

The ACTING CHAIRMAN: I do not want to interrupt you, Mr. Neill, but does the committee consent to Mr. Neill asking questions? Mr. Neill is not a member of the committee. Has the committee any objection?

Mr. LOCKHART: No. Mr. Neill is a man who knows his own province very well, and I should think he should be allowed to ask questions.

The ACTING CHAIRMAN: Very well. Will you carry on, Mr. Neill?

Mr. MACINNIS: If the committee has no objections, Mr. Chairman, I would suggest that within reasonable limits the British Columbia members who are interested in this matter be allowed to ask questions; that is, under the control of the chair.

The ACTING CHAIRMAN: Is it the wish of the committee that the British Columbia members who are here present but not members of the committee be allowed to ask questions?

Carried.

Mr. ROSS (*Souris*): Is your telephone a rural telephone, Mr. Neill?

Mr. NEILL: Yes. It is a city telephone, but it is rural as far as it being outside is concerned.

Mr. HAMILTON: You are talking of Alberni?

Mr. NEILL: My office.

Mr. HAMILTON: I am sorry; I have not got our tariffs on rates for all the different exchanges.

Mr. NEILL: I think you mentioned \$3 to this gentleman.

Mr. ROSS (*Souris*): Yes; he said \$3 for an office telephone.

Mr. HAMILTON: I said that in some of the exchanges, depending on the size of the exchange, I think the rate for a residence phone is \$2, and for a two-party line within a one-mile radius it is \$1.50. I am not sure whether it is \$3 or \$4 for a business phone in Alberni. I cannot tell you. You could not call Alberni a rural exchange. Alberni has something over 2,000 telephones within a radius of three or four miles of the exchange.

Mr. NEILL: Would that make it dearer because there were two or three thousand phones attached to that particular exchange?

Mr. HAMILTON: Generally speaking, rates are based on the number of services attached to an exchange.

Mr. NEILL: It does not get dearer as the number increases.

Mr. HAMILTON: Yes.

Mr. NEILL: The more phones attached to an exchange the dearer the cost?

Mr. HAMILTON: Yes, sir.

Mr. ROSS (*Souris*): You do not follow this policy, do you, of servicing the rural parts of B.C. at a loss and making up the difference on the city phones?

Mr. NEILL: No.

Mr. HAMILTON: No. I do not know that there is any telephone company operating to-day that is not servicing the rural areas within the confines of the territory in which they operate which is making any large return on the capital involved in giving those services.

Mr. ROSS (*Souris*): Do you give service to the rural parts of the country at a slight loss and make up the difference from the city phones; I am not advocating that at all; I was just wondering if you had any such policy?

Mr. HAMILTON: These rental fees that we charge have all been developed over years of usage and custom and have the complete approval of the authorities.

Mr. ROSS (*Souris*): Based on the same policy throughout the province?

Mr. HAMILTON: Yes.