

Bell Telephone Company. May I say this, that in both Ontario and Quebec we cannot buy any independent company unless we get approval of the Ontario Telephone Authority or the Public Service Commission of Quebec.

Q. Will you inform me, within the last ten years approximately, how many independent telephone companies you have purchased or absorbed?—A. Forty in five years. I do not think we have the ten-year figure. During the war I cannot think of any that we acquired.

Q. Well you must realize that the role of the smaller independent companies has in the past performed a useful function to the residents and citizens of our country, and I know that perhaps sometimes they are in financial difficulties. I want to ask you this question: you must realize too that they are the only competitive telephone companies to the Bell Telephone Company in Ontario and Quebec. Is it your desire or long-term view to perhaps absorb or purchase all these independent telephone companies?—A. I do not think we are entertaining any such idea. We usually acquire these telephone companies when a local company gets to the point where it cannot successfully operate. Sometimes provincial government pressure requires us to take them over, but we have no program of which I am aware to absorb them all.

Q. I am just wondering whether a portion of this capital that you are asking for now is to be used for that purpose?—A. I might say, sir, that we give these independent companies all the assistance that we can. We are very anxious to maintain them in operation, and we give them assistance. We give them engineering and technical advice. We help them in every way, and the Ontario Telephone Authority, which is the controlling body in Ontario, has highly commended us for the aid that we give not only to the Ontario Telephone Authority but to the independents over which they have jurisdiction. We do not want to take them over, but sometimes in the interests of providing service we have to take them over.

Mr. MACDONALD (*Vancouver-Kingsway*): With all respect, I think that the question of increases in capitalization is definitely relevant to the question of rates. I think what Mr. Munnoch has read makes it clear that one of the factors the Board of Transport Commissioners takes into account is a fair return on the issued capital and I think we must be able to discuss existing rates of the company. If the company has come to the Parliament of Canada, which is the supreme body—at the same time they have an application before the Board of Transport Commissioners—then they should withdraw that application temporarily from the board if they are taking the point we cannot discuss existing rates.

Mr. MARLER: It cannot be the company that is taking that point of view. That is the ruling of the chair.

Mr. MACDONALD (*Vancouver-Kingsway*): The company have brought both on at the same time. I think the chairman has relaxed his ruling somewhat already. We should be able to ask questions at the present time about the rates because I think that this, after all, is the supreme governing body in Canada, and one of our creatures, the Board of Transport Commissioners, should not interfere with the full and fair hearing before this committee.

The CHAIRMAN: Here is the opinion that was given. This opinion is sustained very clearly in a ruling by the Speaker of the House of Commons of June 12, 1951, (see Journals of the House, 1951, page 486):

On a motion for the house to resolve itself into committee of supply the following amendment was moved:

'in the opinion of this house no further increases in freight rates should become effective prior to consideration by parliament of the government's proposed legislation arising out of the report of the Royal Commission on Transportation.'