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scribers to the municipal systems who, generally speaking, express the opinion that the service given by the municipalities is greatly superior to any with which they were acquainted under the National Telephone Company's monopoly. Furthermore, every municipality working has secured handsome balances of profit after paying interest and sinking fund on the capital outlay. As a rule, the loan is only granted for twenty-five years, Glasgow, which has thirty years, being an exception, so that the amount which has to be set aside for sinking fund every year is very considerable. Under these circumstances, it appears to me that the value of Mr. Webb's evidence is very greatly discounted and should be received by your committee with the greatest caution. The National Telephone Company's monopoly has been hardly hit in this country by the action of the municipalities, and if a large number of the municipalities had had the courage to undertake telephones the company would have been altogether destroyed, as experience shows that it is quite unable to hold its own in competition. The company, therefore, evince the greatest anxiety to discredit municipal enterprises, and as there is a strong link between the British and American telephone interests, it can be understood that every effort will be used and no expense spared to prevent municipal telephony taking root in Canada or the United States.

I would respectfully submit, therefore, that if your committee have any doubts as to the complete success of the British municipal systems, you should hear evidence from some witness qualified to speak authoritatively on all aspects of municipal telephony. As I stated before, I trust soon to be in a position to forward you copies of the various municipal accounts for the year ending March 31. These have not yet all been confirmed by the town councils, but I trust they will soon be confirmed and printed.

I have the honour to be,

Yours very faithfully,

A. R. BENNETT.

No. 162a.

15 DEY STREET,
NEW YORK, June 17, 1905.

The Chairman,
The Select Committee on Telephone Systems,
House of Commons, Ottawa, Ont.

SIR,—I notice there has been published a letter addressed to the committee by Mr. A. R. Bennett, making various personal references to myself. It seems to me that the tone of these remarks requires no comment or reply. I stated in my evidence before the committee that I was retained as consulting expert by the National Telephone Company, and stated my qualifications in full.

I have only to say, in commenting on Mr. Bennett's letter, that his statement that experience shows that the National Telephone Company has been unable to hold its own in competition with the municipal systems is contrary to the facts. In every town in Great Britain where there is municipal competition the National Company's system is much the larger of the two, and is gaining new subscribers at a more rapid rate.

Very truly yours,

HERBERT LAWS WEBB.