

share and pays a tax of \$1.43. Mr. E sells 1,000 shares of Vipond at \$1 a share and is taxed \$2.50. Honourable members can see what a discrepancy there would be in the taxes in these instances, although the value of the stock sold would be roughly about the same—\$1,000 in each case excepting where the one share of Sun Life is sold.

Hon. Mr. ROBINSON: The same thing applies to bank cheques.

Hon. Mr. GORDON: That is a different thing altogether. If a man goes to a broker and sells \$1,000 worth of stock, there is a single transaction, regardless of the number of shares there may be. Yet on a transaction amounting to \$1,000 one man might pay a tax of 5 cents while another might be taxed \$2.50, and the worst of it is that in most cases those who paid the higher taxes would belong to the poorer classes. As a rule, a man in modest circumstances very seldom buys a high priced stock. It is only people who are comparatively wealthy who purchase stock valued at \$100 and more per share.

I cannot understand why this Bill passed the other House without serious objection being raised. Why should there be discrimination against the poorer classes of our people, who cannot afford to invest in the most expensive stocks? As I have already remarked, property is taxed according to its assessed value, under our system. I think I am safe in saying that no other civilized country in the world would pass a measure of this kind. I hope it will be sent back to the other House for reconsideration.

Hon. Mr. DANDURAND: I have not examined the Bill in detail, but my honourable friend has admitted that the amendments are a considerable improvement over the Bill of last year.

Hon. Mr. GORDON: Yes, the Bill is better than the one we had last year. The measure we had before us last session was what I call a fool Bill. This is also a fool Bill—though to a lesser extent—because the principle is the same.

Hon. Mr. FORKE: I hesitate to take part in the discussion, because I am not well posted on the matter, but if I remember rightly, the object of the Bill of last year was to discourage the sale of shares valued at \$1 or \$2 because a great many companies who float shares of that class are not bona fide.

Hon. Mr. GORDON: A man who sells 1,000 shares of stock valued at \$1 per share is taxed \$2.50, whereas the man who is wealthy enough to possess stock valued at \$1,000 for

a single share pays a tax of only 5 cents when he sells \$1,000 worth, simply because the tax is on the number of shares rather than on the value of the transaction.

Hon. Mr. FORKE: But the companies that are floating cheap shares valued around \$1 are not as a rule bona fide.

Hon. Mr. GORDON: I do not agree with that at all. I think the honourable gentleman is entirely wrong in that statement. Many companies whose stock has been sold for a few pennies have made their stockholders wealthy. But I am contending against the principle of this measure. Frankly, I do not see how it can be justified.

Hon. Mr. DANDURAND: My honourable friend makes out a special case by indicating the apparent disparity in the taxation as between high priced and low priced stocks, but it seems extraordinary that although the Bill passed last session has been on the Statute Book for about twelve months, no objections have been made to the Department of Finance along the lines of those voiced by my honourable friend on the floor of this House.

Hon. Mr. GORDON: Oh, oh!

Hon. Mr. DANDURAND: I do not know what influenced the Minister of Finance to reduce the taxation on the sale of cheaper stock, but this Bill provides a material reduction. I am sorry that my honourable friend did not present to the Minister the figures he has given us here. I am surprised that no member of the other House discovered the alleged faults that my honourable friend finds in the Bill. We are confronted with the difficulty that we are unable to amend the clauses to which my friend takes objection, because the Senate cannot reduce a tax. This House has the power to reduce an expenditure, but not a levy. Our power is limited to the rejection or adoption of the Bill in toto. I suggest that we allow this Bill to pass, since it is an improvement over the legislation of last year. If this is done, I will draw the attention of the Minister of Finance to the representations made by my honourable friend.

Hon. Mr. GORDON: The honourable leader of the Government surely remembers the objections that I made to the Bill of last year.

Hon. Mr. DANDURAND: I think the Bill of last year did not come before the Senate until about two weeks before Parliament prorogued, and, unfortunately for myself, I was not here when it was under consideration.