

*Succession Duty Act***After Recess**

The house resumed at eight o'clock.

DOMINION SUCCESSION DUTY ACT

The house resumed consideration in committee of Bill No. 79, to authorize the levying of duties in respect of successions—Mr. Ilesley—Mr. Vien in the chair.

On section 51—Penalty for failure to deliver statement.

Mr. HANSON (York-Sunbury): I am not very familiar with the provisions of the other statutes in this respect. Are these penalties in line with those in other acts? I notice that under subsection 1 the penalty is \$10 for each day of default, with a maximum of \$1,000, while in subsection 2 the penalty for failure to complete the forms is \$10 where the value of the property does not exceed \$50,000, and \$100 where the value is greater than \$50,000. Ten dollars a day seems quite stiff. Is that the usual penalty?

Mr. ILSLEY: I believe so.

Section agreed to.

Section 52 agreed to.

On section 53—False statements.

Mr. NEILL: This seems to be a very severe penalty for what might be a most innocent mistake. These statements have to do with the property left, and so forth, under section 15; a full, itemized inventory of all the property is required, together with the fair market value thereof. How easily one might make a statement not in strict accordance with the truth. How is the market value determined? One man may take the market value from the *Financial Post*; another may get his value somewhere else, and it would be very easy to make what might be technically a false statement. If that happens, the person is liable to a fine of \$10,000 or imprisonment for six months, or to both. Within the last two years I had occasion to deal with a matter of this kind, and I know that with the very best intentions I made a statement in reference to the inventory which was not in accordance with the facts. I would suggest that the word "wilfully" be inserted.

Mr. ILSLEY: This would not extend to matters of opinion; this would have reference to the making of a false statement.

Mr. HANSON (York-Sunbury): A statement of fact.

Mr. ILSLEY: Yes, a false statement of fact; and it should be made a serious thing to do that in these succession duty statements. The penalty is a fine not to exceed \$10,000,

[Mr. Ilesley.]

or six months' imprisonment, or both. It is discretionary with the court, but this permits a very heavy penalty which might be imposed in an estate in which hundreds of thousands of dollars were in question and an attempt was made to defraud the crown out of many thousands of dollars.

Mr. HANSON (York-Sunbury): Then it would be done wilfully.

Mr. ILSLEY: I should think it would mean wilfully, anyway.

Mr. HANSON (York-Sunbury): I would suggest that the word "wilfully" ought to be inserted. As this section now reads, a false statement, even made innocently, would render a man liable to conviction, and I do not think it is the intention of the crown to legislate to that extent.

Mr. ILSLEY: I agree to the word "wilfully"; that is what is intended.

Mr. HANSON (York-Sunbury): All right. Would the minister also accept this suggestion, namely, to insert the words "of fact" after the word "statement," to meet the objection raised by the hon. member for Comox-Alberni? Line 39 on page 21 of the bill would then read, "any person wilfully making a false statement of fact," and so forth.

Mr. ILSLEY: I think the insertion of the word "wilfully" is as far as I can go.

Mr. HANSON (York-Sunbury): That is a substantial concession, much more than I had expected to get.

Mr. CASGRAIN: I move:

That section 53 be amended by adding in the first line thereof after the words "any person" the word "wilfully", so that the section would read, "any person wilfully making a false statement".

Amendment agreed to.

Section as amended agreed to.

On section 54.—Secrecy.

Mr. HANSON (York-Sunbury): How is it intended to maintain secrecy; just by the penalty clause? Is any oath exacted from anybody?

Mr. ILSLEY: In the income tax division the oath of secrecy is administered to every employee every four months.

Mr. HANSON (York-Sunbury): That is good; but that is not provided for in this bill, is it?

Mr. ILSLEY: It will be the income tax staff that will administer this measure.