

Mr. BETTS: Is it optional under present arrangements that postmasters have radio licences for sale, or is the postmaster obliged to have them?

Mr. HOWE: It is optional with the postmasters. They are paid for running the post office; we invite them to take on this other work, but they can refuse if they wish.

Mr. MULOCK: I fully realize the difficulty of the minister in administering this act, and I congratulate him upon the improvement that has been made in radio generally throughout the country. But I should not be expressing the feelings of the people of my riding if I did not say that the increase in the licence fee is, to say the least, not popular in the riding of North York. We realize also that there are many districts which have not received the same advantages from radio that Toronto and York and central Ontario have received. The people in our part of the country find it difficult to see what additional benefit they are going to receive by reason of the increase in this tax. Realizing as I do the difficulty that people in various parts of the country are having, as mentioned by the hon. member for Algoma West (Mr. Hamilton), and that they are not receiving any benefit at the present time from the broadcasting corporation, some consideration must certainly be given to those districts. Would it not be possible to do that without increasing the tax at the present time? Could this matter not be referred to the radio committee set up in the house, the personnel of which was announced to-day? People are having difficulty in paying their taxes, and if it is humanly possible I would ask the minister not to raise any tax at the present time.

Mr. HOWE: The matter can and no doubt will be discussed in the radio committee, and it does not take long to pass an order in council.

Mr. WOODSWORTH: I was going to suggest, as a member of that radio committee, that a number of the matters being discussed to-day might be discussed there, and perhaps to better advantage, when we have the officials present who can answer questions directly. I hope the minister's statement that the fee is to be increased is not final. I think he has indicated that his decision might be changed. All along I have been very much in favour of nationalized radio, but I think this is a retrograde step. I would hope that the amount necessary to be raised could be raised in some other way

than by increasing the licence fee, which means a heavy burden on a great many people in this country.

Mr. THORSON: May I ask the hon. member what other method he would suggest?

Mr. WOODSWORTH: Several other methods might be suggested. One would be a tax on radio tubes. The price of tubes in this country is very high indeed, much higher than in the United States. I think it would be easily possible for the manufacturers of tubes to absorb the amount themselves. I should like to have that more fully discussed. If it is really necessary that the public generally should be taxed for this radio service, I would rather that it came out of general taxation as a subsidy than as an increased fee. The fee is a tax, and such a direct tax that the people know they are paying it.

Mr. DUNNING: A service charge.

Mr. WOODSWORTH: A service charge if you like, but all taxes are assumed to be for services rendered.

Mr. DUNNING: Oh no.

Mr. THORSON: Is it not better that the tax be direct than concealed?

Mr. WOODSWORTH: No, because the question of incidence of taxation arises. Generally speaking, I would agree that it was well to have taxes direct rather than indirect. In my judgment we are already taxing the poorer people of this country altogether too much. It is true the tax is usually concealed, usually indirect; the people do not realize it. The tariff is a tax, but concealed. We are taxing very heavily the common people of this country, and the wealthier people are escaping very lightly. If this public service is necessary to the welfare of Canada, as I think it is, and if we cannot carry it on with the charge that we have been making in the past, I suggest that it would be well for the dominion government to give a direct subsidy out of the general revenue.

Mr. DUNNING: In other words, that we abandon the principle for which my hon. friend has just been contending.

Mr. WOODSWORTH: I do not see any abandonment of principle.

Mr. DUNNING: My hon. friend has just been contending for the principle of direct taxation. He says we should not conceal taxes, because the poor are made to pay more. If we give a state subsidy for this purpose instead of making a service charge, obviously that is the very concealment which my hon. friend condemns.