

## Estate Tax Act

there is to be consultation between the provinces of Canada and the federal government on tax matters. There has been mention of setting up a committee for this purpose, and personally I would be very much in favour of it. I believe estate taxes and succession duties should be one of the subjects to be discussed with the provinces at this time.

I also indicated on May 6 that it is extremely difficult for the federal government to make changes to the present Estate Tax Act because it affects the incomes of seven of the provinces to whom we rebate 75 per cent of the tax. Nevertheless I am very much in favour of consultations taking place, and I am sure they will take place and that the particular problem raised by the hon. member in his resolution will be discussed at that time.

Personally I do not think that any move to allow instalment payments should be limited to businesses but should apply to other assets as well. One speaks of businesses passing from the control of one group of individuals to another on the death of a major shareholder. However, on the death of individuals quite often in Canada one has to sell stocks, bonds and real estate. There are a good many assets which have to be realized, apart from the business assets of an individual. I believe that if such an extension of payment of death duties were made it could only be effectively made, I stress again, if the succession duty acts of Ontario, Quebec and British Columbia were changed, as well as the federal Estate Tax Act. I believe that such extension of payments would in equity have to apply to the assets of individuals such as stocks, bonds and real estate, instead of just business assets as proposed in this resolution.

The hon. member also raised the question of ownership passing to non-Canadians because of the estate tax problem. I hope I have convinced him that from this time onward such events in Ontario will not be because of the estate tax problem, but mainly because of the succession duty problem under the act passed and administered by the Conservative government of the province of Ontario. The hon. member stated that because of death duties businesses often fall into foreign hands. Personally I have not been able to find examples of this. I also checked with the Department of National Revenue and they could find no concrete example of this happening. I should like to point out to the hon. member that we on this side of the house are very interested in preserving and ex-

panding Canadian ownership of business in this country. Indeed, I should like further to point out that the present government in spite of a good deal of criticism from members of the official opposition, has taken the first effective steps ever taken in this country to encourage the transfer of part of the ownership of foreign-owned companies in Canada to Canadians.

In conclusion, Mr. Speaker, I should like to sum up by saying that I believe the motion is worthy of consideration. I think the hon. member should send it off to the Conservative government in Toronto, so that that government will be willing to consider it with us when we sit down to discuss death duties. I also suggest that he send it to the governments of the provinces of Quebec and British Columbia, because 75 per cent of all death duties in these provinces are levied under provincial statutes. I think this matter is worth discussing, and in my own personal capacity I will do everything in my power to see that it is discussed when we sit down to discuss tax matters.

I have indicated that the motion, in order to be effective, requires provincial action in these provinces. We would like anyone who has evidence of businesses having to be sold because of death duties to submit such evidence to the Department of National Revenue so that when we sit down with provincial representatives who are levying most of the death duties we will be able to present them with this kind of evidence, perhaps provided to us by the hon. member, in order to further the case he has brought forward by this motion.

**Mr. Hales:** Mr. Speaker, I wonder whether I could ask the parliamentary secretary a question. There are strong possibilities that the province of Ontario may collect their succession duties on the instalment basis. If they go ahead and do this, would the parliamentary secretary be prepared to recommend to his government that they follow suit?

**Mr. Benson:** Let me say in answer to the hon. member that I checked no less recently than today, but found that no legislation to this effect has been introduced in the province of Ontario. We Liberals are certainly very much interested in having similar tax laws applied across the country. Indeed, when the Estate Tax Act was introduced, it was the hope that this might be the act which would be adopted across the country, whether we were to collect the tax and rebate it to