

applies to mines as well as to other forms of investment. As regards the manufacture of munitions, we hope the war will not last forever, and when it is over, the machinery and equipment used in the manufacture of munitions will have very little value. One mine may be of a permanent nature, with inexhaustible supplies of mineral in it, whereas another may be a pocket. So far as a lumber firm is concerned, when all its wood is cut, its mill is of no value. The minister, therefore, will have to have a very wide discretion in dealing with such matters.

Mr. MACDONALD: Has any statement been made as to what appeals may be made from the minister? Such a point is particularly important where discretion is to be exercised.

Sir THOMAS WHITE: The matter is dealt with in paragraph 11. It is the intention that there shall be an appeal from the decision of the minister to a Board or Boards of Referees, because I think there will be more than one necessary throughout the country, and a further appeal from such board or boards to the Exchequer Court. I think that is absolutely necessary in order to safeguard the rights of the public under this measure.

Mr. GRAHAM: A person would not have to get the consent of the Government to appeal to the Exchequer Court?

Sir THOMAS WHITE: No, that is a matter of right.

Mr. A. K. MACLEAN: What would be the case in a past accounting period where no provision was made for depreciation, and the department claimed to make its assessment upon that business? Would the proposed Bill permit an appeal that an amount for depreciation be deducted? I assume that the accounting period has passed and that the firm's books have been kept according to well-established methods in that particular business which has never provided for depreciation. Would such a case be opened and the firm permitted to provide for depreciation?

Sir THOMAS WHITE: The true principle to apply there is this: what is the capital invested in the business? If, for example, a man's books showed a certain capital, and yet he had never written off anything for say twenty years, it is clear that his capital is not as great as he

thought it was at the beginning of the accounting period. The true thing to say is: Your capital at the beginning of the accounting period is so much; your depreciation during the accounting period is so much; your net profits for the accounting period are so much.

Mr. MACDONALD: There is a question of remedy by appeal. Appellate tribunals exercise their corrective judgment only according to the limitations which are laid down in a particular statute or in the principles of common law. The effect of this measure is to say that the minister may determine those various things that are mentioned in the different paragraphs. Of what use will it be to ask a board of referees to revise the judgment of the minister on a point, when the sole power is given to him to determine it? Suppose you come before a board of referees and say, in regard to a question of deductions for depreciation or renewals, that the minister has acted on wrong principles. There is no use in addressing them along these lines, because you cannot suggest to them any new principle on which they can act. There is nothing provided in this measure; the whole thing is wide open. If the minister chooses to come to a conclusion in regard to a matter, there is no way in which any mistake he may make can be remedied. Of what use would it be to go to the judge of the Exchequer Court on that question, because the Crown counsel would say to you: This is a matter subject to the determination of the minister; the judge of the Exchequer Court cannot determine the thing in any way different from the statute, by which the power is vested exclusively in the minister. It lays down no lines of demarcation, and the minister's decision will be final in any particular case.

Sir THOMAS WHITE: I think I understand my hon. friend's point. The minister or his department is the assessor or the assessing agency. Unless there is some special provision that the minister's judgment shall be final and conclusive, the assessment would come before a board of referees upon an appeal for consideration as to what is the amount of capital. It is true that the minister or the department will have to determine what, in their judgment, the amount of capital is, just as the Minister of Customs may determine a valuation for customs purposes. It is true that the minister or the department will have to determine the amount of net profits; but