

Estate Tax Act

When the present bill is proclaimed it will have effect with respect to the estates of persons dying after that date, but it will not have any application to the estates, whether partly assessed or partly administered, of persons who die prior to the date on which the new act comes into effect. We will certainly have in mind the importance of giving ample warning to the public of the intention to bring this legislation into effect.

I should like to make this statement as to the effect of the new tax in relation to existing wills. Under the succession duty acts, provincial and federal, liability for duty falls on the successor. Many testators provide in their wills that such duty be paid from the mass of the estate as a general charge like a debt. Such wills should require no change. However, wills without such a provision require alteration if the new tax is to be charged against all the successors rather than only against those who succeed to the residue of the estate. If this is the testator's desire he would have to provide instructions to his executors to apportion the amount of the tax as he wishes after payment has been made by the executors as required by the act.

I would therefore urge all persons to examine their wills with the new tax in mind to ensure that when it comes into effect their testamentary intentions will in this respect be carried out. To provide an adequate period for this to be done, the new act will not be proclaimed for some months.

Mr. Benidickson: This is a little inconsistent, as I see it. When the minister appeared at the first meeting of the banking and commerce committee he was arguing that we had to be in a rush. For one thing, he wanted the legislation to be advanced to the Senate. He also took pride in the fact that he had given the public an opportunity to examine his draft Bill No. 248 of January, 1958. In his remarks on financial matters in December, 1957, and again in his budget speech, he certainly threw out his chest considerably about the savings that would be available to people, particularly in the lower income tax brackets, as well as the lower duties that would be operative under this statute as compared to the succession duty act.

We were told, as I understood it, in the banking and commerce committee that the advertising through regular channels of the contents of this bill was so complete that we did not need to hear from members of the public any criticism of it. Now it appears that any beneficence in this bill is not likely to be operative in the very near future.

I raised this very point that people had to consider their wills, and that was one of

the reasons I said that I did not want to see two laws with respect to the situs of property, because it might make it difficult for people making wills. This argument was dismissed as not very consequential by the majority of the committee.

I think for the minister to say that this act will not become operative for some months after he informed the Canadian public on December 6, 1957, that there were tax benefits amounting to some \$7 million coming to them, and when he said again on June 17 that this was of great benefit to the people who had relatively small estates, he should be more specific as to the appropriate time he thinks he could recommend that it be proclaimed by the governor general.

Mr. Fleming (Eglinton): I have been very specific on this matter as to the considerations that have to be taken into account. I have been very frank and forthright with the committee in this respect. I would deplore it if the impression were left by my hon. friend's remarks that there was any rush to get this measure through the committee. I assert very firmly, Mr. Chairman, that there was no rush that this matter be put through the committee. The committee proceeded very deliberately, and had five lengthy meetings on this bill. There was no attempt to rush the matter through the committee but the committee did choose, and I think very wisely, to have for itself the benefit of a consecutive study of this bill.

I am sure hon. members who have had very much experience with committees around here know how easy it is for committees, when they are meeting once or twice a week, to lose the thread of a study. This measure is an entity; and one of the factors, in my opinion, that contributed most to the effectiveness of the very intelligent scrutiny to which this measure was submitted in the banking and commerce committee is that the committee did not spread its meetings out over a period of weeks. The committee met each day. The committee had a meeting on the first Friday, then Monday, Tuesday, Wednesday and I think Thursday. In that way we maintained continuity in the review of the bill.

I think that was wise. I believe the committee made a sound choice in the first place in that respect, and I think the committee, as it proceeded with the bill, showed in its deliberations that that decision had been beneficial in assuring the members who attended the committee that there was no loss of continuity from meeting to meeting.

So far as the date of proclamation is concerned, I cannot be more specific. We believe there are benefits to be had from this measure.