

phony, it is probable that to no industry is State management less readily applicable than to the telephone industry. The intricacy of its technique and the highly fluid character of its methods mark it off decisively from certain industries whose technique has become settled and whose methods have come to be subject to routine. Whether or not industries of the latter character may be successfully administered by the State is open to discussion on general and on special grounds; but experience has shown that the methods of State administration are in general too cumbersome for their application to rapidly developing industries, with the doubtful exception of those which are of a definitely military or naval character. Even in the latter case experience has also shown the immense advantage of the distribution of technical skill in private establishments as a reserve which may in case of need be diverted to the service of the State. Where, from a mistaken view of the public interest, the State establishes a monopoly in its own favor, the inevitable result is the suppression of individual initiative and the absence of reserves of technical skill and efficient labor.

The argument which at the moment is frequently employed, that for military purposes in time of peace as well as in time of war it is important for the telephone to be in the hands of the Government, does not apply because if the telephone is in private hands the Government can in an emergency exercise the