

holders, the Bell Telephone Company of Canada and the Western Electric Company, Incorporated, the former with 456,540 shares, and the latter with 353,130 shares. The Western Electric is the very company referred to by investigator Hill in his report.

This is the list:

	Shares
Hon. Thos. Ahearn, P.C. . . . .	25
W. F. Angus . . . . .	25
The Bell Telephone Company of Canada . . . . .	456,640
E. S. Bloom . . . . .	10
Hon. A. J. Brown, K.C. . . . .	25
R. H. Gregory . . . . .	10
J. D. Hathaway . . . . .	25
L. B. McFarlane . . . . .	25
R. H. McMaster . . . . .	25
C. F. Sise, Bell Telephone Co. of Canada . . . . .	25
C. G. Stoll . . . . .	10
Western Electric Company, Inc. . .	353,130
Grand total . . . . .	809,975

The Bell company claims that the adjustment make anyone believe that it is not in a position to have its system adjusted to meet present needs, even though this should entail a very small decrease in its profits. Besides, we are not requesting at the present time anything from the company itself; we simply wish the board of railway commissioners to be empowered to approve or disapprove the limits and rates of exchanges, after which the board will arbitrate on the issue.

I feel confident that the board will not allow the continuance of the abnormal conditions about which subscribers living in the outskirts of Quebec city are complaining. The company will possibly claim that since my bill was brought down in the house, it has granted a yearly reduction of \$25,000 in my constituency; but the principle of the matter at issue is in no way affected; for there are in my constituency various small industrial and farming communities, in continuous contact with Quebec, which are in need of easy telephone communication in order to sell their products as well as to purchase supplies in that city. This necessitates numerous calls every day, and even when they are unable to get the interested party on the line they must pay a toll for the useless call.

The Bell company claims that the adjustment suggested would mean too heavy an expenditure on its part. My reply will be that the Bell Telephone has never granted the public a single appreciable change in its rates.

I am now urging hon. members to help me in this matter, because, if we wish to stem the rising tide of communism in this country, the best way is to give the common people,

those who wish to live and breathe freely under our fair Canadian sun, the means of providing for their wants, and to afford also to our Canadian people the utilities to which they are rightly entitled.

Hon. C. D. HOWE (Minister of Transport): The bill introduced by the hon. member for Quebec—Montmorency (Mr. Lacroix) follows along the general line of a bill introduced by him last session. While I did not disagree with the principle of the bill which my hon. friend introduced at the last session, I thought it necessary to oppose its passage by reason of the fact that by its wording it would have had the effect of making the board of railway commissioners into a rate-creating commission whereas their proper function is that of a rate-regulating commission. In the present bill that wording has been corrected; therefore I find myself in entire agreement with this bill.

We must all recognize that the Bell Telephone Company has a monopoly of a great public service in the districts in which it operates, and it is entirely sound government to provide that a public service monopoly should be regulated as completely as possible. If, as appears from the Loretteville case, the board has not ample power to pass on tolls for zones outside a city area, I congratulate my hon. friend upon introducing a bill which definitely gives the board that power.

However, in accepting this bill, I cannot agree with all that the hon. member has said about our telephone monopoly. I think it is important to the people of Canada that the telephone business be a monopoly. If, for example, in the city of Quebec there were two competing telephone companies, this would mean that every business house would have to subscribe to both services, and every householder who happened to be on one company's system would be handicapped if he did not have access to the subscribers of the other company. Therefore we may say that the telephone business is a natural monopoly, and that it is better for the population served by telephone that this should be so. However, the Bell Telephone Company, having a monopoly, must conduct its business with extreme care to see to it that no injustice is done to any group of its subscribers. I believe the Bell Telephone Company is exercising care to see that no class of subscribers should have a particular complaint as against other classes of subscribers. As my hon. friend has said, as a result of the Loretteville case, even though the board had no jurisdiction to make a ruling the telephone company of its own volition has