

principal cities in the United States, and a comparison ought to be made with these cities in fairly determining the course that ought to be pursued in arriving at a conclusion upon this subject.

Your Committee has been informed that there is dissatisfaction with these rates in the city of New York and in other cities, but the fact remains that the Legislatures of the different States in which higher rates are charged, have refused to reduce such rates, and that they continue to be charged; the fact, however, that higher rates for telephone service are charged in other cities than are charged in Baltimore, did not release your committee from the obligation to consider whether telephone charges in Maryland were excessive and disproportionate, and ought to be reduced and regulated by law.

Your committee find that there are in fact only two telephone companies in Maryland, and that these two practically operate in our territory as one company: these two companies referred to are the Chesapeake and Potomac Telephone Company and the Chesapeake and Potomac Telephone Company of Baltimore city; these companies have the same president and auditor; a statement of their joint receipts and expenses sworn to by the president and auditor has been filed with your committee, and is appended herewith as a part of this report.

These telephone companies, by reason of disagreements between them and some of their patrons, have lost many subscribers.

If we take the number at three hundred subscribers thus lost, each paying the present charge of one hundred dollars (\$100) a loss of gross receipts for the year 1892, amounting to (\$30,000) thirty thousand dollars is at once shown. It is contended that this loss is diminished to some extent by the corresponding decreases in expenses. It seems to us that when an extensive plant has to be kept up and the business managed, the expense in caring for nineteen hundred subscribers will be little less than it would have been if there had remained the twenty-two hundred subscribers, the number stated to have been connected with the telephone exchange in 1891.