

Sir William Mulock's Select Committee on Telephone Systems

Quite a lengthy list of documents were filed by Mr. Casgrain, K.C., for the Bell Telephone Co., which were subsequently reprinted in an appendix to the official report.

The chairman submitted a list of questions, which he suggested should be sent to Mr. Sise, President of the Bell Co., but with the understanding that the examination is not to be limited to these points. The other members of the Committee were asked to have the clerk add any questions they might see fit.

Mr. Maclean asked if the original agreement between the old Bell Co. and the present company was included, but was told that it was not, as the officials did not understand that it was wanted.

A resolution was passed making known the Committee's wishes that any persons interested might either write to, or appear before, the Committee.

The Chairman submitted a list of the telephone companies at present doing business in Canada, which showed a total of 93, divided as follows:—Quebec, 29; Ontario, 17; New Brunswick, 11; Nova Scotia, 14; Prince Edward Island, 1; British Columbia, 12; Manitoba, 2; North-West Territories, 6; and Yukon, 1. The Bell Co. operates in three provinces—Quebec, Ontario and Manitoba.

Mr. A. D. Bruce, supplied a statement as to the working of the Bethesda and Stouffville Association; it commenced work in August, 1904; has 41 'phones in use, and applications for 6 more; has 25 miles of two-wire line; the subscribers have free 'phones, and others pay \$12 and \$15; there is free exchange with four other co-operating systems; the subscribers "endeavoured to secure connection with the Bell Co. . . . but found the terms to be such that we dropped the negotiations." . . . It appears that a national system of telephones should be a good investment for the Government."

A letter was filed from Mr. Jas. B. Hoge, the National Intestate Telephone Association, Cleveland, O., which states that they have over two and a half million subscribers in the United States.

Mr. Demers, manager of the Bellechasse, St. Maurice and Portneuf Telephone Cos., and authorized agent of the Beauce Telephone Co., was examined at great length, and gave very valuable information and statistics. He stated that the Bellechasse Co. has 1,200 miles of pole line construction, besides main lines running 80 miles to the south and 1,300 subscribers; the Beauce Co. has 200 miles of lines and 500 subscribers, operating alongside the Bell Co., "where they have reduced to nearly nothing the number of subscribers of the Bell Co." They have bought out the Bell's plant in Rimouski for \$2,000; the Bell Co. had 33 subscribers now there are 120; they also fought the Bell Co. in the town of Levis, but got an entrance; the charges are \$15, \$20, and \$25, according to the cost of the line and the connections given; the farmers are wanting the 'phones more all the time; the Bell Co. were not serving the farmers, but only had toll lines; our instruments are in the I.C. Ry. stations; this is a public convenience, and the public appreciate it; the Quebec Central Railway also allow the same. At Levis, the Bell Co. were going to charge \$35, but could not do so after the competition came in. The company has paid 7 per cent., after allowing all expenses; 11 per cent. was earned last year, and 14 per cent. is the profit this year. The company started 7 years ago, with a capital of \$1,100 subscribed and \$110 paid up. It has now a paid-up capital of \$100,671, and shows a surplus of \$12,009. The toll rates are 25 cents for five minutes, while the Bell charges 60 cents for three minutes. We tried to get a 'phone into the G.T. Ry. at Levis, but the Bell Co. prevented it. At St. Agapit we have an instrument, but only under a contract, by the permission of the Bell Co. When our company tried to exchange business with the Bell, they demanded that we should go out of Levis, and not extend anywhere without their permission. The "agreement was all on one side. We did not read the paper through." The Bell Co. also tried "to disturb us from giving a service" by advertising

that people using certain 'phones would be prosecuted. Our instruments are better than those of the Bell. "A telephone company getting control, as this Bell Co. has, of two main railroads, has a great monopoly." The St. Maurice Co. has only just been purchased, and will be put into good order. The Portneuf Co. has about 67 miles; it had 'phones in the private residences of the C. P. Ry. agents, but the agents were told to take them out or get out themselves; so the subscribers cannot get any information about freight or trains.

Mayor Best, Peterborough, Ont., filed a copy of the agreement between the town and the Canadian Machine Telephone Co. The rates are fixed at \$15 and \$20, or \$30 for both. The company will not cut or trim any trees without permission.

Dr. Demers, being re-called, put in a proposed agreement between the Beauce Telephone Co. and the Bell Telephone Co., by which the former was not to connect and was to buy all its instruments from the Bell Co. The object was to kill off the Bellechasse Co.

Mr. Alex Stark, manager of the system supplying 'phones and light to Toronto Junction; the charge to subscribers is \$6 a year, and one cent for each call, with a maximum charge of \$15 and \$20; the Strowger system, an automatic one is used; it costs about \$40 per line for switchboard and instrument, besides the outside work. Three operators do the work of 15 or 20 in the old way. The new company has more subscribers than the Bell Co. has. It was no use approaching the Bell Co. as to exchange of business.

Mr. William Barnfield, North American Telegraph Co., Kingston, said his company operated a telephone service, and had 682 'phones and 41 exchanges, with 1989 miles of toll lines; they are also building a line for farmers, who will pay \$15. Witness filed an agreement with the Bell Co., about which the Chairman remarked: "I would like to read over this agreement. It is interesting. I think it explains somewhat the high cost of these instruments."

After dividing up the district and binding themselves not to trespass, the agreement says:—"The Telegraph Co. agrees to use no telephone apparatus except that furnished by the Bell Telephone Co., and to pay therefor a price equal to the price paid by the Bell Telephone Co. and 5 per cent. commission thereon."

Witness was asked why they got their instruments from the Northern Electric Co., but said they bought them from the Bell Co.

When the agreement had been read—

Mr. Bergeon said:—"This is a combine."

The Chairman:—"A combine? Yes."

Mr. Bergeon:—"Where does the farmer come in?"

The Chairman:—"He is between these two companies."

The Chairman drew attention to a letter from Mr. E. R. Conklin, manager Inter-State Independent Telephone and Telegraph Co., Aurora, Ill., who referred to a Blue Book issued by the United States. His company has 15,000 in Illinois, of which 4,000 are in farmhouses. He also outlined three distinct plans for covering country districts.

Dr. Demers, again re-called, gave costs of construction for Quebec, which came to \$120 per mile.

Mr. Joseph Moisan, manager Merchants' Telephone Co., Montreal, stated that they had 1,546 subscribers, the rates being \$20 and \$35 for residences and \$20, \$30 and \$35 for business places. The company cannot connect with the Bell long-distance lines, and this hampered them; if the Government owned the lines it would be different. The instruments cost about \$13.50 each. They had tried to get their 'phones into the railway company's offices, but were not allowed to do so, not even into the Shedden Cartage Co. As to charges, the Bell Co., charges \$30 to \$55, and we charge \$20 to \$35.

Dr. H. Ochs, Hespeller, Ont., wrote giving particulars of what had been done by the Farmers' Alliance in places where the Bell Co. refused to go. About 30 miles were built, but the Bell Co. came along, and they were forced to sell out.