

*Private Bills*

well the Bell Telephone Company were doing, and this interesting statement was made. Previously they had told me that as the number of phones goes up so does the rate, because it takes more wires to connect each individual subscriber. But here we have enclosed with the dividend cheques for the period ending July 31, 1964 a pamphlet which states, among other things:

Improved training and better operating procedures have had something to do with these reductions, but they are mainly the result of the increasing use of automatic switching equipment—

It is funny how this economic method does not apply to local service.

—represented by direct distance dialing service, and the development of more economic long distance transmission facilities, such as microwave radio relay—

Intercity calls that at one time required the attention of at least four operators, and ten minutes to establish a connection, can now be dialed by the subscriber himself, in mere seconds, without an operator's help.

I am happy to tell the committee that I spent eight days hunting in Labrador at the beginning of October. I was 36 miles east of Wabush City near Ross Bay junction, and in flying around the area not only hunting but also inspecting the Grand falls of Labrador the pilot showed me the Emeril station of the Bell Telephone Company and the Sauna lake station of the Bell Telephone Company, and he advised me that I could telephone all over Labrador and that these stations took phone calls through to Scotland. I was quite interested in the fact that there are no lines between the stations, that I could see. In fact, when I got down on the ground I wanted to call for an extra aircraft to fly to Grand falls. We went over to the telephone on the railway line at Ross Bay junction and we called Wabush lake and Labrador City. As I said, they have no telephone wires, but operate this service through a microwave system. We made our call successfully.

This little pamphlet then goes on to state:

Microwave systems can transmit large quantities of information over great distances and difficult terrain more economically than is possible with wire and cable systems.

Mr. Scrivener told me that with a normal system a wire was required for every telephone. The pamphlet continues as follows:

Savings through the use of microwave do not generally apply on short range intercity calls, but are substantial on long-mileage transmissions.

Technological advances are benefiting all long distance telephone users—

[Mr. Cowan.]

This pamphlet then states:

Improved long distance service and rate reductions have been accompanied by rapidly growing use of the company's long distance facilities.

Then they give us the very interesting information that within the last 25 years, between 1939 to 1964, long distance rates for a three minute, daytime, station-to-station call have come down drastically. The examples they give are terrific. This is one example. In 1939 a three minute, daytime, station-to-station call between Ottawa and Quebec cost \$1.40, and in 1964 the same call cost \$1.10. That is a reduction of 30 cents, or a reduction of 21.4 per cent.

Here is another example. In 1939 a three minute, daytime, station-to-station call from North Bay to Montreal cost \$1.70, and in 1964 the same call would cost \$1.20, or a reduction of 29.4 per cent. Those calls are between points serviced by the Bell Telephone Company of Canada.

They give two more examples of terrific savings. A three minute, daytime, station-to-station call between Montreal and Vancouver cost in 1939, \$7, whereas in 1964 the same call would cost \$3. That represents a reduction of 57.1 per cent. That phone call would have to travel over publicly owned telephone services in Alberta, Saskatchewan and Manitoba. There has been a reduction in the same type of call between Toronto and Calgary. In 1939 the call would cost \$5.50 and in 1964 would cost \$2.70, or a reduction of 50.9 per cent. Those calls would have to go over publicly owned telephone services in Manitoba, Saskatchewan and Alberta.

It is very interesting that in respect of the long distance call examples they give where the service is entirely within the confines of the Bell Telephone system the reductions are 21.4 per cent and 29.4 per cent whereas, when they have to use publicly-owned services, such as for a call between Montreal and Vancouver, or Toronto and Calgary, the reductions are 57.1 per cent and 50.9 per cent.

When we were examining the Bell Telephone people during the railway committee meetings we asked them why they wanted to increase the number of directors from 15 to 20, and received the rather interesting reply that sometimes their vice presidents are sick. I imagine their vice presidents must suffer from gout more than any other disease. They said they wanted to be able to maintain a quorum and could do so by increasing the number of directors to 20. I do not believe that is the right answer, because if you make an examination of the financial set-up of the Bell