

Succession Duty Act

that when I first began to practise, \$50,000 was the limit. Forty years ago in our province a man with an estate of \$50,000 was considered as having been well to do. That is equivalent to an estate of about \$100,000 to-day. I beseech the minister to raise this \$5,000 limitation. From the point of view of administration his officers will get rid of a great deal of trouble, and, perhaps expensive trouble. How will the minister determine whether an estate is under or over \$5,000? An estate of \$5,001 pays a tax, while an estate of \$4,999 pays no tax. The difficulty will be in arriving at a definite figure.

Mr. MACDONALD (Halifax): The valuation of a house might make all the difference.

Mr. HANSON (York-Sunbury): Yes; it might depend upon some one small factor. I suggest that the limit is too low in any event.

Mr. MARTIN: It is just possible that the suggestion of the hon. member for St. John-Albert may be allowed to be shelved, but surely he has raised an important aspect of this question, and I rise, even at the risk of repetition, to support him, so that the matter may be impressed more forcibly upon the minister. Surely a man engaged in the merchant marine or serving on a convoy should be given every benefit that is contemplated by this section. One cannot help recalling the case of that brave man, Captain Fogarty Fegen. Under this section, if he was a Canadian, his family would derive nothing whatsoever. The Minister of National Revenue points out to me that the man may be in the naval reserve. I just took Captain Fogarty Fegen as an example. Undoubtedly there will be other cases. I strongly support the suggestion of the hon. member for St. John-Albert, which deserves every support it can receive.

Mr. HANSON (York-Sunbury): What about this \$5,000 limit?

Mr. ILSLEY: In a great majority of smaller estates the exemption on account of the widow and children would more than wipe out the estate.

Mr. HANSON (York-Sunbury): That is a partial answer.

Mr. ILSLEY: In cases where there are no widow and no dependent children, while there may be administrative difficulties, the beneficiaries, strangers for example, should pay a tax.

Mr. HANSON (York-Sunbury): What about brothers?

Mr. ILSLEY: I think they should.

[Mr. R. B. Hanson.]

Mr. HANSON (York-Sunbury): I do not think so.

Mr. ILSLEY: As I say, in the normal case, the exemptions will eliminate the problem.

Mr. HANSON (York-Sunbury): Let me give the minister an illustration. I have in my riding four brothers, all bachelors. None of them ever married. They have lived together, one doing one part of the work on a great big farm, and another, another. Under this section every one of them will pay, as they die, taxation on an estate of a little over \$5,000 apiece, and when the last one dies, the whole thing will have gone to the government. I do not like the taste of it.

Mr. JACKMAN: I would ask the minister to make the provision under subsection 3 as generous as possible. Under the Pension Act a person must qualify in a certain way and in a rather restrictive way, and something comes to them direct from the crown in return for their sacrifice or the sacrifice on the part of a loved one. But the provision here is not of that nature at all. It is merely to prevent the crown from benefiting unduly by the untimely death of some person who has lost his life on account of the war. Therefore I think the crown can afford to take a generous attitude. In Ontario the section allows the government to remove the whole duty if it sees fit. It is not specifically laid down except in those general terms, and I understand from the premier of Ontario that such cases will be liberally treated. Here the government should afford every relief possible to the heirs of a man who lost his life before his time in the great cause for which we are now fighting, and for that reason I would suggest that the provisions of the Pension Act can surely not be applicable. Although I am not at all familiar with them, they must be drawn far more strictly than in equity the provisions of this section should be drawn because the case is of such a different nature.

I would also specifically call attention to the item of 3 per cent. Three per cent would mean setting up quite a large sum which, accumulated at 3 per cent, would, after the expiration of the term of years, equal the amount of the tax. If you made it 4 per cent, which is much more reasonable, it would mean that a good deal smaller capital sum would have to be set up and paid now. The government should give every consideration to the heirs of men who meet their death before their time in this war, and I would strongly recommend 4 per cent, and, if the government had a generous turn of mind, 5 per cent. In these circumstances it would not be too much to ask that the estate go scot-free, but I realize that the minister would not go along