However, that is the point on which I ask for clarification. The only reason I am speaking at the moment is to try to get clear in my mind where the disparity lies and how is it brought about. At the same time, I wish to register my satisfaction, to a degree, of the grant to the Atlantic provinces of $35 million, and I give the Government credit for that. But I do say that I fear we are taking a backward step, that we are again going to have a variety of income tax laws with various types and rates, and other types of taxing laws, when in my opinion, we could have continued the rental arrangement in that field and thus eliminated a lot of unnecessary cost and difficulty.

Motion agreed to and bill read second time.

The Hon. the Speaker: When shall this bill be read the third time?

Hon. Mr. Macdonald (Brantford): Later this day.

Hon. Mr. Aseltine: Honourable senators, I move that the bill be placed on the Order Paper for third reading later this day.

Motion agreed to.

DOCUMENTS TABLED

Leave having been given to revert to presentation of petitions.

Hon. Walter M. Aseltine tabled:

Twentieth Annual Report of the Unemployment Insurance Commission for the fiscal year ended March 31, 1961. (English and French texts).

[*Later:*]

Report of the Farm Credit Corporation for the fiscal year ended March 31, 1961 pursuant to section 85(3) of the Financial Administration Act, Chapter 116, R.S. 1952. (English text).

BUSINESS OF THE SENATE

Hon. Mr. Aseltine: Honourable senators, I move that the Senate do now adjourn during pleasure, to reassemble at the call of the bell at approximately 8 o'clock this evening.

The Senate adjourned during pleasure.

At 8.25 p.m. the sitting was resumed.

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS BILL

THIRD READING

Hon. Walter M. Aseltine moved the third reading of Bill C-122, to authorize the Minister of Finance to make payments to the governments of the provinces and to authorize the Government of Canada to enter into tax collection agreements with the governments of the provinces.

Hon. Austin C. Taylor: Honourable senators, as I mentioned earlier this afternoon, I would like to obtain an answer to my inquiry in connection with the income from natural resources.

Hon. Mr. Aseltine: I would refer the honourable senator to section 2(1)(c) of the bill. I take it that it is the gross general revenue. Does that answer your question?

Hon. Mr. Taylor (Westmorland): That is what it is based on?

Hon. Mr. Aseltine: Yes.

Hon. Mr. Taylor (Westmorland): May I clarify my position? I have been comparing New Brunswick's income under this new tax agreement with that of other provinces, and I find that the net additional income as a result of this new base means that New Brunswick will receive $1.25 per capita more than it did under the old tax agreement. I want to make it abundantly clear that I am not objecting to what Newfoundland, Nova Scotia and Prince Edward Island are getting, but under this agreement Newfoundland will receive $5.10 per capita more than she received under the old base; Prince Edward Island will receive $9.21 per capita more under this base than under the old; Nova Scotia will receive $2.89 per capita more than she is receiving now; Ontario will receive $2.95 per capita more; but New Brunswick will receive only $1.25 per capita more.

As I indicated before, if this new scheme is projected into the next fiscal year it will mean that Prince Edward Island will get $1 million more, Newfoundland $2 million more, Nova Scotia approximately $2 million more, but New Brunswick will receive only approximately $500,000 more or, at all events, less than $750,000. I would like to know the reason for our getting so much less per capita than any of the other provinces.

Hon. Mr. Cameron: You are lucky. Alberta is getting $2 million less.

Hon. Mr. Taylor (Westmorland): I can understand that so far as Alberta is concerned. New Brunswick spends all its natural resource income on the protection of that resource, but Alberta gets tremendous sums of money from oil royalties; it is just a matter of calling for tenders, and getting millions of dollars. I understand that. But as New Brunswick spends its natural resource income on its natural resources it has no net income there at all. It looks to me as if New Brunswick is being penalized, on the