

Right Hon. Mr. GRAHAM: One has to receive the income.

Right Hon. Mr. MEIGHEN: Yes, or it is not accountable.

Hon. Mr. DANDURAND: I should like to ask the right honourable gentleman what distinction he makes between a family corporation and a personal corporation.

Right Hon. Mr. MEIGHEN: The definition is contained in the Act.

Hon. Mr. DANDURAND: I see that the Bill abolishes the family corporation.

Right Hon. Mr. MEIGHEN: Yes. A personal corporation is a corporation created for the purpose of holding the personal assets of someone. The device was adopted shortly after income taxes came into being. The man who created a personal corporation transferred his assets to it, held the stock in that corporation then drew such amount annually as he required for his living purposes, leaving the rest in the corporation. Therefore he was subject only to the corporation tax and not to the high income tax which his income would have warranted. While I cannot give the actual definition of a family corporation, I can state it generally. There was a special taxation rate applicable to such a company, a certain percentage of the control of which was in the hands of members of a single family. The idea was that such a corporation stood in a special position, because it was formed for the purpose of dividing an individual's property and income among his family. On that account there were certain limitations of taxation, the taxation being less than it would have been had the corporation been a personal corporation, but more than if it had been an ordinary corporation. A family corporation was something in the nature of a stepping-stone between a personal corporation and an ordinary corporation. I am not sure, but I think the whole idea of the family corporation originated under the late Government. This is not said by way of criticism, for I do not know just what was behind the idea. However, the family corporation is now to be abolished.

Hon. Mr. DANDURAND: When Hon. Mr. Robb was Finance Minister there was, I think, an amendment with respect to personal corporations, and the owners of stock in those corporations were made to pay just as if the corporations did not exist.

The motion was agreed to, and the Bill was read the second time.

Right Hon. Mr. MEIGHEN.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

The motion was agreed to, and the Bill was read the third time, and passed.

INTERNATIONAL PEACE PARK BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 97, an Act respecting the Waterton Glacier International Peace Park.

He said: Honourable senators, this is a Bill which declares the Waterton Lakes National Park of Canada to be a portion of a park of an international character, to be called the Waterton Glacier International Peace Park. In the United States there is a park known as the United States Glacier National Park, and this adjoins the Canadian Waterton Lakes National Park. The international park is established as one unit and called the International Peace Park by common consent of the governments of the United States and Canada. The Canadian section of this park will continue to be one of the national parks of Canada. The purpose of the Bill is principally of a publicity or courtesy character, for the legal effect might have been reached by administrative methods, without a legislative measure. The United States, however, adopted the plan of putting a Bill through both Houses, and thereby bringing home to the people of that country the international aspect of the institution. In Canada we are following the same plan. It seems peculiarly appropriate that this international park should be established at this time, and particularly so because of the identical nature of the interests of the two countries in the property.

The honourable senator from Lethbridge (Hon. Mr. Buchanan) undoubtedly has a great deal more local knowledge of the situation than I have, and he could give the Committee any further information that may be desired on the subject.

Hon. W. A. BUCHANAN: Honourable senators, I might explain that the proposal to create an international peace park by combining the Canadian Waterton Lakes National Park and the United States Glacier National Park emanated among Rotary Clubs in the State of Montana and the Province of Alberta. My honourable friend the senator from Inkerman (Hon. Smeaton White) knows something about Waterton Lakes Park. He was there not long ago, looked down on the stretches of the lake, and learned that