DOMINION TELEGRAPH COMPANY.

CAPITAL STOCK $500,000

In 10 000 Shares at $50 each.

President, HON WM. CAYLEY. *Treasurer,* HON J McMURRICH.

Secretary,
H. B. REEVE.

Counsel,
MESSRS CAMERON & McMICHAEL.

General Superintendent,
MARTIN RYAN.

Directors:

HON J. McMURRICH—Bryce, McMurrich & Co., Toronto
A R McMASTER, Esq —A R. McMaster & Brother, Toronto
HON M. C. CAMERON,—Provincial Secretary, Toronto.
JAMES MICHIE, Esq —Fulton, Michie & Co, and George Michie & Co., Toronto.
HON WM CAYLEY,—Toronto.
A M SMITH, Esq —A. M. Smith & Co. Toronto
L MOFFATT, Esq ,—Moffatt, Murray & Co, Toronto
H. B REEVE, Esq —Toronto.
MARTIN RYAN, Esq.—Toronto.

PROSPECTUS.

The Dominion Telegraph Company has been organized under the Act respecting Telegraph Companies, chapter 67 of the consolidated Statutes of Canada. Its object is to cover the Dominion of Canada with a complete network of Telegraph lines.

THE CAPITAL STOCK IS $500,000,

Divided into 10,000 shares of $50 each, 5 per cent to be paid at the time of subscribing, the balance to be paid by instalments, not exceeding 10 per cent. per month—said instalments to be called in as the works progress. The liability of a subscriber is limited to the amount of his subscription.

The business affairs of the Company are under the management of a Board of Directors annually elected by the shareholders, in conformity with the Charter and By-laws of the Company.

The Directors are of opinion that it would be to the interests of the Stockholders generally to obtain subscriptions from all quarters of Canada, and with this view they propose to divide the Stock amongst the different towns and cities throughout the Dominion, in allotment suited to the population and business occupations of the different localities and the interest which they may be supposed to take in such an enterprise.

CONTRACTS OF CONNECTIONS.

A contract, granting permanent connection and extraordinary advantages has already been executed between this Company and the Atlantic and Pacific Company of New York; thus, at the very commencement, as the Lines of this Company are constructed from the Suspension Bridge, at Clifton, (the point of connection) to any point in the Dominion, all the chief cities and places in the States, touched by the Lines of the Atlantic and Pacific Telegraph Company, are brought in immediate connection therewith.

A permanent connection has also been secured with the Great Western Telegraph Company of Chicago, whereby this Company will be brought into close connection with all the Lake Ports and other places through the North Western States, and through to California.

All classes of Society are interested in extending the use of the Telegraph, at LOW RATES, and the Directors are satisfied that the adoption of a scale of charges considerably below the rates now exacted in Canada, will, by encouraging a much more extended use of this medium of communication, not only prove a real and substantial benefit to the public generally but will also ensure a safe and profitable return to the Investor.

On the 25th day of June, A D 1868, the DOMINION TELEGRAPH COMPANY was duly CHARTERED according to Law

The admitted importance and value of Telegraphy, would, in the opinion of the Directors, have rendered any introduction of the Dominion Telegraph Company to the Canadian Public unnecessary, had it not been that previous attempts to establish Telegraph Companies in Canada, to share the business with the Montreal Telegraph Company, had been allowed to fall through.

The success of a Telegraph Company will mainly depend on its ability to meet the demands of the Public, and consequently it should possess, at least, equal facilities with any other Company, of access to all quarters with which its customers may desire to have communication.

This important requisite has not been, until now, within the reach of any Company entering the field as a competitor with the Montreal Company in consequence of the close and exclusive connection formed between that Company and the Western Union Company of the United States, the latter by virtue of certain patents, having, until within these two years, monopolized nearly the whole of the telegraph business in the neighbouring Republic.

The business relations between these two Companies continue in full force, but the patents having run out, the monopoly so long enjoyed by the Western Union has ceased to exist.

The Atlantic and Pacific, the Great Western and other American Companies, have invaded the field, and have become successful competitors for the public patronage and support These Companies, acting on the cheap postage principle, have forced the old monopolist to a reduction of rates which has resulted in a more widely extended use of this means of communication, and much to the surprise of the Western Union itself, has increased its profits, whilst sharing its field of operations.

With these new Companies the Dominion Telegraph Company of Canada have entered into most satisfactory business relations, and confident of the soundness of the principle which led to the adoption of the penny-postage system in Great Britain, the voluntary reduction from $100 to $16 65 per ten word message by the Ocean Cable Company, and the successful operations of the Companies recently established in United States, invite the business and mercantile community of Canada to join them in the promotion of an enterprise, based on the principle of moderate rates and extended business, which, while injuring no one, they confidently expect will result in securing a large return to the investor, and prove a vast benefit to the community.

Allusion has been made to the voluntary reduction of rates by the Atlantic Cable Company. A Chicago paper, writing on the subject of the growing use of the Telegraph gives the following return, as obtained directly from Cyrus W. Field, showing very conclusively the benefit both to the public and the Company of the reduction of rates.

AVERAGE DAILY RECEIPTS.

From $100 per message of ten words			$2,525
" 50	"	"	2 895
" 25	"	"	3 965

An advertisement has recently appeared announcing to the public that the rates from 1st September, proximo, will be further reduced to $16,65 per ten words.

The following table shows the reduction which has been effected in rates in the neighbouring States arising out of the construction of competing lines.—

From New York to	Former Rate.	Present Rate.
Boston	$ 60	$ 30
Bangor	1 20	65
Portland	90	50
Philadelphia	40	25
Baltimore	70	35
Washington	75	40
Augusta, Me.	1 20	60
Cincinnati	1.30	1.00
Buffalo	75	50
Cleveland	1 95	1.00
Pittsburg	1.15	45
Louisville	1.96	1.00

This reduction took place in November, 1867. A comparison of the receipts of the Western Union since that period with the corresponding months of the previous year gives the following results:

Gross Receipts for—December, 1866, $551,971.40; December, 1867, $576,135.19; increase, $24,163 79; January, February, March, 1867 $1,594,644.96; January, February, March, 1868, $1,727,939 55; increase, $133,294 59; April, May, June, 1867, $1,559,778 79; April, May, June, 1868, $1,749,631 52, increase, $189,-852.75.

While these beneficial results were flowing to the Western Union Company from the reduction of rates, the new Companies had created a business more than sufficient to fill their wires. In proof of this the following extract is taken from the report of the Atlantic and Pacific Company, made July 28th, 1868:

"In April last we reached the maximum capacity of our wires, and have since been compelled to refuse business daily. The Committee, therefore, have reached the conclusion from the actual experience of building and working the present lines—that

"Telegraphic business is growing faster than Telegraphic facilities."

As further proof on this point, the low rates have so pressed the wires of both Companies with business through the day, that posters have been placed in all the main offices proclaiming that double the number of words would be telegraphed at night at the same price as half the number of words by day.

In support of the observations quoted above, the telegraphic business is growing faster than telegraphic facilities, the following statement exhibiting the wonderful increase in the use of the wire, within the last six years, cannot be without interest to our readers. The gross earnings of all telegraph lines in the United States for the following years were:—

1848	$ 4,228.77
1849	63,338.98
1853	103,860.84
1862	2,734,960 40
1863	3 229,442.66
1864	3,792,245.40
1865	4,420,268.83
1866	5,624,501 20
1867	7 641,553 47

Showing an average increase of a million a year for the last five years.

A comparison of the number of messages sent, and persons using the wire in Canada and the States, furnishes a further proof of the advantage to the public and corresponding benefit to the Companies arising out of a reduction of rates.

The published returns for 1867, show that 600,757 messages were sent in Canada, while the messages in the United States for the same period exceeded 20,000,000, the former being less than one message to every six persons, the latter, two to every three. From these returns and results it may be reasonably inferred that a reduction of rates to a tariff at which the wires of both Companies can be filled, will secure a fair field and good prospects to the Dominion Company, without in any way prejudicing the interests of the Company now monopolizing the ground.

The particulars submitted above are sufficient in the opinion of the Directors to establish the facts that low rates, by encouraging a more general use of the telegraph, are more profitable than high. It is not however solely in the light of a safe and good investment that the Directors desire that this enterprise should be viewed. They feel that their object will be but indifferently attained unless they can satisfy the public, the business and commercial men, that ALL who use the telegraph as a medium of rapid communication, are interested in the establishment of what may be called a competing Line As in the administration of public affairs, a strong, watchful opposition, is the best security for good and careful government, so in commercial matters an honest rivalry in the various pursuits and branches of trade furnishes the best security that the public shall be well served.

To apply the argument to the purpose in hand, the following table showing the inconsistencies, and, in many instances, the excessive rates now charged on messages passing between the cities and towns of Ontario, Quebec, and the United States, will, it is believed, convince the reader that an honest competition is needed, not only for the reduction and adjustment of rates, but also to ensure that attention and care which would of necessity be enforced on the Companies competing for public favor, and thus tend greatly to promote the general interests of the community.

EXAMPLE OF PRESENT TARIFF RATES WITH DISTANCES.

	Miles.	Canada Money.
From Toronto to Suspension Bridge	84	40c
" " Montreal	333	30c
" " Mitchell, Seaforth, Bothwell, Ailsa Craig, Caledonia, Chatham, Dunville, Newbury, Port Burwell, Port Colborne and many other places		40c
" " Kingston	160	25c
" " Quebec	505	50c

Example of present tariff rates to Buffalo, and from thence to the following places, in U. S currency, which reduced to Canada money, at 45 per cent premium, makes the actual cost, as the second column:

PRICE COLLECTED AT TORONTO.		ACTUAL COST, BOTH TARIFFS.	
To New York	$0 80	From Toronto to Buffalo	$0.30 — $0.00
		Buffalo to New York, 500. Reduced to Canada Money	$0.25 — $0.50
To Philadelphia	$1.05	From Toronto to Buffalo	$0 30 — $0.00
		Buffalo to Philadelphia 750. Reduced to Canada Money	$0 52 — $0.00
To Washington	$1.30	From Toronto to Buffalo	$0 30 — $0.00
		Buffalo to Washington 900. Reduced to Canada Money	$0 62 — $0 92
To Baltimore	$1 50	From Toronto to Buffalo	$0.30 — $0.00
		Buffalo to Baltimore 850 Reduced to Canada Money	$0.59 — $0 89
To Chicago	$1.35	From Toronto to Detroit	$0 50 — $0.00
		Detroit to Chicago, 750. Reduced to Canada Money	$0 52 — $1.12
To New Orleans	$3.05	From Toronto to Buffalo	$0 30 — $0.00
		Buffalo to New Orleans, $3.75 Reduced to Canada Money	$1 90 — $2.20

NOTE.—The same illustration may be applied to all places in the United States. Canadians are obliged to pay a profit on the published rates.

Subscription Books are now open at the office of the Company, 83 King Street East, Toronto and No. 6 Indian Chambers, Hospital Street, Montreal.

H. B. REEVE,
Secretary.

W. G. BEACH, Agent.

Montreal, 12th October, 1868.