

appointed a commission to inquire into the whole question and they have reported as I stated that the rival telephone company is a nuisance and recommend that the request of the promoters should not be granted.

Now with respect to rates, it is very true that nearly all independent companies start out with low rates; that is the experience throughout Canada and the United States, but the same authority that I have just quoted states that the editor has made extensive inquiries into the whole subject, and I shall read his observation with respect to the question of rates. He said:—

During the past decade hundreds of independent telephone companies have been started in all parts of the country and although their rates are much lower than those charged by the Bell companies the competition does not usually result in any saving to the telephone users generally. The Bell companies have almost invariably refused to meet the cut rates of their new competitors for the very good reason, perhaps, that while they may temporarily suffer a falling off in patronage, they soon recover and finally increase the number of their subscribers in the face of the competition. In the various cities of all sizes and conditions, where we have investigated the subject of telephone competition, we find the Bell companies have been able to maintain their rates, and at the same time greatly increase the number of their subscribers. This fact must be taken as evidence that the Bell service is considered by telephone users to be worth the price asked for it. The fact is that in every city where there are two telephone companies in operation the business and professional men find it necessary to have the service of both companies, and where the Bell rates are not reduced by the competition these users have forced upon them an additional expense for telephone service.

It will be seen from this that while the rates are invariably lower when they start because of their short connections and because the new company is first connected with business houses, still it appears to be the result of the subsequent extension of their lines that the cost of operation is increased proportionately beyond their income. Nearly all companies, as nearly as I can learn have got into difficulties; there are some companies that have succeeded in Canada and some in the United States, but I find that the almost invariable rule is that competing companies have failed and gone into insolvency. I might also quote another extract from the same authority. They say:

In practically every city where we have investigated the financial history and status of independent telephone companies, we find the receipts have been inadequate to cover the charges against the business, and this general condition may safely be attributed to the low rates at which the independent companies undertake to furnish service.

I am not here as the special advocate of the Bell Telephone Company. On the con-

trary I believe that the Bell Telephone Company have by nature a monopoly and I believe that a monopoly of an important public utility should not be in the hands of any private corporation, and I think therefore that we could very properly consider at this time the policy of having the telephone business conducted by the government. As time goes on these applications for telephone charters will increase in number and as they increase they will become a nuisance to telephone users. It is well known to every person who has lived in a city where there is a duplicate telephone service that business men are obliged to put in two sets, and the result is that while the introduction of a new company may reduce the rates, at the same time at the end of the year it is found that the citizens are paying more for telephone rates than before. I therefore feel it is my duty to move that the committee rise, report progress and ask leave to sit again.

Mr. TURRIFF. I must ask you not to rise and report progress now. This Bill has been through the Railway Committee and has passed there with some stringent amendments. Every precaution has been taken to make the Bill a satisfactory one in every respect, and I do not see any reason why this House should throw the Bill out at this stage simply because the member for Winnipeg (Mr. Bole) asks to have it done. Under clause 19 of the present Bill the city of Winnipeg does not need to use this telephone company's service if they do not want to. Provision is made that the company cannot exercise rights in any municipality whatever without the consent of that municipality, except for the purpose of running one through line through the municipality. Because the city of Winnipeg may be acting in the interests of the Bell Telephone Company, and no one can object to their doing so, to my mind that is not a reason why all the other portions of Manitoba and the Northwest Territories and that portion of Ontario to the east of Winnipeg down to the great lakes, should be left without competition if they desire competition. The Bill has been carefully considered in committee, several amendments have been added and in fact everything has been done to make it as wide as possible; there is nothing whatever in the way of monopoly. It was provided in the Bill that any other telephone company or any individual having a private system could connect wires with the wires of this company when established, so there is no reason whatever for throwing out the Bill at the request of the hon. member for Winnipeg (Mr. Bole).

Mr. D. ROSS. I would ask the hon. member for Winnipeg whether he can give the committee any information as to the time when the provincial government of Mani-