

TELEPHONE PRESIDENT SUNNY PLEADS IGNORANCE

How a billion-dollar national phone trust is behind the grab of the little Automatic phone system of Chicago was brought out today before council gas-oil committee.

B. F. Sunny, the \$75,000 a year president of the Chicago Telephone Co., testified. Stephen Foster, attorney for the committee, put the screws to Sunny. Foster knows the inside. He is attorney for companies fighting against being strangled by the Bell monopoly. By hard dragging and many keen questions, Foster got from Sunny these facts:

Patent rights worth big money will go to the American Telephone & Telegraph Co. (the Bell monopoly) if the city permits the Automatic system to be sold to the Bell.

Nobody at the Chicago Telephone Co., not even Sunny himself, is sure the Automatic system will be used if the Chicago Telephone Co. gets it. Chances are it will be scrapped.

Sunny, the Bell crowd, and everybody in on it, are planning to add the \$6,300,000 sale price to the Chicago Telephone Co. capitalization. This would shoot phone rates higher than now.

The amazing thing of the day was the hum of memory of Sunny. There was surprise or laughter on nearly every face in the room when Sunny coolly said he didn't know anything about the proposed sale of the automatic to the Bell monopoly except as he had heard it talked about among A. T. & T. officers and among Illinois Tunnel Co. officers.

Foster—Mr. Sunny, you were vice president of the American Telephone & Telegraph Co. and a director in 1913, when this contract was written?

Sunny—Yes.

Foster—You are also president of the Wisconsin Telephone Co., the Michigan Telephone Co. and the Cleveland Telephone Co., are you not?

Sunny—I am. Yes.

Foster—Yet you were not consulted in the making of this contract and know nothing about it until A. T. & T. officers in New York and officers of the Automatic company in Chicago told you about it?

Sunny—I did not assist in writing the contract and I know nothing except what I learned by reading it.

Foster—You don't know why the A. T. & T. wants to pay \$6,300,000 for this property, which you say may be scrapped? You don't know what consideration is expected by the A. T. & T.?

Sunny—I know nothing besides the statements made in the contract.

Foster—Now, Mr. Sunny, the Bell system has 8,000,000 phones in itself and owns companies having 5,000,000 other phones. These are all manual and not automatic. It's a property with \$1,000,000,000 of capital in it. Now you say the Bell system is ready to install any new superior phone. Would the Bell company scrap its billion dollar investment in the manual phone in order to demonstrate the superiority of the automatic?

Sunny—Well, I think the answer to that is that if the automatic is more successful the Bell would adopt it as the standard.

Foster—What would the Chicago Telephone Co. do with the automatic system in Chicago if permitted to buy it for \$6,300,000 as proposed?

Sunny—I can't say. First, we would investigate its uses. That would take about six months. Then we would decide what to do with it.

Foster—What would your company do about the \$6,300,000 purchase price?

Sunny—We would put the \$6,300,000 on our books and add it to our capital account the same as other expenses or property.

OF COURSE

"Bill, wot's a centenarian?"

"Dinged if I know but they must be a sickly lot—they're always dyin'."