

Mr. LOCKHART: Have you not reduced that?

Mr. HAMILTON: No. Our bond issues to-day are equal to about 55 per cent of our total investments.

Mr. BLACK: What is the amount of the bond issue?

Mr. HAMILTON: Twelve and a half millions. These are not short term bonds. These bonds are not redeemable until 1961.

Mr. JACKMAN: They do not mature until then?

Mr. HAMILTON: They do not mature until 1961.

Mr. JACKMAN: Is there a special rate charged for ship-to-shore phones?

Mr. HAMILTON: Yes.

Mr. JACKMAN: A sufficient rate, perhaps, to amortize that equipment?

Mr. HAMILTON: Yes.

Mr. JACKMAN: Would it be possible, in connection with these war industries and with the people who are working in the war industries, to have a higher rate per station for them than there would be for the general population? Could you have two different rates for labourers, one working in the war industry and one working in a peace-time industry?

Mr. HAMILTON: I think I have already pointed out that the actual development to meet these conditions is not arising directly from the war industries. It is indirectly, because of the demand from the general public. I have already stated that our growth—

Mr. JACKMAN: Would you please answer my question directly? It would seem to me to be utterly impossible to have a rate for Tom Jones here and John Smith there, if one happened to be engaged in a war industry and the other in some different industry.

Mr. HAMILTON: Yes.

Mr. JACKMAN: You cannot have different rates for the same class of service. You must have a uniform rate there. I have never heard, certainly in the House of Commons, any request from the members for the different provinces other than those from Ontario and Quebec not to have war industries. I do not see how they can expect to have war industries without some of their attendant objections—the bitter with the sweet. There are certain objections perhaps to having war industries and one of the objections is raised by the cost of providing telephone service. You have got to provide a supply there which may be only of a temporary character; but you must weigh the whole thing as to whether or not it is beneficial to the province to have a new industry start there now and which may create extra costs. So I do not see how you can differentiate between telephones which would supply war industries and those which might possibly be just for peace industries.

Then I should like to see if we could not reconcile Mr. Cruickshank's statement with Mr. Howe's statement. Mr. Cruickshank stated that he did not believe, no matter how much extra evidence was adduced, that one hundred telephones in a close area could not be serviced more cheaply than one hundred telephones in an extended rural area. I think that is possibly so. But Mr. Cruickshank must bear in mind that with one hundred telephones added to a large system, the hundreds become thousands—and here there are eight thousand telephones to be added in this area during 1941—it does add to the central cost; because where you have a large area of 50,000 or 100,000 telephones, everybody can connect with every other person without any toll charge, so that your overhead costs go up all the time and the inter-connecting costs rise. It is what they call in economics, if I remember correctly, the law of increasing costs or diminishing returns. But there is a point, I should think where a small system of only a few hundred telephones might be more costly