

*Income Tax Act and Estate Tax Act*

The legislation states that a farm mortgage cannot be foreclosed without the consent of the court, so he is unable to obtain a loan in western Canada. The result is these farms and ranches must be sold.

A member of the other place, Senator Hazen Argue, in quoting a Saskatchewan commission stated that 24 per cent of the large farms in the Regina plains were owned by United States syndicates. Some cabinet ministers agree with the Watkins report that United States capital must not be encouraged. However, under this new legislation when sons inherit a farm they will have no choice but to sell to United States syndicates. It is in this manner the family farm will be affected. It is in this manner the family business will be affected.

Some politicians have been peddling the philosophy of the Carter commission like that other Carter peddles his liver pills. The farmers, ranchers, small businessmen and salaried men who have taken care to build up investments so that their children will have a good start in life would all suffer if the recommendations of the Carter commission were implemented. The recommendations I refer to are to be found on pages 472 to 490, volume 3 of the report. If time permits I will show that the gift provisions of this new legislation have "out-Cartered Carter". The proposed act will replace the Estate Tax Act of January 1, 1959. The act of 1959 replaced the Dominion Succession Duty Act which had been in force since 1941.

During the last election campaign members of the N.D.P. told the farmers across western Canada that the Carter commission report was the greatest thing since Carter invented a pill. These same members said, "We are for the farmers. It is those rich beggars in the city who are stealing all the money. They are making all the millions." I hope these socialists never return to the farm belts and compare the Carter commission report to Carter and his pills.

● (4:50 p.m.)

I heard M. J. Coldwell speak on many platforms when I was taken to election meetings by my father. He talked about every farm in western Canada having a mortgage and implied that the government might as well own them anyway. I cannot see that the N.D.P. has changed a lot since the Regina manifesto was published. Incidentally, it has always puzzled me why it is called the Regina manifesto. It was created in the Palliser Hotel in Calgary. My hon. friend from Regina-Lake

[Mr. Woolliams.]

Centre knows something about Calgary because he married a Calgary girl.

Let us see what Carter had to say:

In appraising the present system, it is also useful to compare the level of estate taxes in Canada to those applicable in the United Kingdom and the United States. Table 17-1 indicates, for estates of certain sizes, what the tax impact is in each jurisdiction. The figures for Canada and the United States are to some extent understated, as non-creditable provincial and state taxes are not taken into consideration.

That is the level existing before we implement this bill, which will go through the committee with the proper instructions.

It is evident that the present level of estate tax in Canada is substantially less than that applicable in the United Kingdom, but, except for very large estates, is greater than that applicable in the United States. In particular, the United States tax is substantially lower on that portion of the estate passing to the widow.

In other words, Carter's first point is that Great Britain has a higher tax than Canada and the United States has a lower tax. Why should we have the same tax as Great Britain? This is a land of resources. We have our mines, our factories, our farm lands. We have our cattle which come off the grass of Alberta, the grass of Saskatchewan and Manitoba. Those resources properly developed increase the gross national product of this nation and provide the revenue to give the Canadian people the services they demand.

If the government takes the capital away from sons who have the know-how, how will Canadians get the capital to develop their ranches, mines, cattle and other industries? Great Britain in former years had a different type of economy. It was an island that brought in cheap raw materials from the colonies, processed those materials and exported the finished products to other markets. Why should we pay the same high taxes as Great Britain, particularly when we want to develop the northern part of our nation, and when we have the vision to develop ideas and the initiative to carry them out? This is the kind of society I live in. At least it is the kind of society I have always thought I lived in. People have been free in this country to invest their capital. That is why people who had initiative left the east and went west.

Again returning to the Carter report, I quote from the third volume, and I hope that members of the N.D.P. never go out and say this to the farmers, even to collect votes, because things like this excite the farmers:

Despite our inability to find support for this alleged unfortunate incidence of estate taxes, it