

in the nature of the case they could not possibly perform; for example, they promised to "cut the rates in two." They undertook to manage the telephone business without the assistance of superior technical advice and superintendence, while they hampered their own officers in the performance of their duty and handicapped the enterprise by saddling it with charges and overcharges of purely political origin. The accounts were presented in a manner of which no competent chartered accountant could approve and to which no such person could put his name without qualification. The Government pretended to entrust the telephone business to the Telephone Commission and yet from the beginning assiduously used the telephone business for political ends, reducing the rates without competent technical advice and forcing upon the Commission a series of financial arrangements of a highly questionable character.

The representations made by the Manitoba Government which acquired the system, and even those made by the present administration, as to accruing profits are absolutely without foundation. Until the Government writes off the amount which its own auditor regards as the excess value of the plant, as shown by the books, over the real construction cost of the plant, it is idle to talk of profits. Strictly speaking, the Manitoba Government Telephones have up till the present time involved the Province in a loss of upwards of a million dollars. This sum