

Income Tax Act and Estate Tax Act

individuals who have the know-how, the initiative, the creativity and the daring to develop the resources of this land which are in abundance north, south, west and east. This is also important in the oil industry. In Britain their economic development came about by processing raw material bought throughout the world at a cheap price and processed and sold as finished products in a captive market. In Canada, on the other hand, we have the raw materials. What we need is capital left in the hands of individuals to process our own raw materials into finished products so that we will own our own industries and have jobs for Canadians. I say jobs for all Canadians. As I said once in Drumheller, when the coal mines are broke the miners are out of work.

● (5:00 p.m.)

Only through production and trade will the gross national product grow so that this great country can afford the services that our people demand and maintain equality by the implementation and promotion of the same. If the Canadian government by increasing the estate tax and reducing the exemptions skims off the cream of the capital as it is doing by this new bill, the United States will own more of our industries than they do today. Out goes the Watkins report. Carter said: Tax the people and give them services. The N.D.P. always talks about the Scandinavian countries. When I was in Denmark and spoke to the taxi drivers they said there was no opportunity there.

More businesses, more farms, more ranches, more mines, more industrial concerns will fall on the auction block and be sold to United States interests. I do not have the figures but, as I have said, many farms in Saskatchewan, Manitoba and Alberta are owned by United States interests. Carter says, if you have to sell the farm, the ranch, or the small business to pay high estate taxes, so what? His suggestion is, sell it, get rid of the people.

In order to have an efficient farm, ranch or small business today you must have an investment of at least \$250,000. That does not frighten me. The price of land in the rural areas and indeed the price of land in cities plus the price of equipment in business or agriculture will verify my statement.

Now let us take a look at some figures. I want to put these on the record because some phases of this bill have been misrepresented. Let us take an estate valued at \$100,000 which is to be left to two sons 25 years of age. Do

[Mr. Woolliams.]

not ask me what would happen if their ages are between one and 25; it would take a computer to figure it out. On a \$100,000 estate, under the proposed tax the amount would be \$8,700. On a \$150,000 estate the amount is \$21,000. On a \$200,000 estate it is \$36,200. On a \$300,000 estate it is \$75,700. This is a 25 per cent increase over the former rate. On a \$500,000 estate it is \$174,200, an increase of 40 per cent. On a \$750,000 estate it is \$299,200, an increase of 40 per cent. On an estate of \$1 million it is \$424,200, an increase of 35 per cent. In any small industry in ordinary business circles \$1 million is not much. If you have a printing press in the city of Calgary or Toronto with a \$1 million investment it is not a big enterprise any more.

An hon. Member: What's a million?

Mr. Woolliams: I am glad a Liberal yelled that. That is what C. D. Howe said. But the tax you pay is \$424,000. By this bill the capital is being skimmed off so that the sons will have to borrow money in this competitive world where one has to deal with unions and make adjustments in respect of labour. I am not complaining about that. However, it is difficult to survive. These figures do not tell the whole story. If a husband's estate is \$200,000 and the wife has inherited \$20,000 during her lifetime, say from her father, and she wants to keep her inheritance in her family the rate of taxation on her estate will be on the combined amount of \$220,000. It cannot be 100 per cent. The Minister of Finance (Mr. Benson) is so kind that he says that when they get that grabby they will only collect 50 per cent.

The minister's computers will be kept busy recording social security numbers so that no one can escape the social security axe. When the social security cards came in we were told they did not mean anything. Now the number is put in a machine. Judy LaMarsh admitted in her book that she had enumerated every Canadian by a number. This is the social welfare prison in which we now find ourselves, and this is endorsed by our good friends. Time does not permit me to go into all husband and wife trust conditions, but one thing is sure. The Carter family unit pill has now been handed to every Canadian and this government has told the people to swallow it. It is the castor oil treatment: Open your mouth and we will give you the medicine that is good for you.

Under the bill the exemption for children inheriting property progressively becomes