which the province of Ontario is able to make, a little greater than that of the other provinces. The principle of equalization was introduced, I believe, by the Liberal government by legislation in 1956, and it is to be regretted that its application so far as the provinces are concerned is worsened by this bill.

As a Canadian, I find little cause for happiness in this measure. It is not designed to promote the unity and amity which the Prime Minister promised in the 1957 election campaign. Neither am I pleased at the arrogance displayed by the Government in the negotiations which led up to it. As a matter of diplomacy, holding our nation together, keeping us in unity and with a national purpose, this bill, with its provisions as to dominion subsidies, is a blank failure.

Yet I suppose there is nothing that we can do in the Senate at the moment, but pass the bill. There would be no advantage gained at all even by referring it to a committee, under these circumstances. The matter is in need of discussion. We should be discussing the bill, with all its facets and all its effects upon different parts of our country for the next week. But the bill was retained to the very last moment, perhaps with some ulterior purpose in that regard, and is now thrown into our laps, with practically no opportunity to consider it in detail or to analyze its various provisions. However, I am comforted in this, that the bill is an expression of Government policy. In fact, it is Government policy, and the Government must answer to the electors of Canada for the mess that it is. Therefore I say, let us pass it on division, and let the Government answer to the electors—and that it will have to do before very long.

Hon. Austin C. Taylor: Honourable senators, I do not intend to devote very much time to this bill because it is of a technical nature and, as a layman, I must confess there are many aspects of it I know very little about. From my observations, and from listening to what has already been said, it appears to me that some of the experts in law are confused on some aspects of the measure.

My purpose in rising to say a few words is that a good deal of controversy has taken place between my province of New Brunswick and the federal authorities in Ottawa in relation to the application of this tax agreement to each province. In this respect may I say that the Premier of New Brunswick stated his interpretation of certain facts in connection with the agreement, and the Minister of Finance and other members supporting the Government in Ottawa gave their version of the facts, and I must confess that they appear to be quite a distance apart.

I would like first of all to go back to my interpretation of the Prime Minister's statement on February 28 when he outlined four changes in the proposed new tax agreement.

No. 1: The average per capita yield of the three standard taxes in all provinces, instead of the present two highest, namely, Ontario and British Columbia.

No. 2: 50 per cent of the three-year moving average of gross natural resources revenues as determined by the Dominion Bureau of Statistics.

No. 3: 50 per cent of estate taxes, dependent upon the province passing a succession duty act or similar legislation, calculated in the same way as under the present rental agreement. In any event, for any province levying a succession duty, the federal Government is prepared to make the same abatement as at present.

No. 4: $35 million to the Atlantic provinces divided on a basis agreed upon by the four provinces, instead of $25 million as formerly decided—$7.5 million to New Brunswick, $7.5 million to Nova Scotia, $7.5 million to Newfoundland, and $2.5 million to Prince Edward Island.

Honourable senators, as one who had something to do with the original agreement between the Dominion of Canada and the provinces in relation to tax rental agreements, and even back in the days of the wartime tax agreement, I must confess that there were certain features of the agreements that I did not approve of. I would like to repeat now, what I said just prior to the coming to Ottawa of the representatives of New Brunswick in 1956 for a conference in connection with the 1957 tax rental agreement.

As I recall it, the agreements down through the years have been based, first, on population, second, on income, and a third factor which I recommended at the time should have been taken into consideration was fiscal need. That had not been done up to the time discussions were started in 1956. I will say, however, that a measure of fiscal need was considered when the matter of income was