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up of local capital organized as a regular corporation, and may include but a single city or town, or even a number of counties; the Bell Telephone Company is always a branch of the American Bell Telephone Company, with headquarters at Boston, and in every case the sub-licensee company are absolutely controlled by the parent or American Bell Telephone Company, they owning, at least, 51 per cent of the capital stock of all. These sub-companies usually cover an entire State, and in some cases three or four States; but in every case they are compelled by the parent company to pay a rental of from two dollars and a half to three dollars per year for each transmitter and receiver in service. Their methods are usually the methods of all monopolies, and their competition easily met by the local or independent companies.

The American Bell Telephone Company are the owners of the entire long-distance telephone system of the United States, and which operates in conjunction with all of the Bell sub-licensees and makes contracts with only such companies.

The independents, as stated before, are usually organized by local people and the capital composed of local capital; and in certain areas certain independent toll-line companies have been organized, who make exclusive toll-line connecting contracts only with independent operating companies. The consideration and rules covering these connections vary largely, but the most favoured plan is a certain percentage allowed by the long-distance company to the local company on all tariff tolls originating with that exchange, the said exchange handling all incoming business without cost to the long-distance company. This percentage or commission ranges from 20 to 50 per cent of the gross tolls originating from each station.

The independent long-distance companies in this country have succeeded in forming what is known in the Central States as the 'Toll-Line Conference Committee.' This committee is composed of a number of long-distance companies, covering practically all of Pennsylvania, Western New York, Ohio, Kentucky, Michigan, Indiana, Illinois and Missouri. They have succeeded in standardizing methods of construction and apparatus used until the service is superior to that rendered by competitors.

Until recent years the rural communities received no consideration whatever at the hands of the monopoly, or the Bell Telephone Company; but when the independents came into the field, some of the newly-organized independent companies were wise enough to consider their demands and extended lines into the country, furnishing service to these districts at reasonable rates; the lines usually extending not to exceed eight miles from the nearest exchange, and were usually metallic lines with not less than ten or more than fifteen upon a line, employing what is known as a 'bridging telephone.' The operation of this line was by means of a series of code signals, being one, two, three, and so on, rings, which, of course, limited the number of instruments which could be used on the line practically, by reason of the multiplicity of signals after a certain number had been installed. There are some objections raised, occasionally, to this system, viz.: that there is no secrecy in the conversation held; but it is found that farming communities, as a general rule, do not object to this feature of the farm line, and it has, therefore, been generally adopted in this country and is today considered standard rural telephone practice. As stated before, in many cases the local companies build these lines and furnish the telephones, charging the farmer for such service from \$12 to \$24 per year, according to the locality and the length of the line from the central office. In other communities, the farmer builds the line up to the city limits, furnishes his own telephone and maintains the line and telephone, paying the local company for switching and exchange service a fee of from \$3 to \$8 per annum, according to the number of telephones upon the line. In other cases, the entire community are connected with a mutual system. This includes not only the farm lines, but the central office and local exchange as well. These exchanges are usually built and operated upon the co-operative or mutual plan, that is, each subscriber to the exchange is a shareholder in the company, paying for such share a certain amount of money, ranging from \$30 to \$60, according to the locality and the character of the exchange which the company build. These companies are not as popular as they were some years ago, as it has been found that the telephone business has developed so