

ment of wage-earners who have to make up the difference—that no one need defend them after their death.

You know as well as I do, Mr. Speaker, that everyone admits today that certain wealthy people convert their holdings into bearer securities which they afterwards place in a bank safety deposit vault in the name of some member of the family, or of any other person, while carefully keeping the key themselves, these same bond-holders putting into their own vaults only securities of little value, which their estates will use as a basis when filing their returns to the provincial government.

Now, since only the safety vault of the deceased is put under seal at the time of his death, the family takes possession of the other vault containing bearer bonds and quite frequently divides a huge fortune accumulated during the previous ten years, either on the black market, or in some other way, and on which the deceased has paid little income tax, if any, thus committing a glaring injustice to the wage-earner whose income tax is deducted at the source.

It is also admitted that some Montreal millionaires rent safety vaults in Ontario banks in the name of one member of the family, or of some other trusted person, and that some wealthy individuals from Toronto are doing the same in Montreal; all this in order to avoid the filing of too high a return on succession duties to their respective provinces, and especially so as to prevent the dominion from recovering the income tax which has not been paid for seven or eight years.

Some may object and say that this is the only way of subscribing to election funds or of bequeathing what is called "conscience money" to religious or charitable institutions without interference from the income tax division, but I regard such a practice as a robbery whose victims are the wage-earners who must pay the difference. Did not Christ say: "Render unto Caesar the things that are Caesar's"?

I am certainly in favour of having all moneys collected as succession duties remitted to the provinces, but I believe that the only way to arrive at a true valuation of an estate is to leave to the federal government the right to collect such duties, because the dominion government has control over our whole banking system and may also use its facilities for international relations to deal with estates having safety deposit boxes in foreign countries. That, however, is beyond

[Mr. LaCroix.]

the power of Quebec or Ontario whose control over the banks does not extend outside their respective territories.

Those monopolizers are so anxious to avoid paying the state its due, which in their case represents a fortune, that, rather than be caught, they would sooner sacrifice their bearer interests and dividends. I am sure that our large public utilities and manufacturing companies know what I mean, and so does the government on whose bonds the unclipped coupons are accumulating.

That explains why so little is collected in succession duties by the provincial government in the Montreal district where so many enormous fortunes are concentrated. Should the task of collecting these duties be left to the dominion government it would mean a much larger revenue, and the province would then be in a position to help more substantially our school boards and municipalities for whose welfare the province is directly responsible, not to mention the setting up of a public works programme as a means of alleviating unemployment.

The hon. Minister of Finance (Mr. Abbott) himself has said, and I am sure he will confirm my assertion, that if the federal government had the right to legislate in the matter it would be in a position to recover millions of dollars legally owing to the state, thereby reducing in like proportion taxes deducted at the source from the wage-earner's pay envelope. This would undoubtedly allow for an important reduction in the tax rates of the wage earners under the \$3,000 bracket from whom, as we all know, the largest proportion of income tax is collected by the federal government.

There are cases where a man's death offers the only opportunity to ascertain whether or not he has paid his income tax. In the United States as well as in Great Britain the control over both income tax and succession duties rests with the central government. It is devised as a means of gradually eliminating the taxes paid by the wage-earners, who form the bulk of the population. When a man dies in those two countries the seals are affixed to any strong-box he may have in his home. This also is intended to reduce the amounts paid to the state by the small wage-earner. The province of Quebec has no income tax and, if it had, the federal government would no doubt be invited to do the collecting. I am of the opinion that in thus keeping the federal government away from this field a serious injustice is done to the wage-earner