

those who are poor. I am sorry that this is being done when revenue is so much required, and I submit that the most painless way for extracting revenue from the public is by a proper stamp tax.

Hon. Mr. DANDURAND: I draw the attention of my honourable friend to the fact that Canada is the only country in which there is a variation in the tax upon cheques and other instruments. The legislation of last year was an experiment, and it is felt that the maximum of \$2 which was fixed last year should be cut down to \$1. The \$2 tax tended to send across the border deposits which should have remained in Canada, but which were sent there for the purpose of eluding the payment of the \$2 tax. The minister has given the following reasons for this Bill:

With regard to the cheque tax, we passed last year graduated taxes on cheques, with a maximum of \$2. There has been some objection with reference to this. It has been represented that there are transactions in which several cheques have to be given, but which really represent but one business deal, so that in that way the tax operates as a burden. It is also represented to us that on the boundary this tax induced men who have opportunity to do so to keep their accounts on the other side of the border. There is probably some force in all these criticisms. We do not feel, however, that we are prepared to give up the tax, which is a valuable source of revenue, and we intend to retain it, but it is provided that the maximum shall be \$1 only.

Hon. Mr. GORDON: I think those reasons are very flimsy, and I think that the revenue loss will be very substantial. Again I ask, why reduce the maximum tax on cheques and still leave the tax on notes as it existed, namely, 4 cents per hundred dollars? We all know that people who have notes to sign generally have less money on hand than people who are doing nothing but issuing cheques. If you issued a cheque for a million dollars the tax would be \$1; if you issued a note for a million dollars the tax would be 4 cents per hundred. Now, what is the reason for that?

Hon. Sir JAMES LOUGHEED: My honourable friend will doubtless presently move the third reading of this Bill, and I would direct his attention to the fact that he has said nothing whatever about its other features, which propose amending the Excise law, the Customs law, and the Sales tax. The Stamp Tax is one of the minor considerations of the Bill. I do not wish to protract the discussion on the subject, but the House should certainly have some reasons why these very substantial changes are made in the law.

Hon. Mr. GORDON: I submit to my honourable friend the leader that this is a pretty important thing, too.

Hon. Sir JAMES LOUGHEED: I admit that.

Hon. Mr. GORDON: I was not on my feet, but I was waiting for a reply from the honourable leader.

Hon. Mr. DANDURAND: I have not at hand the reason that has been advanced for this difference, but it was made last year, and we are not altering it.

Hon. Mr. GORDON: I know; that is why I see no reason for reducing the stamp tax and not reducing the tax appertaining to notes. I do not think the stamp tax should be reduced at all, for that or any other tax reduction would imply that the revenue of the country was going to be such that an increase was not required. What I say is that there is no more painless method of collecting revenue from the people than through this stamp tax, and I protest very vigorously against this tax being reduced and the note tax being maintained.

Hon. Mr. FOWLER: Surely it is not the intention of the Minister to move the third reading of this Bill immediately?

Hon. Mr. DANDURAND: If my honourable friend will first allow me to get the second reading, we will then try to satisfy him as to the third. I suggest that we take the second reading, and if my honourable friend desires explanations of each item we may take them up in Committee.

Hon. Sir JAMES LOUGHEED: I am not thirsting for information, but it would be a seemingly proper thing to give us some reason for imposing several millions of additional taxation upon the people of Canada. Even though it should occupy some five or ten minutes, it might be time well spent; it might possibly reconcile the tax-bearing public to the additional burdens imposed on them.

Hon. Mr. DANDURAND: I do not know that we can amend this Bill, or purely and simply reject it. If we cannot or do not intend to amend it, perhaps it is as well not to go into Committee, but take the third reading.

Hon. Sir JAMES LOUGHEED: Still my honourable friend might be able to administer some crumbs of comfort to the tax-paying public, which would permit of their bearing their burdens more easily than they can if they do not know why they are carrying them.

Hon. W. B. ROSS: Perhaps the honourable gentleman could explain how people could come to pay this without feeling it.