

Mr. RHODES: I do not know that I can answer my hon. friend with absolute assurance. It is pretty hard to draw the line. But as I understand it, in the telephone business what is known as a long distance call is pretty well defined. If you telephone from here to Aylmer I do not understand that that is a long distance call, although I may be wrong; or if you telephone to Hintonburg that is not a long distance call. A long distance call is when you have to pay an extra toll, and I do not think it is the distance alone which governs, because, as I pointed out to my hon. friend from Shelburne-Yarmouth, there are farmers' mutuals lines in Nova Scotia, some of which extend for a great many miles, where there would be no tax at all.

Miss MACPHAIL: In the country districts there are independent telephone companies which connect up with the Bell Telephone Company. Would such a connecting call be a long distance call and subject to the tax? That would be a great hardship in the country districts because these independent companies have some arrangement with the Bell Company whereby the farmers can telephone over a certain distance for five or ten cents. Would such a call come under this tax?

Mr. RHODES: I find it rather difficult to give my hon. friend from Southeast Grey an answer with accuracy. The determining factor, it would seem to me, would not be whether there were two telephone companies in the transaction. If there were a connecting charge I do not think that that would have any bearing. I do not think the tax would be imposed on that charge. But if there is a charge for what is known as a long distance call, then the tax would apply. I will have careful inquiry made, but that is how it strikes me at the moment. There will be dividing lines and points where there may be some little difficulty and perhaps inequalities, but I have every hope that such cases can be met by reasonable regulations.

Mr. GARDINER: What does the minister understand by a long distance telephone call?

Mr. RHODES: From here to Montreal, for example.

Mr. GARDINER: If the minister would give us a definition I think it would help relieve the situation.

Mr. RHODES: There has been no attempt at definitions so far as the department is concerned. Our idea is that we would put a tax on long distance calls as they have hitherto been known in the custom and usage of the telephone companies.

[Mr. Taylor.]

Miss MACPHAIL: The interpretation of a long distance call may make a tremendous difference, because there are a great many districts in Ontario where the local company has to make a connection with the Bell Telephone Company to enable the farmer to reach the town in which he does business. Would the connecting charge be considered a long distance call?

Mr. RHODES: I do not think the connecting charge would have any bearing. It would depend on the correct interpretation of a long distance call.

Mr. SANDERSON: Is not a long distance call a call from one exchange to another, whether they are two or five or ten or one hundred or five hundred miles apart?

Mr. RHODES: I hope the committee does not expect me to give a technical definition, because as I have pointed out, we have attempted no definition. We propose to apply the definition recognized in the custom of telephone companies. My hon. friend should not attempt to say that a two mile call would be regarded as a long distance telephone call—not at all. My hon. friend can talk a distance of five, six or eight miles right here in the city of Ottawa.

Mr. SANDERSON: That is a different proposition.

Mr. DUFF: It is designated by zones, is it not?

Mr. MALCOLM: I think I can explain the matter in a way to satisfy the hon. member for South Perth. A long distance call may be of any distance, provided the subscriber in his contract has the guarantee that he may telephone in a given district without a long distance charge. The long distance charge, as popularly interpreted by telephone companies, is a charge for phone services beyond the terms of contracts.

Mr. DUFF: Beyond certain zones.

Mr. MALCOLM: The hon. member for Southeast Grey was referring to rural telephone companies in Ontario. To illustrate, the Bruce telephone system allows its subscribers to talk from Kincardine to Paisley and Port Elgin without any extra charge. Calls even of that distance are not treated as long distance calls. But when we cross into the county of Huron or switch on to the Bell Telephone Company lines there is a switching charge of five cents. The hon. member for Southeast Grey wishes to know whether the switching charge from the rural telephone system to the Bell, which gives the privilege of telephoning within a town, could be treated as a long distance