

PROMOTING VS. OPERATING

THE TELEPHONE PROMOTER

cares nothing for the best interests of a city nor for the ultimate returns on the investment he promotes. He cares only to sell stocks and bonds, make a side profit on construction work, take his profits and get out, leaving the city with the burden, expense and nuisance of two telephones.

His personal, and therefore, controlling interests call for a large and expensive plant, rather than an efficient one; overcapitalization rather than honest financiering; large development rather than proper development; low rates to business houses—which he realizes must stand the cost of two telephones—rather than equitable or proper rates to all.

THE LEGITIMATE TELEPHONE COMPANY

on the other hand, is interested in the future as well as in the present condition of its plant and business, and therefore wants to decide every question which arises in the right way; it wants an efficient plant; it wants no waste, from duplication or otherwise; it wants to give good service in order to reduce the cost of canvassing, collecting and handling complaints; it wants reasonable rates in order to live. It believes in a unified local service in each town, regulated in the public interest.

Any Plan Founded on Error Must Fail

THE WRONG PLAN. The plan of trying to secure good telephone service and low rates by means of the *duplication of plants* and consequent *division of service*, is one founded on error and therefore one that *must fail*, with ultimate loss both to *the investors* (not promoters) and to *the Public*.

THE ERROR. The fundamental error in the case is indicated in the following statement, the truth of which can be easily demonstrated and is being rapidly learned by all existing telephone companies:

In any given city two telephone companies, competing for business over the same area, cannot afford to furnish even their limited service at any lower rates than can one single company afford to furnish complete service over the same area.

THE RIGHT PLAN. In the light of reason and of experience, all errors should be avoided and right results secured by adopting the following plan:

1. *Make satisfactory service possible* by connecting all subscribers in town to *one system*, by means of which *every one can reach every one else*.
2. *Make Low Rates Possible* by avoiding all duplicate costs, all waste, all unproductive expenditures, *all inflated capitalization*.
3. *Make Fair Rates Satisfactory* to all by giving each residence a *complete service*, and by relieving each business house of the extra expense for "*both 'phones*."
4. *Insure Fair Rates* by means of public supervision of *capitalization, expenditures and profits*.
5. *Insure Good Service* by public supervision, and by allowing the telephone company the necessary privileges and profitable or living rates without which no company can or ever has given *continuous good service*.

A TELEPHONE SYSTEM bears the same relation to the city it serves as the nervous system does to the human body—and there is no more reason for duplication in one case than in the other.

TWO nervous telephone SYSTEMS IN ONE body city EACH CONTROLLED BY SEPARATE brain centers companies SURELY would do REPRESENT A FREAK OF Nature Finance

In a city which has but

ONE

telephone system, subscribers are able to communicate with

ALL

telephone users in the city.

To reach all you need but one system, and you pay the charges of but one company.

In a city which has

TWO

telephone systems, subscribers to either are able to communicate with only

A PART

of the telephone users in the city.

To reach all, you MUST have both systems, and MUST pay the charges of two companies.

TWO TELEPHONES CONNECTED TO ONE SYSTEM can and will carry more calls and give better service than two telephones connected to two separate systems. The increased efficiency of one system is very great, easily demonstrated, and WELL UNDERSTOOD BY TELEPHONE MEN.

TWO TELEPHONE COMPANIES IN ONE TOWN CANNOT give their customers, individually or collectively, as good service and as much service as a single company can; nor can they long continue to operate for less rates than a single company. Telephone duplication is therefore illogical, uneconomical and doomed to certain failure, to be sooner or later replaced by ONE UNIFIED AND REGULATED SYSTEM.