

with regard to branch registers. We provided by the terms of that enactment every facility for the opening of branch registers, with the result that many of the large companies have opened branch registers of their own volition in more than one province, but confining such branch registers to those provinces in which numbers of their shareholders were resident or domiciled. Shareholders have the option of not retaining shares in a company which fails to give them the protection which they think they ought to have in respect of the succession duties taxes. We have given the companies this option and have left it to the shareholders to bring pressure upon the company with respect to the establishing of branch registers. We think we have gone just about as far as we ought to go at the present time. This matter has been developed by a succession of decisions of the highest courts of the land, and I do not think we are yet in position to amend the Dominion Companies Act to provide for successful evasions of the decisions of provincial courts with respect to the succession duties tax. I prefer to leave it as it is at the present time.

Mr. HANSON (York-Sunbury): I must take exception to the last statement of the minister. There is no attempt to evade the payment of any succession duties tax. I do suggest that we ought not to pass legislation which will help two different provinces to obtain succession duties on the same securities. That is what has happened in the past and it is what I have had in mind as an evil that ought to be cured if possible. I have heard no good answer yet as to why it should not be made obligatory. I have in mind the case of registered bonds of the Canadian National Railways. For years I had put up a battle with the treasury department of the Canadian National Railways to have their bonds registered, not in Montreal but in the place where the bondholder resides. I had a long correspondence with the late Mr. Ruel. I could not get him to move for a long time, but finally I did, so that the Canadian National Railway bonds might be registered in New Brunswick through a trust company, as they had previously been registered in Quebec. Take the expensive litigation in connection with the Sifton estate. If the Sifton bonds had not been registered in Montreal, where the head office of the Canadian National Railways was, the province of Quebec would have had no earthly excuse for trying to collect from the executors a huge sum of money in succession duties. We are per-

petuating what is really a scandal in this country, namely, the collection of double duties on the same set of securities.

Mr. RALSTON: Are they collecting to-day two income taxes on the salaries of ministers who live in Ottawa? It is done every day, but does anyone suggest that that is a scandal?

Mr. HANSON (York-Sunbury): I do not know whether my hon. friend is defending the principle of double taxation in succession duties.

Mr. RALSTON: The idea of double taxation is not necessarily a scandal, which is the term my hon. friend uses. Anyone who has lived in Ottawa knows that the same income is taxed twice in the city of Ottawa—by the city and again by the income tax department. But no one uses strong language, calling it a scandal. The food we eat is taxed a good many times and no one talks about it as a scandal. I do not understand my hon. friend's argument. I appreciate the fact that there are hardships, but my point is that he is proposing to legislate in the wrong place. In the first place this is a companies act and we are not concerned with the question as to who shall or shall not purchase shares of a company, because after all that is a voluntary matter; and secondly, as the minister says, we are pretty nearly legislating to assist in an evasion of provincial law. How should we like it if the provinces started to legislate in the same way to assist in the evasion of a dominion law? We have to be careful about a matter of this kind, which is not as clear as my hon. friend suggests. Further, it is questionable whether we shall get clear of double taxation simply by making it obligatory upon companies to register in the different provinces. It is possible that there may still be double taxation, and my hon. friend may be enhancing the possibility not only of double but of treble taxation if that is done. As the Secretary of State has said, we are not yet at the stage, so far as judicial decisions are concerned, where we know precisely where we are in relation to the possibilities of succession duties in Canada and how far domicile enters into it. We do not know how far the question as to where you can effectively transfer property, which is the test in some instances, determines the liability for succession duty purposes. I know that my hon. friend has had far more experience than I in connection with succession duties, but I submit that we ought as far as