

Income Tax Act and Estate Tax Act

enterprise at its very best by opposing this bill. • (3:30 p.m.)

The N.D.P. amendment reads as follows:

Mr. Les Benjamin (Regina-Lake Centre): I rise to speak in this debate, Mr. Speaker, as a layman. Should I live to be a thousand years old I will probably never accumulate an estate on which estate tax will have to be paid. The more articles I read written by people who are supposedly experts in the financial and taxation field, the more I read newspaper reports of what the Minister of Finance (Mr. Benson) has said, the more confused I become. I am to blame in part because of my ignorance in this field. I do not want to give the impression that I am taking the position of being both for and against this estate tax proposal. I hope I can be logical in presenting my position as I think the majority of the people of this country support it. My colleagues and I support in principle the levying of estate taxes.

That Bill No. C-165 be not now read a second time, but that it be resolved that in the opinion of this house the government should give consideration to a complete revision of the federal estate tax legislation with a view to making the rates of taxation under such legislation truly progressive and equitable.

That is why I am opposed to this bill. The principle of taxation based on ability to pay, progressive in its application and equitable, is not to be found in this legislation. I know that bits and pieces attempts are made in various parts of the legislation partly to apply this principle. But in totality not only this tax but the overwhelming majority of tax legislation in Canada is not just, equitable or sufficiently based on ability to pay.

Mr. Woolliams: Would the hon. member answer a question?

For the record I would like to read the policy of the New Democratic Party as expressed in writing before and during last year's election campaign so that there can be no possibility of any member misunderstanding it, particularly those sitting to my immediate right.

Mr. Benjamin: I will be glad to when I am finished. While I do not always agree with everything written by Douglas Fullerton, I would like to quote from one of his articles which appeared in the *Ottawa Citizen* of February 8:

Canada's system of taxation is unjust. The middle and lower income groups pay too much and many privileged persons and corporations get off very lightly. The New Democratic Party believes in a complete reform of our tax system and at the same time protection of the family farm and the family business. Provision will be made for the transfer of the family farm or the family business from one generation to the next without impairing that enterprise.

One might go even further in suggesting that in a truly egalitarian society there should be very severe restraints on the transmission of property from one generation to the next.

I agree with that point wholeheartedly.

Children of the middle classes and the rich start off now with many advantages in competing with their poorer fellows—better home environment, better food and medical care, and usually better education.

Their advantages in all of these respects are better than those of their poorer fellow citizens. Mr. Fullerton goes on to say:

Why should they have the further advantage of inherited wealth as well?

Privilege is something that should be earned, not transmitted from father to son—

In that light I am convinced many thousands of people in Canada support the principle of taxing estates. But the levying of such a tax must be progressive and equitable. As with all taxes of this nature, it must be based on ability to pay. I wish that the government, as well as the official opposition, would be as concerned about the thousands of millions of dollars of undertaxed and untaxed incomes in this country as they are with taxing those in the low and middle income brackets.

There will be no inheritance tax on a farm which on the death of a husband passes to his wife and dependent children. Inheritance tax on a farm unit passing directly to a member of the family, ought to provide for payment of tax over a long period and tax credits if the farm stays in the family for a period of years. At no time will it be necessary to sell farm assets in order to pay inheritance tax.

A farmer's retirement fund is frequently in his land. On selling the land when he retires a farmer should have the right to invest a lump sum, with income tax exemptions, in an approved retirement plan.

The farmer must always have a free choice between use of the cash or accrual system of accounting for tax purposes.

I emphasize the last sentence in that portion of our party's policy pertaining to inheritance tax:

At no time will it be necessary to sell farm assets in order to pay inheritance tax.

We in the New Democratic Party believe it is socially desirable to have family-owned and family-operated farms and small businesses. While we believe that an estate tax is all right in principle, we submit that the

[Mr. Alkenbrack.]