

FEDERAL OWNERSHIP.

Discussed in the Arena by an Eminent Southern Judge.

TELEGRAPHS AND TELEPHONES

Are Properly Parts of our Postal System. Congress Urged to Take Action.

Reasons, Facts and Figures.

(By Honorable Walter Clark, associate justice of the supreme court of North Carolina, in The Arena.)

In framing the federal constitution it was wisely provided that "Congress should have power to establish post offices and post roads." This has always been interpreted as not only conferring the power, but imposing the duty of establishing and maintaining an adequate and efficient postal service for the country, and to that end adopting the means which experience and the progress of invention should prove best adapted for the purpose.

When cheaper postage and a uniform rate were demonstrated to be advantageous by the example of the English post-office under Sir Rowland Hill, congress promptly applied the same in our own postal service. In like manner followed the use of postage stamps, the introduction of free delivery into cities, the adoption of the money order system, the issuance of postal notes, and many other improvements in the handling and distribution of the mails. None of these were dreamed of by the framers of the constitution. They were details wisely left to be worked out by the progress and intelligence of succeeding generations.

It has not failed to adopt them because it is unconstitutional to do so. That is too plain for argument. It would be easy to fill pages with citations of legal authorities showing its constitutionality. Indeed, it could be better said, that it is unconstitutional for the government not to adopt them for the purpose of giving the people the best and cheapest and speediest postal facilities which the most improved methods known to science can afford.

Nor can it be said that it would be an experiment. Every civilized country, with the sole exception of ours, has long since made the telegraph a part of its postal service, and in all it has worked satisfactorily. The rates in Great Britain and Ireland are, like postage, uniform for all distances and are 1 cent per word. In Germany the rate is about the same, and in Austria less. In France and Belgium the rate is under 10 cents (half a franc) for ten words between any two points. No department of the postoffice in any country pays better than the telegraph. In most countries the telephone, too, has been added.

It is very certain that the telegraph and the telephone, as parts of our postal service, would not only wonderfully improve the means of intercourse, but it is believed that a very cheap uniform rate—probably 5 cents a message—would pay a handsome revenue to the government. In the presence of the exorbitant rates to which we are accustomed, this will seem hazardous; but reduction will show that it is not. Telegraph wire costs less than 50 a mile, poles in our country are not expensive, the cost of erecting them light. The chemicals for use of the

wires are inexpensive. Where, then, is the cost? The government pays freight to railroads, steamboats and star routes and sends letters across the continent at 2 cents, and around the world for 5 cents. The last postmaster general's report states that while, owing to the cost of heavy packages and matter carried free, there is a deficiency in the postoffice, yet on the carriage of letters there is a net revenue annually of \$36,000,000. Why, then, is it chimerical to say that messages sent by wire, at the cost of a few cheap chemicals and no freight to be paid, would not pay a profit at 5 cents per message of ten words?

It may be noted that the telephone patent expires next March. Now is the time for congress to adopt it for the postoffice, and establish a telephone at every country postoffice. The advantages to the rural population would be manifold. Physicians could be summoned promptly for the sick. Witnesses and others summoned to court could be notified what day or hour to attend, and be saved useless hours hanging around the county court house. A message to the nearest railway station would ascertain whether expected freight had come, and the farmer would be saved a needless trip of his wagon over bad roads. News of approaching frosts could be promptly distributed through the country districts, and many a valuable crop saved. These may seem homely purposes to dwellers in cities, but they will deprive country life of some of its drawbacks, and be a boon to a portion of our population who claim that they bear their full share of the burdens of government and receive less than their share of its benefits. It comes, too, at a time when they are disposed to assert and maintain their right to be better considered in the distribution of the advantages of governmental favor. For this service it might well be provided that for telephonic messages within the county or for a distance less than fifty miles, the charge would be only 2 cents. A system similar to this now prevails in Austria and some other countries. The postmaster could very easily keep his accounts, either by the use of stamps, or by the use of tick-in-the-slot attachment to the instrument. If the telephone is not now adopted by government, some gigantic corporation, some vast syndicate, will be sure to utilize it; and when hereafter government shall be forced to take it up for the public service, congress will be valved off, as trespassing upon private and vested rights, as is already the case with the telegraph.

The use of the telephone would deprive of validity the only arguments of any weight which have ever been used against the adoption of the telegraph by the postoffice. These arguments are: 1. That the telegraph would be used by 5,000,000 of people and the other 57,000,000 would have to pay for it. Aside from the fact that the telegraph here, as in England and elsewhere, when used by the postoffice, and placed at a moderate uniform rate, would pay a profit, we have the additional fact that by the adoption of the telephone at country postoffices, the rural masses would be users of the new agency of intercommunication as well as the business men of the cities.

2. It is urged that the number of employees of the government would be vastly increased. This argument, too, loses any force, if it has any, by the addition of the telephone. For all distances under 200 miles, the telephone can be employed, and the present postmasters can of course use them. A few telegraph centers—one or two for each state—could be established, to which all long-distance messages would be sent, to be there dispatched by telegraph. At these centers there would be a staff, more or less large, of operators; but the civil-service rules would apply, as they already do, to the same postoffices. The annual increase in the number of postmasters and postoffice employees, by reason of the increased service, is from 3,000 to 5,000. For the reasons above given, it may be doubted if the addition of the telegraph and the telephone to the postoffice will add more than the present natural increase of one year. Besides, this increase will be at centers, and will be altogether of civil-service appointees and non-partisan.

3. The argument as to the expense of delivering messages would also be destroyed by the use of telephones, since in country districts the message would simply go to the postoffice; and in towns and their suburbs the universality of private telephones, which will come into general use on the expiration of the telephone patent, would make it easy to deliver messages; besides, government could and would have numerous telephone sub-postoffices in every place of size.

The Western Union and its champions always adroitly couple opposition to governmental ownership of telegraphs with its ownership of railroads. This is to avail themselves of the strong opposition, and the forceful reasons which can be given, against the latter measure. But the two measures have nothing whatever in common. Governmental ownership of telegraphs and telephones is within the constitutional provision, and does not concern the extension of governmental authority to new subject matter, but is the simple adoption of proper facilities for the postal service commensurate with the progress of invention. No argument can be used against it which would not be equally valid against the administration of the postoffice itself by the government. Yet we may well believe that if the mail were handled by the same monopoly, it would not be as

satisfactorily done as at present, and postage would be as high as telegraphing is now.

Whatever the demerits or merits of the cry raised in some quarters for governmental ownership of railroads, it has no connection with this matter. If railroads were used solely for the purpose of transmitting of mail matter, the case would be parallel, and government could take charge of them under the power to establish post roads. But railroads are used mostly for conveyance of passengers and freight, which is foreign to the purposes of a postoffice; and to the extent that they can be used for mail purposes, government does take charge of them, and asserts its exclusive right. If railroads are ever taken over by the government, it must be on some other ground than as post roads, for in that capacity they are in government employ already. It is probable that public needs will require a stricter and closer control and supervision of railroads than heretofore; but as to the telegraph and telephones, from their very nature, they should be exclusively used by the national government for the cheap, speedy, and reliable exchange of communication between the people.

This will not prevent railroads from having their own telegraph lines for their own business, nor forbid telephone exchanges in cities and towns. As now persons and corporations can send their own messages, so they can send telegrams and telephonic messages on their own business by their own wires. The prohibition will extend, as is now the case, only to the sending of mail or messages for others.

The public demand in this direction for adoption of these, the cheapest and speediest means of intercommunication by the government, is beyond question. It can be ascertained by conversation in any gathering where the subject is discussed. The farmers' alliance has adopted the measure as one of its "demands." The boards of trade of New York, Philadelphia, Pittsburg, Baltimore, Cincinnati, San Francisco, Chicago, Detroit, Milwaukee, St. Paul and numerous other cities have petitioned for it. The vast majority of the press, wherever they have taken sides, have favored it. A measure so feasible, so needed, so much desired by the public and demanded by the wants of the age, has a powerful opponent, though indeed we may say but one; for the Western Union Company, after having crushed out or bought off all its opponents except the Postal Telegraph Company (so called), has arrangements with it by which rates are to be maintained. It may be well, therefore, to examine into some of the reasons which impel that gigantic corporation to put forth efforts so powerful, that up to the present time it has throttled the popular will and defied the progressive spirit of the times. The capital stock of that company in 1858 was \$358,700. It declared stock dividends between 1858 and 1886—eight years—of \$17,810,146, and added only \$1,837,950 for new lines, making its capital July 1, 1886, \$20,133,800, nine-tenths of which was water. One year from that date it coolly doubled its capital by making it \$40,568,300. The largest dividend up to 1874 in any one year was 4 1/4 per cent. For a period of seven years, its dividends averaged 100 per cent a year on its average capital. At one time it distributed \$10,000,000 of stock to its shareholders. Its capital stock now, by virtue of successive waterings, is nearly \$100,000,000, and on that sum it pays dividends that make it one of the best paying investments in the country. Every investment of \$1,000 in 1858, in the Western Union Telegraph stock, will have received up to last September \$50,000 in stock dividends and cash dividends of \$100,000, or an average of 300 per cent dividends per year. It has realized \$100,000,000 of net profits in twenty-five years by its high charges. These figures are uncontroverted statements made to the committee of the last congress before whom that company was represented by its president, its able array of counsel, and numerous lobbyists, and when it was opposing a measure in favor of a limited adoption of the telegraph by the postoffice.

After this showing, can there be attached any weight to the arguments of its newspapers and attorneys, or any doubt of the need by the public of a governmental telegraph? If at the present high rates, there has been so great and enormous a profit, can there be any doubt that here, as in England, a vastly increased business and a still larger profit would follow the taking over of the telegraph by the postoffice, with the concurrent establishment of reasonable rates.

The president of the Western Union, Dr. Norvin Green, stated that in 1869 the average profit to the company was 41 cents on each message. He claims that the average profit on each message now is only 7 1/2 cents, and he shows that the number of messages in the last twenty years has increased nearly ninefold—from 6,400,000 in 1868, to 54,100,000 in 1889. If this be true as to the profit, yet it shows that a large reduction in governmental hands is still possible, and a vast increase in the number of messages would be an immediate consequence.

As has been well said, "Of all the monopolies, the telegraph system of this country, substantially owned and con-

trolled by one man, is the worst and most dangerous of them all. It is no longer safe or expedient to entrust into the hands of one overpowering monopoly the telegraph business of this country. It is a power, that not only can be used, but has been perverted, for purposes hostile to the best interests of the people. The markets of the country, its finances, and its commercial interests to so large an extent depend upon the honest and honorable administration of the company, that the people are not in a mood to repose a trust of this kind any longer, without competition, in the hands of a stock-jobbing corporation."

The proposition for the government ownership of the telegraph and telephone will come up with renewed emphasis before each congress. Like Banquo's ghost, it is a question which "will not down." It is just and right that the public demand should be granted; and such demands, like freedom's battle, once begun, "though baffled off," we know, "are ever won."

It is an anomaly which cannot last, that we should strain every nerve and increase expenditure to save one or two hours in the rapid carriage or delivery of mails, when by a single enactment of congress all such messages as require the hotly sought expedition could be delivered almost instantly by the use of electricity, and at the rate, say, of five cents per message.

Has not the public cause to desire this measure as surely as the present monopoly has reason for the earnest and persistent fight it has made for so many years against it?

AMONG OUR EXCHANGES.

Hereafter when the democratic party adopts a national platform it should add the proviso—"If successful in the next election this platform to be null and void."—Indianapolis Journal.

It commences to look as if the conspirators had gone a step too far in suspending coinage in India. A reaction is about to take place. The schemes of the gold bugs are becoming so apparent now, that a wayfaring man though a fool can read them as he runs.—Independent American.

Democracy is all torn up in this state over the distribution of the offices, and about the only way out of the woods for the "lost sheep" is to commence at once and follow in the paths of the good shepherd populist. Such paths lead to the best store house of political clubs on earth with which to kill the common enemy. The latch string is out Brother Calhoun and Casper. Better come in.—Ulysses Dispatch.

The cheerful intelligence comes from Lincoln that the stockholders of the defunct Capital National bank will refuse to pay the assessment ordered by the comptroller of the currency. The people of Lincoln will hardly express their admiration for a class of citizens who refuse to live up to their moral and legal obligations simply because the state of Nebraska happens to be one of their principal creditors.—Bee.

There is no doubt that the same connection which has made the principle of the Granger cases an integral part of our law and has forced all parties to admit the right of state and nation to regulate corporate control of transportation will find a way to restrict the power of capitalistic combines of every sort and character, and relieve our civilization of the peril of a feudalism based on wealth.—Ablion W. Tourgee.

John-jingles, the iridescent ex-statesman of Kansas, in a recently published article says that the inter-state commerce and the anti-trust laws were aimed at the great corporations but "they missed the capitalist, the corporation, the employer and the millionaire" and floored the laborer. Considering the fact that John Sherman and Shelby M. Cullion did the "aiming" the result is not at all surprising.—Chicago Sentinel.

Nebraska's new senator addressed an enormous crowd at Lincoln Wednesday, and captured the whole crowd. Wherever he goes the people turn out in droves, and the pure populist doctrine he preaches, in that calm, convincing way of his makes a convert of almost every man who hears him. Senator Allen will live in history along with Webster, Jefferson and other men who loved their country.—Nonconformist.

This is a cheerful gleam of silver sunshine from Arkansas just now. A Little Rock special to the Louisville Courier-Journal quotes Senator Jones and Berry of Arkansas as defiant and brave in their opposition to unconditional repeal. Senator Jones declares that "the present money stringency has been created by Wall street for the purpose of demoralizing silver." Senator Berry said: "I voted three times for free coinage of silver. I believe in it, and never change my notion. I think when the Sherman law is repealed something else should be substituted that looks more toward free silver than it does." These brave words should be commended to Senator Mills and Coke of Texas. It might brace their wavering spinal columns to stand fire for the people's cause.—Rocky Mountain News.

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