

Mr. VENIOT: Will the minister give his attention to it?

Mr. RHODES: Certainly.

Mr. RALSTON: According to the amendment, a copy of which the chairman has been good enough to furnish me, it would seem that a direct discrimination is being made against those who have private telephones, especially rural lines, as against those who use pay stations. A man using a pay station pays five cents if the cost of the message is over twenty-five cents; he pays nothing when the cost of the message is under that amount. A subscriber using a private rural telephone between two places where, for instance, there is a twenty cent toll, must pay six per cent on that twenty cents. I submit that such a condition is undesirable. In the first place it will mean a lot of accounting to cover a small sum and, in the second place, it is not fair that a man should be able to go to a public telephone and put through a message costing up to twenty-five cents and not have to pay, whereas a man calling on his own telephone has to pay six per cent. A message by cable, telegraph or radio originating in Canada, no matter how much it costs, pays a tax of only five cents; no ad valorem charge is made. I am not advocating that a larger tax should be imposed on cables, telegrams and radio messages; I am pointing out that the man using a private telephone—the telephone is pretty commonly used in rural communities—is penalized, while the man using a public telephone goes scot free; and the man using the cable, telegraph or radio pays only a five cent tax.

Mr. RHODES: I am advised that upwards of ninety per cent—I cannot give the exact figures—of what are known as shorter haul messages are from subscribers, and that an almost equal proportion of the messages from toll stations are what are known as longer hauls. The inequality about which my hon. friend is concerned does not seem to exist. The man sending a pay station message costing from thirty cents up to eighty cents pays five cents. If he sends three thirty cent messages he pays fifteen cents, whereas a subscriber who does ninety cents' worth of calling would pay a little less than six cents.

Mr. RALSTON: Take them at twenty cents.

Mr. RHODES: My hon. friend says: take them at twenty cents. I am told that only a fraction of the messages is of the smaller amount. If we put the toll at twenty cents, a five cent tax would be a substantial one.

That is the minimum you could charge in a toll station. Coming to the telegraph charges, I am advised that the average cost of all the telegrams sent is a little under seventy cents, so that a five cent charge, taking it on the average, is fair.

Mr. RALSTON: But that is not the case with cables.

Mr. EULER: What does the minister expect to get by way of revenue from his tax?

Mr. RHODES: Three-quarters of a million dollars from the telephone and half a million dollars from the telegraph.

Mr. RALSTON: I should like to ask the minister seriously to consider a minimum below which no tax will be charged. In a public pay station, you can have a twenty-cent call and you do not pay a tax; a subscriber should be put on the same basis. My hon. friend is aware that in the province from which he and I come, there are many rural services where the tolls are from fifteen to twenty cents; I can think of a great number in my constituency. My hon. friend, possibly quite unconsciously, is penalizing those subscribers who connect up with those telephone systems. They form a little telephone company; they hitch up with the Maritime Telephone and Telegraph Company and the through rate is fifteen cents. Take for instance, from Port la Tour to Barrington, the rate is, I think, less than twenty-five cents; from Barrington Passage to Clark's Harbour, there is, I think, a ten cent toll. If a man has a telephone, there is no reason why he should have to pay a six per cent tax on those small messages, while I can go into the hotel at Barrington Passage and use the public telephone and not pay any tax to the government. The same benefit should be given to the subscriber. Just as in the case of cheques, there is a minimum of \$5 below which no stamp is required, there should, in the case of telephone messages, be some minimum below which no tax is collected. I think this will be an expensive tax to collect; there will not be a great deal of revenue from it and as drafted in the amendment it is discriminatory.

Mr. RHODES: As to the revenue, I have given my hon. friend the figures. In more prosperous times the revenue would be about a million dollars.

Mr. RALSTON: I am speaking of the telephone message tax.

Mr. RHODES: I am told by the telephone companies that the administrative cost will be comparatively small and the method of