

Succession Duty Act

deceased at the time of death (calculated in accordance with mortality tables approved by the minister) amount to the duty otherwise payable.

(b) The Canadian pension commission shall on the request of the commissioner investigate the circumstances and report its findings in respect of any case arising under paragraph (a) of this subsection.

Mr. GIBSON: I so move.

Mr. ILSLEY: I believe that that reasonably meets the wishes of the committee, although not all of them, as expressed last evening.

It may be argued that this should be broadened so that it will apply to times of peace as well as to times of war. But if it is desired later to do that, it can be done by amendment. I am, however, perfectly satisfied that if we do that now, we could not amend it the other way if ever we wanted to. This meets the situation in so far as death follows as a result of the last war or as a result of this war, for all members of the forces.

Mr. GREEN: Whether they are serving in Canada or overseas?

Mr. ILSLEY: Whether they are serving in Canada or overseas; and, as the committee will have noted, it includes not only the members of the Canadian forces but the members of other of his majesty's naval, military and air forces, and those with allied or associated naval, military and air forces.

The latter part of the section provides for cases other than members of the forces:

where the Canadian pension commission finds that the deceased died from wounds inflicted, accident occurring, or disease contracted, as a result of enemy action within twelve months before death.

Mr. HANSON (York-Sunbury): That would apply to civilians?

Mr. ILSLEY: That would apply to civilians.

Mr. HANSON (York-Sunbury): That is, of course, quite a wide provision.

Mr. ILSLEY: Yes. It applies to merchant seamen, who are civilians.

Mr. GREEN: Why is there a restriction of twelve months? A man may be seriously wounded and not die for, say, eighteen months or two or three years.

Mr. ILSLEY: I am of opinion that there should be some limitation in the case of civilians. It must be remembered that we have powers by order in council which are not displaced by this section; and in the case of persons who are not members of the

forces, and whose records are not possessed by the government, to allow the possibility five or ten years after the war, when death occurs, of claims that these deaths were the result of enemy action at the time of the war, would, in my opinion, open the door too wide.

Mr. GREEN: Of course, the onus would be on the dependent of the deceased person; it would not be on the pensions commission. Does the minister not think it would be a severe enough restriction to provide that the pensions commission must decide that the death was caused by enemy action?

Mr. ILSLEY: I do not think so. When we are talking about merchant seamen, we must regard the normal case as that of the seaman who is drowned in time of war as a result of enemy attack. That is the usual case, and the twelve months' provision extends the time and would cover, I suppose, the case of the man who is wounded. But twelve months is long enough. As I have said, there is a power to deal with special cases by order in council, under the consolidated Revenue and Audit Act. But I do not think we should throw the door too widely open. For the time being the situation is met as well as it can be, and if it is desired to broaden these provisions, it can be done by amendment, or cases can be dealt with by order in council.

Mr. JACKMAN: I am sorry that the minister has not acted on my suggestion of last evening, when I requested that some consideration be given to a higher rate of interest on the amount of tax. Certainly three per cent is the lowest the minister possibly could have taken, and I think the government should treat cases of this kind in the most generous manner. It is an involved actuarial problem; but if a man thirty years of age is killed overseas, the tax against his estate is assessed at, say, \$3,000; then the sum which accrued at three per cent with half-yearly rests—to use the approved term—is ascertained. That might be only \$2,000, and that amount, then, is the tax. If the rate were four per cent instead of three per cent, the amount needed to be set up, with half-yearly rests, at the present time might be only \$1,200; and at five per cent, it might be something less than \$1,000. It seems to me that when a man has given his life, and his estate falls to the crown for succession duty at a very early period, the government should be willing to give his heirs every possible consideration. A soldier who is killed will probably not have had as much time to accumulate an estate as the ordinary citizen. Most

[Mr. Ilsley.]