

able. If you go over to London, England, to sell these mining shares, here is the tax you will pay:

Not exceeding £5, one shilling.

Exceeding £5 but not exceeding £10, two shillings.

Exceeding £10 but not exceeding £15, three shillings.

Exceeding £15 but not exceeding £20, four shillings.

And so on up to ten shillings.

Mr. STIRLING: Is that on the par value?

Mr. ROBB: That is per share.

Mr. FRASER: How can you compare the old country with Canada?

Mr. ROBB: I will be finished in a moment, and then my hon. friend can talk until eleven o'clock if he wishes. I submit that this is not an unreasonable tax but that it is fair as compared with the sales tax the miner must pay on his clothing and equipment when he goes out to prospect for these mines. I have had some experience in municipal life as well as in this federal parliament, and I have never yet known a tax which everyone considered fair.

Mr. McRAE: I am sure the opinion of the Minister of Finance is in keeping with the opinion expressed by the presidents of the prominent financial institutions, but I submit that the mining industry of this country never would have been developed under these opinions. As is well known, this great mining development has not been brought about on a strictly financial basis but by the optimism and the hope of the Canadians who have invested their money in these companies.

I listened with a good deal of interest to what the Minister of Finance said with regard to the transfer of these stocks, but it is not quite clear to me that he has covered the point which I know a number of hon. gentlemen have in mind. In the financing of mining corporations certain stocks have been underwritten, and it is not clear to me as yet whether or not the transfer from the underwriters is a transfer on which a tax may be collected. I submit to the committee that that is an original transfer, and, as such, should not be taxed.

Mr. MANION: I do not wish unduly to delay this item, but I have just one further observation to make. I have no quarrel with the minister's statement, but at the same time it does not alter the fact that on a sale of stock to the value of \$54,000, for example, there is a tax of \$30 and on a sale of \$1,020 there is a tax of \$10. In other words, the tax on the one is eighteen times greater than the

tax on the other, taking these stocks according to their market value. In the other case which I mentioned, the sale of Columbus-Kirkland to the value of \$15, there was a tax of \$1, while in the other sale amounting to \$54,000 the tax was only \$30, or according to value more than one hundred times on the small transaction as compared with the large one. That is the attitude I have taken; that is the attitude taken by the hon. member for South Timiskaming and by other hon. members on this side of the house. We protest against the inequality of the tax on the small buyer and seller as compared with the tax on the man who can buy \$50,000, \$100,000 or \$200,000 worth of stocks.

Mr. CLARK: My hon. friend referred to a purchase of shares, worth \$500 each, to the amount of \$500,000. The tax on such a transaction would be \$40, whereas if shares worth \$1.01 each were purchased to the amount of \$500,000 the tax would be \$5,000; in other words the tax on the lower priced share would be about 125 times greater than the tax on the higher priced share. That is not fair.

To a certain extent the minister has alleviated the situation; that we admit. As it stood previously it was impossible, but I should like to point out that in addition to the inequality of the tax there is another serious feature. In British Columbia at least the mining development since the war has been due largely to what my hon. friend from North Vancouver described as the optimism of the public. There the people have gone into the underwriting of legitimate propositions put forward under the best mining engineers in the country and they have purchased shares in these companies. As the matter now stands, however, if they find that owing to the tax, the brokerage and so on they must get about \$1.05 for a share for which they paid \$1.01 in order to get their money back it will deter people from purchasing these shares, and unless the shares are marketable people will not purchase them. If a man is considering going into a new proposition the first requisite is that the shares must be marketable, and I think these are the two main points we have in mind. First we believe that this tax does not work out equally—perhaps that is the most serious feature—and in the second place, these shares must be made marketable. If the tax is too high the shares will be marketable no longer, and if there is inequality in the tax people will hesitate before undertaking to purchase these stocks.

Mr. ROBB: According to a statement prepared by the department I find that in 1926-27 the Ontario government tax on shares amounted to \$223,096.27. Quoting only the