

Mr. FLEMING: The minister has gone part way to meet the views which some of us expressed in the resolution stage concerning the proposed deadline for the filing of SP-1 applications. Instead of the deadline being fixed at August 1, it is now proposed that it be fixed for general purposes at September 1, and there is a further exception. I should like to make an observation or two about the exception. The explanatory note at the bottom of page 2 reads as follows:

The amendments in this subsection give effect to paragraph two of the resolution which provides "That no taxpayer shall be entitled to make application for determination of his standard profits on or after August 1, 1947." The final date for application has, however, been extended to September 1, 1947, and special provision has been made for taxpayers who, by reason of first becoming liable to pay tax on excess profits did not find it necessary prior to that date to have their standard profits ascertained.

As I read the new subsections 4, 6, 7 and 8, they deal with the generality of applications. In subsection 9 provision is made for an exception which is described in the note as follows:

Exception—where taxpayer may compute his standard profits or make application for determination by the board.

I appreciate the fact that the minister has gone part way, but I urge that when the tax is to continue until December 31 of this year, in the case of those who may come within the new capital or reclassification provisions of the present section 5 of the act, a prohibition of the filing of any application to ascertain standard profits should not be imposed while the tax is still being incurred. With the tax coming off on December 31 of this year, will the minister not agree to allow the filing of such applications up until at least December 31 of this year when the tax is to be removed, in the special cases to which I have referred? As I mentioned when I spoke on this matter on the resolution stage, I can see that it is quite fair, provided that ample warning is given, to fix a deadline for the filing of applications in the case of persons claiming to have a depressed business or to be engaged in a depressed class of business; but it seems to me that these other cases should not be assimilated with the cases of which I have just spoken.

Mr. ABBOTT: I think every case is actually covered here. Take the case of the company which has been in the excess profits tax bracket and should have filed its return, got its material in and had its standard pro-

fits ascertained. We ask that the application be put in and the relevant data submitted before September 1. I do not think it is unreasonable in the case of this company that it should do that. In the case of companies that have losses or low profits during the period up to this date, or in the case of new companies, they are under the provisions of the proposed section as amended since the resolution stage. All they have to do is give notice prior to September 1 that they intend to make application to have their standard profits fixed, and they have ample time after that to get their material in and have it completed. That covers the case which my hon. friend referred to the other day, of the new company or the company which had never had occasion to come in and have a standard profit fixed.

The case to which he has referred, that of a change in capital, or an increase in capital, is automatically taken care of. Section 4 deals with increase in standard profits. One does not have to go to the board of referees to have his standard profits changed. In case of capital changes during the fiscal period ending December 31, 1947, the standard profit is automatically adjusted to take care of the increase in capital, or the decrease in capital if decrease there be.

I discussed this matter with the officers of my own department and the Department of National Revenue, and I am satisfied that there will be no hardship in the section as now proposed.

Mr. FLEMING: I should like to make one further request to the minister. The decision having been made to proceed on this basis, will the minister take reasonable steps to see that warning is given to the public? I know that a directive has been issued on this subject on the basis of the resolution. It went into certain publications received by chartered accountants. I know it also went to many lawyers; I saw it in "Ontario Weekly Notes" recently. I would think that a newspaper advertisement would be justified in a case of this kind to warn companies which may be affected and which may not be served at the present time by solicitors or chartered accountants.

Mr. ABBOTT: I agree that the provision should be widely publicized and we shall see that that is done.

Section agreed to.

Sections 2 and 3 agreed to.