

Special War Revenue Act

going to mention the name of the party concerned, and when the facts are disclosed there will be no need to wonder why we are not able to pay income taxes. In this case twenty-three cattle were sold and they weighed on the average a thousand pounds each. The total received for the twenty-three head was \$474, but the following items must be deducted from that amount:

Freight charges	\$42 35
Yardage	8 05
Fire insurance	15
Feed	7 80
Brand inspection	2 30
Health certificate	2 00
War tax	16
Selling commission	17 00
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	\$79 81

That is to say the net total received for the twenty-three head of cattle was \$394, or an average of \$17 per head. That statement shows why, in some cases, it is not possible to pay income tax.

Mr. ROBB: Before we proceed further I should like to put on Hansard the proposed sections of the act with respect to the stamp tax. First section:

No person shall issue a cheque payable at or by a bank or drawn upon or addressed to a bank and requiring or directing payment of a sum of money, unless there is affixed thereto an adhesive stamp or unless there is impressed thereon by means of a die a stamp of the value of, if the amount of money for which the cheque is issued, drawn or made

(I) does not exceed \$50, two cents;

(II) exceeds \$50, but does not exceed \$2,500, for every \$50 or fraction thereof, two cents;

(III) exceeds \$2,500, one dollar;

and every adhesive stamp affixed to such cheque shall be cancelled by the bank at which the cheque is payable at or before the time of payment.

That is the law as to issuing a cheque. Now if a man fails to do that he comes under section 7:

Every person who issues a cheque payable at or by a bank to which there is not affixed an adhesive stamp or on which there is not impressed by means of a die a stamp of the requisite value according to the requirements of this section shall be liable to a penalty not exceeding fifty dollars.

Mr. COOTE: May I ask the minister a question right there? If the man who issues the cheque places a two cent stamp thereon has he not complied with the law, and would he be liable to any fine so long as he had put a two cent stamp regardless of the amount of the cheque?

Mr. ROBB: He must put on the stamps which the law calls for.

Mr. COOTE: I was told by a banker that there had been a judicial decision to that effect. This was two years ago but the law may have been changed.

[Mr. Lewis.]

Mr. ROBB: The law was changed.

Mr. COOTE: I want to ask the minister if he could not change the law so that the bank would have to affix the stamps before the cheque was cashed, and to allow a man to issue the cheque without the stamp? I think one reason why this stamp tax has been referred to by so many people as a "nuisance" tax is that very often they do not have the stamps with them when they wish to issue a cheque; very often we are put to considerable inconvenience to get stamps. There are many small communities through the country where there are no banks and no excise stamps offered for sale. A person is liable to a fine if he issues a cheque without a stamp, and yet there are no stamps available. I think there would be far less objection to this tax if the government could introduce some new regulation under which the cheque might be issued without a stamp, leaving the bank to affix the stamp before charging the cheque to the man's account.

Before I sit down I should like to refer to the question which was dealt with so ably by the right hon. leader of the opposition, that is the stamp tax which is now charged on notes. I do not think this could properly be referred to as a "nuisance" tax. We must find some stronger term to use, and the mildest term I can think of that would be applicable at all is an "iniquitous" tax. The idea that a man should be taxed because he is in debt is to me iniquitous, and even that is too mild a term to use. I want to bring to the attention of the minister once more the figures that were given to me by a banker in my own province showing what it cost some of the farmers to pay the stamp tax on notes which had been renewed for some years and which they have not been able to pay. I have here a case where over a period of four years one man had paid \$42.89 in stamp taxes on his note, and he had not been able to reduce the note by one cent in that time.

Mr. ROBB: On renewals?

Mr. COOTE: Yes, on renewals. I have another case where the tax over this period of over four years on the renewal of this one note amounted to \$101.38. I was assured by this banker and by other bankers as well, that they could give me a list running into hundreds of cases where there had been a tax on notes that the men were not able to reduce at all running in some cases from \$10 up to \$100. Now, I want to suggest to the minister—and I want to try and impress the fact upon him—that if he could not take this tax off notes that in all fairness he should