

Mr. NESBITT: Supposing there are no facts.

Sir THOMAS WHITE: There must be facts.

Mr. NESBITT: But there are not.

Sir THOMAS WHITE: There must be facts. Any of my hon. friends who are lawyers will tell the hon. gentleman that although it may be exceedingly difficult to ascertain what the facts are, a court will always undertake to ascertain the facts.

Mr. CARVELL: The facts are fiction in this case.

Sir THOMAS WHITE: It might be difficult, but I should think it would be possible, to determine what would be a fair price for the nickel matte.

Mr. NESBITT: I am not disputing the view of the minister, but the reason I said there were no facts is because there is no such a thing as nickel matte in the world's market. The matte has first to be refined.

Sir THOMAS WHITE: It has a value.

Mr. NESBITT: How will the minister arrive at that value? I know the minister knows a great deal. I see he is taking the right to determine this fair price, and I suppose we shall have to leave it to him.

Sir THOMAS WHITE: Let us assume for a moment that a mining company whose product was nickel matte had no refinery here, and was endeavouring to sell its nickel matte. My hon. friend might say there was nobody to buy that nickel matte, but that nickel matte would have a commercial value, just the same as any other product, and it does seem to me that its value would be susceptible of determination. When I was in assessment work years ago, when we were in doubt about anything, we would make the assessment. That puts the onus on the other party to disprove, and in that manner you can get the matter fairly before the tribunal.

Mr. BURNHAM: If the hon. member for North Oxford (Mr. Nesbitt) will allow me, I would say that when he attempts to establish a negative he is establishing a positive. He cannot establish a negative without first establishing his positive.

Mr. NESBITT: That settles me.

Mr. GRAHAM: I am not sure whether it will not apply to what I am going to say. I want to give the minister a converse case to the one we have been discussing. There

is a company that was doing business in Canada, and that either got an order for shells or nearly got an order, I forget which.

Mr. CARVELL: Quite a difference.

Mr. GRAHAM: The two or three gentlemen who had control of the stock formed a new company, and leased to it the plant of the original company. The smaller company got all the war orders. Whatever profits there were never went to the shareholders of the original company, and they have had no dividends for some years, although their plant is manufacturing the shells. So soon as the tax was announced, the smaller company transferred to the original company whatever it had left of war orders. I am not sure that my hon. friend has any section in this legislation that will enable him to chase around between those two companies after the profits that have been made. The original company has never had any profits on the production of war supplies.

Sir THOMAS WHITE: The smaller company has?

Mr. GRAHAM: The smaller company, composed of men holding a little over half the stock of the original company, has received all the war orders.

Sir THOMAS WHITE: And is that company in liquidation now?

Mr. GRAHAM: It is not exactly in liquidation; it is transferring the balance of its war orders back to the original company. The original company will not be assessed because its shareholders have not seen a dividend for years. There may be more than one such company, and it may be a little difficult to determine who is responsible for the taxation.

Sir THOMAS WHITE: I think that presents no particular difficulty. I understand from my hon. friend that certain shareholders of a company formed a new company to which it leased its plant. Now, so far as company No. 1, that is, the company whose plant was leased, is concerned, its profits during the period of that lease would be derived from its ordinary business and from the lease. My hon. friend says that the net profits so derived would not be sufficient to bring it within the provisions of this measure.

Mr. GRAHAM: It has not paid a dividend for years.