

pensions administered by the Canadian Pensions Commission or those payable by Allied Nations for war services nor on insurance moneys or annuities if the person with whom contract was made was domiciled outside Canada at the time of death. Provision is made for increased exemptions and reduced duties in the case of those dying as a result of war service. Bequests to non-profit charitable organizations in Canada are exempt.

Widows are exempt up to \$20,000, dependent children to \$5,000 each and, in cases where dependent children do not benefit, the widow's exemption is increased by \$5,000 for each child who does not benefit. In the case of dependent orphaned children, there is a further exemption of \$15,000 (in addition to \$5,000) divisible proportionately among such orphans according to their number and the value of each individual benefit. Duty is payable on the excess only when the limit is passed, i.e., these exemptions are deductible exemptions.

Gifts made during the lifetime are exempt if the transfer was carried out more than three years prior to the death of the deceased and the recipient of such gifts secured full possession at the time of the transfer and the donor (the deceased) thereafter did not retain any rights therein or secure any benefits therefrom.

If gift tax payable under the provisions of the Income Tax Act has been paid in connection with the transfer made by a deceased person during his lifetime then no succession duty is payable in respect of such gift except to the extent that succession duty thereon is in excess of the gift tax.

Examples of the rates of duty and duty levied are given in Table 26.

26.—The Incidence of Succession Duties in all Provinces (except Quebec and Ontario) on Typical Estates

Class	Aggregate Net Value	Dutiable Value	Rate	Duty
	\$	\$	p.c.	\$
A. Widow only.....	60,000	40,000	10.6	4,240
	100,000	80,000	14.7	11,760
	300,000	280,000	26.7	74,760
	500,000	480,000	32.7	156,960
	1,000,000	980,000	38.7	379,260
B. Only child over 18 years.....	60,000	60,000	11.9	7,140
	100,000	100,000	16.7	16,700
	300,000	300,000	28.7	86,100
	500,000	500,000	34.7	173,500
	1,000,000	1,000,000	40.7	407,000
C. Brother or sister.....	60,000	60,000	13.9	8,340
	100,000	100,000	18.7	18,700
	300,000	300,000	30.7	92,100
	500,000	500,000	36.7	183,500
	1,000,000	1,000,000	42.7	427,000
D. Stranger.....	60,000	60,000	15.9	9,540
	100,000	100,000	20.7	20,700
	300,000	300,000	32.7	98,100
	500,000	500,000	38.7	193,500
	1,000,000	1,000,000	44.7	447,000

The Incidence of Combined Federal and Provincial Succession Duties.—Under the new tax agreements outlined at pp. 997-998, only the Provinces of Quebec and Ontario, which have not entered the agreement, have retained their own succession duties. As already mentioned, seven provinces elected to repeal