

Succession Duty Act

Mr. ILSLEY: Some consideration was given to these various points. The Ontario act has four or five subsections which define with great particularity the amounts which are exempted. Provision is made for making a division of the amount proportionate to the work of the religious, charitable or educational institution done within Ontario as distinguished from that done outside the province.

This is the provision found in the Income War Tax Act. It may be that that was not the correct guide to follow because the sums involved here are so much larger. We thought, however, that the acts should be kept uniform. Under present conditions people are giving money, not by will but by way of gifts, to sufferers from bombing, to Spitfire funds and so forth.

Mr. JACKMAN: Floods in China and lots of other things.

Mr. ILSLEY: The principle followed by the income tax division is that if the gift is given to an organization in Canada recognized by the Department of National War Services, it will be regarded as a charitable gift. That relates to war charities even though some of their expenditures are beyond the confines of Canada. Take a church that is integrated in its activities, which is a church rather than a set of churches, because in some religious denominations it is churches, not a church. A gift to such a church would be a gift to a religious organization which did not by any means do all of its work in Canada but rather did it all over the world. I suppose a division of the amount of the gift could be made and exemption be allowed only on that portion which bears the same ratio to the whole gift as the expenditures of the church in Canada bear to the total expenditures of the church. But I do not think we should go into it that far. We put in the provision that the exemption would not exceed fifty per cent of the person's property, and that provision is also found in the Ontario act. If, however, the committee considers that the principle should be changed, I would not be disposed to resist it because it is a protection to the revenue to allow exemptions to these charities only, but we thought we should not draw the line too fine.

Mr. BLACKMORE: I think the minister has taken the right stand on charities, and I congratulate him. May I also congratulate the hon. member for Brantford City (Mr. Macdonald). It is a fine thing that a man will rise in his place in this house and

[Mr. Slaght.]

advocate the performance of our duty in carrying the gospel to nations which have not been blessed as we are, and I think this is the first time since I came into this house that I have heard a man venture to do that before his fellow members. I wish to assure him once more that I appreciate it. Let me repeat that I completely support the minister in his stand regarding charities. While he may lose a little revenue, we shall gain greatly by recognizing the value of the great spiritual things in life.

Mr. POULIOT: I wish to congratulate the minister and also the hon. member for Brantford City (Mr. Macdonald). Both have given lofty expression to the great work of the church. Whatever our faith, we all realize that church work means the civilizing and betterment of mankind, and that it is all to the good of any country.

Mr. SLAGHT: Just one word more. I do not desire to be put in the category of opposing charitable or religious bequests, but the plain fact is that the way this section as it now stands would work out as against an amendment such as I suggest, which would mean merely the insertion of the words "and which carries on its work solely in Canada," would be this: On a bequest of \$1,000,000 to a society for foreign missions which operated in China, you would be taxing fifty per cent of that bequest as you would do if it were a bequest to a Canadian mission, and you would exempt the bequest from a tax of \$80,000 for the public treasury. You would be contravening, by encouraging that sort of bequest, so much of the good principle we have heard of the conservation of foreign exchange, because to enable such a bequest to be carried out you have to let \$1,000,000 go to China and buy Chinese exchange with it at the expense of our exchange. You are going to do all that apparently, let that money go out of the country and exempt it from a succession duty in Canada. I still suggest that that principle is wrong and that any man who is anxious to aid foreign missions in China, and is quite sincere in his desire, should also possess a loyalty to this country that would be willing to have a succession duty tax applied to such a bequest.

Mr. POULIOT: An amount of \$1,000,000 went out of Canada through excess profits on sugar. That is much worse than money given for church work.

Mr. ROEBUCK: The riding from which I come has churches in it, and I suppose there is scarcely a member of the house who is not in the same position. When I look back at