

increase as compared with the present estimated rental payments. I find Quebec receiving \$184,708,000 and the increase is to be \$18,859,000, which is better than 10 per cent. In the case of Ontario they are receiving \$224,755,000 estimated, and the estimated increase will be \$22,315,000, which is somewhat better than 10 per cent. However, when we come to British Columbia we find that the present estimated rental payments are \$58,983,000 and they are to receive an increase of \$2,842,000, which would work out to about a 4.8 per cent increase.

In view of the fact that British Columbia is now to be denied the stabilization fund that it has received up to the present time, it would seem to me that it puts that province out of line with the ratio of the increase given to the others.

Mr. Fleming: Mr. Chairman, British Columbia is not being denied the benefit of stabilization in what is proposed under the present bill. There is nothing in the present bill which impairs the efficacy of the stabilization provisions in the act. The fact is, however, that with the benefits which British Columbia will derive from the present bill its receipts will exceed the floor established by the stabilization provisions of the act. In other words, on the basis of these estimates they are going to go above the floor created in that respect.

As to the table on page 63 of the printed proceedings of the dominion-provincial conference of November, 1957, I must say I cannot take any responsibility for any of the figures on this sheet; they are figures prepared by British Columbia, not the figures of the dominion government. They were prepared by British Columbia presumably to illustrate the effect of an increase which they were apparently seeking in the formula from 10-9-50 to a quarter of the receipts from the individual income tax, a quarter of the receipts from corporation taxes and half the receipts from the succession duty. When they take a figure in line 10 of estimated present rental payments, all I can say is that their total is obviously out of line to the extent of about \$20 million. Their figure is \$650,838,000. Our figure of the estimated payment for the current fiscal year is \$20 million less, and, therefore, I take it some adjustment must be made in all the figures which appear in this line for all of the provinces.

Mr. Hahn: The hon. minister says these figures are the responsibility of the British Columbia government, and that they are in error. I must point out to him, much as I dislike doing so, that he himself was 50 per cent or 100 per cent wrong in the case of

Dominion Succession Duty Act

British Columbia only a few days ago, and in respect of this particular figure, if the province did happen to be "out" \$20 million out of \$650 million, the discrepancy is much less in this case than it was in his.

Clause agreed to.

Bill reported.

Mr. Speaker: When shall the bill be read the third time?

Mr. Fleming: Now.

Mr. Knowles (Winnipeg North Centre): By leave.

Mr. Fleming moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

DOMINION SUCCESSION DUTY ACT

CHANGE IN METHOD OF COMPUTING TAX; REVISION, CONSOLIDATION, ETC.

The house resumed, from Tuesday, January 28, consideration in committee of the following resolution—Mr. Fleming—Mr. Courtemanche in the chair:

That it is expedient to introduce a measure to replace the present Dominion Succession Duty Act, to provide that the tax on property passing or deemed to pass, on death, be computed by reference to the property comprising the estate of the deceased rather than the property contained in the bequests from the estate to the beneficiaries; and also to consolidate, revise and simplify those provisions of the present act that continue to be appropriate.

Mr. Macdonald (Vancouver-Kingsway): Mr. Chairman, when the committee rose at ten o'clock last night I was about to make a few remarks concerning this resolution. I think it is a significant one, and I would ask the minister to take the views of all sections of this committee into account when he comes to draft the final legislation.

We are dealing here with something that is of great social significance in a democratic state—I refer to estate duties, death duties, succession duties, call them what you will—and I think it is worth while sitting back for a moment and taking a long look at this kind of legislation. We should ask ourselves, what is the purpose of laws of this kind, and try to decide what social objectives we have in mind.

The first objective is, undoubtedly, the raising of revenue. From very ancient times this has been one means by which kings made a levy on the effects of their deceased subjects to help support their courts and their concubines and their armies and so forth. By the time of Henry VIII this practice was embodied in the legislation of