

I could have done without the praise if we had had the luck of last year. The estimates were passed last year in 30 seconds. Before the officers got down from the gallery we were through. If the hon. member raised the matter last year it must have been in the hurry of that moment and I did not notice it. He said that he raised it in years gone by. He did not say he had a deaf ear, but he certainly did not get it. He has no deaf ear this time, Mr. Chairman, but I am particularly concerned about him because the hon. member said if he did not get it from me he would keep at it here and finally he would get it from the next Liberal government.

**Mr. McIlraith:** Next year.

**Mr. Nowlan:** I have the highest regard for the hon. member; we like him and we love him, but I do not want to see him around here forever. I think he does deserve a rest before the time he is 75 or 80. He would have to be coming here when he is that age if he expects to get it from a Liberal government. I will promise him we will give the matter consideration. If I made a promise last year I forgot it. I promise him that we will give this the most careful consideration and next year when he raises the matter again I hope I shall be able to be more specific on the matter.

I think this covers fairly well, if not fairly well at least slightly, the various points raised by hon. members. If there is anything further I can do—I hope there is not—I shall be very happy to do it. I think that covers the points at the moment.

I am sorry, one question was asked by the hon. member for Lethbridge with regard to the assessment for income tax purposes of farming corporations in western Canada known as the Hutterite brethren. This is a matter which has been raised on several occasions during the past few months. It is a matter of great concern to the members from western Canada and to the department. All I can say at the moment is that it is receiving the most careful study by the departmental officials. I am not in a position to go farther than that at the moment except to say that the whole matter is under review.

**Mr. McIlraith:** Mr. Chairman, there are two matters that I should like to raise that were dealt with by the minister in his remarks. I want to return first to this matter of valuation of estates. I am afraid the matter is not quite as simple as the minister has indicated in his most plausible answer. It is not a simple problem.

**Mr. Nowlan:** If you can find anything simple about the administration of this act I should like to know it.

**Mr. McIlraith:** The point here is one which should be pursued by the minister because the problem is whether a taxing department is in fact increasing the taxes imposed by the statute. I am sure this is something that the minister will agree it is not desirable for it to do. The amount of the tax is fixed by statute and not by the department; at least, we like to think that that is the theory of our system.

The minister said the sale price was the absolute criteria and the estate executors, presumably, or beneficiaries, could sell the property themselves. That is neither possible nor practical with 80-year old widows when they are dealing with commercial property in most cases. I think it will be readily agreed that that is just not a good enough answer.

The problem does not arise in those commercial properties where you obtain a valuation because such valuation is based upon the amount the vendor can realize from the property and takes into account all factors; but where a sale is made within a short time after the death then the estate is improperly penalized because in most instances the only method of making a sale of a commercial property in a short time after the owner dies is by employing competent real estate agents. The real estate agents will sell the property to the best possible advantage, because they get a percentage in fees and because they seek to serve their clients well, but they turn over to the client only the net amount of the sale. That is all he gets. It is not a simple matter; the agent's commission is not a debt of the testator. The value is a matter of what the estate is able to realize from the asset. That is the true test of value. The test can only be determined in that way.

There are two practical methods of determining the value of those properties. One is to obtain a valuation by qualified appraisers, and usually no problem arises there. But this other problem arises and it can be a penalty that is very severe on the estate. If the minister would take the trouble to compute out the penalty in the case where the estate is of a value of \$100,000 and the selling commission is \$7,000 and from \$60,000 to \$80,000 is exempt, he will see just how heavy the penalty is. I respectfully submit that taking the gross sale price as the value is a wrong practice; it is only the practice of the department and I do ask to have the matter pursued.

It is not a sufficient answer to say that this matter can be appealed to the courts, because that involves tying up releases or deposits, as the case may be, and usually it