

Where any person in Class (3) was in the employ of the deceased for at least five years immediately prior to his death, no duty is payable with respect to any benefits which such person derived from the deceased where the total value of such benefits is not in excess of \$1,000. Such benefits however, while exempt, are nevertheless taken as a factor in fixing the rates applicable to the dutiable portions of the estate.

Bequests for religious purposes to any religious organization which carries on its work solely in Canada, and bequests for charitable or educational purposes to any charitable or educational organization which carries on its work solely in Ontario are exempt from duty and are altogether ignored in the computation of duty on the portions of the estate that are not exempt. The same rule applies to the Canadian National Institute for the Blind, the Canadian Red Cross Society and other approved patriotic organizations.

28.—The Incidence of Federal and Ontario Succession Duties on Typical Estates

Class	Aggregate Net Value	Federal Duty ¹			Provincial Duty			Combined Duties ^{1, 2}
		Dutiable Value	Rate	Duty	Dutiable Value	Rate	Duty	
	\$	\$	p.c.	\$	\$	p.c.	\$	\$
A. Widow only.....	20,000	—	—	—	—	—	—	—
	25,000	—	—	—	—	—	—	—
	50,000	—	—	—	—	—	—	—
	60,000	40,000	10-60	4,240	60,000	4-60	3,174 ³	5,294
	100,000	80,000	14-70	11,760	100,000	7-50	8,625 ³	14,505
	300,000	280,000	26-70	74,760	300,000	10-00	34,500 ³	74,760
B. Only child over 18 years.....	500,000	480,000	32-70	156,960	500,000	12-50	71,875 ³	156,960
	1,000,000	980,000	38-70	379,260	1,000,000	18-00	207,000 ³	396,630
	20,000	—	—	—	—	—	—	—
	25,000	—	—	—	—	—	—	—
	50,000	—	—	—	50,000	2-50	1,438 ³	1,438
	60,000	60,000	11-90	7,140	60,000	4-60	3,174 ³	7,140
C. Brother or sister...	100,000	100,000	16-70	16,700	100,000	7-50	8,625 ³	16,975
	300,000	300,000	28-70	86,100	300,000	10-00	34,500 ³	86,100
	500,000	500,000	34-70	173,500	500,000	12-50	71,875 ³	173,500
	1,000,000	1,000,000	40-70	407,000	1,000,000	18-00	207,000 ³	410,500
	20,000	—	—	—	20,000	8-60	2,064 ⁴	2,064
	25,000	—	—	—	25,000	9-15	2,744 ⁴	2,744
D. Stranger.....	50,000	—	—	—	50,000	11-90	7,140 ⁴	7,140
	60,000	60,000	13-90	8,340	60,000	13-00	9,360 ⁴	13,530
	100,000	100,000	18-70	18,700	100,000	15-20	18,240 ⁴	27,590
	300,000	300,000	30-70	92,100	300,000	18-00	64,800 ⁴	110,850
	500,000	500,000	36-70	183,500	500,000	20-50	123,000 ⁴	214,750
	1,000,000	1,000,000	42-70	427,000	1,000,000	26-00	312,000 ⁴	525,500
D. Stranger.....	20,000	—	—	—	20,000	13-10	3,275 ⁵	3,275
	25,000	—	—	—	25,000	13-40	4,187 ⁵	4,187
	50,000	—	—	—	50,000	15-00	9,375 ⁵	9,375
	60,000	60,000	15-90	9,540	60,000	15-50	11,625 ⁵	16,395
	100,000	100,000	20-70	20,700	100,000	17-50	21,875 ⁵	32,225
	300,000	300,000	32-70	98,100	300,000	22-50	84,375 ⁵	133,425
D. Stranger.....	500,000	500,000	38-70	193,500	500,000	27-50	171,875 ⁵	298,625
	1,000,000	1,000,000	44-70	447,000	1,000,000	35-00	437,500 ⁵	661,000

¹ The rates of federal duty shown are those actually applied but a credit may be made to the taxpayer up to one-half of this amount on account of duty paid to the provinces, see p. 998.

² Includes a surtax of 25 p.c.

³ Includes a surtax of 15 p.c.

⁴ Includes a surtax of 20 p.c.

⁵ Includes

Subsection 4.—Subsidies and Loans to the Provinces

Subsidies.—By the provisions of the British North America Act and subsequent arrangements entered into from time to time, the Federal Government makes certain annual payments to the provinces: these are summarized as follows.

Interest on Debt Allowances.—By the terms of the union of the provinces at Confederation in 1867, the Federal Government assumed all the outstanding debts and liabilities of the provinces and undertook to pay, except in the case of Ontario and