

ing it out on telephone messages where the charges are small, such as I have referred to. I do think it would not affect the revenue materially, and it would save a great deal of trouble, if my hon. friend could see his way clear to exempting from that tax even telephone calls costing less than 15 cents.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

Mr. ELLIOTT: Just before the committee rose we were discussing the question of taxes on telephone calls of 15 cents or under. I hoped I had the minister practically converted to the idea that the cost of upkeep in connection with the levying of a tax on 15 cent calls, which would be about nine-tenths of one cent each at the six per cent rate, would amount to as much as the total taxes that would be collected as a result of this imposition. I would again urge upon the minister that this falls upon a class who are at the present time carrying about all they can bear in the way of taxes, and in many cases a little more. It will cause a good deal of friction and difficulty, and it cannot possibly bring much revenue. I was going to suggest to the minister that possibly he might see his way clear to do something in connection with the proviso in subsection 2 of section 25 of the act:

Provided further that the tax imposed by this subsection shall in no case be greater than 25 cents on any one call.

He might add, provided also that no tax shall be imposed on calls of 15 cents or less.

Mr. RHODES: Before the adjournment hour my hon. friend, inadvertently, I am sure, quoted me as having said something which certainly I did not intend to say, and which I do not think I said. If I remember correctly, he said that I had stated that no companies objected to this tax. I did not say that. What I said was that this form of taxation had been put forward because of representations made by companies. As regards the cost of administration, the telephone companies assured me that the method which is proposed in this measure is the one which will be most convenient, least expensive, and least difficult to handle. I do not assert my own views as of any value, but I may say that I approached the subject with an open mind. My idea was solely to tap a source of additional revenue. I do not think the fears of my hon. friend will be justified if the bill is passed in its present form, either as regards difficulty in collection or as regards the burden imposed. While, perhaps, it would be desir-

able from many points of view to exempt messages which pay a low toll, on the other hand, they are messages in respect to which the taxation is very light indeed. So that whatever method may be suggested, we are bound to encounter difficulties. I am satisfied, however, that on the whole the legislation which is now before the committee presents the minimum of difficulty.

Mr. MARCIL: Some time ago I had the pleasure of sending on to the minister a communication from the Gaspé and Bonaventure Telephone Company, a local concern operating in the counties of Gaspé and Bonaventure, connecting with the New Brunswick system at Campbellton. They object to the tax on small tolls. Under the present system, if you telephone to a municipality adjoining the one in which you reside you have to pay a toll, but I understand that if a user is charged a toll of one dollar he has to pay six per cent.

Mr. RHODES: Yes.

Mr. MARCIL: He may telephone six times at fifteen cents a call and pay only six cents.

Mr. RHODES: Yes. If he had 10 ten cent messages the tax would be six cents.

Mr. NICHOLSON: Can the minister give me an interpretation of what long distance calls might mean in circumstances like the following? I understood the minister to say this morning, with regard to local telephone organizations in his own province of Nova Scotia, covering a wide area, that there would be no long distance charge because of the fact that the citizens themselves controlled the system. They were local telephone companies with no outside or long distance connection. In the district of northern Ontario there are six or seven local township telephone organizations. The farmers themselves and the citizens in the villages group together into a small local system and there is a company that unites the whole group on Manitoulin island exclusively. One township connects with another through this non-metallic line, I may say. They have no chance of connecting with the Bell, no possible connection except in that district. Would a call from one township circuit to another township circuit by this company line come under the tax of six per cent in respect of calls of ten cents or fifteen cents, in one township or the other, as the case may be.

Mr. HEENAN: I have a letter from the commissioners of a system similar to the telephone system to which my hon. friend has referred. Along the Rainy river there are quite a number of municipalities and they