

right (Hon. Mr. Gordon) would know better than I do about that. In any event, it is made as difficult under this Bill as it was under the old Act to get subscriptions for small sums.

Hon. Mr. GORDON: Entirely apart from that, as a matter of principle, how can you justify it? Whether a stock is worth \$150 or \$1,000 per share, it would pay the same tax of 5 cents. One hundred dollars' worth of a stock selling at \$1 per share is taxed 25 cents.

Hon. Mr. DANDURAND: That is the ratio?

Hon. Mr. GORDON: Yes.

Hon. Mr. DANDURAND: "One-quarter of one cent for every share of stock sold or transferred at a price of one dollar to five dollars per share."

Hon. Mr. GORDON: But the tax on a stock selling at \$1,000 per share would be only 5 cents. How can that be justified? In the first place this was intended only as a stamp tax.

Hon. Mr. ROBINSON: The stamp tax on cheques is the same on \$1,000 as on \$100.

Hon. Mr. GORDON: But in the Bill as brought in last year the tax could easily be regarded as a property tax. I opposed it also on the ground that it was a property tax and that the Dominion Government has no right to tax property. In the mining areas, for instance, the roads and schools and so forth are built and looked after by the Provincial Government; yet here was the Dominion Government exacting an excessive tax on the stocks of the mines. On looking at this superficially, and without figuring it out, you would imagine that it was all right; but when you find that one man's dollar is being taxed eight or ten times as much as another man's dollar, you see there is no justification for it.

Hon. Mr. WILLOUGHBY: That is, the poor man's is subject to the higher tax.

Hon. Mr. BELCOURT: I have looked over the discussion that took place in the other House yesterday, which will be found at page 2803 of Hansard. I am not going to read it, but just wish to point out that the ground taken by my honourable friend was apparently not taken in the other House. The objection there seemed to be confined to the point that the tax was too high and that it discouraged business in Canada and rather helped business in New York.

Hon. Mr. WILLOUGHBY: Because the transfer fees are cheaper there.

Hon. Mr. WILLOUGHBY.

Hon. Mr. BELCOURT: One member says:

Let me cite one or two examples—and from the reasonable attitude of the Minister of Finance I have some hope that he may be impressed by them. Suppose I wish to sell 100 shares of stock having a par value of \$100, which stock is listed on both the Canadian and New York exchanges. In that case I pay the provincial tax of \$3 and the Dominion tax of \$4, or a total of \$7. By doing my business through a New York house I pay the state tax of \$2 and the federal tax of \$2, or a total of \$4. Let me remind hon. members I am dealing not with conditions brought about by the 1929 amendment, because they were much worse, but with conditions under the proposals now before the committee.

So the ground taken by my honourable friend does not seem to have been taken at all in the other House.

Hon. Mr. GORDON: That, of course, does not affect the proposition in the least.

Hon. Mr. BELCOURT: I do not quote it for that purpose.

Hon. Mr. GORDON: Prior to last year the tax was on an ad valorem basis and all dollars were treated alike. Last year it worked out as follows: paragraph (b), 4 cents; (c), 15 cents; (d), 66 cents; (e), \$1; (f), 50 cents; (g), \$1. One hundred dollars' worth of the high priced stock is taxed 4 cents, and the lower priced stocks are taxed twenty-five times that amount. This year we are confronted by the same principle again: the poor man's dollar is taxed eight times as much as the rich man's dollar. We all know that only men in pretty good circumstances buy stocks that are worth even \$100 a share. Such stocks are treated very liberally, the tax being merely a stamp tax.

Hon. Mr. BELCOURT: There must be some explanation.

Hon. Mr. GORDON: There was none last year.

Hon. Mr. DANDURAND: We will take the second reading, and I will bring the explanation to my honourable friend this evening.

Hon. Mr. GORDON: I wish you would.

Hon. Mr. DANDURAND: Before the Bill is given the second reading, I should like to know whether there are any other criticisms to be made, so that I may secure answers to them at the same time.

Hon. Mr. WILLOUGHBY: I know of none, except as to the quantum and the ratio—

Hon. Mr. DANDURAND: That is the particular feature we have been dealing with.