

During the recent war, the Dominion Government introduced succession duties for the first time, although the Government of Ontario had enjoyed the exclusive occupation of this field continuously since 1892. As succession duties bear a direct relationship to "property and civil rights", they have always been regarded as a form of taxation reserved for the provinces. In many cases the creation of large estates, which are the major source of the Province of Ontario's succession duty revenue, parallels the depletion or using-up of natural resources. As has been pointed out, the conservation, replacement and development of our natural resources is a provincial responsibility. Succession duties enable the provinces to recoup part of the expenditures of the provincial governments on the development of their natural resources and to provide funds for protecting and conserving those resources and opening up new areas for development.

The Dominion Government also imposed taxes for the first time on gasoline, amusements and race tracks. The Federal Government's tax on gasoline is particularly open to objection in view of the large expenditure and investment by the provinces for highways and roads, and the dependence of the provinces on revenue from the gasoline tax to finance highway costs. The Dominion's taxes on security transfer, amusements and race tracks are considered by Ontario to be an invasion of the provincial tax field and to have contributed to unnecessary duplication in the Canadian tax system. The Dominion Government should discontinue these forms of taxation.

The Province of Ontario also takes exception to the Federal Government's tax on electrical energy consumed by residential customers. By advancing loans to the Hydro-Electric Power Commission and by subsidizing rural power lines, the Government of Ontario since 1909 has contributed materially to bringing the benefits of low cost electric power to the consumers of Ontario. The effect of the Federal Government's tax on electrical energy is to hamper the Province in these efforts to obtain wide distribution and high consumption at low cost. The electricity tax should be discontinued by the Dominion Government.