of $5,000, and there was provision for further exemption in cases where a widow survived. In 1948 provision was made for exempting an estate up to $50,000; not a provision that there should be a $50,000 exemption on all estates, but that all estates under $50,000 should be exempt.

This bill goes much further in extending the principle of exemption. In the first place, it carries forward the provision that no estate under $50,000 will be taxed. Now there is also provision in connection with estates up to $53,056, as will be seen on page 14. This bill clearly retains the principle that no estate up to $50,000 will bear any tax at all. Quite apart from this, we have also introduced exemptions that apply to all estates. There is a basic exemption of $40,000 for every estate. That is new. There is a basic exemption of $60,000 in every estate where the deceased is a man survived by his widow, and the same exemption applies where the deceased person is the widow and the surviving husband is infirm, that is, unable to pursue normally a gainful occupation and where there is a dependent child.

There are also here provisions for additional exemptions in the case of dependent children—$10,000 for every dependent child —and, where the child is an orphan, $15,000. These are substantial exemptions, and there can be no doubt that this bill does bring very great benefits to all estates of smaller value.

I have earlier given an instance of the estate left by a deceased person with a surviving widow and four dependent children. Of that estate $100,000 will be exempt under this bill, a clear exemption of $100,000, and there has been nothing in previous legislation which it is possible to compare with that. It is because of provisions such as this that the *Canadian Tax Journal*, at page 269 of its issue, to which the hon. member for Kenora-Rainy River referred earlier, has said of the changes we have made as compared with the old Bill 248:

> Several of the changes go to the fundamentals of death taxation and are more sweeping in their effect than most of the innovations in the first measure. On the whole the taxpayer has come off quite well. Of a dozen or so major changes most are to his advantage.

In Bill 248 introduced last session the basic exemption provided was $30,000. That has been increased under this bill to $40,000. It will therefore be seen that provision has been made to lighten the burden of estate taxation on anything which could reasonably be called a small or smaller estate.

As to the remarks of the hon. member for Megantic, let me say this. We have in this measure strictly respected the constitutional jurisdiction and the constitutional preserves of the provinces, and we have not trespassed on the field of property and civil rights in the provinces, which is exclusively assigned by the constitution to the legislatures of the provinces. The law of succession is strictly provincial in its constitutional incidence, and there is ample opportunity for the provinces to exercise such jurisdiction, and in most cases they have done so, and make such provision as is required in favour of the widow.

We merely make provision for this tax exemption, and it remains within the jurisdiction of the provinces to see to it, by whatever laws they choose to enact, that the claims of the widow in such an estate are provided for. If the will does not make adequate provision for her, there is nothing to prevent a province from passing legislation to override the terms of the will, making adequate provision for the widow. Indeed, many of the provinces have done so; and there is, as well, legislation dealing with the devolution of estates of intestate persons where provision for the widow is earmarked by statute.

In this bill we have in this respect simply recognized the constitutional rights of the provinces, and within that principle we have applied the principle of the estate tax.

Mr. Benidickson: The minister makes reference to the province of Quebec. I have, of course, no intimate knowledge of the law in that province, but it is a fact that if the spouses held community property in that province half of the estate of the deceased spouse would be considered as belonging to the survivor and would not be subject to tax under this bill, regardless of its size.

Mr. Fleming (Eglinton): The law in this respect recognizes the legal results of the acts of the parties. In the case the hon. gentleman has cited, the parties themselves have entered into a contract the effect of which is to create community of property. Now, there is nothing in the common law of the other nine provinces which would prevent spouses from creating community of property if they so chose and so acted. But, equally, there is nothing here which imposes upon or creates, in the absence of an act by the parties themselves, a community of property which is not created by the provincial law, and that is the essential difference.

We have gone further in this bill than federal legislation has ever gone before in permitting the creation of joint tenancies, the holding of property in joint tenancies, that will be exempt, providing the gift in joint