

The new Act provides, as does the old Act, that no tax is applicable if the aggregate net value of the estate is not over \$50,000. However, the new Act provides for a minimum of \$40,000 in all estates and an additional deduction of \$20,000 where the deceased's wife survives and \$10,000 for each child under 21 or over 21 if wholly dependent upon the deceased or his wife because of infirmity. The \$10,000 deduction for such a child is increased to \$15,000 if the deceased's husband or wife did not survive him. These deductions are allowed regardless of whether or not the wife or child receive any benefit. The value of property passing to a charitable organization in Canada is also deductible less any estate tax or succession duty payable out of such property.

The estates of persons domiciled outside Canada at the time of death are taxed under Part II in respect of property situated in Canada at the time of death. Such property is subject to a tax of 15 p.c. if the total value of it is over \$5,000. In computing the taxable value no deduction may be made for debts unless such debts are charged on or secured by such property.

Table 24 shows the receipts of the various governments from succession duties for 1955-58.

#### 24.—Federal and Provincial Net Revenue from Succession Duties, Years Ended Mar. 31, 1955-58

NOTE.—Statistics for 1948-52 are given in the 1954 Year Book, p. 1080, and for 1953-54 in the 1956 edition, p. 1064.

Province	1955	1956	1957	1958
	\$'000	\$'000	\$'000	\$'000
Federal.....	44,768	66,607	79,709	71,608
Provincial—1				
Newfoundland.....	—	—	—	—
Prince Edward Island.....	—	—	—	—
Nova Scotia.....	2	5	2	15
New Brunswick.....	—	—	4	—
Quebec.....	13,000	46,558	35,372	20,640
Ontario.....	23,000	25,463	29,161	30,000
Manitoba.....	3	5	6	3
Saskatchewan.....	23	10	6	10
Alberta.....	5	5	4	5
British Columbia.....	—	—	—	—

<sup>1</sup> Under terms of the 1952 and 1957 Dominion-Provincial Taxation Agreements all provinces except Ontario and Quebec refrain from levying succession duties; amounts shown for other provinces are arrears. Provincial figures for 1958 are preliminary.

#### Subsection 4.—Subsidies and Taxation Agreements with the Provinces

**Subsidies.**—A summary history of certain annual payments made by the Federal Government to the provinces under the provisions of the British North America Act and subsequent arrangements entered into from time to time appears in the 1956 Year Book, pp. 1068-1069. All payments made by the Federal Government to the provinces during the year ended Mar. 31, 1957 are shown in detail in Table 6, on p. 1056.

**Taxation Agreements.**—Early in World War II, in order to provide revenue for heavy national expenditures and at the same time control inflationary tendencies, the provincial governments vacated the income and corporation tax fields in favour of the Federal Government for the duration of the War and a limited period thereafter, after agreeing to the terms of a tax rental fee from the Federal Government. The Agreements of 1942 were succeeded in turn by the Agreements of 1947 and the Tax Rental Agreements 1952. Under the 1952 Agreements, all provinces except Ontario and Quebec agreed to lease their personal and corporation income taxes, special corporation taxes and succession duties to the Government of Canada in exchange for a rental fee. Ontario, which had not entered into the 1947 Agreements, also agreed to lease personal and corporation income taxes and special corporation taxes but retained the right to levy succession duties. In 1952 the nine provinces received \$303,000,000 in tax rental fees compared with \$96,000,000 received by the eight provinces in 1951.