

statement within six months. It is a statement which includes gifts only for three years back. The person filing the statement knows the situation, and if he cannot make the statement in six months he cannot make it in six years.

Mr. HANSON (York-Sunbury): Oh, no; it is a full itemized inventory of all the assets and all the debts of the deceased and everything of the kind. It is the ordinary statement which has to be made. I suggest that six months is not quite long enough, although I know it is the standard period. Suppose some of the property is in another country, and the matter arises in war time. I admit at once that that is an extreme case, and a condition not likely to continue for ever, but my colleague suggested it to me as a possible contingency, and so it is. The government could well concede a longer period of time.

Mr. ILSLEY: I should not like to extend it. I do not think it will give rise to much difficulty.

Mr. ROSS (St. Paul's): I made a suggestion in the discussion on the resolution, which I might illustrate in this way. When, about 1929 or 1930, the crash came, a succession duty which had to be paid on a British Columbia estate amounted to a great deal more than the then value of that estate. In other words, nothing was left. I know of other instances in which the same thing has occurred. While I am not a solicitor, it seems to me that a fairer way of dealing with this matter would be to determine tentatively the value of the estate at the time of death, so that all the preliminaries could be gone on with, and then have the succession duty paid on the value of the estate six months after the death of the testator; that is, have a revaluation made at that time and payment fixed accordingly. This would obviate the unfairness, indeed the real hardship, which has occurred in the past. If in the meantime the value of the estate increased, the government would get more money; if the value diminished, the government would not receive as much, but unfairness would be avoided.

Another thing which happens in certain cases where it is necessary to liquidate assets—

The CHAIRMAN: Order. The remarks of the hon. member are directed to section 8, with regard to determining the aggregate net value, which has been allowed to stand. The section under consideration has to do only with the filing of the statement.

Mr. ROSS (St. Paul's): Well, I see "inventory" here. May I finish my remarks?

The CHAIRMAN: Yes, but this is only with reference to the statement of the value of the property in an inventory to be filed with the minister within a certain period, by certain persons indicated. The fixing of the value is determined under section 8.

Mr. ROSS (St. Paul's): Subclause (a) of subsection 1 of section 15 refers to "fair market value as of the date of death". I do not think what I suggest would entail any great hardship on the government; and where it is necessary to liquidate assets, where there is a large holding in one company, immediately the value of that stock is depressed. If people know that it does not have to be done quickly there is a chance that the estate will not be depressed to the same extent, and the government may get more money. I do not think the government would lose anything, and it would be much fairer.

Section agreed to.

On section 16—Property not disclosed.

Mr. ILSLEY: I wish to offer an amendment to this section. It does not vitally affect the provision. The amendment is:

That section 16, subsection 1, be amended by deleting the words at the end thereof reading—"the executor shall only be liable to such penalty if he knowingly omits to make such disclosure," and substituting therefor the following:

"in any proceedings to recover such penalty the executor shall not be liable thereto if he establishes to the satisfaction of the court that his omission to disclose the property was not intentional."

Mr. HANSON (York-Sunbury): The principle is an important one. The onus is put entirely on the executor. I should think the fair thing to do would be to say that if any person required to file a statement pursuant to section 15 knowingly or with intent to defraud omits to disclose, he shall be liable to penalty.

Mr. ILSLEY: I think the burden should be on the executor.

Mr. SLAGHT: I agree with the leader of the opposition, that the present wording is all that in fairness we ought to ask. It will be noted that the provision does not deal with any loss that might accrue to the estate because of non-disclosure; that might be the subject of severer penalty or treatment. But this provision deals with the case of the obligation of an executor under the act to pay a penalty of one hundred per cent of the non-disclosed property. Now, that is an arbitrary penalty to begin with, unless it could be shown—and this section does not make it a condition—that the department