

Income Tax Act and Estate Tax Act

for existing misconceptions. The article in question says in part:

Benson restored the rule that estates of \$50,000 would remain tax-exempt—

The idea is that a person with an estate of \$100,000 enjoys an exemption on the first \$50,000. I do not think that is correct.

Mr. Benson: A person may have an exemption on an estate worth \$100,000.

Mr. Woolliams: That is possible, and I will deal with that point. But a man might have an estate of \$51,000. On that he enjoys an exemption of \$20,000 and has to pay tax on the other \$31,000.

Mr. Benson: I never said the absolute exemption was \$50,000.

Mr. Woolliams: I do not suggest the minister did. I can only suggest that those reporting the minister's remarks misunderstood him. You know, Mr. Speaker, this bill reminds me of a little story. One day Robert Browning wrote a poem. Next day he went to visit Elizabeth Barrett Browning, who was sick, and after he read the poem to her she said, "But what does it mean?" He looked at it and walked round the room. Then he said, "You know, when I wrote that poem only God and I knew what it meant. Now, I confess, only God knows what it means." I agree that the minister did not intentionally leave wrong impressions about the provisions of the bill. The press misquoted him or misinterpreted his remarks.

● (4:40 p.m.)

I quote again from *Time* magazine:

Benson restored the rule that estates of \$50,000 would remain tax-exempt, and proposed to allow heirs to stretch out tax payments over five years. Meanwhile... Canadians will have an adequate chance to change their wills—

The situation was reported to Canadians in that way by the skilled writers of *Time*, a magazine that deprives our Post Office Department of \$700,000 annually. The minister and I are on all fours. There is no \$50,000 exemption. If an estate is valued at \$51,000 there is a \$20,000 exemption and tax is paid on the balance of \$31,000. The minister and I both know that is the situation, but it is misunderstood by the public.

As I read the bill, estates under \$50,000 are not taxable but estates over \$50,000 may have a basic exemption of \$20,000, plus additional exemptions depending on the category of the person to whom the property is left. A child

inheriting property at the age of one year has a different exemption than a person inheriting property at the age of 24 years. As an example, if A leaves B an estate of \$60,000, under the proposed new act the basic exemption is not \$50,000 but may be \$20,000. The rate applies to \$40,000 and not \$10,000. Let me repeat there is no \$50,000 exemption provided for in this bill.

In a speech last night an hon. member spoke about homework. I would like him to listen to what I have to say and then perhaps he will do a little more homework. Many people believe the basic exemption will be \$50,000, and I will quote examples of this in a few minutes. Before doing so I want to make some general comments regarding the effect of a progressive increase in rates on property passing from husband to wife and wife to children. If Bill C-165 becomes law, it will have a serious effect on second generation Canadians. In other words, when a husband leaves property to his wife and the wife in turn leaves it to the children, it is the children who will suffer.

In western Canada today there are many Canadians who originally came from Ontario and Quebec. These people had to tolerate a cold climate and terrible conditions in order to have grain to take to the elevators. They worked under these conditions in order to build an estate for their families to enjoy. They certainly did not work under these conditions in order to lose it in a socialistic and communistic manner as this government is now proposing.

Today farms are more valuable than 20 years ago. Farms in Manitoba, Alberta and Saskatchewan are worth \$125, \$150 and in some cases \$200 per acre. These estates have increased in value through inflation. The government has been aggravating and stimulating inflation since it was elected in 1963. The government has not done anything to control the situation. All it believes in is spending money to buy votes. The motive behind this inflation has been to inflate the value of property to over \$300,000, and when the person is deceased the government then receives half of his estate. At the cost of farm land and equipment today it does not take very much to build up an estate of this value.

The hon. member for Regina-Lake Centre (Mr. Benjamin), a spokesman for the New Democratic Party, stated that the Carter commission report was like the Bible to a Christian. On the death of a farmer his son is in a strait-jacket because of provincial legislation.