



Entered as Second Class Matter October 11, 1899, at the Post Office at Chicago, Illinois, under Act of March 3rd, 1879

"INDEPENDENT IN ALL THINGS, NEUTRAL IN NONE."

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ALDERMEN HELP

The Telephone Trust Relies Upon Its Friends in the City Council to Install Nickel First Phones.

The United States Government Said to Be Preparing to Fight the Gigantic Monopoly in the Country.

Telephone Capital Has Increased Ten Fold and Dividends Five Fold in Ten Years and the Trust Wants More than Ever.

Chicago Is Said to Be One of the Choicest Melons Ever Owned by the Telephone Trust and the People Pay.

Are aldermen elected by the people of Chicago to look after their interests going to help the Telephone Trust, when the whole country is moving against it?

It is said that the United States Government is after this great monopoly and that it has secured evidence upon which to base a strong prosecution.

While the number of telephone exchanges in the United States, according to the Daily News Almanac for 1912, page 186, only increased from 2,326 in 1900 to 4,968 in 1910, the combined capital stock increased from \$25,886,300 to \$256,475,300, and the dividends from \$3,382,945 to \$17,036,376.

The capital stock increased almost ten-fold and the dividends five-fold, and yet aldermen are requested to raise rates and impose other burdens on the people to help the poor, down-trodden monopoly.

The following from the Chicago Examiner of January 9, 1912, explains itself:

"Ten thousand requests for a government investigation of the Bell Telephone Company, the result of a campaign instituted by John H. Wright, president of the Home Telephone Company of Jamestown, N. Y., has resulted in a mammoth federal investigation of the company which reaches from coast to coast, and from the Gulf of Mexico to the Canadian border. This became known yesterday following the completion of the investigation of the Chicago end of the system.

"Government operatives have been conducting an investigation of the violations of the Sherman antitrust law from a suite in the Majestic Hotel.

"The requests which have been received by the Attorney General have contained abundance of evidence, and the secret service men have been scattered here and there throughout the country to confirm evidence presented to the officials.

"The investigation not only entails the working of the Bell Telephone system, but the banking houses of J. P. Morgan & Co. of New York and R. L. Day & Co.

"It is charged in some of the complaints that it is the object of the Bell Telephone Company to restrain trade and stifle competition by the wrecking of independent telephone companies all over the United States.

"Efforts have been made, according to charges contained in some of the complaints, to effect a consolidation between the Bell Telephone Company and the greater portion of the 21,000 independent telephone companies, which would enable the new organization to wipe out those which would not enter into the arrangement.

"Wright, who is assisting the government, told of the progress made and the conditions that exist.

"I instituted this fight for the protection of myself and other small telephone stockholders," he said. "When the Bell Telephone Company started to stifle the competition which we were beginning to make in small towns, and when a proposition was made to merge all of the companies, and organize a new company, with a provision to water it to the extent of \$300,000,000 to make up the loss experienced from the establishment of independent companies, the campaign

for a government investigation was begun.

"I never expected to go into the telephone business when I installed my little line, but other persons in the town who did not feel like paying the exorbitant prices of the Bell Telephone Company, asked me to assist them in the establishment of a local telephone company. Gradually we made connections with Buffalo, then Cleveland, then Detroit; other connections were made with Pittsburgh and Meadville, Pa.

"But the Bell Telephone Company was not satisfied to allow the smaller companies to exist. It purchased the independent company at Cleveland, cut it off from the other companies, refused to accept long distance calls, and thus stifled the competition along that line.

"This is only an example of it. I have a wire here from R. L. Lane, at Helena, Mont., who reports that at Tacoma, Wash., the Bell Company purchased the plant there and not only refused to handle long-distance calls, but in less than twenty-four hours after the purchase it refused to accept local calls and dismantled the plant.

"From North Carolina, Missouri, Kansas and other points come the same kind of reports, and it is these reports that we are investigating.

"In October a meeting was called by Henry P. Davison, representing J. P. Morgan & Co.—which is the holding company of the Bell Telephone Company and which now has on hand a number of independent telephone companies' stocks it does not know what to do with—at the Blackstone Hotel, at which a number of independent telephone companies' representatives were asked to attend. Little progress was made at this meeting and a later meeting was held in New York. At this meeting the proposition of consolidating all of the independent telephone companies was made.

"Along this line of operation purchases have been made at Kansas City, Mo.; Detroit, Mich.; Indianapolis, Ind.; the Gary properties, controlled by Theodore Gary; in Kansas and Missouri, Macon, Mo., and Lincoln, Neb., according to Wright.

"Places where the investigation is to be made within the next few days are St. Louis and various points in Missouri and Kansas, where the Gary properties are located."

"Baltimore got the oyster. The shell game always succeeds down east.

The city ought to get what is coming to it out of the telephone company's gross receipts. Does it?

The telephone trust must go.

The present cold snap is nothing compared to the political freeze-out some of the candidates have in store for them this year.

No politics for the poor state and civil service employees. Civil service employees in the state service are barred from anything that looks like participation in politics under stringent rules and regulations just given out by the state civil serv-

ice commission. Approximately 4,000 employees are affected and are forbidden to help the cause of any candidate by the organization of clubs, by word of mouth, by letters or by passing out cards or displaying campaign buttons.

Merit rule regulations have changed the character of the impending pri-

mary contest, say political chiefs and they are not looking to civil service employees. It is asserted, to take an active hand in the primary contest. New organization forces are being called upon to get active in the canvass.

At a meeting of the federal committee of the sanitary district it was decided to send a committee representing the board to Washington to confer

with W. H. Bixby, government engineer, regarding certain details of construction in the proposed Sag channel. The committee, which left Wednesday, is composed of Isham Randolph and George M. Siner, engineers, and John C. Williams, attorney for the board. It is declared that members of the board, including Thomas A. Smyth, president, feel that the government is interfering too much in the work of the district. Mr. Smyth plans, it is said, to have the committee see President Taft and make a complaint.

Well, Chicago didn't get the Democratic national convention and Baltimore did. So here's to the city of oysters. She produced the coin, and, as "money makes the mare go," especially in politics, she had no trouble in landing. The ones who will have the real kick coming are the boys who travel from Oregon, California, Texas, etc. They will not only have a long ride but a longer fare.

The American people will not stand for a telephone trust all of the time.

Is your alderman working for the telephone company or for you?

North Side and Northwest Side business men and property owners will be seriously hurt by a change of street names. The whole scheme is a fad and a dangerous one, at that.

Chicago needs better street lamps, especially better electric street lamps, more than it does numbered avenues on the North and Northwest Sides.

Investigate the telephone receipts.

Candidates for delegate to the national convention and for the numerous county offices are getting ready for the fray.

Where does the city get its experts on telephone service?

A lead pipe china is not in the cards for either side this year in Cook county. The right men are what

The Telephone Trust has commenced a bitter and an uncalled for attack on the Mayor and honest aldermen of the city of Chicago who are fighting for the people's rights against a heartless monopoly.

The Telephone Trust is opposed to the honest, capable and efficient serv-

pany which has expended over \$2,300,000 in instruments, wires and station equipments, to be forced to give up all of this to satisfy the Telephone Trust.

Any alderman who votes in favor of an increase of rates for the monopoly will be beaten to a finish the next time he runs for office.

According to some accounts several men who are working for the monopoly and its franchise may not be residents of Chicago when the next election comes around.

The Telephone Monopoly is busy circulating "ugly rumors" about the Corporation Counsel, the Mayor and the honest aldermen who are standing up for the people's rights.

"Ugly rumors" is good. Aldermen who are anxious to learn the truth ought to inquire into the details of the passage of the telephone ordinance five years ago.

"Ugly rumors": Well, there are some pretty ugly rumors going the rounds just now. But the Mayor, Corporation Counsel and honest aldermen are not the ones affected by them.

A watchful eye is being kept on the situation by too many people to have it easily misunderstood.

A new report has been ordered on the books and accounts of the Telephone Trust.

When the aldermen get that report they ought to be in a position to lower rates.

If they raise them they will raise something hotter than this climate has been for the past few weeks.

From the learned telephone expert whose report was submitted to the City Council in May, 1911, we learn on pages 49 and 50, that the Bell Telephone monopoly that reaches all over the country, owns a controlling interest in the local telephone company and the Western Electrical Company.

"The latter is purely a manufacturing company," says the report, "engaged in the manufacture of Bell telephone apparatus and supplies." In 1904 a contract was entered into between the local telephone company and the electrical company, both of them owned by the Bell monopoly, whereby the local company agreed to purchase all of its supplies from the electric company. Under the terms of this contract the electrical company agrees to deliver to the telephone company all telephone appliances manufactured under the license of the Bell Telephone Company. The local telephone company, on the other hand, agrees to purchase all its supplies from the electrical company.

Here we have a fine sample of how the parent monopoly makes the subsidiary monopolies pile up profits for each other and the public pays the freight.

On page 52 of the report of this "Expert" to the City Council we find the statement made that the Bell monopoly charges a rental of 62 cents per station for each set of instruments used.

This would amount to \$122,390 yearly, but the expert discovered that the local company really paid the parent company \$365,711 last year.

About this enormous overcharge the "expert" naively says on page 53 of the report now in the hands of the Council committee: "In justification

of the payment of the difference between these amounts, or \$232,411, the Chicago company receives certain services from the parent company which it is claimed are worth the amount paid.

These services consist of technical advice and counsel and the use of apparatus patented by the parent company.

What do you think of that? And then the aldermen are asked to raise the rates on the people to help the local company out.

Any alderman who votes to raise rates should be outlawed.

Rates are twice as much as they ought to be at the present time. They should be reduced.

From a learned "Expert's" reports to the City Council we learn that: Telephone rates should be raised because the Bell Telephone Company owns the local telephone company.

Because the Western Electrical Company is also owned by the Bell Telephone Company.

Because the local telephone company is obliged to buy all of its equipment and necessities from the Western Electrical Company.

Because neither the Western Electrical Company or the local telephone company would have big enough profits to suit the Bell Telephone, which owns them, if Chicago people were not pressed for a little more coin and their telephone rates raised.

Because the local telephone company has increased its capital stock from the original \$500,000 to \$27,000,000 and \$5,000,000 more in bonds.

Because the stockholders would not get big enough dividends on this immense stock issue if the people of Chicago were not squeezed.

Therefore the telephone company has the nerve to ask the City Council to raise the rates on the people of Chicago.

The people of Chicago are to be used as serfs by the telephone monopoly and the last drop is to be squeezed out of them.

In the meantime it would be well for the aldermen to inquire into the alleged relations, in the past, of certain city officials with the above electrical company, the twin of the local telephone company, both being owned by the Bell monopoly.

The telephone gang want the council to raise the rates on all phones.

To abolish all first phones and make everybody takes measured service.

To put a nickel in every phone before connection is made.

Fire Marshal Seyferlich asserted that as practically one-half of the fire and police alarms are received by telephone, he did not favor the general installation of the "pay-in-advance" type of telephone instrument now being placed in various parts of the city by the telephone company.

All telephone patents should be confiscated by the government when they become the exclusive property of the Telephone Trust. The following from an editorial in the Chicago Daily News of July 17, 1911, hits the case exactly:

"In an argument before the national senate's interstate commerce committee, Senator Kenyon recently urged several modifications of the Sherman

'PHONE SLAVERY

The People of Chicago Pray for Deliverance from the Grasp of the Awful Bell Monopoly.

Chicagoans Forced to Pile Up the Profits of Three Different Corporations and Thus Boost Stock Dividends.

The Bell Monopoly Owns the Local Telephone Company and the Western Electrical Company and Makes One of Them Patronize the Other.

As the Bell Company Wants a Big Profit Itself It Is Easy to See Why Telephone Rates Are to Be Raised.

any which has expended over \$2,300,000 in instruments, wires and station equipments, to be forced to give up all of this to satisfy the Telephone Trust.

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EDWARD H. PETERS, Leader in the Real Estate, Political and Social World of Chicago.

the people want, and the side that names the best will fare the best.

Edward H. Peters, the well known real estate man and capitalist, is being talked of by many of his friends for congress.

This is a bad year for lame ducks to get on the ticket. The people have a way of scratching these days that bodes no good for dead ones.

ice that Mr. J. Ogden Armour and his colleagues are prepared to give to the city with their automatic service.

The Telephone Trust has changed managers in Chicago and has decided to throw dirt upon honest men in the city government who oppose its domineering and extortionate methods.

The Illinois Tunnel Company has fully complied with the terms of its ordinance and yet the grafters union is not satisfied. It wants the Illinois Tunnel Com-