

date would require the scrapping of plant that cost about £90,000 and the expenditure of a larger sum. It is not likely that the Corporation will, even for the sake of efficiency, contemplate such an expenditure.

It would appear, therefore, that Glasgow has spent about twice as much as originally intended, and for the expenditure has a plant that is far from being what it should be.

### **CANNOT COMPETE WITH NATIONAL.**

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Early in 1903 the Glasgow municipal plant and the National had approximately an even number of stations. But the municipal service was bad and growing more and more unsatisfactory, with the result that during the last year the great proportion of new business has been going to the National Company, so that at the present time it has 18,048 stations as compared with 11,822 of the municipal service. The value of a telephone depends largely upon the number of connections that can be secured and the National being able to give its subscribers fifty per cent. more connections and a better service, the Municipal service would appear to be in a more or less precarious position.

Of the 11,822 stations of the Municipal service it is estimated that fully one-half are also reached by the National's lines, so that nearly six thousand Glasgow business men are paying for two telephones where one should suffice.

A similar condition of affairs prevails in other cities with a Municipal service. People are beginning to discover that this is the real meaning of competition applied to telephones.

It is one of the reasons explaining why municipalization of the telephone has been a failure