

Estate Tax

likewise received from individuals many letters containing comments upon the bill. These have been greatly appreciated, and they have been carefully studied and reviewed.

The bill which the present resolution asks leave to introduce is founded upon the bill of last session, but it contains a substantial number of changes. I think no good purpose would be served at this stage, indeed I doubt if it would be proper, to compare this bill with the bill that was introduced last session. It is not unlikely that hon. members will be curious to know about some of the features of this bill that have been changed from the bill introduced earlier.

This leads me to make this comment, Mr. Chairman. I think the consideration of the house will best be served if such questions are reserved until the bill has been introduced and distributed, because unquestionably many of the answers will be found in the terms of the bill itself. I do make the suggestion to the house, therefore, that if the resolution could now be passed the bill would be introduced at once. Indeed, if it meets with the approval of the committee, immediately upon approval of the present resolution I would move that the committee rise and report it, asking leave of course to sit later this day in order to continue the consideration of the other budget resolutions. After reporting the resolution the bill founded upon it could then be introduced, given first reading and distributed. In this way we could expedite the review of the bill by hon. members because they would see it that much sooner.

As I indicated in my budget speech, the intention of the government is to propose that following second reading this bill be referred to the standing committee on banking and commerce for further study and report. In the committee on banking and commerce the officials of the departments of finance and national revenue would be available and the committee would have the fullest opportunity of studying the bill in all its aspects.

There is nothing complicated about the terms of the resolution itself. It simply states:

That it is expedient to introduce a measure to replace the present Dominion Succession Duty Act, to provide that the tax on property passing or deemed to pass, on death, be computed by reference to the property comprising the estate of the deceased rather than the property contained in the bequests from the estate to the beneficiaries; and also to consolidate, revise and simplify the tax law.

In other words, Mr. Chairman, the effect of the proposed bill is to replace the dominion succession duty with an estate duty. As I said in speaking on the earlier bill last January, the estate tax proposed will bring

[Mr. Fleming (Eglinton).]

the Canadian practice in line with the kind of tax that has prevailed in the United Kingdom. It departs from the succession principle of the impost that is levied on estates of deceased persons and substitutes for it an estate tax, a tax that is levied with reference to the estate in aggregate without reference to particular successions, sometimes very numerous, that are either provided for by the will of the deceased or that occur under the provisions of the provincial statutes pertaining to devolution. In that respect, sir, the principle of the bill is similar to the principle of the bill introduced at the last session.

I think, therefore, if it meets with the approval of the committee, this resolution could be reported quickly. Then there will be the fullest opportunity for debate and discussion when hon. members have the bill before them. There will be an opportunity for debate on second reading, and then after reference to the committee on banking and commerce there will be ample opportunity for the study of the bill in all its aspects.

Mr. Benidickson: We are aware, Mr. Chairman, that this bill when presented will be before the banking and commerce committee. I can assure the minister that, from what I know of this group, the discussion therefor at this stage is not likely to be prolonged. On the other hand, a question of this kind, the terms of a resolution which reads—

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I think is deserving of a little attention and discussion of principles at this stage. The first principle, of course, could be stated as the minister has indicated, namely that it probably involves tax reduction to the extent of \$7 million.

Mr. Fleming (Eglinton): Per annum.

Mr. Benidickson: Yes, per annum. But I would point out that this in itself is not of too much consequence in so far as the principle is concerned, in that this could be done just as effectively by revision of the present statute either by alteration in the rates or by increases in the exemptions.

We must all realize that as the minister has stated, we are making a move with respect to death duties from one principle to an entirely different one. We have had in the provinces since about 1892 a death duty taxation system that has been based on succession duty or in other words inheritance