

Mr. HANSON (York-Sunbury): If there was no interest of the successor in his hands, the duty could not be recovered from him. That would be a good plea in answer to an action.

Mr. ILSLEY: Yes.

Mr. WHITE: If the testator during his lifetime had made a gift to someone of \$5,000, and that person had no interest in the estate when the donor died, who would be liable for the duty?

Mr. ILSLEY: The successor.

Mr. WHITE: Then the executor in administering the estate would not have to pay the duty on that \$5,000?

Mr. ILSLEY: No.

Mr. HANSON (York-Sunbury): But they could go after the donee.

Mr. ILSLEY: Correct.

Mr. WHITE: It looks very profitable for litigation.

Section agreed to.

Section 13 agreed to.

On section 14—Duty deductible from succession.

Mr. HANSON (York-Sunbury): I think that this fully protects the executor.

Mr. ILSLEY: I think it does.

Mr. HANSON (York-Sunbury): Does the minister think that section 14 goes far enough? I am thinking of my suggestion of a lien. He has a possessory lien; give him a statutory lien, and that will be a protection.

Mr. SLAGHT: Better than a lien, he could take it out for himself, out of money in his hands.

Mr. HANSON (York-Sunbury): That would be the possessory lien, would it not?

Mr. SLAGHT: This is a statutory right. Take it away from the estate; that is better than any lien.

Mr. ILSLEY: In answer to a question of the hon. member for Brantford City. I spoke as though section 13 applied to gifts. Section 13 applies to such a case as insurance payable, not to the executor but to some beneficiary, which does not come into the hands of the executor for administration. That is what No. 13 is designed to cover, not the case of gifts *inter vivos*, as I said before. Was there any question about section 14?

Mr. HANSON (York-Sunbury): I was just raising the question of security. If the minister does not think well of it I will not press it any further.

[Mr. Ilesley.]

Mr. ILSLEY: It seems to me the executor is adequately protected.

Mr. HANSON (York-Sunbury): All right. Maybe he is.

Section agreed to.

On section 15—Filing statement.

Mr. HANSON (York-Sunbury): Subsection 1 provides for the filing of a statement, including an inventory, name of successors, and so forth, within six months after the death of the deceased. Also certain other things have to be done. By subsection 2, every executor shall within six months after the death of the deceased deliver to the minister in such form as he may prescribe, a statement similar to that required by subsection 1. Subsection 3 provides a measure of relief where one of the persons mentioned in the two next preceding subsections has made and delivered the statement. I am assuming that in practice one statement only will be made, unless required by the commissioner.

Mr. ILSLEY: By the minister, yes.

Mr. HANSON (York-Sunbury): Yes—well, it will be a commissioner, I suppose, or other officer authorized. I am wondering whether six months is quite long enough. I know it is the standard period of time, but it has been difficult at times to do the work within that period.

Mr. MACDONALD (Brantford City): There is the power of extension.

Mr. HANSON (York-Sunbury): Yes, but upon what principle would the department allow an extension of time, and would it be without penalty? In connection with income tax severe penalties may be imposed. Of course I realize with gratitude that in respect of income tax a man can file a pro forma statement, and make a payment on account, and so escape penalty. I commend that because it is a reasonable concession to the oppressed taxpayer. But I should like to see a longer time given than six months. These things are going to be onerous enough.

Mr. ILSLEY: Six months is the usual time.

Mr. HANSON (York-Sunbury): Oh, I said that.

Mr. ILSLEY: And that, with the power of extension, should be enough.

Mr. HANSON (York-Sunbury): On what principle will the extension be made?

Mr. SLAGHT: I do not grasp what circumstances the hon. gentleman has in mind which would make it even difficult to file the