

Estate Tax Act

my support of the proposals put forward by previous speakers in this group with respect to the limitations of the present Canada Farm Loan Act, and the possibility for the improvement of this legislation. However, in order to facilitate the passage of this bill this afternoon so that it can be referred to the committee on agriculture for study and recommendations, I am going to leave my further remarks on this legislation to an appropriate time during a later debate.

Mr. McIntosh: I should like to ask the minister a question. I wonder whether he could elaborate on the method of the proposal and up to what percentage is money lent on loans? I understand that the appraisal value is different in different districts. For the information of the members of the house I think I should say a few words on this trip to California. I would suggest that no more farmers take trips to California than those from any other industry in Canada and maybe not as many.

Resolution reported and concurred in.

Mr. Fleming (Eglinton) thereupon moved for leave to introduce Bill No. C-38, to amend the Canadian Farm Loan Act.

Motion agreed to and bill read the first time.

Mr. Deputy Speaker: When shall the bill be read a second time?

Mr. Fleming (Eglinton): Now, by leave. I move the second reading of the bill.

Motion agreed to, bill read the second time and referred to the standing committee on agriculture and colonization.

ESTATE TAX ACT**NEW BASIS FOR ASSESSMENT OF
SUCCESSION DUTIES**

Hon. Donald M. Fleming (Minister of Finance) moved the second reading of Bill No. C-37, respecting the taxation of estates.

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, I made some remarks on the resolution stage concerning the new principles involved in the taxation of estates, and I do not propose to repeat them on this occasion.

I realize that the bill will be given very careful study by the banking and commerce committee. It is a very long bill—almost 50 pages—and it only came into our hands yesterday. Hon. members will also be aware that the minister tabled a return to the house giving us copies of the briefs which were

submitted from national organizations concerning this bill in response to the invitation that he made when he introduced an initial bill last session—Bill No. 248 of the 1957-58 session.

I regret to find that many of the administrative features which I felt were somewhat exorbitant so far as administrative powers are concerned continue in the new bill. I notice that this aspect has received criticism in a number of the briefs which have been presented to the minister. I have no doubt that members of the banking and commerce committee will hear from many of these national associations, and I hope that some of these more exorbitant administrative and collection powers will be somewhat reduced as a result of the discussions.

Mr. F. C. Stinson (York Centre): Mr. Speaker, in rising to participate for just a few moments in this debate, may I offer to the Minister of Finance (Mr. Fleming) my congratulations on the introduction of this bill which, as the hon. member for Kenora-Rainy River (Mr. Benidickson) and the minister himself have pointed out, introduces a new principle of taxation with respect to taxation of estates, that is, the principle of taxing the aggregate estate instead of levying taxation on the interests taken by successors.

While I am speaking of the Minister of Finance, may I also say a word of congratulation to him on the excellent work he has done both in respect to the recent budget presentation and in respect of the addresses he has recently made in this house and elsewhere with respect to the borrowings to be carried out by the government over the next few months.

It is proposed that this bill should go to the banking and commerce committee for detailed consideration, and I do not propose at this stage to make comments which might be more appropriately made in that committee. However, I think I should say, as I indicated earlier, that a new basis for taxation is proposed in this bill, a basis on which the tax levied relates to the size of the estate without reference to the relationship of the beneficiary to the deceased or the size of a gift made to a beneficiary. However, the previous concessions made under the present act to close relatives have been preserved by increasing the exemptions in favour of such relatives.

It seems to me that the administration of the proposed statute will be much simpler than the administration of the act which it will probably replace, and with this greater simplicity it is likely to be less costly to administer.