



VIEW OF MAIN ST., ROCHESTER, IN 1877

A HISTORY OF TELEPHONY IN ROCHESTER, N.Y.



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By John P. Boylan

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— GENESEE CHAPTER —

One of the goals of all Telephone Pioneer Chapters is to provide a record of the beginnings and continual development of the telephone business and the Telephone Pioneers of America.

This history of Telephony in Rochester and part of Western New York was written by Mr. John P. Boylan, Past President of the Rochester Telephone Corporation and now Chairman of the Board of Directors.

The facts as shown therein were obtained with a great amount of time and effort and are an excellent tribute to the men and women of the Telephone Industry, both past and present, for the qualities which they possessed. They overcame the obstacles with which they were confronted and built the Company of today, that we are all so profoundly proud to represent.

To Mr. Boylan goes the sincere appreciation of the Genesee Chapter of the Telephone Pioneers of America for this excellent history of our Company.

Genesee Chapter, Telephone Pioneers of America
S. T. Leadley, President 1952-53.



IN the fall of 1875 J. Foster Warner, then a Rochester high school student and later a prominent Rochester architect, was promised a trip by his parents to the Philadelphia Exposition if he was graduated from high school. Young Warner made good and, while visiting the Exposition in June 1876, witnessed one of the most dramatic events in the history of communication.

It seems that a few years previously Dom Pedro II, Emperor of Brazil, while in Washington, D. C. remarked that a considerable number of his subjects were afflicted with deafness. He enquired at the Bureau of Standards if they had developed a hearing aid. The Bureau directed him to a young Professor at Boston University named Alexander Bell, who had perfected an appliance which was being used by deaf persons with fair results.

Then, a few years later, came the Philadelphia Exposition and Dom Pedro and his retinue set sail to witness its many wonders. It was nearing the end of the Exposition and Emperor Dom Pedro had not yet arrived. Word was received that his ship was delayed by a storm at sea. Came Sunday evening the last day of the Exposition. Some of the exhibitors were starting to pack up when a shout went up from the entrance of the Exposition and down the broad aisle came Dom Pedro, accompanied by the Empress and a bevy of Courtiers. The Judges hastened to meet him and act as an escort.

The party finally arrived at the last exhibit - a small stall with a wire strung across to the adjacent booth, having a telephone receiver at each end of the wire. The Judges scarcely gave this exhibit a look. One Judge picked up a receiver, looked at it blankly and made a slighting remark at young Alexander Bell's expense.

Then it happened !

The Judges were leading the throng away when Dom Pedro exclaimed, "Why there is my young friend from Boston. What are you doing here?"

"I am exhibiting an invention of mine, your Excellency", replied Alexander Bell. "I call it the telephone".

Following a brief description of the apparatus, the Emperor said, "I should like to try it out".

Suiting his action to his remark, he put the receiver to his ear. Bell spoke a few words into the receiver located in the adjoining booth. The Emperor's features expressed a look of profound amazement. He dropped the receiver and raising both arms in a dramatic gesture he exclaimed,

"My God, it talks!"

Thus the most obscure and neglected exhibit zoomed to the top ranking spot in the Exposition.

The sixtieth anniversary of the invention of the telephone was celebrated in 1935. Banquets were held in all of the larger cities in the United States and Canada and all were hooked together in a gigantic radio broadcast emanating from New York City.

The dramatic scene just described was re-acted as part of this broadcast by

a group of eminent actors. Following this, the Master of Ceremonies in New York City announced that the only known living survivor and witness of this history making scene was Mr. J. Foster Warner who, at that moment, was seated at the head table in the Chamber of Commerce Auditorium in Rochester, New York. The five hundred persons in attendance at the Rochester banquet arose to their feet and with cheers and applause ringing in his ears, J. Foster Warner took a bow.



MR. J. FOSTER WARNER (RIGHT) AT HEAD TABLE

Hence, Rochester looms large, not only with respect to its own telephone history but to the telephone history of the nation as well.

Mr. J. Foster Warner served for many years as a Director of the old Rochester Telephone Company and later as Director of The Rochester Telephone Corporation. Several monuments to his architectural ability still stand - the Stone Exchange Building, the Glenwood Exchange Building, the Culver Exchange Building and the St. Paul Plant Headquarters Building.

In 1877, the year following the invention of the telephone by Alexander Graham Bell, a pole line over thirty miles long was constructed between Rochester and the Hemlock Lake reservoir by the City's water department. It was the longest telephone line then in use in the world.

On March 12, 1878, a large and enthusiastic audience of Rochesterians attended a concert sponsored by The Western Union Telegraph Company. Music played and sung in Buffalo was transmitted by telephone over Western Union wires to Corinthian Hall, where it was recorded and rendered by a phonographic device. "This," remarked a current newspaper, "seems to be the climax of wonders."

In February of 1879, Rochesterians were subscribing to local telephone service through an office opened at 10 and 12 Main Street Bridge in downtown Rochester by the Bell Telephone Company of Buffalo. This Company was incorporated for \$30,000, in Buffalo in January 1879 by a group of Buffalo citizens, but the control of the company rested in the American Bell Telephone Company. Operations of the company in Rochester were conducted, primarily, by the use of wires carried over the lands and buildings of individuals.

The first telephone exchange in Rochester opened April 15, 1879 at 10 and 12 Main Street Bridge with fifty subscribers. The first telephone call was made by E. Ocumpaugh, whose only surviving relative Lucy W Ocumpaugh, resides at 76 Raines Park, Rochester, New York.

When the first Telephone Directory (copy in possession of the Author) was issued November 1, 1879 the list had increased to over four hundred subscribers. The first telephones installed in Rochester were equipped with only one receiver which the subscriber used both to hear and speak into. Then a second receiver was added which enabled the subscriber to hold one receiver to his

ear and speak into the other receiver.

The Western Union Telegraph Company was much concerned over the entrance into the field of communication by the Telephone Company so they decided to go into competition with the Bell Company. They instructed Thomas A. Edison, who was in their employ, to design a telephone instrument.

The patent office at this period was swamped with applications for various devices intended to transmit sound electrically.

Thomas Edison brought out an improved type of telephone including the Edison Transmitter. The Edison Telephone Company, with the backing of the Western Union Telegraph Company, was formed and began installing their telephones in Rochester and Buffalo. By reason of their more efficient instrument they were successful in securing many customers. Then the Bell Company countered by acquiring the Blake Transmitter which was patented by Francis Blake Jr., in 1878.

When Alexander Bell installed his original telephone circuit with a receiver at each end, the method used for attracting the distant location was by tapping on the front of the diaphragm with a pencil.

The first apparatus used by the Bell Company for calling was invented by Thomas Watson. It was known as the Watson hammer signal or "thumper". Following this, ordinary electric vibrating bells were used but trouble was experienced when ringing on long lines. The Edison Telephone Company employed telegraph sounders for signaling.

Some months later, Thomas Watson designed a small dynamo-electric machine later referred to as a hand generator.

A two-way switch was mounted on the face of the wall bell box. The subscriber was instructed to leave the switch on the right contact which connected the bell, but to throw the switch to the left contact when talking. This proved rather unsatisfactory, as many subscribers did not receive their calls, due to the switch being in the wrong position. This problem was solved some months afterward by Hilborne L. Roosevelt of New York City when he invented a lever switch with a hook on which to hang the receiver. This switch did automatically what the hand switch accomplished when properly operated.

The competition between the Bell Company and the Edison Telephone Company in Rochester and Buffalo proved to be short-lived however, when on November 10, 1879 the Western Union Telegraph Company issued a statement to the press that their patent attorney had finally decided that Alexander Bell was the original inventor of the telephone, and as a result, that they were retiring from the telephone field.

The following printed notice was sent to the Rochester and Buffalo subscribers of the Edison Telephone Company.

"IMPORTANT ANNOUNCEMENT"

Arrangements have been perfected by which the property and franchises of this Company have been consolidated with the Bell Telephone Company under the title of the Bell Telephone Company of Buffalo. This arrangement will not interfere with existing contracts.

The subscribers of both companies will after December 1, 1879 be able to communicate with each other.

It was not until 1883 that the Telephone Company in Rochester received formal permission from the Mayor which gave them the right to set poles and

string wires upon and over the city streets and property. During this year the Company made a substantial increase in the rates for service. By the end of 1884 the Company had 800 telephones in service. In 1886 the company announced that effective November 1, measured service would supplant the then flat rate service. The new rate was \$50.00 per annum for 500 messages and six cents a message for all over 500, to subscribers within a half-mile radius of the telephone exchange. Subscribers outside the half-mile radius were to be charged an extra \$20.00 per mile mileage. The Company at this period had one thousand telephones in service.

The City Fathers were furious and they forthwith instituted legal proceedings in the Court of Appeals to determine whether the Company's right to use the streets was a valid one. The Court held that the Mayor had no authority to grant such a privilege without the consent of the City Council. The City Council then promptly revoked the Company's License.

A mass meeting of the telephone subscribers was held in the City Hall to protest against the establishment of measured service at what they termed prohibitive rates.

By pre-arrangement on November 20, 1886 every subscriber removed his telephone receiver at noon and agreed not to use the telephone until the Company came to terms. This remarkable mass strike of telephone subscribers has no parallel in telephone history. The following month the Telephone Company erected a pole during the night on the corner of South Union and Court Streets to serve as a test case in Court and to determine whether they, as a Corporation, had the right to set poles and string wires in Rochester. The Courts decided against the Company and the pole was removed. The City then brought action against the Company to remove its poles and wires from the streets as they con-

stituted a public nuisance. Little progress was made in effecting a settlement with the City and the strike continued for eighteen months. Then on May 10, 1888, the City Council approved a schedule of rates submitted by the Telephone Company.

The new rates were \$64.00 per annum for ordinary business and \$57.00 for an auxiliary line; \$54.00 per annum for Doctors and Lawyers and \$46.00 for an auxiliary line; \$45.00 per annum for residence, and \$40.00 for an auxiliary line; all on a flat rate basis for individual lines.

In the meantime, the Company had rented the seventh floor of the Wilder Building and was in the process of installing a new multiple switchboard. It is interesting to note that the Western Electric Company installation foreman was none other than J. J. Carty, afterwards Chief Engineer and a top ranking official of the American Telephone & Telegraph Company. The local telephone Manager was William M. Mellet and B. F. Blackall was Superintendent.

In 1885 The American Telephone and Telegraph Company was organized primarily for the purpose of building and operating long distance lines. Theodore N. Vail was elected its first President and E. J. Hall Jr., who was Vice-President and General Manager of The Bell Telephone Company of Buffalo was elected General Manager and next in command to Mr. Vail.

In the fall of 1886, while the telephone subscribers' strike was still in effect, a group of leading Rochester citizens organized the People's Telephone Association of Rochester and contributed to a fund to defray the cost of an investigation to determine whether or not an Independent system, not infringing on fundamental patents, could be installed in the City.

The unpleasant relations existing over the past several years with the Bell

Telephone Company of Buffalo was unquestionably a strong factor in favoring the entrance of a competing telephone company in Rochester.

More than a decade went by before their great ambition really took shape. In 1898, George R. Fuller, a prominent Rochestertian, succeeded in interesting some of the most influential men in the city in financing a competitive company. A canvass for five-year contracts was made and 1,500 such contracts were obtained and submitted to the Common Council in support of the application for a franchise.

On April 14, 1899, a franchise agreement, drafted by the "Committee on Lamps and Electricity", was entered into by and between the Home Telephone Company and the City of Rochester. The Company's capital stock was \$150,000. The rate to subscribers was set at a maximum of "\$48.00 per year per instrument upon metallic circuit".

Telephone bills, payable in advance were to be rendered every three months. All local calls were unlimited.

In that same year, November 21, 1899, the name of the Home Telephone Company was changed to the Rochester Telephone Company, which came into existence with a capital stock of \$400,000. The Board of Directors consisted of fifteen of the most prominent members of the local community, many of them being nationally known in the business world. These pioneer Rochester Independents were: Frederick Cook, Thomas W. Finucane, George W. Archer, Albrecht Vogt, H. Wheeler Davis, Gustave Erbe, George R. Fuller, Jacob Gerling, J. Foster Warner, Edward W. Peck, Horace Brewster, Eugene W. Satterlee, Willard B. Spader, V. Moreau Smith and Ezra M. Higgins. Frederick Cook was the first President of the new company. He was later succeeded by Eugene Satterlee. George R. Fuller, who became widely and affectionately known as the "grand

old man" of Independent Telephony, followed as President and General Manager of the organization.

The entire work of planning and building Rochester's own system was placed in the hands of C. E. Stinson and C. O. Harris, two telephone engineers of long and practical experience. All preliminary planning was completed by June, 1899. The construction work of the original exchange system was of the highest caliber, with metallic circuits throughout. The equipment was of the central energy switchboard type.

The Company's first building, located at 59 Stone Street was completed and the entire exchange system was constructed and put in service - with 2,000 subscribers in May, 1900.

The entrance of the Rochester Telephone Company into the local field at the turn of the century was received with great cordiality. Its growth was extraordinarily fast, and it soon became a formidable factor in the city's communications. It also quickly became widely recognized in the field of Independent Telephony as having one of the best constructed and most modernly equipped telephone plants ever built. Rochester, incidentally, was one of the first cities to adopt underground construction.

It is interesting to repeat here the comments made by Telephony Magazine in its issue of June, 1901 - a year after the company began operations:

"The Rochester Telephone Company is considered one of the best managed exchanges in the Independent field, and while the company, when first starting, never hoped to secure more than 3,000 subscribers, it has been compelled to increase its plant rapidly, and now has a 3,600 capacity switchboard practically filled, besides having a large number of private branch exchanges in the

city, with from ten to one hundred instruments in each system, and connected with the main exchange by trunk lines. The company is rapidly extending its toll line systems throughout that part of the state."

The 3,600 line board was soon outgrown and a new multiple type board of twice its capacity was installed in 1902.

In 1905 the United States Independent Telephone Company was formed with a capital of Fifty Million Dollars. The Company was intended to be an Independent holding company, patterned after the American Telephone & Telegraph Company. The controlling interests of the Rochester Telephone Company was to be acquired as well as that of the Kenlock Telephone Company of St. Louis, Missouri; the Home Telephone Company of Kansas City, Kansas; the Federal Telephone & Telegraph Company of Buffalo and others. The United States Independent Telephone Company expected to match the Western Electric Company through the acquisition of the Stromberg Carlson Company. Twenty-six prominent men from various parts of the country were elected as Directors. Thomas W. Finucane of Rochester was chosen as President. Some of the fifteen prominent Rochesterians elected to the Board were George Eastman, Edward Bausch, Thomas W. Finucane, Hiram Sibley, Henry A. Strong, James S. Watson and John C. Woodbury.

The success of the enterprise was predicated on the granting of a franchise to the Independent Telephone Company of New York, a subsidiary of The United States Independent Telephone Company. This New York Company floated a twenty-five million 5% bond issue. The New York City Attorney for the United States Independent Telephone Company had stated that the franchise from the New York City Board of Estimates was assured and only some routine matters remained to be settled before it was officially approved. However, the franchise

failed to materialize and the United States Independent Telephone Company was dissolved within two years after it was organized.

Between 1906 and 1909 several Bell Companies operating in the State of New York were merged with the New York Telephone Company. Among these was the Bell Telephone Company of Buffalo.

In 1907, owing to the excellence of its equipment and the quality of its service, the subscribers of the Rochester Telephone Company increased to 10,000. In 1911, with 13,000 subscribers, it became necessary to add additional facilities. In that year the Park central office was installed in the southeast residential section. This office was of a semi-automatic type, designed to connect the subscriber to a trunk terminated in the Stone central office, where it was answered by the operator. This office was superseded in 1918 by a modern multiple type board.

In 1915, the Glenwood central office was installed in the northwest section of Rochester to care for the growing demand for stations in that area.

During this early period, local telephone companies were organized in several of the surrounding towns, and while operated as separate companies, they were owned to a large degree by either the Rochester Telephone Company or the New York Telephone Company.

In 1915, with the inconvenience and economic disadvantages of two separate telephone companies easily apparent to all, there was an intensive resurgence of demand for a single city-wide system. The merging of dual systems in the larger cities was rapidly taking place and it was evident that sooner or later the consolidation of the competing companies in Rochester would have to be brought about. "It is a remarkable fact," a current newspaper declared, "That

practically every person questioned on the subject is in favor of a single telephone system in Rochester."

It was pointed out to the people of the city by the local press that the Rochester Telephone Company's franchise was in the nature of a contract between the city and the company, and that under the terms of the franchise, the company must function as an Independent system perpetually. The only alternative was for the competing company to bow from the field. Rochesterians were assured however, that the Public Service Commission, which had recently come into being, would have the authority to hold a single-system operation to rates that would be fair to them, and at the same time, permit the financing by the Company of additions to meet demands for broader and more efficient facilities.

Incidentally, in December 1915 - the time being acclaimed as the twenty-first birthday of Independent Telephony - a great joint convention was held in the City of Chicago. It was marked by the dissolution of the National Independent Telephone Association and the Independent Telephone Association of America and the birth of the United States Independent Telephone Association. George R. Fuller, President of the Rochester Telephone Company, was elected a member of the Board of Directors of the unified organization.

During 1916 and 1917, negotiations pertaining to consolidation were entered into with the New York Telephone Company, ranging from physical evaluation of properties to the instruction of the Independent company's employees in the use of Bell equipment.

On January 17, 1918, with the announcement that the Rochester Telephone Company and the New York Telephone Company had agreed upon a definite plan, Rochester's dream of a single unified telephone system came closer to materialization. The plan, as devised by President Fuller and Fred C. Goodwin, attorney

and Director of the Company, called for the consolidation of Bell and Independent properties throughout Western New York. So far as Rochester was concerned, the plan involved the organization of a new, locally-controlled telephone corporation, which would acquire all the equipment, franchises and good-will of the competing companies and operate them as a single system.

In keeping with the Kingsbury Commitment of 1913, which provided among other things that the Bell System would thereafter maintain a balance of Independent and Bell stations in the United States, it was mutually agreed that in consolidating the properties in the different localities, the independent companies in Rochester and Jamestown, New York, would take over the Bell properties and that the Bell would acquire the Independent property in Buffalo.

The Rochester Telephone Company contributed 22,592 stations to the consolidation and the New York Telephone Company contributed 29,827 stations, giving the newly formed Rochester Telephone Corporation a total of 52,419 stations.

During the intervening years from 1899 when the Rochester Telephone Company entered the field, until the consolidation in 1921, the Bell Telephone Company of Buffalo (later the New York Telephone Company) continued to expand. In 1901 they moved from the leased quarters in the Wilder Building to their newly erected building at 95 Fitzhugh Street. The following year the Chase Branch Exchange on Park Avenue was opened and this was followed in 1909 by the building of the Genesee Branch Exchange on Genesee Street.

The battle for supremacy between the competing companies continued at a lively rate over the years and when the properties were consolidated in 1921, the Rochester Telephone Company had one thousand more telephones in the City of Rochester than the New York Telephone Company but, in the suburban area,

the Bell Company had 8200 more telephones than the Rochester Telephone Company.

At the time of consolidation the Officers and Department Heads of the Rochester Telephone Company were:

George R. Fuller, President
Charles M. Beattie, Treasurer
John W. Morrison, Chief Engineer in Charge of Plant
Frank T. Byrne, Superintendent of Equipment
Charles G. Vickery, Traffic Superintendent
William J. Farrell, Commercial Manager
John Haley, Superintendent of Construction
John B. Garry, Superintendent of Maintenance

The Department Heads for the New York Telephone Company were:

R. M. Bruce, District Plant Manager
William J. O'Hea, District Commercial Manager
Lawrence Lynch, District Traffic Manager

The Officers and Department Heads of the newly formed Rochester Telephone Corporation were:

George R. Fuller, President
Fred C. Goodwin, Vice-President
William B. Woodbury, Vice-President
John P. Boylan, Vice-President & General Manager
Thomas J. Hargrave, Secretary
Charles M. Beattie, Treasurer
Frank J. Brookman, General Auditor

William J. O'Hea, Assistant to President
John W. Morrison, Chief Engineer
Frank T. Byrne, Commercial Superintendent
Charles G. Vickery, Traffic Superintendent
Robert M. Bruce, Plant Superintendent

The Board of Directors was composed of the following fifteen members elected May 7, 1920.

George R. Fuller
Frederick W. Zoller
Carl F. Lomb
Frank T. Sage
John Craig Powers
Fred C. Goodwin
J. Foster Warner
Thomas E. Lannin
T. Carl Nixon
W. Roy McCanne
* Charles A. Spaulding
* William B. Woodbury
* Peter O. Jacobs
* Tage P. Sylvan
* Hiram F. Stevens
* New York Telephone Company appointees.

By virtue of securities received by the New York Telephone Company for property turned over to the new Corporation, and in keeping with the Corporation Law of the State, the New York Telephone Company was entitled to a minority

representation on the Board of Directors. Ten of the Directors represented various locations of the newly formed Corporation and five of the Directors were New York Telephone Company appointees.

On June 1, 1921, with the physical work of joining the two systems partially completed, the Public Service Commission granted authority for the merger. On June 7, a joint statement to subscribers announced that "on or about August 1, next, the Rochester Telephone Corporation, locally controlled and managed, will take over and operate the physical properties of the New York Telephone Company". Consolidation Day marked the official unification of 52,419 telephones in Rochester and thirty-five nearby-cities, towns and villages.

Due to inadequate rates which could not be raised under its franchise agreement, the old Rochester Telephone Company "limped along on half rations" during the last fifteen years of its existence. That it was able to survive and give reasonably good service is one of the outstanding records in telephone history.

Following the filing by the Rochester Telephone Corporation of the rate schedules, providing for measured service for business and flat rates for residence service, Mr. George Eastman, Rochester's most prominent and wealthiest citizen, issued a statement condemning the measured service system. His chief contention was that it would stifle business by restricting the free flow of telephone traffic. The Rochester Chamber of Commerce joined in the protest against metered service as did the City Administration, all of the newspapers and all of the Civic Clubs. Then followed the most spectacular campaign in telephone history, waged by these combined forces against the Telephone Company.

At a preliminary hearing of the Public Service Commission before Commissioner VanVoorhis, Francis Dagger, a consulting telephone engineer from Toronto, Canada, was brought to Rochester by Corporation Counsel Pierce to

testify in favor of flat rates which were then in effect in Toronto. Under cross examination by Fred C. Goodwin, the Rochester Telephone Corporation Counsel, the witness said he arrived in Rochester only that morning and had been driven about the City and a few miles out in the country on his arrival.

"How would you describe the topography of this Company's territory?" asked Mr. Goodwin.

"I would say that it was rather flat", replied the witness.

"And for that reason", questioned Mr. Goodwin, "you think we should have flat rates?"

"Yes, I would say so", replied the witness.

"That is all", said Mr. Goodwin.

The spectators were highly amused and the Commissioner could hardly repress a smile.

Mr. Pierce, jumping to his feet, said his witness was confused and, by dint of further questions, had the witness recant his previous testimony.

Then came the big Public Service Commission hearing held at the Court House August 25, 1921. The full membership of the Commission, headed by Chairman William A. Prendergast, was present. One of the five Commissioners was Charles VanVoorhis, a prominent Rochester attorney. The Chamber of Commerce had previously employed as its special Counsel former Judge Arthur E. Sutherland, an outstanding orator. In addition to Corporation Counsel Pierce, the City Administration employed William W. Armstrong, a former State Senator, as associate Counsel. Some weeks prior to this hearing the City also employed Dr. Milo Maltbie, a Consulting Engineer, who some years later was appointed Chairman of the New York State Public Service Commission.

It might be mentioned here that W. Roy McCanne was President of the Cham-

ber of Commerce in 1921. Early in the year he foresaw the impending battle against the Telephone Company and because he was a Director and Member of the Executive Committee of the Telephone Company, he very properly stepped aside and requested James Gleason, Vice President of the Chamber, to take over until the telephone controversy was settled.

The Chamber of Commerce had urged its members to attend this important Public Service Commission hearing and as a result some five hundred persons packed the Assembly Hall.

Judge Sutherland was assigned the task of attacking the measured service system; Corporation Counsel Pierce was to protest against the Company's rate schedule; and associate Counsel Armstrong was to question the validity of the Company's operating under the former New York Telephone Company franchise rather than under the former Rochester Telephone Company franchise. It will be remembered that under the latter franchise the maximum rate for service was \$48.00 per annum.

Judge Sutherland was in fine form. His sallies brought round after round of applause from the gallery. He reminded the Commission that the people in Rochester knew their rights and would fight for them to the last ditch. He recalled the subscribers' strike in 1886 against the Company when they all removed their receivers and refused to replace them for eighteen months until their demands were recognized.

The Judge then over-reached himself when he added, "We have not forgotten that demonstration any more than the battle of the Boyne has been forgotten."

Corporation Counsel Pierce tugged frantically at Judge Sutherland's coattail but too late. Pierce knew, as did many in the audience, that the battle of the Boyne in 1690 wherein the Irish had suffered a humiliating defeat at the hands of

William Prince of Orange was a contest that the Irish would like to forget.

He winced when he realized that the Chairman of the Commission William A. Prendergast, who was sitting in judgment on their case, was also President of the Friendly Sons of St. Patrick. An embarrassing pause followed the Judge's faux pas. Then Chairman Prendergast relieved the tension.

Looking over his glasses at the Judge he clamly remarked, "I hope it is forgotten in Ireland today", after which observation the proceedings continued.

Other hearings were held and numerous briefs filed and it was not until the fall of 1923 that the case was finally closed and the measured service system for business formally approved.

While this case was still pending, State Senator Whitley introduced a bill which was intended to hamstring the measured service system in the State of New York. It provided among other things that the company itemize the measured service calls on subscribers' bills. At a public hearing held on this bill in the Senate Chambers in Albany April 4th, 1923, Corporation Counsel Pierce intimated that the Rochester Telephone operators could get even with complaining subscribers by charging them for non-existent calls and that the Company was condoning this practice. The General Manager of the Company was instantly on his feet.

"Do you mean to infer," he exclaimed, "that the Telephone Company is conducting a school for crime?"

Pierce answered, "That is exactly what I mean."

The General Manager replied, "I just wanted to get you on the record for a possible libel suit."

The following morning, a Committee of seven Rochester Telephone operators called on Mayor VanZandt and presented a Petition signed by one thousand telephone operators in protest of the slanderous accusation made against them. The Mayor said he regretted the incident and assured the Committee that he and the people of Rochester had every confidence in the honesty and integrity of the telephone girls.

In January 1922 a telephone Conference Committee of six members was formed for the purpose of presenting its views at the final Public Service Commission hearing. The Mayor named two Union business agents, Frank J. Hartnett and David Archibald to represent the City; the Chamber of Commerce named Daniel N. Calkins and George Herbert Smith to represent that body and the Telephone Company named W. Roy McCanne (a Director of the Company) and John P. Boylan, its Vice President and General Manager.

This Committee held open hearings through the spring, summer and fall. The Company presented evidence to show that if the flat rate system was used, the rate for business telephones would be \$12.00 per month, whereas under the measured service system now in operation 28% of the business users were paying the minimum rate of only \$4.00 per month which included eighty messages.

F. H. Elter, the owner of a carpet cleaning establishment, organized a "small business" group and obtained hundreds of signatures favoring measured service. At the final meeting of this Committee held November 10, 1922, Mr. Calkins offered a resolution that the Committee favor a flat rate for business telephones in Rochester. It seemed to be the general opinion that when this final vote was taken, the two city members and the two Chamber members would be in favor of flat rates and the two telephone members against the Resolution. However, David Archibald, one of the City members threw a bombshell into the meeting

by voting against the Resolution. This resulted in a tie vote and a defeat of the Resolution. The Committee then adjourned sine die. The newspapers roundly abused Archibald. He was referred to as a Benedict Arnold and accused of selling out to the Telephone Company.

Following this, both sides agreed to an investigation by the Bureau of Municipal Research which was organized and financed by Mr. George Eastman. It was the popular belief that this Bureau would follow Mr. Eastman's lead in opposing the measured system but, once again the Telephone Company won out, following a statement by the Bureau's experts that the measured plan was the most equitable for business telephones.

After consolidation, the growth in telephones continued at an accelerated pace. It was found that the properties of the former competing companies together were not adequate to supply the actual and potential demand for telephone service. As a consequence, the Corporation embarked on a program of expansion and rearrangement that lasted for several years and involved an expenditure of approximately \$13,000,000. The increase in the number of stations in the year following consolidation was highly encouraging, as it clearly demonstrated the popularity and fairness of the Corporation's measured-rate plan.

In February 1923, Rochesterians signified their great interest in the new unified telephone system by their heavy attendance at a public demonstration of Rochester telephone exchange operations, held for two evenings in Convention Hall. Applications for tickets to each performance greatly exceeded the seating capacity of the hall.

Frank T. Sage resigned as a Director May 21, 1924 and Frederick W. Zoller resigned as Director August 18, 1924. They were succeeded by Heber E. Wheeler of Canandaigua and Wolcott T. Humphrey of Warsaw.

In 1925 and 1926, two new offices were constructed in the northeast and southeast sections of the city. These offices, known as Culver and Monroe, incorporated many labor-saving features, which increased their operating efficiency to a considerable degree, and which features were later incorporated in all the older central offices, resulting in a marked improvement in service to subscribers.

During this period the Corporation developed an improved network of trunk circuits connecting all central offices, in which all interconnecting trunks were on a straightforward basis. Calls were passed over the trunk direct to the "B" operator, with the idle trunk automatically indicated to the "A" operator.

From 1922 to 1928, Rochester's volume of traffic increased 94 per cent while in the same period its traffic expense increased only 46 per cent - a high compliment to the efficient methods employed by Management.

Keith S. McHugh was elected a Director November 23, 1926.

A fine evidence of the "Esprit de corps" in the telephone organization manifested itself in the spring of 1927. The Automobile Club of Rochester put on a membership campaign and offered as the top prize a Chandler automobile to any member who would bring in the most new members and renewals.

When the telephone employees learned that Miss Lucy R. Sheridan, Secretary to the President, had entered the contest they rolled up their sleeves and went to town in a big way. It was the general opinion that the well-known and popular police Captain Barry, whose hat was in the ring, would win hands down. But they underestimated the power of the telephone go-getters and, when the results were tabulated, Miss Sheridan had contributed the amazing total of 1765 new memberships and renewals out of a grand total of 3008 or 522 in excess of the five other

contestants put together.

On May 7, 1927, George R. Fuller, the President, died and was succeeded a month later by John P. Boylan. At the same Directors' Meeting held June 24th, Fred C. Goodwin was elected Chairman of the Board and W. J. O'Hea, Secretary.

Keith S. McHugh resigned as a Director May 27, 1927.

Never was there a greater demonstration of loyalty and cooperation on the part of an employee group than when the President enlisted the aid of the employees in a two weeks campaign for new business during the last fourteen days of October 1928. The quota established was 1622 new subscribers - one new telephone for every employee on the payroll. The campaign went over the top with the astounding total of 3755 new telephones or 232% of quota. Extension telephones did not count in the campaign but the landslide brought in 400 new extensions for a grand total of 4155.

The Engineering Department led the parade with 483% of quota and was closely followed by the Commercial Department with 403% of quota.

The individual champion was Arthur S. Gibson who single-handed brought-in 54 new applications.

The net gain in telephones for the month was 2119, a most remarkable showing and one that may not be equaled for many years. The Corporation installed its 100,000th telephone April 4, 1929.

One of the most disastrous sleet storms in history occurred in December 1929. The gross cost to the Corporation approximated one million dollars. Nearly 5000 poles went down in this storm and 9000 telephones were out of service.

In order to better safeguard the payment of Employees' Pensions, the Corporation in 1930 established a Pension Trust Fund with the Lincoln-Alliance Bank & Trust Company as Trustee.

Thomas E. Lannin, a Director, died February 2, 1930 and was succeeded by Raymond N. Ball February 19, 1930.

Perhaps the most popular telephone official in Western New York was Peter O. Jacobs, Division Plant Superintendent for the New York Telephone Company in Buffalo, New York. When the Rochester Telephone Employees heard that Mr. Jacobs would retire in January 1930, a meeting was called for the purpose of forming the "P. O. Club of Rochester" in his honor. Many of those attending the meeting worked under Mr. Jacobs before the consolidation. A Constitution and By-Laws was adopted. Following is Article II of the Constitution:

"The objects of this Club shall be:

Section 1. The emulation of its members to the high ideals of Mr. P. O. Jacobs, as exemplified in his long and honorable career in the telephone business, his sterling honesty; a straight shooter and an outstanding exponent of a fair deal to the company and the employee alike.

Section 2. The pledging of our entire resources for the sole purpose of furnishing Mr. Jacobs' golf balls for the next fifty-years - the first consignment to be delivered to him on the day of his retirement."

One hundred and thirty-six members were enrolled and Milton S. Baxter was elected President of the Club.

Six hundred friends of P. O. Jacobs gathered in the ball room of the Statler Hotel in Buffalo January 15, 1930 where the retirement banquet was held. When everyone was seated the large double doors of the hall were thrown open and in

marched over one hundred members of the P. O. Club of Rochester carrying an inscribed silken banner and headed by a fife and drum corps. They were given a tremendous ovation by the assembled guests as they marched down the main aisle to the Speakers' Table and presented Mr. Jacobs with six dozen Silver King Golf Balls.

Frank J. Brookman, Financial Vice President, died October 25, 1932. Charles G. Vickery, Superintendent of Traffic, resigned in 1933 due to ill health and was succeeded by Emmet R. Costich.

William J. O'Hea, Secretary of the Corporation, died September 18, 1934 and was succeeded by Fred C. Goodwin Jr. On November 5, 1934, W. Roy McCanne, a Director and Member of the Executive Committee, died and was succeeded by Bernard E. Finucane.

On March 1, 1935 Messrs. Robert M. Bruce, Frank T. Byrne and John W. Morrison were elected Vice Presidents of the Corporation.

Heber E. Wheeler, a Director, died March 27, 1936.

On April 20, 1937 Mr. J. Foster Warner died. Mr. Warner had been a Member of the Board of this and predecessor companies for forty years. Messrs. Sol Heumann and Douglas Townson were elected members of the Board of Directors November 26, 1937.

On January 26, 1939, Carl F. Lomb, a member of the Board of Directors died.

Due to a ruling of the Federal Communications Commission July 12, 1939, which in effect prohibits the Directors or Officers in one organization to hold similar positions in another organization, Messrs. Cravens, Hubbell, Keitzman and Kilpatrick all of whom represented the New York Telephone Company, re-

resigned as members of the Corporation's Board of Directors.

Mr. Charles M. Beattie, Vice President and Treasurer of the Corporation died June 19, 1940. Mr. Fred C. Goodwin Jr., Secretary of the Corporation, was elected Secretary and Treasurer .

In 1941 the number of employees had increased from 1264 in 1922 to 1717 in 1941. On December 31, 1941, the Trust Fund for Employees' Pensions had reached a figure of \$2,033,634.00. In the same year the new Charlotte Central Office on Lake Avenue and Britton Road was opened.

The Corporation sustained an irreparable loss December 3, 1942 with the passing of Fred C. Goodwin, Chairman of the Board. He, more than any other, was the master mind that guided the Company safely in the early years over the many rough spots in its path, especially during the trying days of 1922 when all the known forces were arrayed against the Corporation. His convincing brief in support of measured service was widely circulated and regarded by many as a masterpiece of its kind.

Gilbert J. C. McCurdy was elected a Director February 17, 1943.

In 1943 the five million block of Preferred Stock, owned by the New York Telephone Company, was substituted for five million of Common Stock at a par value of \$10.00 per share. Instead of one preferred stockholder the Corporation now had 2800 holders of its Common Stock. At the end of 1944 the number of Common Stockholders had increased to 3526.

Emmet R. Costich, Traffic Superintendent, died July 25, 1944 and was succeeded by William A. Kern.

Robert M. Bruce, Vice President in charge of Plant, retired December 31,

1944. Donald H. Campbell was appointed Plant Superintendent succeeding Mr. Bruce.

At the close of 1944 there were one hundred employees in the Armed Forces of the United States. Vice Presidents Frank J. Byrne and John W. Morrison were elected members of the Board of Directors on July 27, 1945.

During the latter part of 1945 the first steps toward converting Rochester City to dial operation were taken. A portion of the Stone Central Office Building had been razed and construction was begun on the first unit of a building to house the dial equipment.

Donald H. Campbell, Plant Superintendent and William A. Kern, Traffic Superintendent were elected Vice Presidents on October 26, 1945.

John P. Boylan, President and General Manager since 1927, was elected Chairman of the Board of Directors, effective January 1, 1946.

John W. Morrison, Vice President in Charge of Engineering, was elected President, General Manager, and Member of the Executive Committee to succeed Mr. Boylan.

G. William Miller, Equipment Engineer, was appointed Chief Engineer to succeed Mr. Morrison in charge of the Engineering Department. Mr. Miller had 20 years service with the Corporation, all in its Engineering Department except for about 15 months in 1943 and 1944 during which period he was assigned to duties with the Communication Division of the War Production Board in Washington.

Frank T. Byrne, Director and Vice President in Charge of the Commercial Department since 1935, and prior to that, Commercial Superintendent, retired at the close of the year after completing nearly 46 years of service, practically all

of which had been spent in Rochester.

J. Edward Wyckoff, Commercial Engineer, with more than 33 years service with the Corporation and its predecessors, was appointed Commercial Superintendent during this year, succeeding Mr. Byrne.

Robert M. Bruce, retired Vice President of the Corporation, was elected a member of the Board of Directors April 17, 1946.

In 1947 the Corporation had a net gain in stations of 10,837 the largest gain ever made in a calendar year.

Donald H. Campbell, Vice President in Charge of Plant, was elected Executive Vice President May 29, 1947.

1948 witnessed the passing of the Stone Exchange, the oldest Central Office in Rochester and the cut-over of the Baker-Hamilton dial units serving 24,000 telephones in the newly constructed building adjacent to the present Stone Exchange Building.

On March 17, 1948 the Public Service Commission approved a 12 per cent temporary rate increase and the following October 15th they approved an additional 10 per cent temporary increase. These two rate increases were expected to produce additional gross revenue in the amount of \$1,423,000 per annum.

In December 1948 the Corporation sold \$8,500,000 4% Sinking Fund Debentures due in 1963.

Stuart C. Bowie, Auditor and Assistant Secretary since 1924, retired at the close of the year after completing more than 36 years of service, the last 28 of which had been spent in Rochester.

Arthur S. Gibson, Chief Accountant and Assistant Treasurer, was elected Auditor and Assistant Secretary by the Board of Directors on December 28, 1948. Mr. Gibson has had more than 27 years of service with the Corporation, entirely in the Accounting Department.

Junius P. Carson, Assistant Chief Accountant with nearly 28 years of service, was elected Assistant Treasurer by the Board of Directors on December 28, 1948.

Joseph T. Lillich, Statistician, retired at the close of the year after completing more than 40 years of service, practically all of which had been spent in Rochester and Western New York.

At the beginning of 1949 the Corporation had a backlog of 11,700 applications for new telephones. During the same year two new dial central office units, EMpire and LOcust, were placed in operation.

Late in 1949 the Public Service Commission approved a rate increase effective January 16, 1950 which was expected to produce an additional gross annual revenue of \$645,000.

During September and October 1949 over 6,900 persons visited our Exchanges in response to the Corporation's invitation. Sol Heumann, a member of the Board of Directors, died September 10, 1949.

Arthur S. Gibson, Auditor and Assistant Secretary, was appointed Controller December 30, 1949.

Early in 1950 the charge for local calls from coin boxes was increased from five to ten cents. Rochester was the first city in the United States to inaugurate a ten cent charge for local coin box calls.

John W. Morrison, President and General Manager since January 1, 1946,

retired September 30, 1950 after completing more than 44 years of service in Rochester.

Donald H. Campbell, Executive Vice President with 38 years service in Rochester, succeeded Mr. Morrison as President and General Manager on October 1, 1950. He also was elected a Director and Member of the Executive Committee. On the same date Clayton E. Howden, Construction Superintendent, with 34 years of service succeeded Mr. Campbell as Plant Superintendent.

One of the first acts of the incoming President was to revive the custom of honoring employees having twenty-five or more years of service. On November 9, 1950, over four hundred such employees were entertained at a dinner held in the banquet hall of the Chamber of Commerce.

In October 1950, 125,000 new Common shares were offered to the Common stockholders for subscription at \$11.50 per share. The offer was in the ratio of one new share for each four shares of Common held of record on October 13, 1950. Of the 125,000 shares offered 105,365 or over 84% of the issue were subscribed - a fine expression of confidence on the part of the Common stockholders. The remaining 19,635 unsubscribed shares were sold to the Underwriters at the subscription price of \$11.50 per share. The \$1,437,500 realized from the sale was used for the construction program. Part of the funds for the program had been obtained temporarily by bank loans. These bank loans were repaid.

On January 1, 1951, Adam J. Schwartz, Plant Office Manager, with 24 years of service was appointed to the newly created position of Personnel Supervisor.

Robert M. Bruce resigned as a member of the Board of Directors, effective April 14, 1951. Donald McMaster, Vice President and General Manager of the Eastman Kodak Company was elected a member of the Board of Directors April 18 1951.

In the spring of 1951 construction was started on a new building, located on Norton Street east of North Street, to provide service for 20,000 dial telephones.

In 1943, when the Corporation retired the five million block of Preferred Stock owned by the New York Telephone Company, it was assumed that this would automatically relieve the Corporation from Federal Communications Commission jurisdiction. However, it required several years of effort by our legal department to bring this about and it was not until December 1951 that the formal order from the Federal Communications Commission was received.

On January 29, 1952, the Public Service Commission approved the application for a rate increase filed in June 1951. The new rates, effective February 16, 1952, will produce a gross annual increase in revenues of \$1,300,000. It is noteworthy to mention that the Public Service Commission's approval of the entire amounts requested in this and the three other rate case applications already referred to, is rather unique in the light of Commission History. Their action cannot be construed otherwise than as a high compliment to Management for the convincing presentation of its testimony, for the completeness and accuracy of its many exhibits and for the highly creditable manner in which the hearings were conducted by its efficient Counsel and his staff.

The construction program in 1952 was the largest in the company's history, totaling six million dollars. During 1952 the Corporation sold five million 3½% Bonds and six million of 5% Preferred Stock. Of the latter item \$2,282,000 was used to refund a similar amount of Preferred Stock.

The new building to provide service for 20,000 dial telephones in the north section of Rochester was completed in August, 1952. The dial equipment for this Central Office arrived in November, 1952.

During 1952 the Corporation installed its two hundred thousandth telephone. At the close of the year there were 205,915 telephones in service.

William A. Kern, Vice President, was elected Executive Vice President by the Board of Directors at its meeting of April 22, 1952. Mr. Kern continues to direct the operations of the Traffic Department.

Arthur S. Gibson, Controller and Assistant Secretary, was elected Vice President in Charge of Finance by the Board of Directors, on April 22, 1952. Mr. Gibson continues to direct the operations of the Accounting Department.

H. Elwood White, Assistant to Controller, with 30 years of service in the Engineering, Plant and Accounting Departments, was elected Assistant Secretary by the Board of Directors at its meeting of April 22, 1952.

As we conclude this narrative on this 15th day of April, 1953, the backlog of 11,700 applications for new telephones in 1949 has been reduced to 280 - all of which, by the way, are held for additional central office equipment - and the cut-over of COngress-HOpkins Central Office on Norton Street is just around the corner. Management decided several months ago to accelerate the dial conversion program in the City of Rochester and, as a result, ground will be broken late in April 1953 for the addition to the Monroe Central Office Building to house the new Monroe dial equipment. The order for the equipment has been placed and shipment has been scheduled for December 1953.

Close on the heels of this conversion will be that of the Culver Central Office which is planned for a year later. Thus, progress marches on - full speed ahead and, with an efficient and progressive Management enthusiastically geared to greater efforts, the future of the Corporation seems very bright indeed.



REFERENCES

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