

Succession Duty Act

"child" in line 33 you get a child under eighteen years of age, whereas the words that follow are "eighteen years of age or over," hence a contradiction. It seems to me that this would be a strained interpretation, I do not think the provision could possibly give rise to any difficulty.

Mr. HANSON (York-Sunbury): Will the minister give further consideration to including in clause (a) husbands as well as widows?

Mr. ILSLEY: I cannot see that argument at all. If it were a dependent husband—

Mr. HANSON (York-Sunbury): It might be.

Mr. ILSLEY: Is the hon. gentleman suggesting that we put in the words "dependent husband"?

Mr. HANSON (York-Sunbury): I do not suggest that, but I do suggest that in eight of the nine provinces a husband is treated exactly the same as a widow.

Mr. ILSLEY: In nearly all provinces classes A and B are combined. If A and B were combined, the husband would be in the same class as the widow, but we have separated them; we have taken out the people who are naturally dependent.

Mr. HANSON (York-Sunbury): That is just an arbitrary division. In many families the husband and wife make a joint or mutual will, especially when there are no children. The one leaves the other what little patrimony there may be. What has been saved has probably been saved by the joint effort, but the title has been divided during their lifetime. The husband leaves his to the wife, and the wife leaves hers to the husband. I do not see that there is anything wrong or improper in asking for that.

Mr. MACDONALD (Halifax): While the rates in the aggregate as provided by this section and in the schedule are on the whole reasonable, the rates which apply to the different classes seem to be out of line. I suggest that this is particularly so in the case of small estates of from \$5,000 to \$25,000. The additional rate dependent on dutiable value in the case of an estate of from \$5,000 to \$6,000 is 2 per cent for classes A and B, which cover the widow and children of the deceased. But the rate for class D is 3 per cent, which class covers successors who may be no blood relation to the deceased, but complete strangers. Let us take another case, an estate of from \$22,000 to \$25,000. There the additional rate dependent on dutiable value in the case of class A is 2.45 per cent; for class B, which includes children over the age

[Mr. Ilesley.]

of eighteen years, the rate is 2.9 per cent; for class C, which includes brothers and sisters, sons-in-law and daughters-in-law, the rate is 3.4 per cent, and for class D, which covers complete strangers, the rate is only 3.9 per cent. I suggest that the difference is too small as between children and close relatives of the deceased and those who are complete strangers and may have absolutely no reason to look forward to any benefit through the death of the testator.

Mr. ILSLEY: The reason is that in the provinces there is a much wider divergence in the rates applying to classes A and B and class D. If we had the same divergence in the dominion we would have a great total divergence between the rates.

Mr. SLAGHT: Why?

Mr. ILSLEY: We would be doubling the divergence. I think it should be an arithmetical rather than a geometrical divergence. That is the theory of the act, at any rate. These rates on the whole are lower for strangers than the rates in the provinces, but when added to the provincial rates there is a substantial difference between the stranger rates in the total and the rates for children closely related in the total.

Mr. HANSON (York-Sunbury): The minister is admitting that if we adopted the same progressive rate for class D as the provinces have adopted, it would be confiscation.

Mr. ILSLEY: It would be very high.

Mr. HANSON (York-Sunbury): If he will allow me to say so, I do not understand the attitude adopted by the hon. member for Halifax (Mr. Macdonald). Last evening he enunciated a principle which I was surprised to hear. He contended that a man had no inherent right to pass along his patrimony to his children.

Mr. MARTIN: The hon. member is not married.

Mr. HANSON (York-Sunbury): I was just about to say that possibly his outlook on this question is dictated by his position in life. I hope he will rectify that position very shortly.

Section agreed to.

On section 12—Persons liable.

Mr. MACDONALD (Brantford City): I would draw the attention of the committee to the words "shall" and "may" in the eighteenth line. It says that the duty in respect of any gift or disposition "shall also