

of the domestic business. An agreement between the two divided the country into zones, and a resident in one zone could not communicate with another without paying toll to the Government. There were instances when this toll was collected because of the existence of these zones for communication for very short distances. There was, however, little or no agitation on this account, but there was against the monopoly of the National Company, it being alleged in some districts, Glasgow notably, that the charges of the Company were excessive and the service supplied inefficient and inadequate. Finally the Treasury appointed a commissioner to conduct an investigation. The result was not satisfactory to the advocates of a municipal system, the Commissioner reporting that while the rates were high the blame for the inefficiency and inadequacy of the service rested largely with the municipality of Glasgow owing to the obstructive attitude it had adopted towards the Company. Practically this also saddled the blame for the high rates complained of on the Corporation, for the Company could hardly be expected to supply cheap telephones when it was refused permission to modernize its system but compelled to adhere to an antiquated and costly method of operation.

The report of the Commissioner did not end the agitation. It continued and as a consequence a Parliamentary committee was named in 1898. The report of this Committee was more satisfactory to the advocates of municipalization. It was largely founded upon the belief that competition in telephones is a good thing. It was recommended that wherever possible the Post Office should supply this competition, but where it should neglect or decline to do so the local authorities should be given the necessary permission. A Treasury