

to year but calculated during a much shorter period of time. To that end the company should be required to furnish the Board with complete financial statements each month of the year for its information, and keep it closely and continuously in touch with the company's operations and in a position to judge as to the actual effect of the rates which are now put in, and direction to that effect will be given.

These monthly returns as required by the Board's judgment have been regularly made since the Company's present rate base came into effect under the Board's judgment on March 1, 1927.

But the legislation referred to that made the Company subject to The Railway Act did not limit the Board's jurisdiction to matters of rates.

Under The Railway Act as now in force, being chapter 170 of the Revised Statutes of Canada, The Board of Transport Commissioners for Canada has power and jurisdiction

- (1) over all operations under the Company's Special Acts, sec. 32;
- (2) to enforce agreements the Company enters into, sec. 35;
- (3) to make enquiries into the Company's operations, sec. 69;
- (4) to inspect the Company's works, sec. 71;
- (5) to regulate the construction of the Company's works when matters of public safety are involved, i.e. at railway crossings, secs. 256 et seq.;
- (6) to order the Company to make repairs, sec. 283;
- (7) to regulate the Company's tolls and traffic, secs. 314 et seq.;
- (8) to regulate joint tariffs, secs. 336, 375 (10);
- (9) over the publication of tariffs, sec. 342;
- (10) over contracts limiting liability, sec. 348;
- (11) over the construction of lines upon or across highways, sec. 373;
- (12) over the construction of lines across other lines, sec. 372;
- (13) over the connection of the Company's lines with lines of other systems, sec. 375 (7);
- (14) over all contracts the Company makes with other telephone systems and subscribers, sec. 375 (11);
- (15) to inquire into any contracts whatsoever that the Company may enter into, sec. 384.

By chapter 93 of the Statutes of 1929, which was the last enactment authorizing the increase of your Petitioner's capital stock, a further regulation was imposed upon the Company.

This regulation is as follows:—

The said Company shall not have power to make any issue, sale or other disposition of its capital stock, or any part thereof, without first obtaining the approval of the Board of Railway Commissioners of Canada of the amount, terms and conditions of such issue, sale or other disposition of such capital stock.

From these facts, it will be observed that your Petitioner is thoroughly subject to regulation in all branches of its operations—

- (a) its rates have been subject to regulation since 1892 or for the past 56 years and the Board of Transport Commissioners has been receiving monthly reports upon the Company's financial operations for the past 21 years;
- (b) it has been subject to all pertinent provisions of the Railway Act and the regulatory jurisdiction of the Board of Transport Commissioners for Canada since 1906 or for the past 42 years;