

*British Preference—Mr. Robb*

much more favourable to the British Empire, as well as to Canada herself, than the tariffs of some of these other countries which have been cited.

I was greatly interested in the argument of my hon. friend for Mackenzie (Mr. Campbell) as I listened to his discussion of cotton. The hon. member argued that the Lancashire mill was unable to obtain cotton of a suitable kind within the British Empire. I will admit that perhaps there is not sufficient cotton available in the Soudan and other British countries—and they produce cotton in Australia. But I could not understand his reasoning when he argued against the United States doing business direct with Canada. His whole argument was that our cotton should be shipped from the United States to England, there manufactured, and brought back to Canada. If I am doing him an injustice in thus interpreting his argument I shall have to apologize.

Mr. CAMPBELL: The minister is hardly putting it in a fair light. I said that the ultimate effect might be—I did not say it would be, but that it might be—to divert trade with Great Britain to the United States and thus increase the adverse balance against this country.

Mr. ROBB: But my hon. friend forgets that the Canadian mills bring in raw cotton for manufacture in Canada, and there are thousands of good Canadian citizens employed in manufacturing cotton. If my hon. friend were to argue that the Canadian was paying too high a duty on United States cotton yardage then I could understand how he might appeal to the people in his part of the country. But he forgets that the Canadian mills buy their raw cotton from exactly the same source as do the mills in the United Kingdom, and here in Canada it is entirely Canadian labour.

Mr. CAHAN: And the minister wishes to give it a chance to compete.

Mr. ROBB: Well, we have been giving it a chance; but we have been enlarging the British preference. Let me say this in conclusion. If it can be shown that in any case British industry cannot qualify properly, in respect to goods obtainable within the British Empire, we are prepared to consider the question; but we submit that it is fair to the Canadian people that evidence be adduced to our officials that they cannot qualify under the 50 per cent requirement.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

[Mr. Robb.]

SPECIAL WAR REVENUE ACT AMENDMENT

The CHAIRMAN: When the committee rose, an amendment was under consideration.

Mr. MANION: When the committee rose at six o'clock the other evening I was discussing a certain matter which I shall now conclude in a few minutes. I was pointing out on that occasion that there was a somewhat inequitable tax on some of the shares in different classes of stocks, not only mining but industrial stocks as well, and I submitted the point for the consideration of the Minister of Finance. I pointed out, for example, that under the new method 1,000 shares of Noranda at \$54 would be \$54,000, upon which the tax would be \$30, whereas 1,000 shares of Kirkland Lake at \$1.02 would represent \$1,020, on which the tax would be \$10. I have said that the tax is inequitable. Take the case of Kirkland Lake. The tax on the sale of the same number of shares, according to these values, is eighteen times the tax on the Noranda deal. Take another, and you will find a still greater inequality. I have given as an example 1,000 shares of Noranda at \$54, amounting to \$54,000, with a tax of \$30; on 1,000 shares of Columbus Kirkland at 1½ cents—this is one of the smaller penny stocks—we have \$15 with a tax of \$1. A tax of \$1 on \$15 applied to the valuation of Noranda would increase the tax on Noranda over one hundred times. Obviously, therefore, the whole tax is inequitable. The small man or small purchaser—the minister objects to my using the words "small dealer," although he is a dealer inasmuch as he is dealing in stocks; for I was not speaking of the broker but of the man who bought and sold the stock—is overtaxed, and that is where the minister is wrong; it is here that he should reconsider the matter. This is not a reduction but an increase, the minister having made a change after bringing in the original budget; and in practically every change in taxation the small man seems to suffer. In my opinion there should be worked out a tax proportionate to value, a tax which would be fair to all dealers, and which would be imposed upon people according to their ability to pay. I do not consider this a tax of that kind. The minister took something off the tax on mining machinery, but he puts it back on mining stocks; in other words, he removes with one hand the burden on mining machinery and with the other puts a heavier tax on the stocks. I think the facts I have submitted to the minister are correct, and they show that the tax is inequitable; the minister is taxing the smaller man more heavily, the