

**24.—Federal and Provincial Revenue from Succession Duties, Years Ended Mar. 31, 1956-59**

NOTE.—Statistics for 1948-52 are given in the 1954 Year Book, p. 1080; for 1953-54 in the 1956 edition, p. 1064; and for 1955 in the 1959 edition, p. 1071.

Province	1956	1957	1958	1959
	\$'000	\$'000	\$'000	\$'000
Federal.....	66,607	79,709	71,608	72,535
Provincial— <sup>1</sup>				
Newfoundland.....	—	—	—	—
Prince Edward Island.....	—	—	—	—
Nova Scotia.....	5	2	12	2
New Brunswick.....	—	4	—	—
Quebec.....	46,558	35,372	20,637	20,000
Ontario.....	25,463	29,161	31,980	34,000
Manitoba.....	5	6	2	3
Saskatchewan.....	10	6	9	5
Alberta.....	5	4	5	5
British Columbia.....	—	—	—	—

<sup>1</sup> Under terms of the 1947, 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 1959 are preliminary.

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

**Subsidies.**—A brief 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, 1958 are shown in detail in Table 6, on p. 1083.

**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, in return for a tax rental payment from the Federal Government. The Agreements of 1942 were succeeded in turn by the Agreements of 1947 and the Tax Rental Agreements of 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 payment. 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 payments compared with \$96,000,000 received by the eight provinces in 1951.

The Wartime Tax Agreements of 1942 are outlined in the 1946 Year Book, pp. 900-901. The 1947 and 1952 Tax Rental Agreements are outlined at pp. 1087-1090 of the 1954 edition.

With the 1952 Rental Agreements expiring at Mar. 31, 1957, conferences were held with the provinces in April and October 1955 and March 1956 to discuss new financial arrangements. At the October meeting the Federal Government put forward certain suggestions for discussion. These were revised and became part of the actual proposals made by letter on Jan. 6, 1956. Some further revisions in detail were made following a meeting with the provinces on Mar. 9, 1956, and the final proposals were incorporated in a Bill presented to Parliament in July 1956, entitled the Federal-Provincial Tax-Sharing Arrangements Act. This Act received Royal Assent on July 31, 1956.

The current fiscal arrangements differ substantially in principle from those in effect before Apr. 1, 1957. Provision is still made for tax rental agreements in the fields of individual and corporation income tax and succession duties, but the tax rental payment to a province is now the estimated yield at certain agreed or "standard" rates of the taxes rented by that province to the Federal Government. The fiscal aid components of the payments which were formerly contained in the total tax rental payment under the 1952-57