

of his own accord he seldom thinks of the other fellow's difficulties. When he hears of an effort to increase the cost of his telephone service, his first impulse is to "go up in the air" and object strongly to enlarging the company's income.

When facts and figures are given him, showing that the company, as well as himself, has been burdened with increased expenses, he is more inclined to take a reasonable view of the situation. It is, in fact, the old story of the company taking the public into its confidence—and it's a story that cannot be told too often or emphasized too much.

\* \* \* \*

Roland B. Woodward, one of the speakers before the New York telephone convention, stressed the same point. As general secretary of the Rochester Chamber of Commerce and a regent of the University of the State of New York, Mr. Woodward has had much public experience, and has learned the importance of public relations.

He emphasized the idea that the public owes a duty to the companies which give them utility service, but he reminded the telephone men he was addressing that the companies also have a distinct duty to the public, namely, in keeping them informed as to conditions.

Lack of needed information causes most of the trouble in the world anyway. Where there is complete knowledge of conditions on both sides, there is apt to be sympathy and understanding—and that means harmony and helpfulness.

\* \* \* \*

Experience will show that these conferences of Class A company officers are

### COMING CONVENTIONS.

Vermont, Fairlee, Lake Morey Inn, June 18 and 19.

Washington, Spokane, Davenport Hotel, June 19 and 20.

Indiana, Indianapolis, Claypool Hotel, September 23 and 24.

United States Independent Telephone Association, Chicago, Sherman Hotel, October 13-16.

most helpful. They enable executives and department heads to confer together and exchange information and ideas to better advantage than is possible during the commotion of a national convention, and more real work is accomplished.

This is in no derogation of the indispensable value of the national meeting, which all concede, but is in recognition of the principle that the most effective committee work is usually performed by the smallest committee. There may be "safety in numbers," but the small group is the one that gets action.

Much of the constructive work done at these conferences will bear fruit at the annual national convention. The April meeting brought out the fact that in 1924 the depreciation rate of the Class A companies was 4.3 per cent, a material gain over the 2.1 per cent rate of 1916, which was admittedly inadequate. If the Independent group as a whole can be awakened to the necessity of creating an adequate depreciation reserve such conferences will be amply justified.

\* \* \* \*

The district conferences of the B and C Class companies that are scheduled to be held during the next two or three months

in the various sections of the country should be largely attended. Efficient management has been declared over and over again as the great need of the industry—particularly among the smaller companies.

These conferences will bring the persons responsible for management together so they may compare results and ascertain weaknesses in their managerial or executive policies.

\* \* \* \*

There has been considerable financial comment on the action of the New England Bell last week in reducing its dividend. In the June quarter it will pay \$1 per share instead of the regular \$2. This will make New England investors pay more serious attention to the claim of the company that service rates are much too low. Apparently, they are.

President Jones says that while rates are only 15 per cent above pre-war levels, operating costs—principally labor—will average 60 per cent above the pre-war figures. That, in a nutshell, accounts for the necessity of reducing the dividend rate. Applications for advances in rates are pending before the commissions of the various states, and the chances are that investors will now feel more interest in securing a favorable decision.

\* \* \* \*

As long as a company continues dividends—even though paying them out of surplus—the average stockholder remains indifferent to its problems; but when his own return is reduced he is likely to demand justice for the company in the shape of better rates.

Eventually this reaction may prove helpful to the New England company.

## Half a Century With the Telephone

Reminiscences Concerning the Telephone; a Story Unsurpassed in Thrills and Charm by the Classical Romances—Important Facts Established and Lessons Learned—Address Presented at Convention of South Dakota Association

By Charles E. Hall,

Secretary, Northwestern Bell Telephone Co.

Reminiscences may be classified variously. I believe we can all agree to three classifications:

First, those that are tiresome, boring and of but little apparent value.

Second, those that are helpful in pointing out precedents, guarding against mistakes and in determining fundamentals, and

Third, those that are interesting and

charming, charming as were those of the Moor of Venice who, by telling the wonderful story of his life to the beautiful Desdemona, won her for his bride.

We shall endeavor in what follows not to touch on those in the first class; and, of those in the second class, use a few for the purposes suggested; and in order that there shall be interest and charm we shall confine the story to "Reminiscences Con-

cerning the Telephone for the Past Half Century, or from 1875 to 1925."

No story of Sharazad, no adventure of Marco Polo, no romances of Dumas or Scott, no achievement of men, can compare with the wonderful story, thrilling adventure, charming romance or matchless achievement of the telephone. It is one of the few great inventions that have leaped from the inventor's brain, fully born.

It was invented through the application of electricity to well-known acoustic mechanical and physical principles. The universal application of electricity as we are accustomed to today was not in use then nor was its great worth understood.

There were no internal combustion engines, no automobiles, no electric motors, no X-ray apparatus, no aeroplanes, no radio telegraph, no radio telephone, no diathermal apparatus, no incandescent electric lights and no telephonic photography. All these have come into use during the past 50 years.

We sometimes lose sight of the fact that we are living in the electric age—the age that has contributed more to the progress, achievement, comfort and happiness of the human race than any other age in history.

Some of us can look back over the years in this age, and into those just preceding, and note the contrasts and take into account that which we have now that we did not have then and how important a part the telephone has played in the great appreciation of all of life's values within the past 50 years.

We would not lose sight of the great strides of advancement that have been made along other lines during the past 50 years, particularly in medicine and surgery and chemistry. The mention of just a few of these achievements here will enable you to recall the rest.

We did not know of the bacillus of tuberculosis and malaria until 1880. We did not know how yellow fever was transmitted from one human being to another and how to stamp it out until after 1879. We were close on 1900 before surgery came to the relief of appendicitis. Pasteur's researches for the prevention of infection and the discovery of his hydrophobia toxin did not come until ten years after the invention of the telephone.

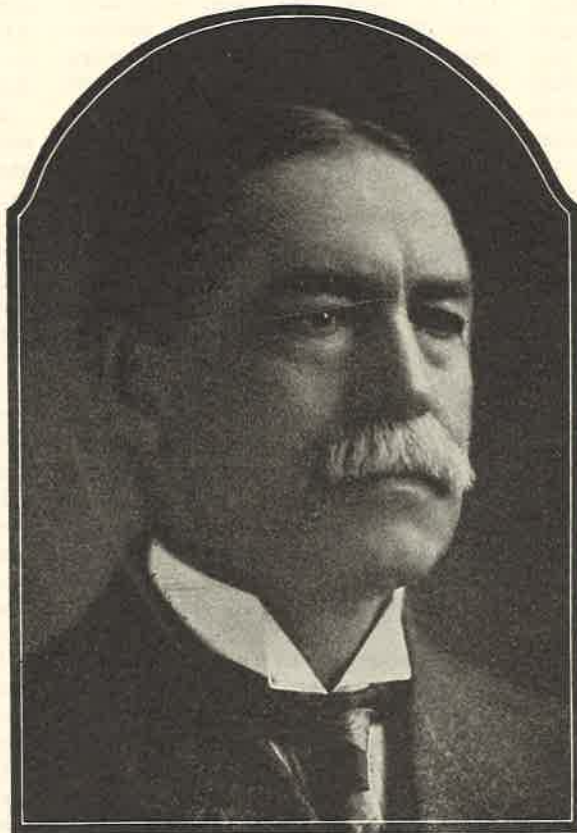
The use of electricity in surgery has saved thousands of lives—the use of X-ray in diagnosis and in treatment; the use of the telephone for locating foreign metallic substances in the body and the electric motor in driving bone-cutting machines, lowering the time when a patient is under an anaesthetic 50 per cent; electric cautery, diathermy, etc.

In chemistry we have the electrolytic processes for reducing ores; the production of abrasives like carborundum and the production of aluminum, and so on with many other wonderful discoveries that we enjoy today.

Throughout all of this unparalleled half century the telephone has played an important part in the great drama portrayed. No other application of electricity can

point to such wide use, so much wealth invested, so many people directly employed, so much in benefits conferred or so much service value for the price paid.

It is forever being improved, and in its possibilities for further service it is far ahead of our requirements. The perfection of transcontinental and submarine telephony, radio telephony, telephonic photography, etc., is away beyond our demands and use. Contrast this with the condition existing 50 years ago and visualize what this day would be like or worth if we were dropped back 50 years.



"No Story of Sharazad, No Adventure of Marco Polo, No Romance of Dumas or Scott, No Achievement of Men, Can Compare With the Wonderful Story, Thrilling Adventure, Charming Romance, or Matchless Achievement of the Telephone," Says Charles E. Hall, of Omaha, Neb.

We would not have you believe that the period closing with 1875 was like the end of the Dark Ages. Far from it! The condition of society then was at the highest peak it had ever reached since history had been recorded. Our standards of living were the highest in the world. We had more of the comforts of life than any other people.

In 1875 Dakota was essentially on the nation's frontier line. From one of its forts in 1876, Custer marched away to drive back the Indians who were menacing its citizens. One standing on this ground 50 years ago could talk with those who, but a few years before, had watched tribes of the mighty Sioux roam over these prairies; could talk with participants in Indian wars and survivors of massacres.

Then one day a farmer stuck the point of his breaking plow into the flowering prairie sod and thereby laid the foundation of his home and your peerless state.

Those who have never seen the virgin prairie have missed an experience never to be duplicated; a scene of beauty never to be equalled again, and thrills of exaltation and awe that nothing else ever will produce.

If you have never seen a twilight mirage or thunder storm approach across the prairie, you have missed much of the beauty, mystery, charm, wonder, majesty and fearful force exhibited by Nature in her various moods.

Thus the Dakota farmers who watched the jagged lightning dart from the rain clouds in the summer of 50 years ago little dreamed that in a few short years this darting flame would be harnessed to transmit speech over all the land, under its rivers and parts of the seas beyond, thus to contribute to his comfort, welfare and those of all mankind.

The progress made in living conditions is more marked in your state than in some of the older ones. This wonderful land is very new after all. It did not become a state until 14 years after 1875. I am more familiar with conditions in one of your sister states, that of Iowa. So the comparisons I wish to make will be made there.

In 1875 Iowa had been a state for 29 years. During that period the great Civil War had been fought and the results were still keenly felt. Business had not fully recovered from the dire effects of that conflict. There were empty chairs in many homes, empty sleeves on many coats and sad memories in many hearts.

But out of that time Iowa was emerging into a fairer day. Cities, towns and villages dotted her fertile prairies. Frame dwellings and farms had taken the place of the

log cabin and straw sheds on her farms. Bridges spanned the once unfordable streams. Railroads traversed the state, supplanting the stage coaches. Education was well advanced so that Iowa was soon to be renowned among the states of the Union as having the lowest percentage of illiteracy of any.

The hard life of the pioneer had been greatly softened. Trials and hardships had given way to many joys and comforts. Progress was everywhere apparent and great gains were realized when this new order was compared with the days from '46 to '66.

Improved and delightful as were the conditions in 1875; great as was their value over those of '46 to '66, there still remained the knowledge that there were



other things needed before perfection would be approached in social comforts and welfare.

There was something lacking which, if supplied, would make family life happier and more secure; that would add wings to business and satisfaction to its transaction, and that would be an agency of incalculable value to society generally.

This feeling was not new nor peculiar to Iowa. It had been felt by every civilization since history has recorded the story, from Babylonia and Egypt down through that of Greece, Rome, Europe and the American states.

It was noted in business by the unsatisfactory results often attained in its transaction, through messengers. Business men deplored the necessity of leaving their offices and stores to personally attend to matters outside and some distance away from their places of business.

The lapse of time and misconstruction of statements, when the mails and other agencies of communication were employed, were often felt, and in the aggregate of these were many instances of direct business losses.

In social life, within the same town or village, neither a letter nor a telegram would suffice to communicate with a friend, with a tradesman, report a fire or summon a physician. Personal journeys or those by a messenger were required.

Dissemination of news was through the weekly newspapers, and while the mileage distance between cities and towns was the same in most instances as it is today, there was a feeling of greater separation and distance than is felt now. This was occasioned by the knowledge of the time required to visit a distant member of the family or a friend, even if the occasion were one requiring but a few words. Then there was the consequent expense attendant on such a visit.

On the farm, many of these conditions were experienced more acutely if anything than in town. Those who lived in those days will recall times when hamlets and villages were cut off from the outside world for days by floods or impassable roads.

Wagons were loaded with hogs or grain, and a long day consumed in driving to market, only to learn that the market was supplied or the prices had greatly dropped. On other occasions a trip would be made for repairs for a piece of farm machinery, only to learn that there were none on hand at that town.

On a summer day with a sunshiny sky, the reaper would be started in the standing grain, or the mower in the grass, to be followed within several hours by a heavy, steady rain whose coming could not be announced to the farmer hours ahead as now.

Then there was the ever-present need of some means to summon relief from many adverse circumstances, as repairs after storms, relief to sick stock, help when

buildings or stacks took fire, help when thieves or vandals menaced and more acute than all help when dear ones were injured, sick or dying.

Mounted on a horse, speeding along a lonely road at dark of night to the village for a doctor, many a farmer or farm boy, worn by anxiety, depressed at the loss of time consumed in the trip, prayed for the day when in some way, not then known, one could overcome these conditions.

The thing needed then was something to eliminate the isolation and loneliness of many farm homes; that would shorten distance between communities; that would bind the world into closer relationship, state with state, town with town, and person with person; that would give new zest to all social activities; that would diffuse news and knowledge as never before; that would afford protection from fire and flood and summon help speedily in distress, and become a valuable and indispensable adjunct to every business and profession.

This desideratum was improved communication. The mails and messenger service were probably the best then that they had ever been, and Prof. S. F. B. Morse, in 1864, had given to the world the electric telegraph. This in a large measure had supplanted the pony express and speeded up the railway mails, but important and valuable as his invention was then, and is now, it did not and could not supply the

### Management Determines the Service Rendered.

**The success of any institution or industry is measured in a large degree by the friendly support and cooperation of the people it serves, and this is particularly true of the public utilities corporations.**

**It is well to keep in mind at all times that we are in the business of serving the public, and that it is the service we render, not the service we promise, that secures for us its confidence and support.**—George R. Fuller, president, Up-State Telephone Association of New York.

entire lack in communication facilities, for several reasons:

(1) Skill was required to operate it; (2) Not every community was supplied with its service; (3) it could not be used in the average business as a substitute for a messenger, that is, between business houses in the same town; (4) its value to the farmer was always indirect.

Then one day in Boston, in the garret of 109 Court street, a tall Scotch professor, experimenting with what he supposed was a musical telegraph, spoke into the wooden box which contained it. This box was connected by a wire with a duplicate box in charge of an assistant located in the basement of the building.

The words that Professor Bell spoke on that March day in 1876 were: "Mr. Watson, come here, I want you!"

Mr. Watson, in amazement, dropped the box that he was holding, rushed up three flights of stairs, burst into the garret and exclaimed: "It talks, I could hear you!"

And thus the telephone was born.

The succeeding months grew into years before the invention became more than a scientific toy. The first line to be built and operated as a telephone line was the experimental line constructed between the residence of Charles Williams, Jr., at the corner of Arlington and Lincoln streets, Somerville, Mass., and his electrical shop at 109 Court street, Boston, the birthplace of the telephone. This line was first used on April 4, 1877.

Business men at first were very slow to adopt its use or to concede that it might have social, practical or commercial value, so development was correspondingly slow. In 1876 the writer was a farm boy in Michigan, who delighted to hear his uncle read from one of the great weekly newspapers all of the news and incidents chronicled about the busy world lying beyond the horizon of our farm. On one of these occasions, my uncle read of an invention then on exhibition at the Centennial Exposition in Philadelphia with which one might transmit speech over a wire.

I can see him now, as he laid the paper down after reading this item and hear him say: "Boys, you need not believe that story. It is only a newspaper yarn. It is strange to me that newspaper writers think their readers so gullible as to believe that it is possible to talk over a wire. If, in their story, they would have persons talk through a wooden pipe or an iron tube, there would be some sense to it."

I little thought then that within eight years I would be identified with the construction of telephone lines, with the development and expansion of one of the marvels of the age, and that my field would be in Iowa or that I would continue there for 27 years.

"The Story of the Telephone" is so dramatic that it is hard to confine it to a single lead. But to return to the early days. The first circular, advertising the use and practicability of the telephone was apologetic of its defects as well as an exponent of its virtues. This was in May, 1877. Then telephones were leased to users who erected, at their own expense, the lines with which they were connected.

The first line thus built was between the residence of Roswell C. Downer, 170 Central street, Somerville, Mass., and the office of Stone and Downer, 27 State street, Boston. The former was the first residence and the latter the first business house in the world to be connected with a leased telephone.

Still the progress of the new art was slow, for on June 30, 1877, there were but 234 telephones in existence.

As an indication of the public attitude and a sidelight on the optimism of the inventor, the following story is told:

"One of the great men of Boston said to Professor Bell:

"Bell, it isn't even a good plaything. I'll agree to write a letter, walk to Cambridge with it, walk back with the answer, and get here long before you can ever get a reply over that thing."

Bell looked up from his apparent failure with a smile of confidence and said:

"I will make it work—the principle is right. We will find the way. The time will come when this boy here will be able to talk with anyone in New England without raising his voice beyond an ordinary tone."

The boy, Herbert W. Collingwood, commenting not long ago on this conversation, said: "I thought then that if I could ever face criticism and ridicule with such confidence, the world, or at least as much of it as is worth while, would be mine."

The first central office in the world to give exchange service between different telephone users was opened January 28, 1878, at New Haven, Conn. Other countries were becoming interested in the "toy," for on September 25, 1877, two telephones were sent to Japan; on October 6, 1877, two telephones were sent to Havana, Cuba; on October 9, 1877, three telephones were sent to Paris, France, and a little later two telephones were sent to China.

In the late 60's there came to Waterloo, Iowa, a young man of sturdy build, over six feet tall, curly blonde hair, blue eyes and restless energy. He has told how, as a boy in New Jersey, he had planned, some day, to have a farm of his own and had heard that there was land here almost for the asking, if one had the strength, grit and patience to break its sod and carry on at planting and cultivating it.

He found the cherished spot in Bennington township, Black Hawk County, Iowa, and with his own hands held the breaking plow that broke the prairie sod on what is today one of the finest farms in Iowa. In the winter interval between farming seasons he taught the country school near his farm.

It was on his father's farm in New Jersey that Prof. Morse had perfected his electric telegraph, and this boy was attracted to and learned the telegrapher's art.

The fascination of it claimed him after a year or so of farming in Black Hawk county and he drifted westward to where new telegraph lines were being opened beyond the Missouri river. Ambition, tugging at him, lifted him into the railway mail service, and soon he was chief clerk in a mail car running from Omaha to Cheyenne.

His genius for organization, his great executive ability, his ceaseless energy, his wonderful vision and perception, soon

brought him promotion to division superintendent; then shortly thereafter to superintendent of the railway mail service of the United States.

The Boston men, who were trying hard to make the telephone popular and successful financially, concluded that they must secure the best general manager possible, so Thos. Watson, who heard the first words ever spoken in a telephone, was sent to Washington to interview and report on the noted railway mail superintendent who

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### DEVELOP VOCATIONAL PATRIOTISM.

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**Make up your mind to develop vocational patriotism. You want to have the fire of a Crusader in whatever you are doing. You want to feel that you are commercially, economically, evangelists; that you are doing something that the world needs.**

**Make the thing you are doing the best of its kind—and then have a conscience that is clear.**—Dr. Wm. S. Sadler, before The Executives' Club of Chicago.

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would be asked to come to Boston, organize the business, plan its future, and further its development.

In exchange for a good position, he accepted a surmise; and in exchange for a salary he accepted golden hopes. Henceforth he was destined to direct the enterprise that had harnessed the jagged lightning of the summer cloud; to take it from beginnings of less than 300 instruments to millions, to build a business of less than \$10,000 to an industry of over three billions, to increase the number of people it would support from ten to over 550,000, to place in America 15,000,000 telephones, and within his loved Iowa the greatest number in proportion to its population of any other place in all the world.

It was in this way that the one-time Iowa farmer, Theo N. Vail, entered the communications field, where he became the dominant figure, greatest financial and organizing genius of his day, man of great vision and the most successful in accomplishment of any of his contemporaries. America's supremacy in communication development, in radio development, in underseas telephony, in humanity to employes, in improved social service, in safety campaigns, etc., are all traceable to him.

It was quite natural that he would be much interested in seeing the use of the telephone extended as far and as fast as possible, and he organized the company and perfected the greatest single agency for this purpose ever created.

When Mr. Vail was breaking up his Iowa farm, I was living on another eight miles away across the prairie from his and in later years, the young woman who became my wife taught school in the same schoolhouse that Mr. Vail taught in many

years before. It was my privilege to know Mr. Vail, and the stories he told me of his Iowa experiences before the invention of the telephone were many and delightful.

The young man who assisted Prof. Bell in his experiments, was Thos. Watson. Mr. Watson was one of the finest workmen on electrical apparatus in the whole country, and the first instrument to ever transmit the human voice, electrically, was made by him. Mr. Watson is living today a modest and accomplished gentleman.

There is an association of telephone people in America which is composed of those who have had 21 years or more experience in the telephone industry. Strange to say, Mr. Watson is not eligible to active membership in these Telephone Pioneers of America for, while he built the first telephone, he has never been engaged in the operation of a telephone system or in the manufacture of telephones. We honored the telephone association, however, last October by electing Thomas A. Watson to honorary membership.

Several years ago Thomas Watson came to Omaha and graciously consented to make a public talk in which he would tell how the telephone was invented. What a story! One of the participants in the invention of one of the greatest achievements in all the world's history—one that has contributed inestimable benefits to all mankind—was to tell how it came about, and to do so for nothing. We secured the Y. M. C. A. auditorium and the lecture was given.

Thomas Watson's story was delightfully told with charm and gripping interest. Those who heard it will never forget it. There were less than 200 in attendance and most of these were telephone company employes. The same week, a few blocks away on the same street, another Watson, "Billy" by name, packed the Gaiety Theater at good prices with a girl show whose magnetic pull was the size of the actresses in burlesque costumes.

Such is often the public's consideration of relative values and an evidence of the average person's estimate of the value of anything he gets from the telephone company. You either have to turn back the hands of time 50 years and show the people of today how life was lived before improved systems of communication were developed, or burn a telephone office down depriving them of telephone service for a while, to get many of them to concede that it has any value to them whatever.

I have had men tell me that the only reason that they had telephones at all was because it was a custom that had everyone in its grip and a fellow simply had to have one because his neighbor had. In several towns I have removed the telephone exchanges because the business men got together and all agreed not to use the telephone, thereby saving expense as they called it. That was 40 years ago.



Many have learned since that the service has value. But many have no idea of the true value. They seem to think that it is what they are willing to pay, not what they receive.

The people in South Dakota decided that there should be a law limiting the charge for switching a non-owned telephone, regardless of the cost of the service to the switcher or its value to the switcher. In another state a man went before the public service commission and protested vigorously against paying a rate of \$10 per month for his telephone.

While the case was pending, the company furnishing him his telephone service issued a new telephone directory. By some "unfortunate clerical inadvertence," his name or number was either misprinted or his name left out entirely. He could still use us telephone for all of his outgoing calls as well as before, and he received the larger number of his incoming calls, as telephone men know and believe to be true.

Nevertheless he sued the telephone company for \$3,600, alleging that the telephone was worth \$10,000 per year to him, and as a new directory would not be issued for four months, he demanded redress at \$900 per month for four months.

In other words, when the company asked an increase in his rate beyond \$10 per month, he was up in arms as \$10 was his limit. He didn't want to pay any more. He would not consider whether it was worth more than \$10 or not. When the service was impaired, its value to him jumped 89 times higher than the company was receiving for it.

All in all, however, these are better days in this respect than in the past, and it is as important to establish the value of telephone service as it is to employ vast sums in research and development to perfect the service.

Another great fact established by the march of the years is the value of the personal equation and the employment of "the Voice with a Smile." Don't for a moment lack in appreciation of the work done by women in this industry—it is of inestimable value. Women seem to have been particularly fitted, inspired, and, thank Heaven, provided for this great industry. They are its greatest treasure to be carefully cherished, guarded and appreciated.

Forty-five years ago the status of women in business and industry was not what it is today. The avenues open to them were few indeed. This was because of a misconception in the minds of the people, women as well as men, to the effect that a woman could not do this or that or should not do this or that. Accordingly, her employment as an operator was hardly considered, or even considered would be a better statement.

Boys and men were the operators. Noise and confusion, back talk and any kind of talk was the condition and rule. The old switchboards were cordless. Connections

were made with plugs between springs. The incoming lines ended on one row of drops set on a table. These tables were placed end-to-end along the side of a long room. Sometimes an operator would receive a call at one end of the room and be obliged to walk or run to the other end of the room to complete it. Going down, he might bump into one or more coming his way for a similar purpose. No one sat down; everyone was on his feet all day or night long.

As I came up the stairs one day to one of such offices, I heard a fearful racket and yelling and quickened my pace. Opening the door I soon found the cause of it all. The boys, tired of running back and forth on foot, had each put on a pair of roller skates and the yelling was caused

### A STUMBLING BLOCK.

The stumbling block of many a public utility executive is failure to realize that the all-important factor is to satisfy his customers. An executive would fail absolutely if the higher he rose the greater the importance he attached to himself.

The worst enemy a large corporation can have is an executive with a tendency towards a swollen cranium. Inevitably that man makes enemies for the company in his dealings with the public.—Samuel Insull.

by collisions and endeavors to hear through all the racket.

I was a night operator and while at that time we had been employing young women for quite a while as day operators, none had yet been tried as night operators. I remember I gasped at being told that at C they had a young woman for night operator. Later when I had seen her, she seemed no different from the day operators, except that she was more self-reliant and confident. I wish I could remember her name, for she was the first woman night operator in Iowa.

Quite recently Thomas Watson happened to be in New York and expressed a desire to see a modern telephone office. He was taken to the Knickerbocker office and remarked: "How quiet and satisfying, how suitable and efficient. I haven't been in an office for many years."

He, of all men, could see the wonders women have wrought in perfecting the service, in making it pleasing and acceptable, in being an invisible school for courtesy and service. If women were all to leave the industry tomorrow, it might go on, but never again in any measure so well. It would nearly wreck the industry. Keep this in mind in all your consideration of the material factors of the business.

The telephone industry has demonstrated the truth of the statement that there are exceptions to many rules.

Thirty-five years ago one would hear without objection that "Competition is the life of trade." And that "Monopolies are artificial and unnatural, vicious and inefficient."

When the patents expired on the telephone 32 years ago, a large number of men having considerable wealth and living in many different towns started a competition with existing telephone service and by this act established an exception to the rule that competition was the life of trade.

It was found that competition in the telephone industry would be the death instead of the life thereof, and the people, outside of those purveying the service, were the first convinced that competition instead of being benign was hostile to their best interests and comfort.

Afterwards it was found that the telephone was a natural monopoly, and experience has shown that as such it is neither artificial, unnatural, vicious or inefficient; on the contrary that it, of all instruments serving the people, is the most efficient, and there can not be sustained the slightest charge of viciousness against it.

So the competition that started 32 years ago, even if it lost a lot of money to telephone investors, taught the people the two valuable lessons just mentioned.

Those men of a third of a century ago performed other great services for the industry and the people whom it serves. Chief of these has been the great rural telephone development so noticeable in America. They made telephone service popular as never before. They added new changes to the existing apparatus, made many improvements. Many of these men have remained in the industry, no longer competitive.

If through time, or other reasons, others have dropped out, much of their property remains, to which has been added vast amounts by their successors. The industry needs them. There is plenty of room for them and opportunity for their best efforts.

Those men were pioneers, too, in their fields; many of them while competitors and often earnest in their zeal in opposition to me, yet remained my friends through all the strife and consequent reorganizations. When one can number men like Deering, Shoemaker, Averill, Slade, Bellamy, Brenton, Atkinson, Moore, Beyer, Wilson, Zietlow, Woods, Robinson, Holdoegel, Reed, Plaister, and many more like them, among his friends, he can feel that life is very sweet every day.

If the men entering the business since 1893 demonstrated the exceptions to two widely-accepted rules, they also demonstrated the fact that to one rule there is no exception.

Coming down through centuries of history, adopted by the Romans and later by Franklin, Jefferson and Adams as the slogan of this nation, engraved on the Great Seal of the United States and upon

its metallic money, we see the Roman fasces and Roman motto, "E Pluribus Unum," which we interpret as "one composed of many" and "United we stand, divided we fall." This is the reason for associations such as we are familiar with.

The pioneers of '93, and those of the rest of the 19th century, saw the value of unity of purpose, aim and action, and they made the rule effective and workable, and it is to their everlasting credit that telephone associations were organized. The men who came after them have carried the idea farther and today there are telephone associations in nearly every state in which there is or should be unity of purpose, aim and action.

Then there is the splendid and able United States association to which all associations belong and upon whose programs and into whose discussions persons from all companies engaged in the industry, from time to time, appear.

Thus you see that there should be no exceptions to the rule of unity of purpose, aim and action for the telephone industry if it is to follow the suggestions of the founders and their successors in telephone association who had the picture before them of the Roman fasces.

If you do not recall it, look at the back of a United States dime. There you will notice a bundle of sticks closely bound together.

The bundle cannot be broken across your knee thus bound together, but pull out a stick and you can easily break it, and so on one by one until the bundle is broken; or loose the bands and scatter the sticks, and soon they may be broken or thrown away. If our country is to survive, the bundle must not be broken nor a single stick pulled out. We fought a great war to keep

the words of Franklin, Jefferson and Adams' true. And so, as an association, we must not loose the bands; no sticks should come out, but others outside the bundle should hasten to come within its helpful and protecting folds.

No reminiscence of the telephone related to an Aberdeen or any South Dakota audience would be complete without a reference to the remarkable and splendid man long a resident of this city and one of the industry's great pioneers. In fact, we might with perfect propriety have devoted our whole time to recollections of him.

All of you probably know him better than I, and for a much longer time, but there were some things that I recall that are so pleasing that I wish to tell you about them. I met him in many places outside of Aberdeen. In Minneapolis, Chicago, Cleveland, St. Louis, New York, Pierre, Sioux Falls, Omaha, etc., and the telephone industry was ever the important topic of conversation. The things that impressed me most were his love for the industry, his help of those engaged in it, his unselfishness and his great desire to see a strong association in this state.

You have a standing example of his unselfishness in the lawsuit he fought, at his own expense, for all our good as well as for his. He never asked us to chip in, although his expenditures must have been heavy. I have met him at Pierre, to which he traveled at his own expense to talk for an hour or more in behalf of every man engaged in the business—this, while those for whom he spoke were not present and probably never gave him a vote of thanks even.

He told me how much he wished to see the association prosper because the *little fellows* needed it. He proved this by help-

ing the association to function through the raising of funds by assessments.

He could get along without the association, but it could not exist, to any extent, without his company, so he paid well to belong, instead of exacting a tribute for him to join. So great was his interest in the association that he left his Florida home in the dead of winter, and against the advice of his physician, that he might attend a convention at Mitchell.

If pioneers like him, of ability so great, of heart so large, or vision as far-reaching, of accomplishment as wonderful as was that of John L. W. Zietlow, give their support and approval to an association like this, we have a splendid precedent for carrying on its purposes, aims and continuing its action.

Another pioneer in the industry in South Dakota left us last May. He was an example of the grip the telephone business gets on a man. Educated in the law, raised on a farm, the telephone business claimed most of his time in the later years. He was interested in everything connected with the telephone industry from the day he installed the first telephones in his community in Muscatine county, Iowa, till he finished his course here.

We all know how active he was in everything that would place the association on a high level for accomplishment. His work on the traffic committee was very beneficial, for he was a splendid witness at all times for the idea of better training and selection of operators as well as full appreciation of the worth and importance of women in this industry.

So we have the memory of A. N. Van Camp as an inspiration for good, continuous work and aims of high endeavor for the purpose and action of this association.

# Increasing Long Distance Revenues

Encouraging Use of Long Distance Lines by Maintaining High Quality of Service—Discussion of Transmission and Speed of Service—Paper Presented at the Plattsburgh District Meeting of Up-State Association of New York

By Stanley Pendleton,

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Why is a telephone company?

To this question several different replies may come to mind. Fundamentally, however, a telephone company is established and continued purely as a business enterprise. A product, which in our case is telephone service, is placed upon the market and sold with a view of obtaining a fair return upon the investment.

While it is recognized that telephone service today is not a luxury but a necessity, it should not be overlooked that the desirability of any product also depends upon its quality. Everyone will agree that it is easier to obtain additional subscribers

when the local service is good. On the other hand, difficulty has been at times experienced in collecting bills when satisfaction with the service has not been complete.

It is obvious, therefore, that the quality of the service is a big factor in selling telephone service and it may be added that the greater the number of subscribers, the greater the value of the telephone to the subscribers. When this demand for telephone service is thus created, the matter of returns will take care of itself.

The truth of this is easily recognized in any one central office area, yet, it is

equally as true of the telephone system as a whole. We are apt to confine our efforts to satisfying the subscribers with local service in our particular exchange or group of exchanges, overlooking the fact that to bring our product, telephone service, to fullest value, the whole telephone system should be considered as one big exchange serving all subscribers.

When we limit our interest to a particular group of subscribers, practices at different exchanges will naturally vary and to a certain degree, the value of the service will be affected, but only within certain limits.