

have what is tantamount to a third succession duty. Every estate of any size will owe two succession duties to the crown in right of the dominion.

The minister threw out the suggestion that the well-to-do person who owed money under this \$3,000 limitation could take out life insurance. He has given us some alternative when he says that we may commute our payments. Most of the taxpayers will not have the physical condition to permit them to take out life insurance. If they do have insurance it will be considered part of their succession duty and be taxed. This will result in an almost impossible position for the taxpayer. The more he tries to provide for his taxes, the more he will find himself taxed.

This limitation applies more to widows and orphans than it does to men in active business. It is a well known fact that in many of the great companies in the United States—I suppose the same thing applies to Canada—a majority of the shareholders are women. These shares eventually get into the hands of women. When a man dies he leaves his holdings to his widow, or he may try to provide for her during his lifetime. It may be considered by some that these people are relatively well off if they have \$3,000 less the tax, which will leave about \$2,200, but the fact is that it will be a hardship on them to be treated in this way, especially in view of what may have been contributed to our society by the creator of the estate.

As has been pointed out already to the minister, the suggestion of forgiving only up to \$3,000 of investment income will encourage a person to be a spendthrift; it will discourage thrift. The minister may think these are idle words, but I suggest to him that only a small percentage of the members of this house is composed of men who have not made their own way in life. In fact, nearly everybody in Canada has had to make his own way in life. Originally we all came here in order to better our condition. There is no great inherited wealth in this country such as exists in old Europe. The creation of wealth means that a person has saved, that he has done without things during part of his life.

One hesitates to be personal in this house, but I could name many things which some people have gone without—they may be considered luxuries by some—in order to try to get on in the world. Yet as soon as one saves a little capital and invests it, sometimes wisely and sometimes unwisely, as soon as one has a little income, when we enter into a time of great crisis, when we are ready to bear our fair share of taxation according to

our ability to pay, there is no reason why the minister should endeavour to make it difficult; there is no reason why he should penalize those who are where they are to-day as a result of the sacrifices they have made in the past. I may say that other people have not made similar sacrifices. I have the utmost sympathy for those who have never been able to save, perhaps because they had not enough work or suffered during the great depression, but there are others who have made great sacrifices in order to save.

We have a liquor bill of \$250,000,000, which compares with a net income from investment after taxation of about \$400,000,000. This gives us some idea whether or not the average person in the country is anxious to try to get ahead and is willing to make the sacrifices he must make if he wishes to provide for his old age. I hope that the only reward of those who have made sacrifices in the past, who have carried out many economies, who do not look upon social security as being the best they are to have in old age; those who are anxious to get ahead, who are willing to strive for themselves will not be to have taxation so onerous that little or nothing is left to them. The minister must consider this. He gives me the impression that the people who have wealth inherited it, that seldom did they give any contribution in return for it. In fact I might read what he said in the budget speech in regard to the limitation of investment income to \$3,000. He used these words: “. . . whose investment income really represents the fruits of earlier earnings—.” If a person even believes in compound interest, which is sometimes regarded as the only magic in finance, an income of \$3,000 is not a very large sum. If the minister will look at his compound interest table he will realize how easy it is to accumulate a fairly decent sum of money at compound interest over a reasonable period of years.

He said further, “. . . or the protection against want which a man has provided for his dependents”. In other words, is a man not to be allowed to leave more than \$3,000 for the upkeep of his family? Certainly a man still in the prime of life, with young children, leaving \$3,000 subject to taxation which will take \$700 or \$800, is not leaving much for his family to get on with. Let me remind my hon. friends on my left that labouring men do not consider \$2,000 or \$3,000 in many cases to be much money. If we take, I think, some fifteen thousand employees of the Canadian National Railways, as adduced in the committee the