

*Estate Tax*

the legislation he proposes to introduce. Perhaps I could give him an opportunity of dealing with these points before going farther, because it may not be necessary to go farther at this stage.

**Mr. Fleming (Eglinton):** A few points have been made, Mr. Chairman, in the course of remarks by hon. members. Let me say, in the first place, that discussion of the terms of Bill No. 248 as introduced at the last session is not particularly profitable at this point until the house has the new bill before it. Of course, it will have ample opportunity of discussing the terms of the new bill on second reading, and again in committee. I said in my earlier remarks that a substantial number of changes have been introduced into this bill as compared with Bill No. 248 of the previous session.

The hon. member for Ottawa West has talked about the principle. Here we are dealing not with the bill on second reading where the principle is the matter upon which the house is called upon to decide; at this point, in committee of ways and means, with a resolution before the committee, the committee is not asked to pass on the terms of the bill in any respect. Therefore, Mr. Chairman, discussion of the terms that may or may not be in the bill is, I think, anticipatory at best and profitless under any circumstances because there will be a proper stage for discussion of those matters after hon. members have the terms of the bill before them.

The hon. member for Ottawa West said that the principle of the estate tax had been introduced by the former Liberal government—

**Mr. McIlraith:** No, I did not mean to convey that impression.

**Mr. Fleming (Eglinton):** Then we are not at cross-purposes. The bill had been worked on in the department before the change of government, but had not been introduced by my predecessor. However, the kind of bill that had been prepared, but had never been introduced, was a bill embodying the estate tax principle.

**Mr. McIlraith:** Just on that point, and before we leave it, the previous government had not approved that principle. The departmental people had been preparing a bill, and I do not believe the minister would want to leave the impression the previous government had dealt with the principle and approved of it.

**Mr. Fleming (Eglinton):** I did not raise this point. My hon. friend raised it. I am simply putting the record straight with regard to

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the part played by the former government in the matter. My statement stands in that regard.

The hon. member for Assiniboia raised a question in regard to the effect of the present measure on the fiscal revenues accruing to the provinces from the succession duty. This bill and the present Dominion Succession Duty Act have no terms in them bearing directly on this question at all. It is the Federal-Provincial Tax Sharing Arrangements Act which governs that question, and that statute does make provision for the proper allocation of the yields from the succession duty—I am paraphrasing the legislation—or in effect any substituted tax. When this new bill is enacted, and the new type of tax comes into effect, the yield from it will be dealt with in the light of the provisions of the tax-sharing agreements act in the same way as the yield from the present succession duty.

There will obviously be some slight diminution in the yield to the eight provinces which have rented the succession duty field to the federal government as a result of the reductions in the yield under this present estate tax as compared with the succession duty. Those reductions, in the case of any particular province, will not be particularly large when one has regard for the figures I have already given to the committee concerning the total diminution in the expected yield from this tax as compared with the yield under the present succession duty act.

Finally, Mr. Chairman, in regard to the procedure in the committee, to which the hon. member for Kenora-Rainy River referred, of course the briefs that were submitted by the national organizations will be available to the committee and the departmental officials will be there to discuss them. The bill will make clear to what extent the various submissions have been adopted in the bill and to what extent they have not been adopted, and of course the minister will be there to explain, if he can, why that course was followed and to defend the course that the government has taken in framing the legislation in the terms in which it will appear when the bill is introduced.

**Mr. McIlraith:** Perhaps I might not have succeeded in making myself clear to the Minister of Finance, and I regret that I did not. I was not intending to claim that the Liberal government had introduced a new bill replacing the Dominion Succession Duty Act. As I understood the situation, considerable work had been done on drafting a new bill to be introduced. It was stated by the Liberal government that they intended to introduce a new bill on this subject replacing the Dominion Succession Duty Act.