

Income Tax Act

ment's revenue, in the case of some provinces it represents a sizeable income for them which they can least do without. It is incomprehensible, when we are talking about more sharing between provinces and when there is a need for some sense of accommodation between one province and another, that we would deliberately make it possible for one province to have a better deal than another province. Presumably, national advertising campaigns will be conducted pointing out the glories of dying in Alberta in contrast to dying in Manitoba or in British Columbia. It is an insane program. In my view it is not something this House should countenance.

The Carter Commission looked into this aspect of taxation and made what in my view and in the view of my party was a very reasonable and sensible proposal. They said the tax should be borne by the recipient and not by the estate, and should be paid for at the marginal rate of the person who receives the benefit from the estate. A very wealthy man receiving another considerable or sizeable estate would pay a higher rate than the person who was not wealthy and received an estate. This would seem to be the fair way. Again, there is a maximum of something like 50 per cent on that. There are two ways to look at an inheritance. Some people, I suppose, would say if they were left \$1 million it should not be taxable. Others might say they should have to pay \$500,000 in taxes and receive an amount of \$500,000. Another person might say, "Isn't it wonderful, I received \$500,000".

Now, you can always make an argument for a person who has earned the money directly himself because he would say he should have some enjoyment of the money he acquired primarily through his intelligence, his perseverance or whatever it might be. I believe he has a fair claim. It is a claim which must be listened to. But how strong is the claim of a person who did not contribute to the formation of the estate when he says he does not want to pay any tax on it. What claim does a person like that have? Certain people have claims. Farmers' sons, for instance, have some claim because I know that very often sons of farmers contribute to the establishment of the estate. Therefore, my party is quite agreeable to seeing special provisions brought into the estate legislation that would recognize the claim of a farmer's son.

I think the wife of a person who has acquired an estate also has some claim, because even Carter has pointed out that very often the estate is built up, not through the work of the male head of the household alone but also through the contribution of the wife. We realize the validity of that claim that the wife should be exempt from taxation during her lifetime in respect of the inheritance. Then, there are the claims of those who often are not even immediate members of the family and who may be removed by considerable distance from the family itself so far as blood relationship is concerned. What claim do these people have that they should not pay their fair share of taxes on the wealth they inherit? In my view, they have very little claim and I find it very difficult to sympathize with people who do not wish to pay a share of the taxes that I think are due to society.

There is another factor in this argument which I believe is important. Society, in my view, has a claim on estates. In the modern world, very few fortunes are built up just through the personal work of the individual. Many for-

[Mr. Saltzman.]

tunes are acquired because of the social structure of our society and because of the protection our society affords to entrepreneurs through education, markets and many other things. Therefore the wealth created in our society is not created by an individual alone but by all the things in our society which assist him. A person who wants to live by himself in the jungle, and who can make \$1 million selling coconuts to himself may say he is entitled to all the money he can make selling coconuts to himself, but that is not the way things are in Canada or in any other modern civilization. Therefore we think this section is a great mistake. It is a mistake in the sense that before long Parliament will have to consider alternative legislation in order to avoid a war between provinces, a war which most provinces would not want, in the field of inheritance taxation and related items of that kind. We will regret the passage of this particular section and we will regret that there was not sufficient foresight on the government benches to anticipate the problems which arise from the abolition of estate taxes in this country.

Mr. McGrath: Mr. Chairman, I listened with interest to the speech of the hon. member for Edmonton West who has done such an outstanding job on this bill. I must say that as I listened to him I obtained a greater appreciation of the importance of this legislation to the Members of this House. Because I believe the bill is important, and because I feel members of the House should be here to hear this debate I move:

That the committee now rise, report progress and seek leave to sit again.

Some hon. Members: Hear, hear!

• (5:00 p.m.)

Some hon. Members: Oh, oh!

An hon. Member: Order.

Some hon. Members: Out.

The Assistant Deputy Chairman: Order.

Some hon. Members: Out.

The Assistant Deputy Chairman: Order, please. I think hon. members know the rules. The motion has not been put as yet. I have not read it. The minister wishes to rise on a point of order.

Mr. Lambert (Edmonton West): He is not rising on a point of order.

Mr. Gray: How do you know? I have not stated it yet.

Mr. Bell: Put the motion, Mr. Chairman.

Some hon. Members: Oh, oh!

The Assistant Deputy Chairman: Order.

Mr. Bell: Put the motion.

Mr. McGrath: This is disgraceful conduct on your part, Mr. Chairman.

The Assistant Deputy Chairman: I recognized the minister on a point of order.

Mr. Bell: You cannot do that.