RAILROADS MAKE LIBERAL OFFER

Chairman Travis Will Recommend That State Accept Amended Proposal.

BIG SAVING TO SHIPPERS

Supervisor and Guard Fined in Superior Court for Whipping Convict.

[Special to The Times-Dispatch.]
Raleigh, N. C., September 17.—Governor Craig and the legislative commission on freight rates, composed of E. J. Justice, Greensboro; Judge W. B. Council, Hickory, and N. B. Broughton, Raleigh, were in conference to-day, considering the latest amended proposal from the railroad companies for the adjustment of interstate freight rates in North Carolina. Chairman Travis, of the Corporation Commission, is having a detailed statement of the latest concessions worked out as they will apply in rate reductions, and these will be presented to the Governor just as soon as possible.

Chairman Travis, of the commission, says that railroad companies have never offered any State as great reductions in rate adjustment as have now been offered North Carolina in this case. The Corporation Commission will recommend both to the Governor and to the Legislature that the proposition as it now stands be accepted. Before he left Washington with the proposal he had a long conference with Chairman Clark, of the Interstate Commerce Commission, and after a thorough examination of the proposal, Chairman Clark recommended unequivocally that the proposal be accepted. He declared that the terms should be accepted by all means. Chairman Travis estimates that shippers of the State will be saved at least $2,000,000. The Southern Railway officials insist that the reductions will cut that company's revenues at least $1,000,000, and if this is the case, the revenues of the other interstate carriers, the Seaboard Air Line, Atlantic Coast Line, Norfolk and Western and Carolina, Clinchfield and Ohio, will certainly be reduced considerably more than this amount.

Fined for Whipping Convict.

Holding that under the privisions of the Constitution of North Carolina prison authorities have no right to use the lash on convicts for discipline, Judge Chas Cook, in the Wake Superior Court, directed the jury to return a verdict of guilty against Supervisor Nipper and Guard Johnson, of the Wake Convict Camp, for whipping Dan Galliger, and the judge imposed fines of $20 and costs each against the defendants. Appeals were taken to the Supreme Court, where the question of right to whip convicts will be finally settled. Judge Cook declared that thirty years ago he was a member of the State's prison board, and he insisted then that the prison has no right to use the lash. The abolition of the whipping post many years ago, he said, applies as well to this long-established practice of flogging obstreperous convicts. Most of the whipping of convicts for some time past, it is understood, has been in the county convict camps, the State's prison officials having abandoned the practice a long time ago, except in the cases of most flagrant conduct.

The Jackson Mills Co., of Monroe, was chartered to-day with $125,000 capital authorized and $100,000 paid up for general cotton mill business, including yarns, clothes and textile fabrics of all kinds, and silk, wool, hemp and other fabrics. The incorporators are W. C. Heath, forty shares; J. R. English, thirty shares and R. A. Morrow thirty shares. Other charters are to the East Coast Realty Company, Mt. Olive, capital $10,000 authorized and $2,000 subscribed, by C. W. Williams, Jr., and others, and the Blowing Rock Development Company, of Blowing Rock, capital $125,000 authorized and $30,000 subscribed, by J. D. Elliott, Hickory; J. W. Cannon, Jr., Concord; D. J. Craig, Statesville; L. L. Jenkins, Asheville, and others, for building a hotel and establishing other improvements at Blowing Rock.

Governor Craig issued a requisition to-day on the Governor of Virginia for Jim Graves, wanted in Alamance County for housebreaking and larceny. He is being held in Danville.

CARD PLAYERS ACCUSED.

Wilmington, N. C., September 17.—Because he didn't like the way a "gentlemanly game" of cards was handled, L. B. Pierce, a well-known young man of this city, to-day swore out warrants against four other well-known young men, T. J. McInnery, William Penny, Dolly Southerland and Thomas Starkey. The game of poker was played at the home of one of the accused in the heart of Wilmington's residential section, and caused quite a mild sensation. Submissions were entered, and the recorder let the defendants off with the costs and an admonition.

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Oldest Music House in Virginia and North Carolina

DOG WITH RABIES ATTACKED WINKLER

Brooks Station Man Taking Pasteur Treatment—Delegates to U. D. C. Convention.

Fredericksburg, Va., September 17.—The head of the dog which bit Henry Winkler at Brooke Station, near here, Saturday evening, was sent to Washington for examination, and the report has been received that the dog unquestionably suffered with rabies. Mr. Winkler is taking the Pasteur treatment.

At the May term of the Circuit Court of Fairfax County, the jury awarded Captain R. C. Vance, of Spotsylvania County, near this city, $600 and interest in the suit against W. B. and L. H. Dook, for purchase money for cattle sold to the latter parties. Execution was placed in the sheriff's hands and a levy made on the stock. The day before the sale was to have taken place, Messrs. Dook applied for and secured an injunction to hold up the sale, alleging that they had discovered additional evidence and claimed they were entitled to a new trial. Captain Vance this week filed a demurrer to the bill. The case was argued before Judge J. B. T. Thornton by Messrs. Gordon and Rust, representing the Messrs. Dook and by W. W. Butzner, of this city, representing Captain Vance. The court sustained the demurrer, dissolved the injunction and dismissed the suit at the cost of Messrs. Dook. The sheriff will now proceed with the sale.

The Fredericksburg Chapter, United Daughters of the Confederacy, has elected as delegates to represent the chapter at the State convention in Richmond, September 30, October 1 and 2 Mrs. Nannie E. Barney, Mrs. George H. Chewning, Mrs. J. Bowie Gray, Mrs. W. N. Hamlet, Mrs. Lewis Pilcher; alternates, Mrs. Ferdinant H. Hart, Mrs. Ves Chancellow, Mrs. Alwyn Hundley, Miss Lizzie Eckenrode. The Spotsylvania Chapter, United Daughters of the Confederacy, has elected Mrs. L. R. Colbert a delegate to the State convention, with Mrs. F. S. Fraser and Mrs. T. A. Fraser as alternates.

The citizens of the section in Spotsylvania County, near Scott's Bridge, held a barbecue yesterday, which was attended by about 150 persons, including a number of prominent citizens of that neighborhood and from Fredericksburg. Great massive kettles of soup were boiled on the grounds, three carcasses of sheep were cooked in true barbecue style and a large portion of a carcass of a beef was cooked in the same manner. The trenches with the big fires blazing under the meat, were dug in the breast works which are on the edge of the battlefield of Spotsylvania Courthouse. The occasion was of great interest, as many of those present, especially from Feredericksburg, had never before attended a barbecue.

The Massaponex Hunt Club, of Spotsylvania County, captured a fine deer this week after an exciting chase of two hours and twenty minutes. It was a young doe and full grown. The shot did not kill the deer, but it was pulled down by the hunting dogs owned by F. L. Fraser and L. Stanley.

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A flash in the sky at night attracts attention from every eye in line of vision.

It is human nature to be attracted by a flash, and the public must look at it.

We will design a special, spectacular flashing electric sign for your particular business, and will give you detailed information regarding same.

Come in and have a talk with us about an electric sign to advertise your business. :-: :-: :-: :-:

Virginia Railway & Power Co.,
Seventh and Franklin Streets.

NEW INTERESTS NOW IN CONTROL

New York Syndicate Buys Majority Holdings in Appalachian Power Company.

[Special to The Times-Dispatch.]
Pulaski, Va., September 17.—A change in the controlling interests of the Appalachian Power Company, which took place recently, by the terms of which Viele, Blackwell & Buck, of New York, replace the H. M. Byllesby Company, of Chicago, was made known here yesterday evening through the initial inspection trip made of the developments along New River by the newly-elected officials. Through the change which has been brought about, the interests of this company shift from Chicago to New York and Boston, where the financiers and officers are located. Through the change an entirely new directorate board has been elected, which has chosen its official staff, and it was these new officials who visited the developments along New River yesterday. The party included President Moss and Vice-President Walcott, of Boston; M. A. Viele, active vice-president; A. P. Taliaferro, secretary and treasurer, of New York; Herbert Markle, of Bluefield, W. Va., general manager for the operations; H. E. Shedd, of Bluefield, W. Va., superintendent of power department; R. E. Scott, of Richmond, attorney; O. L. Stearnes, of Salem, and R. E. Wysor, of Dublin, connected with the engineering department.

Viele, Blackwell & Buck, of New York, several years ago took up the matter of developing the water power along New River in Pulaski, Grayson and Carroll Counties for the purpose of hydro-electric power, and interested the H. M. Byllesby Co., of Chicago, in the proposition, the company coming to be known officially with local operations as the Appalachian Power Company. Five prominent sites were selected for the erection of large and modern dams, two of which have been completed in connection with the power developing machinery at each dam, the firm of Viele, Blackwell & Buck, of New York, getting the construction contract. Current has been developed at these two dams little more than a year, the high tension wires carrying it to many points of importance throughout Southwest Virginia and into the coal fields of West Virginia, Roanoke and Lynchburg, furnishing an auxiliary supply at these, the most eastern points to which the lines have been extended. In connection with these, numerous substations were erected at intervals to control the current for local uses. With the construction of the two large dams, which generated sufficient supply of electric current, the Byllesby people shifted their constructive operations to other points, with a possibility of returning to this section later to develop other dam sites. However, at what date was indeterterminate.

The new officials of the company passed through Pulaski Tuesday afternoon, going out on the North Carolina branch, a distance of about thirty miles, to view the holds and developments which are already in operation. They merely stopped in Pulaski long enough to change cars, hence the purposes of the officials and to any future development of the sites, which have been surveyed, were not ascertainable. However, it is generally believed by those who are familiar with the purposes of the company that the change will be a material benefit to this section of Virginia. It is known that under the Byllesby management this was just one of many similar developments, while with the new promoters it is practically the only one, hence they will seek to develop more rapidly the hydro-electric power as laid out by the first company.

The party from here went directly to Bluefield, where the principal office of the general manager is located, to look over the field, and will doubtless go through the coal fields of West Virginia and Virginia to make a thorough investigation of conditions. The change does not affect the local management so far as it was possible to ascertain.

JUDGE LET HIM GO TOO SOON.

Man He Banished Left $200 Costs Unpaid and Won't Return.

Asheville, N. C., September 17.—Three months ago Judge Frank Carter, presiding over Supreme Court, gave Wiley P. Black, a police court character, his choice between serving two years on the roads or leaving the State for good. Black chose to leave the State, and went to Tennessee. Now Judge Carter is using every possible effort to get him back.

Black, who is quite wealthy, has been indicted many times for selling whiskey, and at the last term of court Judge Carter determined to rid the city of Black and all others of this ilk. Six were given a chance to go, and all went, but Black neglected to pay $200 costs attached to his case, and Judge Carter did not learn of this until court convened again this week. He is now trying to get Black back into North Carolina, but the Tennessee officials hold that Black is guilty only of a misdemeanor and not subject to requisition, and refuse to arrest him. A charge of being a fugitive from justice will probably be the next move of the judge against Black.

CHANGES AT RAILWAY STATION.

Caused by Recent Threatened Clash Between White Man and Negro.

[Special to The Times-Dispatch.]
Bristol, Va., September 17.—The recent threatened clash between Captain Boaz, station-master at the Union Passenger Depot here, and Prof. F. W. Woodfin, a prominent negro educator, has caused the Norfolk and Western Railway officials to take prompt action to provide separate waiting-rooms for whites and blacks. The station here had never been so divided, but the station-master was endeavoring to enforce a rule to separate the races, and allowed no colored person to pass through the doors of the waiting-room designated by him for the use of whites. The station is now being changed.

The Rev. J. Tyler Frazier, veteran of the Confedertae army, and a veteran minister of the Holston conference, is to deliver the chief address here on Thursday, when the Confederates of East Tennessee and Southwest Virginia hold their annual reunion in Virginia Park here. This will be the eighteenth annual meeting. A barbecue will be a feature. Upwards of 500 veterans are expected.

There will be about twenty-five names on the official ballot for the Democratic primary to be held in this city October 2, when nominations are to be made for city offices. All candidates have agreed to abide by the result of the primary. Treasurer Fuqua, Commissioner of Revenue Crymble, City Sergeant Rodefer, and all other city officers are candidates for re-election, and each is having active opposition.

NEWS OF SOUTH RICHMOND

PLAN ATHLETIC FIELD

Youngsters to Have Permanent Playground, With Modern Equipment.

Children of the Southside will have a permanent playground with every adequate equipment next year, according to arrangements now being made by the recreation authorities. Negotiations are under way, it is understood, to purchase a large athletic field, at a central location. Instead of the summer only, the grounds will be open seven or eight months in the year. A meeting to decide on this matter will be held very shortly.

The playgrounds this year were somewhat experimental, this being the first time Southside youngsters have had an opportunity to enjoy their advantages. They have proved so successful, however, in providing amusement and healthful exercise to the boys and girls that the need is felt for a much larger ground. The Powhatan Playgrounds closed last Saturday.

The new field which is planned is intended not only for children, but also for any adults who care to enjoy its advantages. This was a feature at the Chimborazo Playgrounds, which was a success. The place will be ample for a baseball diamond, tennis court, or other sports.

Elect Officers To-Morrow Night.

Considerable interest is being taken as to who will be the officers for the coming year of the South Richmond Democratic Club, which will be decided at the meeting to-morrow night in Fraternal Hall. Another important matter to be taken up will be the question of getting the young men of the Southside to qualify, in order that they may vote in the different elections. The question of how to reach the non-voter will also be discussed. The present officers are Carter C. Jones, president; D. L. Toney, vice-president, and Railey P. Shiflett, secretary and treasurer.

Thomas Gets Road Term.

Arthur Thomas, colored, charged with striking Ernest Dunnavant, a young white boy, with a hatchet, was found guilty and sentenced to one year on the roads yesterday in Hustings Court, Part II. Young Dunnavant was badly hurt by the blow he received from the negro, and there was considerable feeling against his assailant at the time.

Dismissed on Cutting Charge.

Harvie Strong, colored, charged with feloniously cutting Maggie Alexander, also colored, was dismissed yesterday in Hustings Court, Part II. The chief witness for the prosecution, the Alexander woman, left town Tuesday, and had to be summoned by a subpoena.

Degree Team to Meet.

The master of the degree team of Henderson Lodge, No. 105, Fraternal Order of Odd Fellows, requests all members of the team to be present at the meeting to-night in Odd Fellows' Hall. There will be informal talks, and refreshments will be served. A discussion will be made of some new degree work.

Sewer Nearly Completed.

After many delays, the work of laying a sewer in East Eighth Street has been about completed, and the thoroughfare will be opened to traffic very shortly. Cobblestones are now being laid on the part of the street which was torn up.

To Give Minstrel Show.

A show will be given next Saturday night in the home of Mrs. W. L. Bailey, 3306 Semmes Avenue, Woodland Heights, by the Maslin-Bacon Minstrels, of South Richmond. It will be for the benefit of the building fund of the Woodland Heights Baptist Church. No admission will be charged, but a silver offering will be taken at the door. Conway "Billie" Burke will be in charge of the troup of blackface artists, who say they have arranged some special stunts for the occasion.

Fined for Hitting Escort.

Henry Harris, colored, was fined $10 yesterday in Police Court, Part II., on a charge of striking A. P. Harding, also colored. Harding was escorting a woman home, it is said, when Harris bumped into him with a beer keg, and a fight ensued. Harris is alleged to have later knocked Harding down.

Personal and General.

Dr. and Mrs. E. G. Hill, of 1109 Bainbridge Street, left Saturday for an extended Northern tour. They will visit Chicago, Cleveland and other points of interest.

Mr. and Mrs. Haskins Hobson, of Forest Hill, have returned home, after an absence of several weeks.

November 25 is the date set for the bazaar which will be given by the women and children of Bainbridge Street Baptist Church. It will be in the annex of the church, where booths, in which refreshments will be sold, are to be erected.

Miss Alice Lancaster, of Rocky Mount, is the guest of Miss Rena Reams.

Mrs. Lumpkin, of Baltimore, has been visiting Mrs. A. D. Shotwell, of 300 Cowardin Avenue, for several days.

Mrs. R. E. Davis, of 2008 Delaware Avenue, Oak Grove, was operated on Monday at the Stuart Circle Hospital. She was reported to be slightly improved yesterday.

HEARING AT WINSTON-SALEM.

Proposed Changes in Train Schedule Before Corporation Commission.

[Special to The Times-Dispatch.]
Winston-Salem, N. C., September 17. Judge George P. Pell and W. T. Lee, of North Carolina Corporation Commission, were here this afternoon hearing complaints and requests of representatives from Wilkesboro, North Wilkesboro, Elkin and Winston-Salem in regard to the proposed changes in the present schedule of trains running between this city and North Wilkesboro. Attorney Clement C. Manley, counsel for the Southern Railway, and Superintendent J. M. Bennett, of the Winston-Salem division, were also present.

The hearing was held as a result of a petition from citizens of Wilkes County, requesting that the present schedules be changed so as to be more favorable to Wilkesboro and North Wilkesboro. A large delegation of citizens was present from the two towns in Wilkes, but they were divided in opinion. The evidence and the petitions furnished will be referred to the full commission and a decision will be rendered later.

BUCKINGHAM SCHOOLS OPEN.

At Arvonia Attendance Expected to Reach 175 Pupils.

[Special to The Times-Dispatch.]
Arvonia, Va., September 17.—The Arvonia High School began the session of 1913-1914 on Monday morning with 136 pupils enrolled. There are five regular teachers and a teacher of instrumental music. The course of instruction ranges from the first primary year to the third year of regular high school work. The teachers are as follows: Prof. Lewis Gordon Porter, principal; Miss Clarice Bersch, teacher of the first high school grade; Miss Lula Spencer, teacher of the sixth and seventh grades; Miss Minnie Butler, teacher of the third, fourth and fifth grades; Miss Callie G. Woody, teacher of the first and second primary grades; Mrs. Robert Fuqua, teacher of piano music.

The prospect is that the total enrollment will reach 175 to 180 before the session is over.

The high school building is an excellent one, thoroughly modern in all respects, with circular entrance hall, four class-rooms and cloak-rooms below and an equal number above, and a library room on second floor. The building has a modern system of heating and ventilating.

The Buckingham High School opened also on Monday with Prof. A. D. Warwick as principal and Mrs. S. B. Bondurant and Miss Nettie Swoope as assistants. The St. Andrew's School opened with a large number of high school pupils. Prof. Harry Turner is principal, and Miss Mabel Swoope first assistant.

The Dillwyn High School gives promise of a very large attendance owing to the building up of the town of Dillwyn and the general prosperity of the surrounding country, as well as to the efficient manner in which the school was taught last year. It will open September 22, with Prof. James Alexander Hanna as principal.

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Noah's Fever Remedy is a medicine for fever, coughs, colds, distemper, influenza, lung troubles, and the treatment of milk fever in cows. Given on the tongue. Two sizes, 50c and $1.00.

Noah's Liniment is the best all-round family and stable remedy on the market. Contains no alcohol, chloroform, ammonia, naphtha, benzine, or poisonous drugs. 25c, 50c and $1.00 a bottle. Gallon cans at $5.00.

Noah's Kura-Gall Ointment for fresh cuts, old sores, scratches, collar galls, sore backs, and thrush in horses' feet cannot be beat. 25c per can.

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"My stable boss says the Noah Remedies are the best he ever used, especially the liniment for the cure of sore shoulders. He also endorses your colic remedy as being fine and a sure cure."—T. J. Davis, Sup't State Farm Lassiter, Va.

"I have been using Noah's Remedies on our stock with fine results, and find them to be the best of the kind I have ever used."—D. J. Grimith, Sup't S. C. Penitentiary, Columbia, S. C.

"We cheerfully recommend all stock owners to give Noah's Remedies a trial and be convinced of their wonderful curative properties. We have obtained better results from their use than we did from remedies costing $5.00 per bottle."—Norfolk and Portsmouth Transfer Co. Norfolk, Va.

MRS. PANKHURST TO BE BARRED, SAYS MORTON

Immigration Inspector at Norfolk Advices Suffragettes Not to Make Many Plans.

Norfolk, Va., September 17.—That Mrs. Emmeline Pankhurst, leader of the militant suffragettes in England, and now on her way to the United States, could not be landed in this country under the present immigration laws, was the statement made yesterday by William R. Morton, immigration inspector in charge of the Virginia and North Carolina district.

Mr. Morton made the above statement after he had read that an invitation had been extended by Norfolk suffragettes to have Mrs. Pankhurst come to this city. Mr. Morton, who is married, says he is not afraid of the suffragettes. He said that the Norfolk members need not make many arrangements for Mrs. Pankhurst, for he did not think she could be admitted to this country under the present laws.

According to Mr. Morton, since Mrs. Pankhurst has been convicted and served a term in jail for destroying property and inciting riots, she would be refused admittance to this country.

ATTENDANCE IS LARGE.

Washington Public Schools Open for Session.

[Special to The Times-Dispatch.]
Washington, N. C., September 17.—The Washington public schools opened yesterday for their regular fall and winter term. Appropriate exercises were held in the school auditorium, where all the children and their teachers were assembled, together with the board of school trustees and a large number of visitors. The exercises were conducted chiefly by the superintendent, C. M. Campbell, Jr., assisted by the different ministers of the city, each of whom made short addresses. The enrollment on the opening day was nearly 800, and new pupils are still coming in. Several new teachers have been added to the faculty, and the school begins the term with very bright prospects.

Washington's tobacco market is in a nourishing condition. Large sales are taking place each day at the different warehouses. The tobacco is bringing exceptionally good prices, is of good grade, and the farmers are highly pleased. One farmer sold a wagon-load of tobacco at one of the warehouses yesteday, and this one load netted him $390.

MUTUAL RELATIONS AND INTERESTS OF THE BELL SYSTEM AND THE PUBLIC

The suit brought by the United States questioning the purchase of certain telephone properties in the Northwest, as well as the pending Interstate Commerce Commission telephone investigation, have caused many inquiries. Without taking up anything going to the merits of these proceedings, it has seemed to us proper to state generally what has been our policy and purpose in the conduct of our business.

We have found, or thought that we had, that our interests were best served when the public interests were best served; and we believe that such success as we have had has been because our business has been conducted on these lines.

We believe that our company has an interest as vital as that of the public in the proper administration of the problems of electrical inter-communication. The success and prosperity of our company depend upon a solution of these problems which shall be sound from both the standpoint of the company and the public which it serves.

Following our own best judgment, supplemented by the best obtainable advice, we have endeavored to do what would best serve the public interest; wherever possible our plans have been disclosed to the public in advance, and what has been done in carrying them out has been along ordinary business lines, with the implied, and generally, with the expressed approval, authorization or consent of the municipal and State authorities directly interested. Our effort has been not only to obey the law, but to avoid everything which might even have the appearance of an attempt at evasion.

Our business methods and policy, and practically all of the details as to the transaction of our business, are matters of common knowledge and are, and for many years have been, well known to the government. We will willingly furnish the government any additional information which is in our possession or under our control, and will cordially co-operate with it in obtaining such further information as it may require. Every possible assistance will be given by us to the courts in their effort to determine whether our policy is or has been inimical to the public interest. We desire that anything wrong be corrected; we will voluntarily rectify any wrong that may be pointed out to us; and, so far as it may be determined that our policy or any act under it is against the public interest, we will promptly conform to such determination.

We believe that if each of our exchanges were made an independent unit and if each connecting line were put under a separate control, the effect upon the telephone service of the country would be a condition so intolerable that the public would refuse to submit to it and would immediately require such physical connection and common control of these various units as would amalgamate them into a single system. Physical connection in the case of telephone or telegraph does not mean transfer of messages from one line to the other. It means such a connection as will permit one person to have the actual possession of the particular line of communication from one end of it to the other, and this can only be given efficiently by exchange systems and connecting lines under a common control; and that is what the Bell System is.

In this connection, and for general information, we will restate the policy which controlled the building up of the Bell System, and our belief as to what a telephone system should be, and what are its relations to the public.

We believe in and were the first to advocate State or government control and regulation of public utilities; that this control or regulation should be by permanent quasi-judicial bodies, acting after thorough investigation and governed by the equities of each case; and that this control or regulation, beyond requiring the greatest efficiency and economy, should not interfere with management or operation. We believe that these bodies, if they are to be permanent, effective and of public benefit, should be thoroughly representative; they should be of such character and should so conduct their investigations and deliberations as to command such respect from both the public and the corporations that both will without question accept their conclusions.

We believe that the public would in this way get all the advantages and avoid all the manifest disadvantages of public ownership.

We believe that centres of business and population exist for the convenience of the public as a whole, and that no such centre can prospect without sufficient and efficient means of intercourse with other centres and tributary territories; that such means can only be afforded by prosperous utility and service companies, and that fair rates are essential to prosperous companies. We do not believe that any public either desires or can obtain, nor can any service or utility furnish, permanent and efficient service at less than cost, including capital charges. We believe that ultimately the public either directly or indirectly pays the losses involved in the efforts to furnish such service at less than its fair cost, either through the loss of the capital involved, the losses incident to poor service or the necessary increase in charges required to pay for duplication of capital.

We believe that the highest commercial value of the telephone service depends on its completeness—on the extent and comprehensiveness of the facilities for intercommunication, not only between individuals, but between centres of population; that no isolated section can be considered independently of any other section or of the whole; that rates must be so adjusted as to make it possible to obtain the maximum development by making it possible for every one to be connected who will add to the value of the system, thus giving the greatest value to the greatest number; that the interdependence of the telephone service and the value of complete and universal intercommunication justify and require some services partly at the expense of the whole for the benefit of the whole.

We believe that this highest commercial value can only be attained by one system under one common control, and that it cannot be given by independent systems unless they are operated under agreements which result in one common control and one common interest, in effect making them a single system.

We believe that rates should be so adjusted as to afford the company sufficient revenue to pay such wages and compensation as will secure the most efficient service; to maintain the very highest and most advanced standards of plant and apparatus, to carry on such scientific and experimental research and inventions as to apparatus and methods as to insure the highest standards, and to carry to reserve and depreciation such amounts as will enable the company at any time to replace old plant and old methods with new plant and new methods as fast as they may be developed and found to be to the advantage of the service. We believe that in addition, such fair charges should be paid upon the investment in plant as will enable the company at any time to obtain money necessary to provide the plant required to meet the continuing demands of the public; and in order that waste and duplication of effort may be avoided and uniformity of purpose and common control be enforced, that there should be a centralized general administration in close communication with and having general authority over the whole on matters common to all or matters of general policy.

We believe that any surplus beyond that necessary to equalize dividends on a fair basis should be used by the company for the benefit of the public, and should be inalienable for any other purpose, and should be either invested in revenue-earning plant until necessary to substitute plant which may become inadequate or obsolete, or should be used to make the service cheaper or better.

We believe that under proper governmental control and regulation the profits from promotion or operation allowed to be distributed should not be so large as to warrant or tempt complete duplication of plant and organization, with its duplication of its capital charges and its organization, operating, maintenance and depreciation expenses; and we do not believe that utilities giving at fair rates an efficient and sufficiently comprehensive universal service should be subject to limited competition, not giving such service. Competition which ignores the obligation to furnish a complete and comprehensive service is not competition, is not for the benefit of the public in that it does not reach the whole public interested.

If, therefore, complete duplication, with its dual exchange connection and dual bills for service, is a prerequisite to complete competition, government control and regulation cannot go hand in hand with competition.

We believe that the record of the Bell System will be accepted by the public as fully in accord with these declarations. Consistent adherence to this policy has given the public of the United States the best, most comprehensive and cheapest telephone service in the world and made the Bell standards the standards of all nations.

To remove any possible excuse for misapprehension on account of the many misleading statements which have been circulated as to the alleged unnecessary and overcapitalization and excessive charges of the Bell System, the following statistics are given. Except where stated, the figures are for the Bell System; that is, the American Telephone and Telegraph, and its Associated Companies.

The entire Bell System on June 30, 1913, had outstanding in the hands of the public obligations (i. e., notes, open accounts, bonds and shares) to the par value of $776,000,000.

The book value of the total tangible assets, which is considerably less than their replacement value, amounted to $960,000,000. Many appraisals of property included in these assets have been made, and most of them under the direction of public authorities. In no case has the value as it stands on the books failed to be sustained, and in most cases it has been very largely exceeded.

The total dividends and interest paid during the year 1912 amounted to only 6.1% on the average of its outstanding obligations, and to less than 5% on the average value of its assets.

The actual cash which has been paid into the treasury of the American Telephone and Telegraph Company on account of the capital obligations now outstanding amounts to $22,000,000 more than the par of such outstanding obligations.

The Associated Companies collected from the public and paid back in taxes over $10,000,000 during the year 1912.

The steadily increasing necessities of the public not only for additional, but for new telephone service, can only be met by new construction, involving capital outlay. To meet these demands during the six and one-half years from 1907 to June, 1913, inclusive, the increase in telephone plant was as follows: Toll line wire increased from 1,460,000 miles to 2,242,000 miles; exchange wire increased from 6,000,000 miles to 13,000,000; the number of exchange stations increased from 2,730,000 to 5,200,000; the number of stations of independent companies connected with the Bell System increased from 343,000 to 2,620,000. The number of independent companies connected with the Bell System is about 25,000. The number of employes in the Bell System, not including the employes of connected companies, on December 31, 1912, was 141,000.

During this same period the number of shareholders of the American Telephone and Telegraph Company, not including either the associated or connected companies, increased from 17,000 to about 54,000. About 47,000 shareholders hold less than 100 shares each; 6,500 shareholders hold from 100 to 1,000 shares each; 347 shareholders hold from 1,000 to 5,000 shares each, while there are only 16 shareholders of 5,000 shares or over in their own right. A majority of the shareholders are women.

American Telephone and Telegraph Co.
THEO. N. VAIL, President
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