

Estate Tax Act

the provincial legislature. I urge the hon. member to apply all the pressure he can on his Conservative colleagues to have this done in the province of Ontario.

Mr. Hales: Do not forget Quebec, where you have Liberal friends.

Mr. Moreau: Being an Ontario member and realizing that the hon. member for Wellington South is also an Ontario member, I hope we can collaborate to see what we can do in our own province.

I do not generally support provisions containing ministerial discretions. However, I believe we can make a better case for it when it comes to the question of deferring tax payments than in other applications, such as the distasteful class or kind legislation which was before the house in recent times. I feel that perhaps the hon. member does have a point on the question of tax deferment in giving the minister more discretion. Referring to the problem of the evidence which I have to offer the parliamentary secretary, I may say that a short time ago I was approached by the president and founder of a new, internationally known food processing firm which operates within my riding. This gentleman came to Canada as an immigrant about 20 years ago and got into the food processing business. He has now developed a considerable export business, something for which I am sure we would all commend him. He now has an enterprise worth several million dollars which is growing very rapidly with the result that the firm is continually short of cash.

Recently he has had to face up to the problem of possibly selling the enterprise to one of a number of American concerns who are bidding for it. The firm is a highly reputable one and its products are rapidly gaining a reputation all over the world. The firm label has become very valuable and a number of large American firms have been putting pressure on him to sell his enterprise to them. They have been using, very successfully, arguments related to our estate tax laws, and have pointed out to him that with the way the company is growing and in view of the shortage of liquid assets his family would have to make a forced sale if something should happen to him.

He said to me: "Mr. Moreau, I came to this country and it has been very good to me. I want to commend the Minister of Finance (Mr. Gordon) for the efforts he is trying to make to keep control of our companies here

[Mr. Moreau.]

in Canada; but what can I do? There is only one thing I can do. My tax advisers have told me that if I do not want to sell I have to form a public company." He said: "This is a company that my family and I have developed over the past 20 years and we are not particularly anxious to go public. However, I must. I have followed the advice and we are now getting out a stock issue."

The parliamentary secretary says that the department does not have any evidence of forced sales, but I suggest to him that the problem is a real one, one which a number of firms are meeting before they are actually faced with the situation. They are doing so in two ways, either by selling the enterprise to an American operator or by forming a public company in Canada and thus jeopardizing control of the company which the enterprise of the family has created.

These people feel strongly that the situation is unjust and I must say there is a great deal of merit in the argument put forward to me. Again I should like to urge the hon. member for Wellington South (Mr. Hales) to do what he can to acquaint the provincial authorities in Ontario with the problem, because it really lies there. I hope we will see changes in our estate tax laws very soon because I certainly agree with the hon. member that this is a very real problem, particularly for smaller family firms in Canada.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, without being charged with talking out this motion I should like to make several observations with respect to it. I did not hear the comment just made but I guess there was not much to it. The hon. member for Wellington South (Mr. Hales), as he pointed out, has introduced this motion again this session, but I would say that the points he has put forward and emphasized seem to be very important and logical. It seems that these days we are living on the instalment plan. We are carrying on our lives on the instalment plan and we may as well continue this in the estate tax field. Therefore I do not think there is anything remarkable or unique in this suggestion.

I believe that the suggestions made by the hon. member would be of real benefit to many who are faced with the task of trying to meet these responsibilities and still maintain the business, or whatever the asset may be. The argument has been raised that this matter is a provincial responsibility because of the fact that the provinces of Ontario, Quebec and