

Mr. MACKENZIE (Vancouver Centre): They would be entitled to pensions because their deaths were directly connected with their service.

Mr. DOUGLAS (Weyburn): It seems to me that there are two criteria by which a person can qualify for exemption. The first is a matter of active service, which is perfectly clear, but the second is a stipulation that there must be eligibility for pension. The Minister of Pensions and National Health may be able to straighten this out. When we consider subsection 3 of section 6 of the Pension Act, we realize that the two are not synonymous any longer. The question of necessitous circumstances now enters the picture. Pensions are now granted not only because of active service but because of the circumstances of the widow. There are now two criteria in the same section, and it seems to me that either one should be used. It should apply either to the active service or to the eligibility for pension.

Mr. MACKENZIE (Vancouver Centre): When a case of hardship was being considered under the Pension Act, there would be no estate involved. The applicable section would be subsection 2, which covers a death directly connected with military service. The whole trouble is that the meaning of "active service" has completely changed since the last war. During the last war a certain interpretation was placed upon this, and in this war an interpretation has been placed upon it by responsible officers. A man may be called out under the National Resources Mobilization Act, and he is not on active service. I think the intention of this section was to restrict it to those serving in a theatre of war.

Mr. ILSLEY: This was drawn to effectuate the intentions of the government. When we enlist a man and put him in a position of danger, my idea was that we could not fairly subject his estate to succession duties upon the old basis of exemptions or the old basis of value. Therefore the values are greatly reduced on an actuarial basis and the exemptions are greatly increased. I do not know what wording is necessary to effect that end, but I know there was no intention of making any concession to men on technical grounds simply because they were wearing a uniform in the summer or anything like that. It is all right to say that it will not cost us very much, that we should not draw fine lines, but we must do the just thing. When we tax one man who does not go to camp, on one basis, and another man who goes to camp, on another basis, and there is not any substantial difference in the risk run by the two men—

Mr. GREEN: Except that the one man gets killed and the other does not.

Mr. ILSLEY: Probably they both get killed.

Mr. GREEN: The man who is killed at camp is on military service. Surely his position is different?

Mr. ILSLEY: There is no difference in the risk, so far as I can see. I want this to cover the cases where we are making concessions to men who are fighting and risking their lives to defend us.

Mr. ROSS (Souris): I think it is contradictory. As the Minister of Pensions and National Health points out, it is difficult to understand. I do not think the section means just what the minister wants it to mean. It is an absolute contradiction to what was discussed in connection with the Pension Act last night.

Mr. ILSLEY: I shall ask that it stand.

Mr. CRUICKSHANK: I resent the use of the word "concessions".

Mr. ILSLEY: I withdraw that; I did not intend anything by it.

Mr. HAZEN: The same consideration should be given to the widows of officers and men who serve in our merchant marine. In some cases these men have been running greater risks than many of the men in our armed forces. They have rendered a great service to this country, and I ask that this section be amended by adding a clause to provide for the officers and men in our merchant marine.

Mr. HANSON (York-Sunbury): Only if they are killed in a war zone.

Mr. ILSLEY: I shall give that some consideration.

Mr. HANSON (York-Sunbury): If subsection 3 is to stand, may I refer again to the \$5,000 limitation? I think the minister will find that the cost of collection will be relatively high. I have urged this matter three times, and the minister has never actually said no. His silence, however, may be construed in that way. In a country as wide-flung as Canada there are bound to be hundreds of little estates where it will be difficult to ascertain whether they come within this limitation. The department will be reduced to counting spoons on the cupboard or in the kitchen to determine whether the estate comes within this limitation. I think the minister ought to raise it to \$20,000 at the very least, and I do not think the loss in taxation would be very great. I can remember