

it must appeal to the Minister of Finance as unjust. This man buys two shares of Smelters, we will say, at \$500 per share; his tax is 8 cents. If he buys 4 shares, we will say, of Canadian Pacific Railway stock at \$250 a share, his tax is 16 cents. But this man may say, "I think I will not buy those high-priced shares, I will get some of the low-priced shares." So he invests \$1,000 in 10 cent shares, and his tax will be ten dollars. If he puts his \$1,000 into 8 cents shares, his tax will be \$12.50. If he invests in 4 cent shares his tax will be \$25. If he uses his \$1,000 to buy 2 cent shares, his tax will be \$50. It is inconceivable that such an unreasonable tax should be proposed, and I am confident that it would be difficult for any member on the other side of the house to justify to his constituents a vote in favour of this resolution. I am sure that most of the ministers have received protests against this tax. It is to be hoped that for the welfare of the mining industry the hon. Minister of Finance will withdraw this proposal and bring in something of a more reasonable nature.

Mr. ADSHEAD: Will the hon. member permit a question? I am not so conversant with mining stocks as he is, apparently. Under this arrangement is it not a double tax, a tax on the par value and on the actual amount involved in the transaction?

Mr. ESLING: Not under the new resolution.

Mr. ARTHURS: The minister would be well advised if, in accordance with the argument put forward by my hon. friend (Mr. Lang), he placed the tax on the actual selling value of the stocks to be taxed. The minister has gone on the supposition that this is a tax against the stockbrokers; as a matter of fact it is not a tax against the stockbrokers or the Toronto stock exchange or any other such institution. This is a tax against the actual mining operations in the country. If, as pointed out by several members to-night, a company decides to put stock on the market at \$1 a share at par, it has a great deal less to pay than the company which decides to put on the market stock valued at \$1 per share which it sells at 5 or 10 cents. Every dollar collected by this government in the first instance is collected from the actual assets or receipts of the company itself. Ordinarily speaking, a company starting in business requires a capital of from \$50,000 to \$100,000, and in order to raise that money it must sell stock on terms that are agreeable to the brokers and to the public. Usually these

stocks are sold at a very small figure per share—10 cents or less. In that case, according to the original tax proposed by the minister, one-tenth of all the funds goes to the treasury of the Dominion—one-tenth of all the funds secured; and probably one-fifth more goes to the broker. The result is that the money actually secured for the development of the mine is small indeed. The minister would be well advised to withdraw the item and in the meantime to reconsider the matter, which is of vital importance to the development of new mines not only in Ontario but in practically the entire Dominion. Could he not try to secure some equitable means of levying the tax on the market value of the stock at it is sold?

Mr. ROBB: The tax as originally introduced was complained of, particularly by the mining brokers. There was very little complaint except as regards those stocks included in paragraph (e):

One cent for every share of stock sold or transferred at a price of three dollars or less per share.

Now there is before the committee an amendment which it occurs to me, after listening to the arguments of some hon. gentlemen, has probably been overlooked. That amendment now provides:

(e) one cent for every share of stock sold or transferred at a price over one dollar per share, but not more than three dollars per share;

(f) one-fourth of one cent for every share of stock sold or transferred at a price over fifty cents per share, but not more than one dollar per share;

(g) one-tenth of one cent for every share of stock sold or transferred at a price of fifty cents or less per share.

Mr. ARTHURS: According to the amended schedule the tax on stocks selling at 10 cents would be \$1 per \$100.

Mr. ROBB: There are three parties to this legislation before the committee. There is the prospector, there is the investing public and there are those concerned with revenues of the country, and I submit that the readjustment as presented is not unfair to the development of mines, while it is fair to the public and to the government revenues. Hon. gentlemen must observe that when stock is first allotted there is no tax whatever on the original transfer; it is only when they begin trading and selling the stocks to the public that the tax is imposed.

Mr. ARTHURS: Not according to the original act.