

to-night. Only a few years ago twelve municipalities offered the Hydro-Electric Commission 23,000 horse power, while to-day there are over 30 municipalities in the province of Ontario which have offered to that commission 44,000 horse power that they may come in and develop. The Hydro-Electric Power Commission bring the wires to the municipalities, and this proposition will bring the telephone system to the municipalities as they bring the trunk wires to the municipalities. The municipalities would then own, control and operate their own telephone systems. I may say that I have received assurances from different cities in the Dominion as well as from different organizations supporting the cause I am now placing before parliament. I might add that the Hydro-Electric Power Commission of Ontario distinctly state that it would be an advantage for municipalities of our province to own, control and operate their telephone systems, because in that way they would be able to distribute electric power to the farmers in a manner that they cannot possibly do at present on account of the expense of building pole lines. In the province of Ontario 15 of the 460 companies I have referred to are municipally owned telephone systems, run by the municipalities. The clerk of the municipality becomes the secretary of the telephone company, and all charges are collected with the annual tax. I have under my hand a report from one of these municipalities, the municipality of Rochester, in the county of Essex. It is the lowest assessment of any municipality regarding telephone systems that I know of. It places the actual cost of each phone at only \$7 per annum. The system has been in operation four years, and in six years more they expect to have the lines all paid for, and that the actual cost of the system after that date will not exceed \$1 per annum. This may seem incredible. But remember that we have a municipal Act which allows any municipality to borrow money at a low rate of interest in order to establish a telephone company. The municipality assesses the subscribers a small amount on capital account each year until in ten years' time they own the whole plant. You can readily see that a large number of cities and towns are taking advantage of that municipal Act.

They can obtain from the municipal government power to issue debentures in order to establish a telephone system in their city, town or rural district, and I am convinced that many cities of Ontario will be only too glad to do this. In the city of Ottawa, I am sure you could find prominent officials ready and willing to undertake the establishment of municipally-owned telephones, if we had public control of the trunk lines of telephones of Canada. Then Ottawa would be able to do away with these unsightly poles on the main streets that are so offensive in this beautiful city. In Australia, power has already been granted to the government to issue debentures and thus raise \$10,000,000 for the purchase and extension of the telephone and telegraph systems. Apart from the United States and Honduras we are the only country that does not own, control and operate telegraph systems, and to a great extent the telephone. We had the other night the spectacle of the Minister of Public Works asking this House to vote \$23,000 for the payment of rental of telephones used in the government buildings in Ottawa. This amount would go a long way towards defraying the expenses of the central exchange in Ottawa. I was glad to learn that the Minister of Public Works had under consideration the establishment of an exchange by which the different government offices could be connected with one another without resorting to the public telephone system.

May I say a word with reference to cables connecting Canada and the motherland? I was able to show you a few days ago that we had some 17 trans-Atlantic lines between the mother country and Canada and that all these trans-Atlantic lines are owned, controlled and operated by a company whose head offices are in the city of New York, and the bulk of whose stock is owned in that city. It would be a patriotic thing for this government to establish at an early date a Canadian owned line, or even two lines, between Canada and the motherland. I am informed that the expense of building two cable lines would not exceed \$5,000,000, and that we would have business for said lines the very day they were opened; it would not be a game of chance, it would be a business proposition from the very start. The company in the city of New York who made the last purchase of cable lines undertook to pay for the four lines that crossed the Atlantic 3½ per cent on \$35,000,000 for 99 years, while the actual cost of these four lines could not have exceeded \$8,000,000. Thus, it is clear that for many years to come, unless we take some action, we cannot expect to have cheap trans-Atlantic cables. With the present rates, only one per cent of the people on this continent use the cable for any purpose whatever. The small trader or the ordinary citizen of Canada does not make use of the cable, simply because of the expense. If we owned, controlled and operated two cables between Canada and the motherland, the cable tolls would easily be cut in two. Surely it is our duty to secure this great boon. Credit is due