

Estate Tax Act

We believe it is a good bill. It is not a perfect bill, and in any new measure of this kind I am quite sure there will be opportunities as the years pass for making improvements in it. But we believe this is a good measure. It is an improvement, and we do not intend to delay any longer than is strictly necessary, having in mind the factors I mentioned earlier, the bringing into effect of this measure and the benefits we believe it will bring to the Canadian people.

Mr. Benidickson: I was not going to bring back the argument as to whether or not this committee had proceeded too quickly in its deliberations. I said that at several stages, and that was not the point I really wanted to emphasize, though I believe it very firmly. Since the minister has reintroduced this subject I just want to give my own experience.

Mr. Fleming (Eglinton): It was my hon. friend who introduced it.

Mr. Benidickson: Probably I did not emphasize properly the point that was impressing me. The point that was impressing me was that the minister in December last, and in his budget, emphasized the advantages of the tax reductions that would result from this legislation. Now it appears that we have no assurance that this bill will be rapidly proclaimed, despite all the virtues the minister has claimed for it.

I think the minister was fair. I do not recall in the banking and commerce committee he ever chastised the former government for not bringing in its announced changes in connection with the overhaul of the succession duty act or introducing a substitute for the succession duty act. I have heard him say we were dilatory in changing the act after, I think it was, as far back as 1954, Mr. Abbott announced that he was giving this matter very serious consideration.

I know some of the difficulties that arose. There was controversy about such a radical change in the form of taxation, that it would go from succession to the quantum of the estate. But I am by no means satisfied with this thought that the government do not believe that this measure, which they advertised as being so beneficial, should be proclaimed at an early date.

Mr. Fleming (Eglinton): Mr. Chairman, my hon. friend is usually very fair. I hope he is not leaving on the record or in the mind of any member of the house the impression that we said there were going to be tax reductions brought about by this measure in this present year. If my hon. friend will look at the budget speech of June 17 he will

[Mr. Fleming (Eglinton).]

see that, as found at page 1245, in reference to this matter I said this:

The proposed new estate tax is definitely a tax-reduction measure. On an annual basis the yield from this revenue field will be less by about \$7 million.

Then in giving the house a detailed estimate of the effect of this tax on the revenues for the fiscal year 1958-59, if he will look at page 1249 of *Hansard* he will plainly see there in table IV that I show that the estate tax would bring about a tax reduction in a full year of \$7 million, but that I did not estimate any tax reduction from this source for the fiscal year 1958-59; nothing.

Mr. Benidickson: Now we see the nigger in the wood pile.

Mr. Fleming (Eglinton): The reason for that is two-fold. First there is the necessity of having the legislation passed and proclaimed. The second is that revenue under a measure of this kind makes itself felt only after a period of about six months. If this measure were brought into effect today it would not have any perceptible effect on the revenues for six months, because it takes six months for payment to be made in each particular case. I think my hon. friend can see very plainly that no matter when this measure is brought into effect, there would not be any effect on the revenues for a minimum of six months. That is why, in what was said, no effect was attributed to this new measure on the revenues for the fiscal year 1958-59, this present fiscal year.

Mr. Benidickson: Mr. Chairman, I am very much disappointed in the Minister of Finance. I heard him on two occasions when he made major financial announcements in this house, namely on December 1, 1957 and June 17, 1958, and on both occasions he took pride in announcing to the house that he was introducing a measure that would reduce taxation for those that might be interested in the residue of an estate, which reduction would amount to a cost of the treasury of \$7 million. Now we find that he will give us nothing definite as to when these much heralded, much advertised benefits will actually accrue to those who are interested.

After reading his speeches in December, 1957 and June of this year, I think we can expect more than that from the minister. He made some reference to some complication in getting proclamation of an act of this kind. I do not want any *Hansard* reader to think there is anything important in that matter. One who is interested, as a member of the government in getting an act proclaimed, can do so fairly quickly—