

all that will be open to the board or boards of referees to revise in order to see, as a matter of fact, whether the facts are as determined by the department which is making the assessment. I do not consider the fact that the measure states, that the minister is to determine precludes the board of referees or the Exchequer Court from looking into the facts; otherwise, I do not see how the assessment could be revised.

Mr. MACDONALD: This section is very clear in giving to the minister sole power. There are other sections where the measure undertakes to define certain things and as to which the Appellate tribunal could say that the minister or the department erred in their application of the section, but they could not say that in regard to this particular section. Take for instance a concrete illustration.

The language of this part of the Bill is very clear and very broad. I understand that in other matters there is to be a board of referees, with an appeal to the Exchequer Court; but in this case there is no power to set aside the minister's decision; and if the minister does not see fit to make an allowance for the exhaustion of the mine, he is not required to do so. I think the word "may" in this section should read "shall" and later, when we come to the provisions of the Bill in regard to public tribunals and the fixing of their powers in relation to this taxation, we must see to it that the language is broad enough to allow the minister's decision to be revised.

Mr. GRAHAM: I think there is a good deal in the point raised by my hon. friend from Pictou (Mr. Macdonald), and that the minister will do well to see to it that the Act is so framed as to make it clear that his own finding can be revised. There was a case in point that came up some years ago. A decision given by the Department of Railways was, by consent, allowed to go before the Exchequer Court. But when the case got before the court it was found that the statute so clearly declared that the Minister of Railways had the right to decide the matter, that the Judge of the Exchequer Court threw out the case, saying that he had no power to deal with it, the minister's decision being final.

Sir THOMAS WHITE: I will bear in mind what has been said, and we can refer to it again when the Bill is before us. I think that the language of the Bill is enough to cover what my hon. friends have in

[Sir Thomas White.]

view. In one or two cases it is intended that the minister's decision shall be conclusive. Subsection 2 of section 9 is a case in point—dealing with the determining of the amount of capital. Of course, we have not yet considered that section; but I cite it to show that in some cases the power of the minister is specific, though not in others. In the section under discussion, I think that the reason why "shall" was not used was that there might be a case in which an allowance should not be made. But that is no real objection to the use of the word "shall." Therefore, I move:

That in subsection 3 of section 5 the word "may" be struck out and the word "shall" be substituted.

Mr. MACDONALD: In regard to the first portion of this subsection:

No deduction from gross profits... shall be allowed except such amount as appears to the minister to be reasonable.

That is open to the argument that unless the minister says a deduction shall be made, none can be made, and the question to be reviewed might be only the amount that the minister would allow.

Sir THOMAS WHITE: In this, we follow the precedent of the British Act. They seem to find it a proper clause.

Amendment agreed to.

Mr. LOGGIE: In this subsection, are the words "or otherwise in respect to the trade or business." What does the minister include in that? Later, it reads "—shall be allowed except such amount as appears to the minister to be reasonable and to be properly attributed to the accounting period." I can imagine some difficulty in regard to the amount to be allowed on account of book debts. Some businesses are much more hazardous in regard to credit than others are. In many concerns, when a book debt turns out to be actually bad during the accounting period, that debt is charged direct to profit and loss, and appears in the account of that year. But there may be a very large proportion of the book debts contracted in that period that will eventually turn out to be bad debts. So, an estimated amount of the book debts, together with an estimated amount for depreciation of plant, is written off. And when a book debt of that class is actually written off the books, it is not charged to profit or loss but charged to, let us say, suspense account. In the case of a concern that has kept its books in that way, not dividing this entry into so much for depre-