

*Income Tax Act and Estate Tax Act*

member for Regina-Lake Centre (Mr. Benjamin). I am not speaking about those who are wealthy or those who are above the average and are in fact well off. I am speaking about the little man who is struggling to survive on a farm or in a family business.

• (4:10 p.m.)

I am sure I am not the only member of the house who has received letters of this sort. I must, therefore, express to the minister and to the government on behalf of these people the strongest objection to the legislation. I must also speak against this legislation because of my own conviction inasmuch as I believe the principle is wrong. I do not say this because I am against the taxation of estates which are sizeable or because I favour placing any level of income of the Canadian people in a position of special privilege. Taxation is necessary as the source of income for governments. Nevertheless, it is imperative that taxation policy be equitable; it must apply to everyone on an equal basis subject to special consideration for those who have less.

Having said this, I must add that I believe the principle of this legislation to be basically wrong. It is a democratic principle—and I think most hon. members agree with this concept—that once income has paid its share of tax to the government it should be free of further tax. The development of our democratic institutions was influenced in a major fashion by people who believed in this principle. If there is within an estate income which has not paid its share of taxation, then I believe it should be taxed. But this legislation taxes in the most vicious manner those who can least afford to pay. I believe the rate of tax as it has been calculated is not basically fair. If it is to be fair, taxation should respect the estate dollar which has been saved through the thrift and hard work of those involved. It should respect savings which have already paid their share of taxation. In particular this principle should apply to those who are least able to pay.

I must express appreciation to the minister in connection with several aspects of the amendments. I believe the exemption of widows or widowers from the burden of estate tax is a correct step. In my own experience as a Member of Parliament I have encountered scores of cases where under the previous taxation policy widows had great difficulty in clearing up the estates of their deceased husbands. They were often left in difficult

circumstances. The exemption now proposed is sound.

I believe the extension of the gift tax provision in the revised bill is also on the right lines. The new provision with respect to trusts is an important one and it should make estate planning much easier for families. I am glad the minister has sensed the overwhelming opposition to the decreased exemption, and that the floor has now been raised to \$50,000. However, it should be pointed out that in the days when \$40,000 was the figure established in this regard, the dollar was of much greater value than it is today. It seems to me that for the legislation now proposed to be sound in this respect the exemption should be raised to \$80,000 or even \$100,000 because of the very fact that inflation has taken away so much of the value of our currency. Consider what this means, for example, to those who seek to provide for themselves in their latter years, or to enable members of the their family to get a start in an economy in which it is increasingly difficult for young people to become established on their own. Farming is a particularly good example. Conditions today tend to pressure an increasing portion of our working population into the category of wage earners as opposed to that of legitimate entrepreneurs.

As I listened to various speakers expressing their views in this debate I was surprised at the limited logic they seemed to apply to this subject. I can understand the inclination of government supporters to defend legislation brought down by the government even though they may not have had an opportunity to offer their views or comments with regard to it before its presentation to parliament. Nevertheless, it seems to me that many statements by hon. members opposite have shown exceedingly narrow judgment with regard to this legislation, and it occurs to me that if they were really representing the opinions of their constituents, as I understand those opinions to be, they would be working to correct what I hold to be errors in the measure before us.

I do not quarrel with those who say that our tax policies should be revised. Neither do I argue with those who contend it is unfair that certain types of income should be either untaxed or undertaxed. But to be wise in our taxation policies we must protect those aspects of our economy which have made this country strong in the past and permitted it to grow more rapidly than any other in the history of western nations.