

To The Southern Bell Telephone & Telegraph Co.

Since the Southern Bell Company has arrogated to itself the right to disrupt the normal business and social life of cities in Mercer and other counties by imposing a thoroughly unconscionable increase in telephone rates under the guise of a pretended reduction, we feel justified in putting to your company several pertinent questions. If there is the slightest scintilla of justification for the imposition of toll rates on county inter-exchange service, you should have no hesitancy whatever in immediately giving us frank and forthright answers to the following questions:

(1) Was the decision to institute toll rates between county exchanges formulated by local managerial employees of the Company, who are familiar with our community life and problems, or was it indicated by Southern Bell's \$50,000 a year president and other high-salaried officials who run the Company by "remote control" from Atlanta, Georgia and who have no knowledge or sympathy with our local problems?

(2) Have these toll rates been instituted so that there will be more money forthcoming from Mercer county telephone users to be used by Southern Bell to pay its share of the \$206,000 a year salary paid to Walter S. Gifford, President of American Telephone and Telegraph Company?

(3) Have the officials of Southern Bell who dictated this move ever stopped for a moment from thinking of how to squeeze more profits for the Company out of telephone users and given the slightest consideration to the severe detriment and hardships that will be worked upon Kentucky communities by the institution of these tolls?

(4) Has Southern Bell any information at all as to the amount of property involved in county inter-exchange service, the cost of such service, and the revenues that the tolls will bring in? If so, why was such information not submitted to the Public Service Commission—Or did the Company have reasons of its own for not submitting this information to the Commission? If the Company does not have such informa-

CHANGES IN TELEPHONE RATES

The Herald is indebted to H. C. Wray, District Manager of the Telephone Company for data concerning the revised schedule of rates for Mercer. While on the face of this revision it shows a reduction in rates for Harrodsburg and Burgin, it can be seen that the toll on intra county service at 10c for every call is going to be enormous and will, no doubt, far outweigh the slight cut in telephone monthly rental. Mr. Wray's statement follows:

In January, 1935, the Kentucky Public Service Commission ordered a state wide survey and investigation of the rates, services and toll charges made by the Southern Bell Telephone and Telegraph Company for local telephone service in its exchanges in Kentucky.

After a thorough investigation and several conferences with the telephone company's officials on the subject, a satisfactory agreement was reached and an order issued to be effective November 1st, reducing telephone rates and other charges in the State of Kentucky to the extent of \$516,351.00 annually; at the same time the free service between exchanges is to be eliminated November 1st, with some few exceptions where exchanges are very close together and may be consolidated. If not consolidated by November 1st 1937 free service will be eliminated. This proposed consolidation is between Harrodsburg and Burgin exchanges, owing to the closeness of the two.

Most exchange telephone rates in Mercer county exchanges will be reduced effective November 1st, there will be a reduction in rural subscriber rates also and the new rates will be as follows:

	BUSINESS				RESIDENCE			
	1-Party		2-Party		1-Party		2-Party	
	Old	New	Old	New	Old	New	Old	New
Harrodsburg	4.75	4.25	4.00	3.75	2.75	2.50	2.25	2.00
Burgin	3.00	2.75	2.50	2.25	2.00	1.75	1.50	1.25
Cornishville	2.75	2.75	2.00	2.00	1.65	1.65	1.40	1.40
Salvisa	2.75	2.75	2.00	2.00	1.65	1.65	1.40	1.25

Hand set charge from 25c to 15c per month

	CONNECTION CHARGES					
	Main Sta.		Ext. Stas.		Instrumentalities in place for	
	BUS	RES	BUS	RES	BUS	RES
All Mercer County Exchanges	2.50	2.00	1.50	1.00	1.00	1.00

Free exchange service between other exchanges in Mercer county will be eliminated November 1st, 1936 and a small toll charge will be made for calls except service between Harrodsburg and Burgin Exchanges which will be continued for one year only, from November 1, 1936, in order that a consolidation of these exchanges may be considered, if not consolidated by November 1, 1937, free service will be eliminated.

The Telephone Company's records of operations in Mercer county, filed with the Commission, shows that the Company has been suffering considerable loss in its operations of the Mercer county exchanges, but, in face of that has agreed to a further reduction in its telephone rates.

tion, on just what basis of value and return does it justify the toll charge?

(5) Is it not a fact that, for the first six months 1936, after paying all operating expenses (including the salary of its \$50,000 a year President and its share of the salary of A. T. & T's. \$206,000 a year President) and paying all bond interest and all dividends, Southern Bell piled up a sur-

plus of over a half million dollars in that short period? Does the Company feel it necessary to grind a still greater surplus out of us?

(6) Is it not a fact that the earnings of Southern Bell are so high that its bonds are rated "AAA" by Moody's—the highest possible rating obtainable for bonds other than government securities? And is it not a fact that telephone earnings have been so high that American Telephone and Telegraph stock is today selling at \$179 (par \$100)—the highest price in the last five years?

(7) Now that you and others have succeeded in stripping municipalities of any control over rates through the passage of the Public Service Commission Act, and you have tried to slip over a rate increase that will work immeasurable harm to our communities, do you mind telling us what your next move will be to deprive us of the few rights we have left, so that we will have fair warning? Or isn't it the policy of your Company to give the public fair warning—or any warning—of actions which affect our interests vitally?

The Community is deeply interested in what your answers to these questions will be. We have a right to know. We will appreciate it greatly if you will answer these questions directly and specifically, instead of following the usual Southern Bell policy of uttering vague and meaningless generalities.

MERCER CHAMBER OF COMMERCE
By E. B. VanArsdale, Pres.

MERCER FISCAL COURT
By Chas. T. Corn, Judge

CITY OF HARRODSBURG
By Henry Adams, Mayor

HARRODSBURG ROTARY CLUB
By B. T. Hume, Pres.