

been ruined by the tactics of these agents in their efforts to discourage rural telephones in Canada.

Twenty-five years "Bell" policy in Canada, from 1880 to 1905, resulted in the placing of 90,000 telephones, less than 67,000 of which were in the territory of the Bell Telephone Company of Canada, the balance being distributed among the Maritime Provinces, British Columbia, and a few small independent companies. To-day there are approximately 200,000 telephones in the Dominion, of which the Bell claim about 120,000.

I might take up your time indefinitely with examples furnishing convincing proof that in no part of the world have the people enjoyed the benefit of the telephone service to the same extent under monopoly as they have under competition, but I do not wish to exceed the limits of your patience.

As however, it is sometimes stated that conditions upon this side of the Atlantic differ widely from those in the Old World, I would like to call your attention to one very convincing proof of the benefit of competition under European conditions. I mean Stockholm, Sweden, which is to-day the best telephoned city in Europe, if not in the whole world. In 1880 the International Bell Telephone Company established an exchange in Stockholm. Three years later an independent company was organized by local capitalists, and in one year this company had 2,300 subscribers against 900 of the "Bell". The Government deciding to monopolize the telephone business purchased all the "Bell" exchanges outside Stockholm and established a third competing system in Stockholm, believing no doubt that with its ownership of the outside systems and the long distance lines that the city companies would soon be out of business. This three cornered fight continued for a few years, when the "Bell" decided to sell out to the local independent company which is still operating to-day in competition with the Government. In October this year the independent company had 52,500 subscribers, while the Government has about 25,000, a total of 78,500 subscribers, or 230 for each 1,000 inhabitants of Stockholm. Need we go further for any proof of the fact that telephone competition will do as much for the Old World as it has for the people of the United States, or in refutation of the claim that the telephone is a natural monopoly.

It is further significant that in Great Britain monopoly was 21 years building up a system of 7,000 telephones in Glasgow, while four years' competition increased this number to 30,000; and proportionately similar results have followed competition in England wherever the Government permitted it to exist. The people of Great Britain are exceedingly unfortunate in the fact that its Government has never allowed competition in telephones such as we enjoy upon this side of the Atlantic.

To return however to conditions in the United States, here are a few results of competition in some of the cities, and I would call attention to the first figures in each case which are the product of twenty years monopoly.

Competition increased the number of telephones in St. Louis from 3,500 to 70,000 in 11 years;

Cleveland, from 5,500 to 55,000 in 10 years;

St. Paul, Minneapolis, from 4,800 to 60,000 in 7 years;

Los Angeles, from 13,000 to 68,000 in 7 years;

Indianapolis, from 2,000 to 30,000 in 10 years;

Toledo, Ohio, from 2,000 to 22,000 in 8 years.

At the present time, as the result of competition:—

Toledo, Ohio, has 126 telephones per 1,000 inhabitants.  
St. Paul, Minn., has 127 telephones per 1,000 inhabitants.

Indianapolis, Ind., has 131 telephones per 1,000 inhabitants.

Portland, Oregon, has 131 telephones per 1,000 inhabitants.

Kansas City, Kan., has 132 telephones per 1,000 inhabitants.

Grand Rapids, Mich., has 146 telephones per 1,000 inhabitants.

Los Angeles, Cal., has 215 telephones per 1,000 inhabitants.

In the light of these figures need I go further than Chicago for an answer to the question "is the telephone a natural monopoly?" In Chicago to-day there are 68 telephones to each 1,000 inhabitants, as a result of over thirty years monopoly, or approximately only 170,000. If Chicago was telephoned to the same extent as Stockholm, Sweden, its system would comprise 575,000 telephones; if to that of Los Angeles, 537,500. I leave you, gentlemen, to solve the problem of who is going to furnish the 400,000 telephones necessary to enable this city to supplement its reputation of being the largest telephone manufacturing centre in the world with the proud boast that it is also the best telephoned city on this continent.

In conclusion I might call your attention to the benefits which telephone competition has brought to every community in the enormously increased capital expended in the employment of labor, in money saved as a result of the facilities afforded to thousands of communities where monopoly restricted the use of the telephone, and many other advantages which have accompanied the independent movement in its triumphal march of the past fourteen years. Monopoly has always restricted, and will for all time restrict, the use of the telephone to a few, while competition has not only improved and cheapened the service, but has placed it within reach of innumerable thousands who otherwise would have been deprived of its benefits.

Natural monopoly does not exist in fact, for nature and monopoly are the direct antithesis of each other.

Therein, lies the secret of the success of the independent telephone movement, the tide of which no tactics or conspiracy of its enemies, and not even the treachery of its erstwhile friends, will avail to stem.

## To Meet the Combine

To offset the combine of the American Telephone and Telegraph Co. with the Western Union Telegraph Co., it is stated that a working agreement has been made between the Postal Telegraph Co. and the Independent Telephone Companies of the North Western States, and that this arrangement may be extended all over the States.

In the United States, there are 40,000,000 telephone and telegraph poles, valued at \$200,000,000.

The net earnings of the American Telephone and Telegraph Co., last year, were \$19,419,413, which is \$1,522,256 more than for the previous year.

Mr. Jas. Pender told the Board of Trade, at St. John, N. B., that while in Australia, he found that the Government owned telephones cost from £4 to £5 (20 to \$25) a year.