

# Fifty Years of Telephone History

Founders and Builders of the Pioneer Telephone Movement in Nebraska and Iowa—Telephone First Public Utility to Frankly Tell Public About Its Business—Paper Presented at Annual Convention of the Nebraska Association

By Charles E. Hall,  
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This period is the entire life history of this great industry. Its story is as wonderful as that of any other business or social agency. It is something greater than just a story, for the invention and perfection of the telephone is one of the outstanding factors in the nation's development during the past 50 years.

In love, reverence and with the highest conception of ideals, the American people commemorate anniversaries of one kind or another, and they give to each the consideration of importance and value that is its due. Always there is great interest in the Golden Anniversary of an event and everything in its history passes in review.

On March 10, 1926, occurs the Golden Anniversary of the birth of The Telephone. Let us take a few minutes today to witness, as from a reviewing stand, the "March of Events" as they swing down the long avenue of the years and note the importance of The Telephone and the place it occupies in the procession of events that have richly enhanced our social and national life during the past 50 years.

Nebraska had been a state just nine years and nine days when The Telephone was born.

The growth and development of Nebraska has been one of the marvels of our national progress. Its population has increased ten times, and this population has changed the maps of 50 years ago by erasing the Great American Desert from them forever and painting, in its place, a garden of fruits, grass and grains, and dotted its plains, not with oases, but happy, prosperous homes and beautiful thrifty towns. And in this happiness and prosperity, The Telephone has been an important adjunct.

It is to this importance that we wish to call your special attention as our story unfolds. As we have said—

In 1876 Nebraska had been a state but for nine years. During these years the nation had been slowly emerging from the throes of the great Civil War 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 Nebraska was emerging into a fairer day. Cities, towns and villages dotted her fertile prairies. Frame dwellings and barns had taken the place of the sod house and straw sheds on her farms. Bridges spanned the once

over those of '46 to '66, there still remained the knowledge that there were 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 Nebraska. It had been felt by every civilization since history has recorded the story; from Babylonia and Egypt down through that of Greece, Rome, Europe, the American colonies and the United 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



"While it is impossible to predict in detail what will be the nature of the great new developments, we can be sure that the problems which we can now see ahead of us contain the promise of marvels greater than anything which we can now imagine," says Mr. Hall.

unfordable streams. Railroads traversed the state, supplanting the stage coaches. Education was well advanced so that Nebraska 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 away to many joys and comforts. Progress was everywhere apparent and great gains in living conditions were realized when this new order was compared with the days from '46 to '66.

Improved and delightful as were the conditions of 1876; great as was their value



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 to 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 that they had ever been, and Prof. S. F. B. Morse, in 1864, had given to the world the telegraphic 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 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 attic of No. 5 Exeter Place, a tall Scotch professor, experimenting with what he supposed was a musical telegraph, spoke into the wooden box which contained it. The box was connected by a wire with a duplicate

box in charge of an assistant located elsewhere in 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 he was holding, rushed up three flights

### Personality and Public Attainments.

Some men earn a larger measure of success than others because they have learned better how to influence the mind and the will of those with whom they aspire to do business.

Personality, a vague entity, counts heavily. Personality is a combination of many qualities. Nearly always, however, a winning personality is based on unusual knowledge and genuine ability.

One successful man may be noted for his sunny disposition; another may be marked by seriousness which betokens sincerity. President Coolidge and Charles M. Schwab and Henry Ford and Judge Gary have totally different personalities, yet each has attained eminence. They have used different methods, but each has succeeded in inducing others to do what they wanted; so with Joan of Arc and Mussolini, two contrasting personalities.—B. C. Forbes.

of stairs, burst into the attic 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.

On June 30, 1877, there were but 234 Bell telephones in existence. But large oaks from little acorns grow. Why did the system become so large as to grow from 234 telephones in 1877 to 16,000,000 at the end of 1925. There are several reasons for this wonderful growth, all of importance:

- 1—The long-felt want which the service supplied.
- 2—Its ability to supply that want.
- 3—Its great value compared with its cost.
- 4—Its economic and social policy.
- 5—Its management personnel.

It is not necessary to turn back the clock to 50 years ago, nor to burn a telephone office, to show how well The Telephone has supplied the lack of communication.

No other commodity of equal value can be purchased at so low a cost; or, putting it another way, nowhere else does one get as much value for a dollar as the dollar spent for telephone service.

Some of its strong economic policies are:

The business organizations owning the property issue no watered stocks. Invariably the investment is more than two times the capital stock issue.

No great fortunes have been made in it. It is not owned by a few. It has probably more than 500,000 stockholders.

The social policy of the telephone industry has been equally meritorious; in fact, we might say unique, for it was the first great public utility to frankly and fully tell the public about its business, and this without being required to.

In 1883 the general manager of the principal telephone company, writing to the general manager in Iowa asked:

Is the telephone service, as it is now being furnished, satisfactory to the public?

Are the prices satisfactory to the public, considering the facilities and services that are given?

Is it possible, in view of the contingencies of storm, underground legislation, etc., to make any lower rate to the public for some classes of service?

What has been the tendency of the relationship between the public and the local companies for the past year, i.e., are the relations between the public and the companies improving?

There is no "public be damned" attitude expressed there. On the contrary, there is real interest and solicitude for the public's interest as well as its own. Early the right spirit in public service was originated and it has ever continued.

Its contribution to mankind outside the telephone field are many and of incalculable value. They can only be mentioned here:

The electrical transmission of photographs, of drawings, finger prints, etc., over telephone lines is a great help in the cure of diseases, detection of crime, and aid to business and courts.

Bringing telephone service to the deaf is another boon to that afflicted portion of humanity, and greater still is the audiphone whereby the partially deaf, who retain a part of the auditory nerve, may again hear normally or nearly so.

Development of the vacuum tube and perfecting the apparatus to make radio broadcasting and reception possible.

The public address systems and loudspeakers are still other developments which have contributed much to the public welfare.

We come now to the personnel—the master minds of the founders and builders of this great enterprise—Nebraska and Iowa's place in it all.

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 in Iowa 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 sea-



sons, 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, tugged 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. A. 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 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. Thenceforth 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 two billions; to increase the number of people it would support from ten to over 500,000; to place in America 16,000,000 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 the one-time Iowa farmer and Nebraska railway mail clerk, 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 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 public 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. In later

years, the young woman who became my wife taught school in the same schoolhouse that Mr. Vail had 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.

We spoke rather positively a moment ago about the value of telephone service; this was because we have come to know its value after 43 years of study of it.

Probably there is not other commodity in universal use whose value is so little understood and in the determination of which so many wrong measures of value have been used.

In 1876 there was living in Omaha a man to whom Nebraska is indebted for the foundation of its telephone service, L.

### **The Friends Employes Make.**

**There is perhaps no better advertisement for a business such as ours, than the fact that the people in it are happy and contented on their daily tasks. The public can sense this feeling of employe contentment, and it gives the business and everybody in it a good standing among those we serve.**

**I do not mean to be boastful of our friendly relations with the public, but I do feel deeply that our people are making for us more friends every day by their conduct during and outside of business hours.—J. T. Moran, president, Southern New England Telephone Co.**

H. Korty. Mr. Korty was then superintendent of telegraph for the Union Pacific Railway. He had become acquainted with Mr. Vail while the latter was a resident in Omaha. Associated with Mr. Korty in the foundation of the telephone industry was J. J. Dickey who was the district superintendent of the Western Union Telegraph Co.

These men organized the Omaha Electric Co. and opened Nebraska's and Omaha's first telephone exchange early in 1879. Thereafter the demands of other Nebraska cities for telephone service became insistent and Messrs. Dickey and Korty with their associates, S. H. H. Clark, Thos. L. Kimball and J. W. Gannett, on July 1, 1882, incorporated the Nebraska Telephone Co.

The story of the telephone in Nebraska for the next 12 years is the story of that pioneer company. If we had the time it would be an interesting procedure to relate the trials, experiments and anxious days of the founders of an enterprise embarked on unknown business seas without charts to locate the shoals and rocks along the channels of the route.

In 1893 the basic patents awarded to Alexander Graham Bell expired, and the field was open to anyone anywhere to start in the industry. From that time on, for a

period nearly as long as that covered by the original patent or for 17 years, there ensued much building and consequent development. Nearly every town had an exchange—and some towns had two or more.

The people in the towns having two or more exchanges soon learned that overdevelopment was as undesirable as underdevelopment, and entreated the telephone owners to give them relief. This was not so easy to do as it might seem, for in no other great industry was the competition so keen as in this.

Business rivalry engendered asperities and estranged those who under happier conditions would have been friends and associates. It is to the everlasting credit of these business rivals that they ever had the interests of the public, whom they served, at heart and on each side great sacrifices were made, bygones were forgotten and together they resolved to build up the industry in a way that would be best for all.

One competitor abandoned the field here and another there, until today, so far as the customers of the service are concerned, they are but little interested in who furnishes the service, provided it is good. There is unity of interest and purpose among the owners who make up the great industry today, all working together for the public good.

It was one of the finest examples of righting a business and economic mistake, affecting so many people, that this nation has ever witnessed; all worked out by ourselves without being compelled to do it either by legislatures or courts. Telephone men of today can point to this economic and business achievement as second only to the invention of the telephone itself.

There could be books of intense and valuable interest written about the telephone industry started in the little room at No. 9 Exeter Place, Boston, 50 years ago. Just two men working in that little laboratory long ago. Today, in another laboratory that bears Bell's name, there are 5,000 scientists, engineers and inventors at work trying to improve and develop the means of the world's communication systems of which The Telephone is chief.

At the head of this great laboratory is a man who has been identified with the industry from its beginning, General John J. Carty, America's greatest telephone engineer, and I believe you would like to hear what he says about "Fifty years of Telephone History." Therefore I will quote briefly from his story of the 'Semi-Centennial of The Telephone.' Mr. Carty says:

The first telephone message was sent in 1876. So great has been the growth of telephone messages in 50 years that in 1926, 50,000,000 telephone conversations take place each day in the vast telephone plant which covers a continent.



The two telephones of 1876 have increased so that now there are more than 16,000,000 telephones interconnected in the Bell system.

The first telephone line of 30 feet in length has grown to a network of more than 40 million miles of wire; and switchboards, buildings, pole lines, cables, conduits, and other forms of plant have been constructed, costing over \$2,500,000,000.

During the year 1926 will be observed with appropriate ceremonies the semi-centennial of the invention of the telephone. Much will be said and written concerning the marvels which have been achieved during the past 50 years, in extending its use among all the people of our nation by means of a continental system of wires and by the most recent marvel of the radio. These things are largely dependent upon the fundamental discovery which was made by Alexander Graham Bell and upon the unremitting labors of the scientific men in those laboratories founded by him 50 years ago and which bear his name.

So much has been achieved during the last half century in the scientific and business development of the telephone in America, that we can look forward with a confidence born of experience to the astonishing things that will have been accomplished by the successors of Bell at the end of the next 50 years, when our country celebrates the second hundred years of its existence as a nation.

While it is impossible to predict in detail what will be the nature of these great new developments, we can be sure that the problems which we can now see ahead of us contain the promise of marvels greater than anything which we can now imagine.

As recently stated by W. S. Gifford, president of the American Telephone & Telegraph Co.: "The advances which have been made during the first 50 years of the work of the Bell system, are unparalleled in the history of communications. They are contributions which will make forever memorable this great epoch in our progress."

We are now at the beginning of a new era filled with boundless opportunities for advancement in the business and science of telephony. Upon the foundations which have been so securely laid, we can look forward to the telephone system of the future which in effectiveness and useful service, will surpass all that has gone before."

### Companies to Merge to Prevent Sale to Outsiders.

The officers of the Remsen-Alton-Granville Telephone Co., Remsen, Iowa, are taking steps to keep control of the local exchange and plant, which has of late been threatened with absorption by outsiders. To this end the directors held a meeting July 17, going on record as favoring a merger with the Marcus Telephone Co., under the management of H. J. Reimers, manager of the Marcus plant.

Frank Halbach of Moneta, Iowa, has been working in Remsen territory buying up shares in the local company. Mr. Halbach has had the assistance of some of the local stockholders who favor selling to a big corporation, claiming that better service and perhaps lower rates would result. He is said to be offering 100 per cent profit on the shares, and it is reported has gained an option on more than

## HASHING THE TEN COMMANDMENTS IN A CAFETERIA

By Miss Anne Barnes,

*Traveling Chief Operator, Iowa Independent Telephone Association,  
Des Moines, Iowa*

Recently I met a woman in a cafeteria. We had just arrived at the bread counter, and she was the next before me in the line. It had taken us a long time to get there. Behind us were 25 people, looking enviously at our location. You know how it is, if you have eaten in cafeterias. Your time never seems so precious to you until you stand and wait; but the minute you arrive within reach of food, your time, and the other fellow's, in the rear, is of no further consideration; that is, to you.

Civilization then seems to scale off in places in our human make-up, revealing the original savage beneath; that is, to the other fellow. Cafeterias and telephones have a way of uncovering our faults.

The woman ahead of me lost all of her hurry as soon as she reached the food counter. Her veneering of civilization then seemed to come off in chunks, all the way down the line from bread to drinks.

After holding up the line, while she tested the age of several rolls by crushing them in the palms of her none-too-clean hands, she gave up the idea of rolls, and picked up a glazed sack containing health food and instructions for using it. She attempted to read the directions, but evidently could not, for she thrust the sack between my eyes and a choice roll I had discovered at the distant side of the pan and was trying to get.

In withdrawing my hand, which I could not see for the health bag, I had a near catastrophe. But none of the rolls reached the floor, although they did get considerably more handling. However, that did not faze her, as she exclaimed. "Read this, will you? I forgot my gl—I haven't time," she blurred into my ear.

"Useless lying," I thought, as I gazed at her pudgy, mottled hand holding the bag before me. Now, that woman! What difference did it need make to her whether I, a perfect stranger, knew that she could not read without her glasses.

I haven't much respect for one who does not tell the truth, but I have a shade more respect for the person who has a purpose in view for lying, than I have for the one who uselessly lies.

200 out of about 350 shares. Mr. Halbach does not state just which interests he represents.

The directors of the local company met with Mr. Halbach in view of selling the entire property in a lump, but no agreement could be reached. He could not offer the directors the price asked, nor a price for the whole plant that would assure all stockholders, after the indebtedness was defrayed, a sum equal to what he is reported to be offering to some individual stockholders on a signed option.

The proposed merger will place the Remsen-Alton-Granville Telephone Co. in a strong financial position, as the Marcus plant is in a high state of development and free from all debts. Plans for rebuilding of the Remsen and Alton lines are to be undertaken at once.

H. J. Reimers, owner of the Marcus plant, was appointed general manager and plant superintendent. Mr. Reimers is a graduate of the University of Wisconsin in electrical engineering. Peter Eulberg retains the position as commercial manager, as the accounting is to be centralized at Remsen. The general office is

also to be located at Remsen, and the issuing of rental and toll statements for Alton, Remsen and Marcus, as well as the accounting thereof, will be done from the central office at Remsen.

### Pioneer Wisconsin Company Sold to North State Company.

The Manitowoc & Western Telephone Co., Manitowoc, Wis., has been sold to North State Telephone Co. of Chicago, the concern which recently bought the Two Rivers (Wis.) exchange. The Western company's lines extend to Branch, Whitelaw, Cato, Reedsville, Brillion, Cooperstown and Greenleaf.

The Western company was organized 28 years ago as one of the first telephone companies in that part of Wisconsin.

### Prices in the Metal Markets.

New York, July 26—Copper—Firm, electrolytic, spot and futures, 14 $\frac{1}{4}$ c. Tin—Firm; spot and nearby, \$64; futures, \$63.75. Iron—Steady; No. 1 northern, \$20.50@21.50; No. 2 northern, \$19@20.50; No. 2 southern, \$21@22. Lead—Firm; spot, 8.75c.