

*Estate Tax Act*

They go on to refer to some of the new provisions with respect to exemptions, as have many of the bodies that have made representations. They even champion the position of the widower. They say:

Under Bill C-37 an exemption of \$60,000 is allowed in the case of a deceased male person survived by a spouse. For the exemption of \$60,000 to apply, however, in the case of a deceased female person survived by a spouse that husband must not only be infirm but the deceased must also leave a dependent child.

This provision, of course, again denies the principle of equality in the marriage partnership—a principle which must work both ways. We are also at a loss to know how the placing of an invalid husband in a worse position than a healthy wife can be justified on any grounds whatsoever.

**Mr. Bell (Carleton):** Would the hon. member permit a question?

**Mr. Benidickson:** Yes.

**Mr. Bell (Carleton):** Is the hon. gentleman reading the brief to indicate his support of it, and does he in fact, support the representations therein made?

**Mr. Benidickson:** Yes, and when we come to the clause in relation to fair value I thought I might further expand my reasons for supporting it.

**Mr. Bell (Carleton):** Does that include all paragraphs of the brief my friend has read?

**Mr. Benidickson:** In addition, I believe further consideration should be given to this very important matter because, of course, it is the practice in the country to the south of us, the United States.

Only two or three days ago, I believe, the Canadian tax foundation sent out its printed comments with respect to this bill. I gave the banking and commerce committee some excerpts from what was likely to be in that publication. Again intending to be brief, I should like to quote the final paragraph of the report of the Canadian tax foundation to its membership who, of course, are lawyers and accountants who specialize in that field of taxation. These are the concluding comments of the Canadian tax foundation with respect to this bill, and I quote:

Scattered throughout the above description are indications that certain of the provisions of Bill 248 against which strong representations were made remain unchanged in Bill C-37. Many important concessions were granted but several points of grievance remain. To sum up, these include:

1. Inclusion of foreign real estate.
2. Taxation of death benefits, pensions and annuities under both estate tax and income tax.
3. Rules of situs which in some instances conflict with common law principles.
4. In the case of valuation the provisions that no account shall be taken of future income tax liability and the general rule that the property shall be valued only at the time of death.
5. The period during which tax may be paid on an annuity or interest in expectancy, which remains

[Mr. Benidickson.]

at six years, nor is there any change made in the establishing of tax liability under these conditions.

The study concludes with, I think, these prophetic words:

These and other omissions suggest that the Minister of Finance will continue to receive representations for changes in his new measure long after it has become the law of the land.

I have some further remarks, of course, to make as we reach the various clauses of the bill. I do, however, want to co-operate with the committee and not unduly prolong its consideration of these matters at this time, first because the minutes of the banking and commerce committee are available to all where this bill was given clause by clause study by the members who sat on that committee; second because I realize that the Senate committee also will have an opportunity to consider the bill. I assume they will do so shortly and I have every confidence that if members of national organizations having an interest in this legislation wish to appear before the Senate committee that committee will not refuse them this opportunity.

**Mr. Godin:** It may appear proper that another lawyer should follow the hon. member for Kenora-Rainy River in saying a word on this very important bill now before the committee concerning the difficult position and the rights of widows and orphans. Some of my remarks may pertain to the problems and rights of widowers, although I realize that this matter may more properly have been discussed by the Minister of Citizenship and Immigration, who has just left the chamber.

There is no doubt that the principle underlying the amendments brought forth by the committee is to increase certain exemptions for certain classes of people, and second to pay some attention to the problem with which the administration is faced in connection with the rights of the widow or widower in certain properties of the deceased spouse. I feel, in connection with both these matters, that although it may be true that the problems of devolution and benefits accruing to beneficiaries are more properly within the jurisdiction of the provinces, and no doubt the provinces have enacted certain laws to protect beneficiaries so far as devolution and distribution are concerned, such as the devolution act and the dependents' relief act, here we are interested in the taxation of these properties as they evolve in the death of one spouse.

I feel that the amendments quite clearly signify the protection this government no doubt wants to bring about so far as the unity of marriage and the values of ownership which spouses may have in the property they