

*Income Tax Act and Estate Tax Act*

investments could be taxed on an equal basis with estates of salary and wage earners if anyone must be subject to such a grasping tax.

I think Mr. Hough's opinions are well worth listening to and heeding. I am sure that you, Mr. Speaker, and most hon. members can readily agree with him. It is my further opinion that the government should drop the estate tax bill. Let there be income tax, as there has been since 1917, I believe. That tax should be commensurate with the needs of the government. I am referring to the many worthy economic and social services this government has to supply. Let the income tax be commensurate with the annual profits of small businesses and farms which are handed down as estates. In my submission, if one considers all the circumstances this tax has no merit and there is no place for it in our society.

To further support this view, may I now read an extract from the *Toronto Telegram* of Tuesday, February 11. In an address given the previous evening L. G. Greenwood, president of the Canadian Imperial Bank of Commerce, is reported to have made certain comments. The newspaper report of those comments in part is as follows:

Ottawa should consider abolishing inheritance taxes rather than proceeding with its plan to increase revenue from them... Reducing exemptions in estate taxes would run counter to other government policies and could weaken Canada... His criticism of the inheritance tax changes was part of an attack on government tax and welfare policies which, he claimed, promote inflation and reduce the individual's incentive to work—

"Small businesses, often they are family businesses, do much for the strength of Canada. Why should they be put in jeopardy when the owner passes on?", he asked.

The general tendency to increase taxes erodes incentive and leads to "alienation from work," said Mr. Greenwood... The failure of productivity in Canada to keep up with wage increases is one cause of inflation which he termed "an insidious disease, a destroyer of values."

It would be "tragic" if Canadians lost their initiative because of government policies, he said. "The better life must be earned. It is not something that can be created by an act of Parliament," he added.

I am sure Mr. Greenwood means that legislation has increased the burden of taxation. That burden, when shouldered by the small businesses and farms of Canada, will serve to decrease their future productivity. The estate tax takes away all incentive for the proprietary channels to save. Liberalism and its present policies are not Liberal policies at all basically, but socialistic policies. They are not traditional with the former line of Liberal thought.

● (3:20 p.m.)

There is another point being made at this time across the length and breadth of this country. I hear people on the streets of towns and villages in my riding discussing the inconsistency of Liberal policy. Regardless of what excuses the Prime Minister (Mr. Trudeau) or any member of the cabinet may make, splits in the cabinet and the utter worthlessness of the government's present policies are pointed out, as well as the impending damage being done to the Canadian economy.

Although the Minister of Transport (Mr. Hellyer), who is also the minister responsible for housing, stressed in his report the need for more housing and advocated the abolition of certain taxes which discourage more housing, for example, the 11 per cent sales tax on lumber and building materials, the Minister of Finance said "no" to this recommendation. I commend and support many of the policies recommended by the Minister of Transport in his report which encourage more estates. It is true that every house built by a young couple or family is the beginning of another estate. On the other hand, the Minister of Finance is proposing a taxation measure which will destroy thousands of estates and stagnate and stultify the founding of potential new estates. This, Mr. Speaker, is a typical example of Liberal contention within their own ranks. The minister responsible for housing says, "Yes, go ahead, Canada, as soundly and economically as possible". Then we have the Minister of Finance saying, "No, you cannot go ahead, Canada, until you pay me my pound of flesh."

Canada, as a corporate body, is only 102 years old. I am sure most hon. members will agree that with the exception of a narrow strip along the 49th parallel of latitude, the St. Lawrence Valley and the Maritimes, Canada is largely undeveloped. There are too few estates in this young country to have an estates tax. That is the reason I oppose it.

In this country, as well as in this house, one must be of one opinion and purpose. One cannot equivocate. I deplore the adverse effect of Liberal policies and Liberal administration upon the progress, growth and development of Canada. Furthermore, I oppose a capital gains tax, as this has been likened to, or any similar measure. With all the support I can possibly summon I oppose this estate tax. Most hon. members will from time to time pay tribute to and espouse private enterprise. Here is a chance for us to support private