

Island will get \$9.21 more; Nova Scotia will get \$2.89 more; and Ontario will get \$2.95 more.

**Hon. Mr. Dupuis:** How much will Quebec get?

**Hon. Mr. Taylor (Westmorland):** I have not the figures for Quebec.

**Hon. Mr. Brunt:** Quebec will do all right.

**Hon. Mr. Taylor (Westmorland):** I gave the figure for my province, because I will be asked lots of questions when I go back home and I want to be able to say whether or not this income which my friend from Alberta (Hon. Mr. Cameron) referred to is based on net resource income or on gross income. I do not know. However, Alberta does get net income from its natural resources, whereas the only source of income for New Brunswick is from coal royalties, which are very light, for we only have one small coal field. Timber stumpage and Crown land leases, of course, are the main sources of income, but you can refer to our public accounts and see that from the Department of Lands and Mines expenditure figures that we spent that much and more on the protection of our resources. I am wondering if we are being penalized by reason of the fact that we are spending our income from natural resources to preserve those natural resources. That is the only answer I want to get.

**Hon. Mr. Aseltine:** I shall try to get the answer for the honourable gentleman and give it to him before we leave Ottawa, if that would be acceptable, so that he will have the full information to take back to New Brunswick.

**Hon. Mr. Macdonald (Brantford):** I think the Leader of the Government (Hon. Mr. Aseltine) should give the answer to the house.

**Hon. Mr. Brunt:** We shall endeavour to have the answer when we meet later tonight.

**Hon. Mr. Aseltine:** I expect that by 9.30 this evening we will know whether or not Parliament will prorogue tonight, and if possible I will provide the answer at about that hour.

**Hon. Mr. Taylor (Westmorland):** Thank you very much. I appreciate that, because if I return to New Brunswick and give an answer, I shall be asked, "What proof have you that is right?" If the answer is recorded in the Senate *Hansard*, I shall be satisfied.

**Hon. Mr. Brunt:** I think other honourable senators would like to have the answer to that.

**Hon. Mr. Macdonald (Brantford):** You cannot get better proof.

**Hon. Mr. Vaillancourt:** Has this bill any relation to the grants to the universities?

**Hon. Mr. Brunt:** No.

Motion agreed to and bill read third time and passed.

[Later:]

#### ANSWER TO INQUIRY

**Hon. Walter M. Aseltine:** Honourable senators, I have an answer to the question asked by the honourable senator from Westmorland (Hon. Mr. Taylor) with regard to the Federal-Provincial Fiscal Arrangements Act. As the answer is rather lengthy I would ask permission to have it placed on the record without reading it, if that is agreeable.

**Hon. Senators:** Agreed.

**Hon. Mr. Aseltine:** The answer is as follows:

The honourable senator from Westmorland (Hon. Mr. Taylor), referred to the fact that according to the hypothetical projection for 1962-63 the additional revenue to New Brunswick on a per capita basis will be considerably less than for the other Atlantic provinces. This difference in the per capita gains to the provinces over what they would have received from a projection of the present formula is largely the result of the inclusion of 50 per cent of the gross natural resource revenue in the formula proposed for the next five-year period. There are wide differences in the per capita returns from natural resources, and this is reflected in the equalization payments under the new formula since 50 per cent of these resource revenues will be equalized to the national average per capita yield in the same way that the per capita yield of the standard taxes is equalized to the national average. For example, the per capita natural resource revenue for the three years 1956, 1957 and 1958 averaged 18 cents in Prince Edward Island and \$112.17 in Alberta. In Newfoundland it was \$3.05, in Nova Scotia \$2.02 and in New Brunswick \$7.03. The national average per capita return for these three years was \$16.62. Since the provinces are to be equalized to 50 per cent of the national average it will be seen that the per capita equalization payment to Prince Edward Island, which has virtually no resource revenue, would be greater than to New Brunswick where the natural resource revenue is substantial and approaches one-half of the national average.

It should be pointed out, in addition, that the gain in the first year of the new agreements should be viewed in the light