

Special War Revenue Act

Mr. RHODES: I can assure the hon. member for Southeast Grey that the government is labouring under no delusion on the ground of the popularity of either this or any other taxation measure. In fact, I do not know of any tax which is popular. The problem of all governments is to find a tax which may be least objectionable. But my hon. friend did not, I think, hear what I said. I said that I am making inquiries at the moment to see whether we can deal with the matter administratively so that the smaller tolls will not be subject to tax. If we find it cannot be met in that way, before the bill is taken out of committee I shall propose an amendment which, I think, will meet the objection.

Just one other word if I may. This is not a small matter, because the tax is estimated to bring in a minimum of three-quarters of a million dollars a year and in normal times it would bring in more than that.

Mr. ELLIOTT: My hon. friend is not referring to the tax the removal of which we have suggested?

Mr. RHODES: I am referring to the tax on long distance tolls. Whether it is a wise tax or not I cannot say, but our neighbours to the south, in meeting their difficulties, are imposing a similar tax, so we are not breaking new ground.

Mr. BOYES: I wish to make just a few remarks in connection with this tax on telephone calls. I have been interested in the observations made by several speakers in regard to local telephone companies and the transfer charges. I thank the minister for the change which he has made in connection with the tax on telephone calls. In the first place it was suggested that on all telephone calls from fifteen cents upwards we would have a tax of five cents. This is now changed to the present method. But the suggestion that I wish to offer and that, I believe, might be in some respects a solution, is that we eliminate the tax on all calls up to possibly twenty-five or thirty cents. It has been suggested that the exemption should be even higher than that. I understand now that the proposition is that calls amounting to fifteen cents and upwards shall all be taxed at the rate of six per cent. If we would eliminate from the tax all calls, say up to twenty-five or thirty cents, we might then eliminate those transfer charges which have been mentioned by a number on this side of the house.

Mr. RHODES: As a result of the inquiry I have made, I have not altogether satisfied myself that we can deal with this matter [Miss Macphail.]

administratively, so I am going to propose an amendment to section 25 to read as follows:

By adding after the word "call" in line 30 on page 7, the words "costing more than fifteen cents."

That will eliminate from a percentage tax all tolls up to and including fifteen cents.

Mr. RYCKMAN: I move accordingly.

The CHAIRMAN: This amendment should come on section 25. We have passed that.

Mr. RHODES: We shall have to move reconsideration. The amendment is to clause 3 of the bill, paragraph 25.

The CHAIRMAN: Mr. Ryckman moves:

That clause 3, paragraph 25, be amended by adding after the word "call" in line 30, the words "costing more than fifteen cents."

Amendment agreed to.

Section as amended agreed to.

On section 12—Excise tax of three per cent on duty paid value.

Mr. NICHOLSON: I should like to draw the attention of the Minister of Finance to another excise matter. In this morning's Ottawa Journal, in the first column on the front page, there is an article headed "Canada stands to lose millions by United States action." The action is to place an excise duty on lumber and copper going from Canada to the United States and this virtually means a prohibition in relation to both of those commodities.

Mr. SPENCER: Reciprocity.

Mr. NICHOLSON: Yes. Before I get through, I intend to suggest reciprocity. As regards copper, we exported to the United States approximately \$13,000,000 worth of raw or blistered copper and we imported from the United States in copper rods, copper plate and other lines of manufactured copper, \$14,500,000 worth, while at the same time our own copper refineries were standing idle, the one, for instance, at Sudbury. This action of the United States is aimed directly at the Consolidated Mining and Smelting Company of British Columbia, the International Nickel Company of Ontario, and Noranda Mines of Quebec, to make it impossible for them to export their copper to the United States. I would suggest that we place an excise duty on copper entering Canada from the United States which shall be at least equivalent to the excise duty they have placed on Canadian