

Mr. ROBB: Perhaps my hon. friend would like the figures on record?

Mr. LAWSON: \$200,000 odd against \$40,000. Is not that correct?

Mr. ROBB: Yes, in 1926.

Mr. LAWSON: On referring to the Dominion statute in force prior to this proposal I find it reads as follows—I am going to omit words which are unnecessary for my purpose—

No person shall sell or transfer the stock or shares of any association. . . unless in respect of such sale or transfer there is affixed a stamp. . . of the value of 3 cents for every \$100 or fraction thereof of the par value of the stocks or shares. . . sold or transferred.

An hon. MEMBER: Bonds.

Mr. LAWSON: I am not interested in bonds for the time being. The hon. Minister of Finance has given the returns, I understand, from the Standard stock and mining exchange. Now take the Ontario statute—

Mr. ROBB: My hon. friend, if he is going to argue fairly, must continue and quote the exceptions provided in article 61.

Mr. LAWSON: I am not quarrelling with that. I am going to read the Ontario act to show that the statutory provision is exactly the same as in the Dominion statute.

Mr. BENNETT: The Dominion act is copied from the Ontario statute.

Mr. LAWSON: Under section 12 of the Corporation Tax Act of the province of Ontario it is provided:

There shall be levied a tax of 3 cents, payable by the transferor, in money or stamps, for every \$100 or fraction thereof of the par value upon every change of ownership consequent upon the sale, transfer. . .

Obviously if under the law of Ontario and the law of the Dominion the same amount of tax is imposed, then the Dominion treasury must have received the same amount of tax from that source as the provincial treasury, or else some department of the Dominion has been distinctly lax in its collection of revenue.

My other point is this. The hon. Minister of Finance stated that this was not the imposition of a new tax; it was a revision of the schedule. But may I point out to him that this introduces an entirely new principle in taxation, and I should like to hear some statement or argument from him justifying, not the quantum of taxation—that is the part to which all his statements have been directed—but the reason why a larger percentage of tax should be imposed upon the lower priced stocks than upon the higher. I should also

like to ask the minister if he has any precedent for the imposition of a stock transfer tax on an ascending ratio as the value of the stock descends. I have had occasion from time to time to examine the transfer tax laws of the provinces and indeed of some of the states, and if there is any precedent for a tax based upon an increasing ratio on the lower priced stock, I should be interested to know.

The CHAIRMAN: Shall the amendment carry?

Some hon. MEMBERS: No.

Mr. LAWSON: Mr. Chairman, I should very much like to know if the Minister of Finance will attempt to justify the imposition of a higher percentage of taxation on the sale price of the lower priced issues than upon the higher. Why is it not equitable in an ascending ratio, if anything, on the same basis as the income tax?

Mr. GARLAND (Bow River): The point raised by my hon. friend appears to be one that is worthy of attention. I should like the minister to give us an explanation. If he cannot explain it let him say so frankly, but if he can why not let us have the explanation?

Mr. ROBB: Explain what?

Mr. GARLAND (Bow River): Give an answer to the hon. member.

Mr. ROBB: We might argue all night. We have submitted the matter to examination and we think the tax is fair, considering the business that is done and the nature of that business. Hon. gentlemen talk about the tax on certain high priced stocks; they forget that we derive an additional revenue from such stocks in the way of income tax. I submit that this tax will meet with the approval of the country.

Mr. LAWSON: Seventy-four per cent of the mining stocks traded in in Ontario on the Standard stock and mining exchange are selling at under \$3.

Mr. JACOBS: Does that include wash sales too?

Mr. LAWSON: So far as I know, and I have some experience, they do not have wash sales in the province of Ontario. The statutes of the province of Quebec, in which my hon. and learned friend is interested, specifically provide that a tax shall be payable on wash sales. The Minister of Finance has pointed out that these higher priced issues bear a heavy tax inasmuch as they produce revenue from which the Dominion secures income tax. But as I pointed out the other night, 74 per