

APPENDIX No. 1

No. 92.

HOUSE OF COMMONS,

OTTAWA, May 17, 1905.

Sir WM. MULOCK,
Postmaster General, &c.,
Ottawa.

DEAR SIR WILLIAM,—In reply to your communication of April 20, in reference to the telephone facilities at present enjoyed by the people of the riding of Thunder Bay and Rainy River.

The first telephone service established in that riding was in the town of Port Arthur, and was established by your humble servant. At that time the Bell Telephone Company claimed the right of erecting poles independently of the municipal authority. They had refused to put in a system at Port Arthur, stating that when they found the conditions suitable they would do so, and that in the meantime they had a patent on the telephone and nobody else could interfere.

I found a Toronto company willing to sell telephones, and I purchased the necessary number for putting in a system, that company giving me assurance that the Bell people could not prevent its operation. No sooner had I started to put in a system than the Bell people also, a few weeks later, started to put in a system. I then extended the Port Arthur Telephone Company (which company I had formed) system to Fort William, the adjoining town, about six miles distant. A month or so later the Bell Company extended their system to Fort William. After receiving from the Bell Company a number of threatening letters to bring action for damages for infringement on their patent rights, I had the case referred here to the Minister of Customs and showed clearly that they were not manufactured in Canada, but that their telephones were coming from the United States. The ruling of the commissioner was in our favour and against the Bell Company, so we were then relieved from that class of difficulty. The Bell Company then gave their telephones free to the customers, and the Port Arthur Company did likewise for two or three years. About this time the Bell Company made an offer to purchase the local company and their offer was accepted, and we went out of the telephone business with a heavy loss.

As soon as the Bell Company had control of the local company the price of telephones went up to \$35 or \$40. I am not quite certain of the price, but they were very high. That condition of things existed until about two years ago, when the municipalities of Port Arthur and Fort William mutually agreed that they would install municipal systems in each town and that they would afford to each other equal facilities in each town over the respective lines. The systems have been installed and work exceedingly well. The citizens get a telephone service now for about one-half of what they had to pay formerly, and have a much better and more extended service.

The only difficulty experienced is that the Canadian Pacific Railway—and I think the Canadian Northern Railway also—do not take the municipal 'phones into their railway station offices. The Canadian Northern, however, has a municipal 'phone in its up-town office, and by that means communication with it is, I think, quite satisfactory.

The Bell Company is now again furnishing free 'phones to those who will use them, but notwithstanding this, 95 per cent of the 'phones in use in both towns are the municipal 'phones. The Bell Company is really furnishing little or no service in either towns, and have been compelled to take their 'phones out, notwithstanding the offer of their free use.

There is no long-distance service in that section of the country, and the success of the municipal 'phones is quite complete.

The Bell Company has a telephone service at Rat Portage and Keewatin.

These are the only telephone services of any consequence in the riding of Thunder Bay and Rainy River.

Yours truly,

JAMES CONMEE,

Per O.H.