

APPENDIX No. 1

those few in a small way of doing business; there were then no standard instruments and even those were of a very crude nature to what they are now, and then again the independent manufacturers have gone on improving these every day since. Our system started with 24 subscribers, among whom Dr. Cash, M.P., was one, and just as the demand increased provision was made for new subscribers; again just as the different parts of 'phones were improved these replaced our obsolete parts. This, by the way, is to show how hard it would be to answer some of your questions, and if answered, how unfair it would be to compare the cost of this installation with a new one. Again, I am myself a practical man and all the separate parts of our whole plant have been purchased from so many different manufacturers and assembled here by my own hands.

I am enclosing specification and drawings (which are practically the same as the Canadian patent granted me) of the local system that we have installed here. As to its working and the general satisfaction that it gives, I would advise you to call in Dr. Cash. Any further information that you might wish for I will only be too pleased to give on request.

Yours truly,

THOS. PAUL.

No. 33.

STROMBERG-CARLSON TELEPHONE MANUFACTURING Co.,
ROCHESTER, N.Y., April 21, 1905.

The Hon. W. MULOCK,
Postmaster General and Chairman Select Telephone Committee,
Ottawa, Ont.

MY DEAR SIR,—We have the honour of acknowledging the receipt of your communication under date of April 6, addressed to our Chicago office, which has been forwarded to this office for attention.

We have before us a number of the various press comments on the telephone situation in your country, and are very pleased, indeed, to lend you any assistance possible in acquiring an accurate knowledge of the telephone situation as it exists in the States.

There is, probably, no industry in the United States which has made such rapid development as the independent telephone industry, there having been less than one hundred thousand dollars invested in this industry in 1895, and variously estimated from two hundred and fifty to three hundred and fifty million dollars at this time. It is quite difficult to compile reliable statistics touching upon this subject, by reason of this rapid and enormous growth.

Until recent years the independent movement developed along, what you might say, individual lines, each company organizing, building and operating without reference to its neighbour; but in recent years the necessity of closer relations has led to the organization of a number of long-distance, toll-line companies, connecting the various local companies, so that in certain parts of this country to-day the independents are able to give a long-distance service for a distance considerably exceeding one thousand miles; as, for instance, it is possible to carry on a conversation from Kansas City, Mo., to Pittsburg, Pa., a distance of something over one thousand miles, over independent lines, all of which has been accomplished in less than ten years.

We assume that it would be interesting to your Committee to know that in this country there are practically two telephone systems operating in a majority of the towns and cities. The only large cities which are not now connected with independent service in the United States are New York, Boston, Washington, New Orleans, Detroit, Milwaukee, Denver, San Francisco and Portland, Ore. In many of the cities mentioned, franchises have been granted by the municipalities; companies have been organized, and many of these will have exchanges completed and in operation within the next three or four years. The two systems mentioned are composed of, generally, the Independent and the Bell; the independent companies usually being made