

APPENDIX No. 1

No. 232.

COUNTY CLERK'S OFFICE, UNITED COUNTIES OF STORMONT, DUNDAS AND GLENGARRY.

CORNWALL, ONT. June 29, 1905.

ADAM ZIMMERMAN, ESQ., M.P.,

Chairman pro tem, Select Committee *re* Telephone Systems,
House of Commons.

SIR,—I beg to advise you that the circular letter of 2nd June of Sir William Mulock, chairman, was duly received and laid before counties council of these united counties at their session last week, being referred to committee on communications. In their report, which was adopted in council, appears the following, after referring to the letter of Sir William, dealt with:—

'We recommend that the clerk be authorized to communicate the following information to the chairman of committee in question:

'1. That the Bell Telephone system is the only one in operation in these counties.

'2. Its present charges are \$15 for house, and \$20 for business 'phones. New and improved 'phones are to be shortly installed, when the rate is to be increased to \$20 and \$25 respectively.

'3. The committee tried to procure information from the local office as to the number of subscribers in these counties, but we were informed that such information could only be had from the head office. There are about 300 'phones in town of Cornwall.

'4. That the committee considers the present message rates and annual rentals much too high.

'5. The committee favours government control for long-distance, and either government or municipal control for local business.

'6. Some years ago a new company, known as the Dundas Telephone Company, was formed to compete with the Bell, and for a time did business with satisfaction to the subscribers at rates of \$10 and \$15 for annual rentals, and their ordinary message rates being about the same as the Bell Company. They were eventually driven out of business by the Bell Company's opposition, and were obliged to dispose of their business, at a great sacrifice, to the Bell Company. This was brought about by the latter company giving free 'phones where those of the others were in use, and by instituting an action for damages alleged to have been caused to their line by the placing of the Dundas Company's poles and wires in too close proximity to the Bell Company's line. Intimidated by this course of "competition" (?) the Dundas Company succumbed, one of its principal promoters being ruined and others financially crippled to a greater or less extent.

'7. The present rentals of the Bell Company are too high to enable people in the rural districts to take advantage of this means of intercommunication. If the rates were reasonably reduced no doubt many additional subscribers would be the result. For \$15 or \$20 a farmer or rural resident is placed in a very small circuit, and is charged extra for any service extending beyond that circumscribed limit.

'The foregoing suggestions embody all your committee think necessary to communicate.'

I trust this may reach you in time to be of some service to the special committee.

I have the honour to be, sir, your obedient servant,

ADRIAN I. MACDONELL,
Clerk, S. D. & G.