

Mr. ILSLEY: Yes; it is the same principle exactly. There is no hardship on the taxpayer; he knows pretty nearly what the succession duty is, and he can pay within six months and stop interest. Then, if he is assessed for more, and that assessment comes along a year later, he pays interest, I assume, on the balance, and if it is less, he gets a return. I am sure that is the only way the matter could be administered. It would not do to make the interest run only from the date of assessment, which might in cases of difficulty be long delayed.

Mr. BOUCHER: The minister does not quite appreciate the difference between the two positions. In the case of income tax the department has no knowledge on which to estimate what the tax would be. In the case of an estate, however, there is a penalty if the information is not given to the department. They have the information; they may delay a considerable length of time before they actually assess and, after they assess, there may be considerable delay on the part of those who have to pay, in getting the available funds. The department could delay for two or three or five or six months in assessing the tax chargeable and then turn round and charge interest, which is really a penalty on the taxpayer for the department's own fault. That is the case exactly.

Mr. GIBSON: If the succession duty is not paid at the end of six months, the person who should have paid the duty at that time may be presumed to be receiving interest on that amount of money, and therefore the income he receives from it offsets the interest he would be paying to the government.

Mr. HANSON (York-Sunbury): That might be so in a given case, but the two positions are not analogous. Income tax is paid annually. This is one payment, once and for all; you do not get any more out of that estate. There will be delay in the initial stages in getting any revenue from this source; there will be delay at the start until the revenue begins to accrue. If you give a little more leeway with regard to payment after the first six months, when that period is exhausted the thing begins to roll automatically. The minister's distinction does not carry any conviction with me, except for a limited period of time in the initial stages of the development and collection of this tax.

Mr. MACDONALD (Halifax): I suggest that if the crown has to wait for payment of the succession duty until an estate is settled, in many cases that duty will never be paid. I know that in my own province an executor may close an estate within six months,

but he is not compelled to do so. The result is that many estates, and particularly small estates, are never formally closed in the probate court. We might say six months or even eight or nine months, but there must be some definite time fixed, and in the circumstances six months seems quite a reasonable time. I do not see any particular objection to this provision.

Section agreed to.

Section 25 agreed to.

On section 26—Security.

Mr. HANSON (York-Sunbury): Is this going to be limited to security provided by a guarantee company or a bank, or will personal security be accepted? Let us have a declaration as to that.

Mr. MACDONALD (Brantford City): The practice in some provinces is to deposit with the department such security as bonds and so forth.

Mr. ILSLEY: It may be any security satisfactory to the minister. I cannot make it any more definite than that.

Section agreed to.

Section 27 agreed to.

On section 28—Interests in expectancy.

Mr. HANSON (York-Sunbury): Is this the standard system of computing these interests? Is this the British practice, the Ontario practice, or what is it?

Mr. ILSLEY: This is the standard system followed in all the provinces.

Section agreed to.

Sections 29, 30 and 31 agreed to.

On section 32—Composition.

Mr. HANSON (York-Sunbury): This gives the minister the right of composition?

Mr. ILSLEY: Yes.

Section agreed to.

Sections 33 and 34 agreed to.

On section 35—Certificate of discharge.

Mr. HANSON (York-Sunbury): What will be the practice with respect to waivers? When an executor takes charge of an estate he looks to the most liquid assets with which to discharge the immediate obligations, which in the first place are the funeral and testamentary expenses and thereafter provision for the maintenance of the widow, if that is pressing. But one of the most important things about which he has to think is the succession duty. In some jurisdictions the executor is entitled