

imposed little hardship as compared with other taxes. It is being reduced because of strenuous representations made from different quarters for some time past; but I think most of those representations for the reduction of this tax have come from brokers, who continually issue large cheques. It did bear somewhat heavily upon them. However, there is also the other fellow to be considered. In view of the substantial loss which the Department would suffer by this reduction, I do not think there is any reason for it at all. Last year when this matter was before the House I asked the same question, and the answer was that there was no reason for it other than it had previously been contained in the Act. As it is now, I submit that it is altogether in the interest of the moneyed man and the lender, and altogether against the poor man and the borrower.

Hon. Mr. DANDURAND: I may assure my honourable friend that if the matter comes before Council again next year I shall be happy to lay his views before the Minister of Finance.

Hon. Mr. DONNELLY: Can the Minister tell us whether the present Act affords any relief in regard to the cancellation of stamps on drafts that have not been accepted? I have frequently heard complaints in regard to that. I may give one instance as an illustration. On going to a bank I met a business man who complained that he had made a draft for \$1,000 to which he had attached 40 cents in stamps. The draft was not accepted, but came back with the stamps cancelled, and then a cheque was sent in payment of the account, and the Government, instead of getting 40 cents, got 80 cents. His suggestion was that the stamps should not be cancelled until the draft had been accepted.

Hon. Sir EDWARD KEMP: My honourable friend has said that the Government introduced this \$2 stamp tax as an experiment, and that it has been found to be impracticable. To my honourable friend as a banker it must have appeared that this was impracticable from the outset. A man in Windsor or Niagara Falls would surely do his business in the United States if it cost him only two cents per \$100, whereas in Canada it would cost him four cents. What steps are taken by the Finance Department when these radical changes are made—because it is a radical tax, no other nation in the world imposing a tax of \$2—to find out from bankers or business people what course ought to be pursued? This changing from Session to Session is not satisfactory.

Hon. Mr. DANDURAND: I do not know what influenced the Minister of Finance to bring down the measure of last year. I point out to my honourable friend that it is almost impossible for the Minister of Finance, before bringing down his Budget, to solicit information from outsiders without giving the cue as to what will be his statement before the House. He must be very guarded and keep his own counsel. When he placed his Budget before the House last year there was no limit to the tax; then representations were made to him and he stopped at \$2, and after one year's experience he has reduced the maximum from \$2 to \$1. Many people were somewhat dubious about the orthodoxy of the new tax, which was somewhat experimental inasmuch as it was pioneer work.

Hon. Mr. FOWLER: Suppose a man borrowed \$100,000 from the bank. The bank would give him a cheque which would bear only \$1 in stamps. On the other hand, he would have to put \$40 in stamps on the note which he gave to the bank. Does that not look like discrimination in favour of the lender as against the borrower? If there is any discrimination at all it should be against the lender, because he is the man who has the most money. You make the poor borrower pay not only the interest to the usurer who lends him the money, or the banker, if you prefer that term; but every time he issues a cheque for the interest he has to attach to it a stamp of high denomination.

Hon. Mr. DANDURAND: My honourable friend from Regina (Hon. J. H. Ross) remarks that the borrower will pay anyway.

Hon. Mr. FOWLER: That is poor satisfaction. You make his burden heavier.

Hon. Mr. GORDON: That is where I claim the injustice is done. The borrower is taxed heavily, and the lender is not.

Hon. Mr. MITCHELL: If the borrower does not pay back, the lender gets the worst of it.

Section 1 was agreed to.

Section 2 was agreed to.

On section 3—exception from stamp tax on receipts, etc.:

Hon. Mr. FOWLER: As we have not had time to peruse this Bill and give it some consideration, I would ask that the Chairman read the section so that we can follow it.

The Hon. the Chairman read the section.

Hon. Mr. FOWLER: What does subsection 6 mean? I see the leader of the Government