

think the amendment which I propose is a decided improvement.

Mr. KNOWLES: Will this amendment not have the effect of permitting American automobile companies, which are manufacturing automobiles in Canada for shipment to Great Britain for military purposes, to evade the tax?

Sir THOMAS WHITE: No. This Bill applies to the export business of every Canadian company, as well as to its domestic business.

Mr. NESBITT: Would it not be better to have that worded, "the business transacted in Canada"?

Sir THOMAS WHITE: If there is any change required to make it clear I would suggest the following:

The profits of a non-Canadian company shall be the net profits arising from its Canadian business, including its domestic and export business.

Mr. NESBITT: That is a better wording.

Paragraph as amended agreed to.

On paragraph 5, sub-paragraph 3:

(3) No deductions from gross profits for depreciation or for any expenditure of a capital nature for renewals, or for the development of a trade or business, or otherwise in respect to the trade or business, shall be allowed except such amount as appears to the minister to be reasonable and to be properly attributed to the accounting period and the minister when determining the profits derived from mining may make allowance for the exhaustion of the mine.

Mr. TURRIFF: Practically every clause of this resolution, in its last analysis, comes down to the minister having to define what capital is, what profits are, and what the tax shall be. That cannot be got at altogether by getting statements from the various companies and just taking them at their face value. My hon. friend will require to have the officials of his department go out and make investigations in many cases, I would imagine. Will there be publicity in this matter? One official goes out to look into the affairs of a company that has \$100,000 of capital, some rest, and certain liabilities, and that official will have to decide how much real capital there is. In another case another official goes out and he may decide these questions on a different basis altogether. No two men will be absolutely alike. Will there be any system of publicity whereby the public will know what the capitalization and what profits are of any individual concern which is paying taxes under this Bill?

[Sir Thomas White.]

Sir THOMAS WHITE: I stated, when a similar question was asked some time ago, that if the House desired returns of this taxation, the House would be entitled to the information. I think it extremely inadvisable that publicity should be given to the details of private businesses throughout the country. My view is that the officials who carry out the provisions of this Act should be exceedingly discreet in the matter of giving information. As a matter of fact, I put in a special provision to cover the case. I do not think that publicity should be given to the details of private businesses unless they are being ventilated before the Board of Referees or before the Exchequer Court. At the same time, if Parliament desires information as to the amounts which have been levied under this taxation measure, I think Parliament will be entitled to it.

Mr. NESBITT: I did not notice this clause when I spoke to the minister in reference to the allowance for depreciation. I notice that this clause is the one that deals with depreciation. While the present minister may be perfectly capable of judging as to what depreciation should be allowed in different businesses, he is only mortal, like the rest of us, and some other minister might take his place who might not be so well posted in the business, or as reasonable in his views as to what should be allowed for depreciation. He has quite truly said that he could not state the amount to be allowed for depreciation in all cases, because businesses vary. All businesses allow for depreciation, but not for renewals, because some pay for their renewals out of what they call their expense account. The minister has, however, explained that this afternoon, and I shall not dwell upon the point further. The clause with respect to mines is in these words:

The minister when determining the profits derived from mining may make an allowance for the exhaustion of the mine.

The present minister may be quite capable of judging the allowance that should be made for the exhaustion of a mine, but I confess it is a very difficult question for any human being to deal with. It depends on what may be down below, and that is something that the engineers of the mine themselves probably do not know. In no mine in existence do they know that. I believe though that mining companies are under the 7 per cent clause. I would like to draw the minister's attention to the fact that