

*Supply—Finance*

would mean something if we could be told now that the matter is under that kind of consideration; not the kind that goes on continually and never results in anything, but the kind that will result in something really being done. Over the years I have used every device I know to get something done in this respect. I have been nice and sweet; I have been angry; I have cajoled; I have badgered; I have threatened at length; I have even threatened to keep parliament here during the summer. None of that today: just a straight, man-to-man appeal to the Minister of Finance. He knows where he stands personally on this issue. He knows what he told me during the months of May and June last year. He knows what he told me just before the leadership campaign this year about this whole issue. The minister shakes his head as though he is trying to figure it out. If he has forgotten, I will tell him, but I think he knows.

**Mr. Benson:** I was not running.

**Mr. Knowles (Winnipeg North Centre):** The minister was not running, but he had a favourite candidate and he knows what he told me about which candidate had the best chance of getting this issue through. He told me behind the curtain one day, and I will remind him if he has forgotten.

**Mr. Benson:** You were not a delegate.

**Mr. Knowles (Winnipeg North Centre):** It was over here, behind the curtain in this House of Commons. So I appeal to the minister to get started on this issue. As I have indicated by what I have said today, and the emphasis I have given to the reports in the *Financial Post*, I do not want it to stop with the federal superannuates and employees of the federal government. It is an issue that we have to resolve through our pension plans as a whole. Surely this is a place to start because the unanimous recommendation of the joint committee is there. There are tremendous funds on the books for the paying of pensions. There is the question of the interest rate adjustment that could be made. There are ways, if the minister wants to do it. I think he wants to do it. I ask him to act now without further delay.

**Mr. Downey:** Mr. Chairman, I would like to cover briefly this afternoon some of the aspects of the proposed estate tax changes. One of the most objectionable things about the proposed changes in the estate tax is the manner in which the minister introduced

them. His description of the effects of the tax may not have been a case of deliberate misrepresentation, but it was certainly misleading to many Canadians. For example, the minister said:

I believe that members will also agree that the estate tax changes should be made effective immediately so as to exempt property passing to widows on deaths after midnight tonight.

That was the night of October 22. What a joke! It would only make sense if all wills drawn before that night could be magically changed to fit within the new system of exemptions and the new rate structure. The minister was simply using the old technique of the stage magician to divert attention from the hand that is performing the trick, and it looks great. Instead of his other hand, both hands were probably busy pilfering the public's pocket. He used widows to divert public attention.

He hoped then, as he hopes now, that the gullible public will think only of the few people now exempt from estate tax and the limited confines of this exemption. He trusts they will not think too much of the tremendously accelerated rate structure of estate taxation. "It is difficult to predict accurately the revenue effects"—this was another gem the minister used in introducing his proposal. It may be difficult for him to predict down to the last pennies, but he knows very well indeed that the number of those pennies will be very much greater than it was under the old system.

We have only to consider that where once the maximum rate of tax applied starting at the \$2 million level—I believe it was 54 per cent at that level—it now starts at the \$300,000 level at 50 per cent. This acceleration in applying the maximum tax can hardly be expected to yield less revenue than before. My belief is that the minister and his colleagues were so desperate for ready cash that they would go anywhere to get it. In this case they would even pillage graves to get revenue.

They were in such indecent haste to collect some petty cash that they brought forward this proposal in such a complex fashion as to leave outside tax experts and estate lawyers gasping and wondering for some time to come. No one understands the ramifications of this measure, and perhaps that is just the state in which the minister wants the public to remain. One lawyer has told another that the only advice a lawyer can honestly give