

licenses should be granted to companies, in view of the possibility of their being bought by the existing monopoly. Municipal telephony was dealt with and reports presented to show the operation of the systems in Glasgow, Tunbridge, Wells, Trondhjem (Norway), Amsterdam, and St. Petersburg. In small countries, such as Switzerland, Luxemburg, and Guernsey, state ownership and operation of telephones has proved a success, but not in large countries, such as France and Germany, which have both tried the experiment. Mr. Dagger suggested the following policy: Government ownership and control of the long-distance lines; Government control of the local systems. The telephone and telegraph lines of the existing companies could be duplicated for \$3,300,000. Regarding local systems, existing companies should be brought under control of a Government department; municipalities should have the power to give or withhold right-of-way privileges; and municipalities so desiring should be granted licenses to operate systems. With regard to rural telephones, Mr. Dagger recommended that co-operation on the part of the farmers themselves should be encouraged, the Government requiring all systems to be built in accordance with uniform specifications, and all such systems to have the right of connection with the nearest local system and with the long-distance system upon payment of proper charges.

Alpheus Hoover, of Green River, Ont., who organized the Markham and Pickering Telephone Co., was the next witness and gave evidence as to the cost and construction of his company's line. The company is operating at Markham, Locust Hill, Green River, Whitevale, and Brougham, and co-operation with similar companies, so as to make connections with Stouffville, Claremont, and Pickering. The company was denied connection with the C.P.R. station by virtue of the agreement between the railway and the Bell Telephone Co., and they have been denied connection with the Bell Company's lines except under conditions which they considered exorbitant.

Angus Cameron, of Beaverton, Ont., told of the Independent Telephone Co., which was established about three years ago in the neighborhood of that town. The company was conducted as a private partnership and had an exchange of 32 telephones. They were handicapped, however, in being refused connection with the Grand Trunk Station, and in being refused connection with the Bell trunk lines, except at an exorbitant price. The result was the system was sold to the Bell Telephone Co., who improved the equipment and raised the subscribers' rates.

John Crawford, M.P., of Neepawa, Man., told of the municipal system on that town and the difficulty of getting connection with the long-distance lines. The Bell Telephone Co. has an office in the town and has about twelve subscribers. Anyone wishing to speak over the long-distance has to pay the regular toll, whether he is a subscriber or not. The municipal system can get no connection with the long-distance lines. The municipal system has been in operation nearly six years, and is giving good satisfaction. It has paid well since its inception, and the business is constantly increasing. The town has not yet made any rural connections but is considering the matter. Connection is had between the municipal system and the C.P.R. Station.

Joshua Dyke, of Fort William, described the system in that town and Port Arthur. The systems are owned separately by the two towns, but there is free connection between them. Installation began in November, 1902, and has been extending ever since. Now there are 500 telephones in Fort William, and 515 in Port Arthur. Rents are \$1 per month for domestic and \$2 for business. Connection is had with the Canadian Northern Railway, but not with the Canadian Pacific, owing to their agreement with the Bell Co. The agreement between the Bell Co. and the C.P.R. was made in May, 1902, after the municipal telephone debentures had been advertised, and as there had been no talk of anything of the kind before that time, the agreement is regarded locally as a direct effort to destroy municipal ownership of telephones. The efforts of the municipalities to establish a system was antagonized by the Bell Co. by the installation of free telephones and by misrepresentations calculated to injure the municipal credit. The municipal system has been a financial success, and the citizens are perfectly satis-

fied with the service. The agreement between the Bell Co. and the C.P.R. is generally regarded as a restraint of trade and a great public inconvenience. The matter came up before the Railway Commission last summer, whose decision was that the agreement was binding, but Mr. Blair recommended that it be referred to the Supreme Court. Statements as to equipment of the system and the financial standing were made in detail.

Information relative to the Sprague Telephone Company, of Demorestville, Ont., was given by letter from the manager, John A. Sprague. This company now has two hundred miles of line and two hundred subscribers, being the largest rural telephone company in Canada. Private capital is used by the company, and service is given for \$10 per annum. Arrangements are now made for the use of the Bell trunk lines, so that subscribers have a complete system.

The first annual report of the Harrietsville Telephone Association, Limited, of Harrietsville, Ont., shows that this co-operative association has twenty-five miles of metallic circuit composed of four party lines, with forty-eight telephones installed, and the report states that it has been impossible to give service to all who have desired to use the system. One hundred and thirty-five shares at \$10 have been sold, and sixty-five more shares are now for sale to allow of extensions.

Alex. D. Bruce wrote from Gormley, Ont., of the company with which he is connected, which now has twenty-five miles of two-wire line with forty telephones installed. The line extends from Stouffville to Markham and the surrounding country in Markham township and Whitechurch. \$12 per year gives a subscriber use of the entire system. The company is now considering an extension to Aurora, adding about sixteen miles of line and about thirty telephones.

Alderman Norman Andrews, of Brantford, led the fight against the Bell Telephone Co. in that city last year, and he has examined telephone systems throughout Canada, also in England and Germany, and the system in Amsterdam. He believes the best system for Canada would be Government ownership of long distance lines and municipal or independent ownership of local lines. The Bell Co. paid the city \$450 annually for their franchise, and charged \$25 for residence phones and \$30 for business. The franchise expired last year, and the company offered \$700 yearly for a renewal, and ten phones for \$200 for the city's use. A renewal was not granted, but the council took up the question of a municipal system. An estimate was prepared for an exchange of 500 phones, showing a yearly expenditure of \$7,780 on a capital of \$35,000. Rates were to be \$12 for residence and \$25 for business. A depreciation of 2½ per cent. was allowed, which figure was supported by many authorities. An expert of the Bell company made an estimate, in which he allowed 10 per cent. depreciation, and this, together with the suggestion that in the event of the construction of a municipal plant the Bell would deny connection with long distance lines, and connection with the railway stations would be impossible, constituted the opposition to the municipal scheme. A by-law to provide for the construction of a municipal plant was prepared, and was to be submitted to the people, when the Canadian Machine Telephone Company made an offer for an independent franchise. The by-law was withdrawn, but no agreement has been made with the Machine Company. Meantime a new council has been elected, and the telephone question is still in abeyance. No renewal has been granted to the Bell Co., consequently there is no revenue at present from that quarter. The council is now advertising for an independent system, and also for a plant to be established by the municipality. Since the agitation the Bell Co. has extended its lines throughout the country surrounding Brantford, party lines have been introduced in the city, thus increasing the number of phones, the long distance equipment is supplied without extra charge, and the charge for extension phones has been reduced from \$20 to \$12.

The British Columbia Telephone Co., an independent company, owns all the telephone lines in that Province. General rates are: business, individual, \$4 per month; business, two party line, \$3 per month; residence, individual, \$3 per month; residence, two party line, \$2 per month. In small places the rates are lower. These rates are nearly