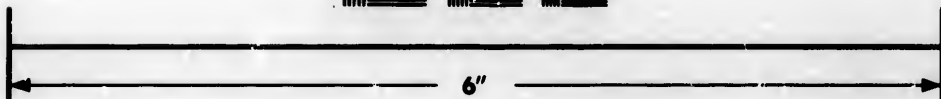
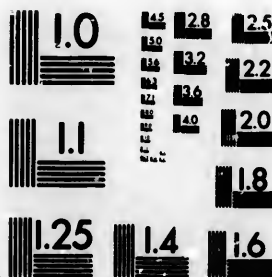


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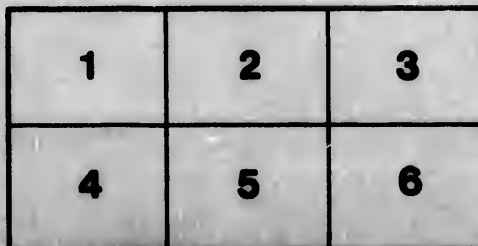
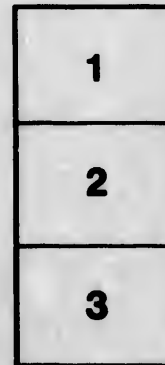
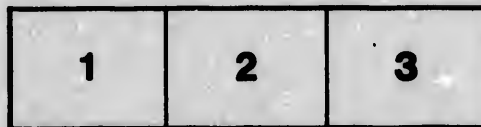
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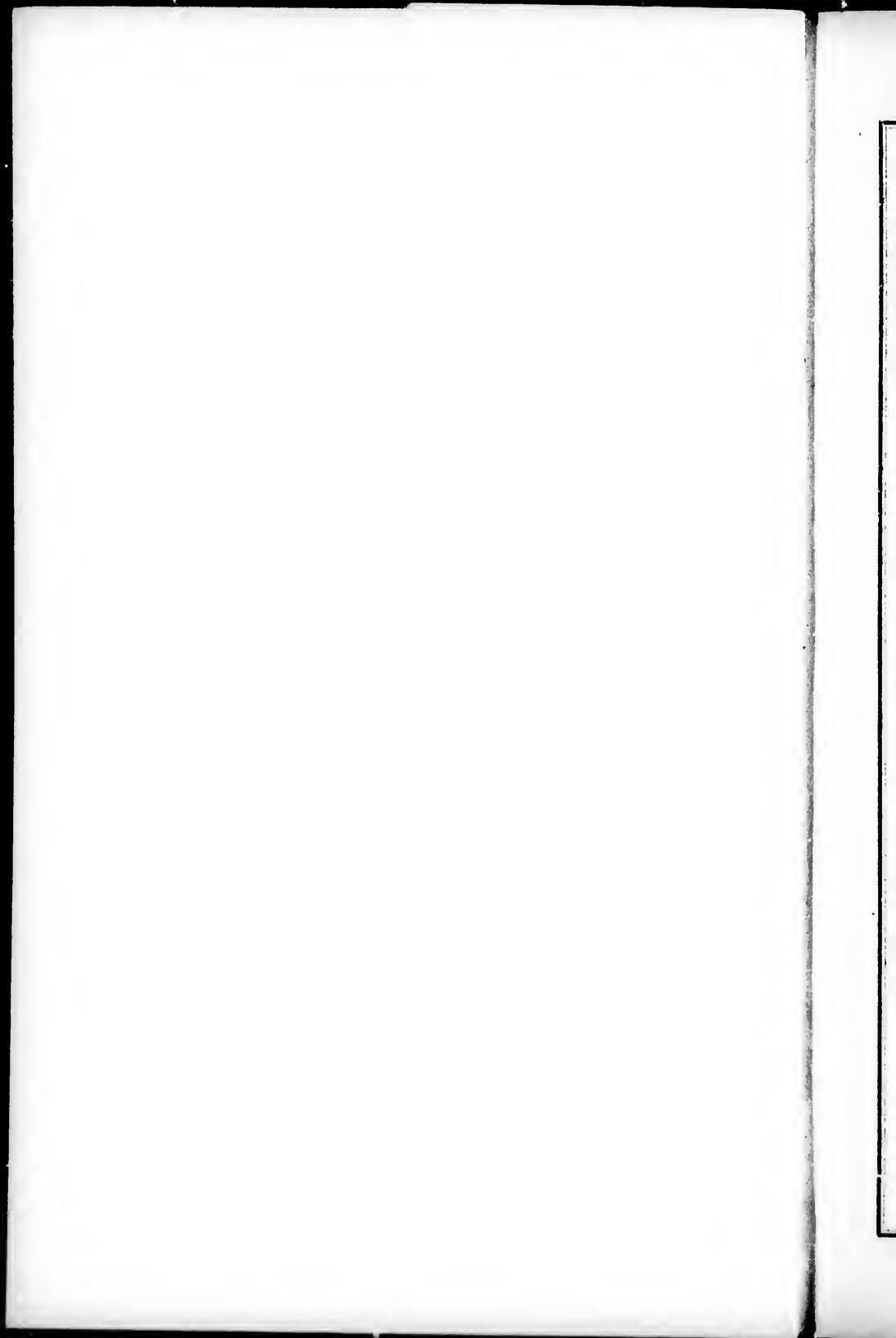
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H. Sumner

MEMORIAL
OF THE
Magnetic Telegraph Company
AND THE
New England Union Telegraph Company
TO THE
CONGRESS OF THE UNITED STATES.

6 4

Memorial.

TO THE SENATE AND HOUSE OF REPRESENTATIVES OF THE
UNITED STATES OF AMERICA, IN CONGRESS ASSEMBLED.

*The Memorial of the Magnetic Telegraph Company, and
the New England Union Telegraph Company, by their
Joint Committee duly authorized, respectfully repre-
sents :*

That the Magnetic Telegraph Company, whose Line of Telegraph extends from Washington to New York, was the first Telegraph Company organized in the United States to give practical effect to Professor MORSE's invention of the American Electro-Magnetic Telegraph, now pervading the civilized world, and was soon after followed by the organization of the New York and Boston Magnetic Telegraph Association, which, having been united with a competing Line on substantially the same route, is now known by the name of the New England Union Telegraph Company.

The Magnetic Telegraph Company has since, by lease, obtained control of the Washington and New Orleans Line, so that they now possess the Line along the Atlantic coast, from New York to New Orleans.

Upon these Companies devolved the necessity of solving many problems in relation to long Lines of Electric Telegraph which had hitherto been involved in doubt, and

could only be solved by expensive experiments. Scarcely, however, had they begun to receive a return for their investments, when rival Lines sprung up, under different systems of telegraphing, which the two Companies believed to be infringements of MORSE'S Patent, for the use of which they had given half their stock. Expensive litigation was the consequence; from which, however, no effective protection was obtained, on account of the defective character of the patent laws, and the conflicting principles applied to their construction by the judicial tribunals.

Nevertheless, your Memorialists would have been content to carry on their business with the imperfect protection which the existing laws afford them, without an appeal to Congress for further legislation, had they been left to contend only with infringers of their patented rights, or even with a full and fair domestic competition. But your Memorialists represent and charge, that a combination has been entered into by parties and Companies in and out of the United States, endeavoring to force the Companies represented by the undersigned to surrender their property into the hands of such combination on their own terms, or of destroying its value altogether. And your Memorialists charge that this combination, through concealment of its ultimate objects, and through representations and pledges of some of its active managers, prevented your Memorialists from taking steps to protect their interests, while the said combination were procuring the aid of the British Province of Newfoundland, the Government of Great Britain and the Government of the United States.

Your Memorialists desire to be understood as not opposed to the great enterprise of connecting Europe and America by a Telegraphic Cable, nor to any assistance in ships or money which their Government may think proper to give it; but they maintain that it is the duty of their Government, whether they assist the enterprise or not, to see that it shall not be used to oppress one interest in the United States for the purpose of building up another, and that this duty becomes more imperative when the Government furnishes it with material aid.

Your Memorialists further represent, that the combination of which they complain is composed of the New York, Newfoundland and London Telegraph Company, incorporated by the Legislature of the British Province of Newfoundland; the American Telegraph Company, incorporated under the laws of the State of New York; and the Atlantic Telegraph Company, a British Corporation, embracing an Atlantic Telegraphic Cable from Newfoundland to the coast of Ireland. Whether there is a fourth party covering a Telegraph Line from the Irish terminus of the proposed Atlantic Cable to the City of London, your Memorialists are not advised, nor is it material.

Your Memorialists represent, that the three Telegraph Companies aforesaid originated with certain capitalists in the City of New York, who are stockholders in all of them, and control two of them directly and absolutely, and the third indirectly but effectually. The New York, Newfoundland, and London Telegraph Company, and the American Telegraph Company, are composed mainly of the same men, and are under the same control; and the

same men who control them are influential stockholders in the Atlantic Telegraph Company, which could not have existed in its present shape without their consent. In fact, the Atlantic Telegraph Company and the American Telegraph Company were but parts of one scheme, which was originally embraced in the Act incorporating the New York, Newfoundland, and London Telegraph Company, and in interest and control they are still parts of one scheme, insomuch that the success of one contributes, if it be not absolutely essential to, the success of all; and any aid afforded by the Government giving strength to one, gives strength and power to all.

That these three Companies are one in origin and design, is conclusively shown by the Act of the Legislature of Newfoundland incorporating the New York, Newfoundland, and London Telegraph Company, passed April 15th, 1854. The 14th and 18th sections of that Act are in the following words, viz :

“ 14th. The Corporation hereby created shall have the
 ‘ sole and exclusive right to build, make, occupy, take or
 ‘ work the said Line or any Line of Telegraph between
 ‘ Saint Johns and Cape Ray, or between any other
 ‘ points in this Island, (excepting only the existing Line
 ‘ between Saint Johns and Carbonear,) for the full period
 ‘ of fifty years from the passing of this Act, subject, nev-
 ‘ ertheless, to the right of pre-emption by the Govern-
 ‘ ment of this Colony, as hereinafter provided; and during
 ‘ the said period of fifty years, no other person or per-
 ‘ sons, body or bodies politic or corporate, shall be per-
 ‘ mitted to construct, purchase, take or operate any Line
 ‘ or Lines of Telegraph on this Island, or to extend to,
 ‘ enter upon or touch any part of this Island, or the coast

‘ thereof, or of the islands or places within the jurisdiction
‘ of the Government of this Colony, with any telegraphic
‘ cable, wire, or other means of telegraphic communica-
‘ tion, from any other island, country or place whatsoever:
‘ *Provided, however,* That if said Line of Telegraph shall
‘ not have been completed from Saint Johns to Cape Ray,
‘ or other point on the western coast of Newfoundland,
‘ and a communication by telegraph across Prince Edward
‘ Island, or the Island of Cape Breton or otherwise, es-
‘ tablished with the Continent of America within five
‘ years from the passing of this Act, the exclusive privi-
‘ leges granted by this section shall cease.”

“ 18th. The said Company shall have power to estab-
‘ lish, construct and work a Line or Lines of Telegraph
‘ between Newfoundland and Ireland, or any other island,
‘ place, or places in the Atlantic Ocean, or in Europe, or
‘ in the United States, and to construct, purchase, and
‘ work any Telegraph Line or Lines or means of communi-
‘ cation in Canada, Prince Edward Island, Cape Breton,
‘ Nova Scotia, New Brunswick, and the United States,
‘ and in the waters adjacent to or between the said Islands,
‘ Provinces or States, and between any of them and New-
‘ foundland: *Provided, however,* That such consent as may
‘ be necessary shall be first obtained of the Governments of
‘ said Provinces and States, respectively; and generally
‘ to purchase or hire any Line of Telegraph which may
‘ now or hereafter be constructed by any person or per-
‘ sons, or body or bodies politic or corporate in the United
‘ States, or British Provinces of North America, or in
‘ Europe, and to use the same for the transmission of
‘ messages and intelligence; and they may also construct,
‘ purchase, hire or use any steam or other vessels to aid
‘ in the acquisition or transmission of intelligence between
‘ America and Europe, or in carrying on any of the oper-
‘ ations of the said Company.”

The 14th section, it will be perceived, confers on the Company an absolute monopoly for fifty years of landing a Telegraphic Cable on the coasts of Newfoundland, and the 18th section confers on them the power to establish and work a line of Telegraph "between Newfoundland and Ireland," the precise enterprise now in course of execution with the aid of Government by the Atlantic Telegraph Company. If the latter Company, therefore, have any right to land a Telegraphic Cable on the coast of Newfoundland, it must have been derived from the Newfoundland Company, to whom the grant was originally made.

It will also be perceived, that the 18th section confers on the Company power to construct, purchase, hire and work Telegraph Lines in the United States as well as in the British Provinces. This power has not been exercised in the United States in the name of the Newfoundland Company; but the *same men* who control that Company have organized themselves into another Company called the American Telegraph Company, who are, in connection with the Newfoundland and Ocean Companies, carrying into effect the American branch of the original scheme.

Here, then, we have three Telegraph Companies carved out of one. The object is the same; but the responsibilities are divided. The principal managers are virtually, if not identically, the same; but they now act through three organizations instead of one. These managers are the principal Stockholders of the Newfoundland and American Telegraph Companies, heavy Stockholders in

the Atlantic Telegraph Company, and are the originators of the whole scheme.

If further evidence were needed to prove a community of interest between these three Companies, it is found in the recent proceedings of the Atlantic Telegraph Company in England, constituting some of the principal Stockholders of the American Company, who are also Stockholders of the Newfoundland Company, Honorary Directors of the Atlantic Company.

If any doubt could exist as to the ultimate object of this scheme, it is solved by the efforts of its authors to hedge round the Continent and the Islands of America, so as to render impracticable competition with them by other Telegraph Lines across the Atlantic Ocean, and even to extend their monopoly into the United States.

Their Newfoundland Monopoly is as exclusive as language can make it. No other company or individual is permitted to "*touch*" the shores of that Island by a Telegraph Line of any sort. If, as has been represented, that is the only point where the Ocean can be crossed by a Telegraphic Cable, that grant is of itself a bar to every other enterprise of the same sort. But lest it should be found practicable to land a Telegraphic Cable at some point further West, the managers of the Newfoundland Monopoly sought to cut off the possibility of a rival Line by the extension of their monopoly to the coasts of the other British Provinces and the United States.

They sought, and claim to have secured, the exclusive right of landing a Telegraphic Cable in the Province of Nova Scotia.

They sought, and actually procured, from the Legislature of the State of Maine, an Act prohibiting all other parties from laying a Submarine Cable from any foreign country touching the coasts of that State for twenty-five years. The title of this Act, and the prohibitory clause, are in the following words, viz :

“An Act granting certain privileges to the New York, Newfoundland and London Telegraph Company.

“SEC. 1. For and during the term of twenty-five years
 ‘ from and after the time when the New York, Newfound-
 ‘ land and London Telegraph Company, incorporated by
 ‘ the Legislature of Newfoundland for the purpose among
 ‘ others of establishing a Line of Telegraphic communica-
 ‘ tion between America and Europe by way of Newfound-
 ‘ land, shall have established, with or without the aid of
 ‘ an associated Line or Lines, a Telegraphic communica-
 ‘ tion between America and Europe, and so long during
 ‘ said twenty-five years as such communication shall be
 ‘ regularly maintained by said Company, and all matters
 ‘ passing thereon for the United States be transmitted
 ‘ through the State of Maine upon the Lines of the Amer-
 ‘ ican Telegraph Company, as Lessees of the Maine Tele-
 ‘ graph Company, no other person or persons, body or
 ‘ bodies politic or corporate, shall be permitted to extend
 ‘ to, enter upon, or touch any part of the State of Maine,
 ‘ or the coasts thereof, or of the Islands under its jurisdic-
 ‘ tion, with any Telegraphic Cable, wire or other means
 ‘ of Telegraphic communication from any other province,
 ‘ State, County, [Country ?] or place whatsoever beyond
 ‘ the Continent of America.”

This Act was approved April 10th, 1856. It does not, as the title erroneously represents, *grant any privilege* to the New York, Newfoundland and London Telegraph

Company, but merely *prohibits any other party* from landing a Transatlantic Telegraph Cable in the State of Maine. And this prohibition is equally for the benefit of that Company and of the American Telegraph Company, for whom it purports to secure a monopoly of the foreign telegraphic correspondence through the State of Maine. Indeed, nothing could show more strongly than the procurement of this Act, the identity of interest and management of the American and Newfoundland Companies.

A zealous effort was made to secure similar legislation in Massachusetts, but without success.

Without adverting to rumors of similar operations elsewhere, these instances are abundantly sufficient to show the design of these parties to hedge round the Continent of America by exclusive grants and prohibitions, so that the United States should be unapproachable telegraphically otherwise than through their Line from the Coast of Ireland, and through the Newfoundland and American Lines chiefly owned by them or under their control; and this monopoly they are endeavoring to extend practically through the several States.

Your Memorialists further represent, that the aid of the Governments of Newfoundland, of Great Britain, and of the United States, has been sought and obtained to establish this monopoly on a basis which shall forbid all attempts to get up competition.

The Government of Newfoundland, in addition to the monopoly of fifty years' duration, gave the Company about twenty-five thousand dollars in cash for clearing a bridle-path necessary to the construction and repairs of

their Line of Telegraph, guaranteed six per cent. interest on about two hundred and fifty thousand dollars of bonds issued by them, and granted them fifty square miles of public lands when the Line on the Island should be completed and connected with the Lines on the Continent, and fifty square miles more when the communication with the coast of Ireland shall be established. These grants were made, it will be remembered, to a Company which embraced in its plan the building and hiring of Lines in the United States and laying a Telegraphic Cable to the coast of Ireland; and the grant of fifty square miles of the land is expressly in consideration of the successful accomplishment of the latter enterprise. But whether the right to the lands as well as the enterprise has been transferred to the Atlantic Telegraph Company, is to your Memorialists unknown, though they have reason to believe it has not; nor do they know how or by what authority the Ocean part of the original scheme has been severed from the Newfoundland Company, and vested in another Company, though they do not doubt it was a measure projected and matured by the chief managers of the original Company.

Your Memorialists further represent, that the plan of a Transatlantic Telegraph, though perhaps originally projected as a noble enterprise, in which its promoters expected to receive their chief recompense in the glory of success and the gratitude of nations, has been since converted into an enormous scheme of monopoly, aiming to control the telegraph business of the two hemispheres for the purpose of securing, directly and indirectly, inordi-

nate gains to a few individuals. The facts of the case, in their estimation, warrant this conclusion.

Your Memorialists have already shown that this measure is but a part of a more extensive operation from which it has been nominally severed, though still as effectually united in interest as if it still remained under the direct control of the Newfoundland Company. As a separate concern, the stock of the Atlantic Telegraph Company was raised, at least in part, upon the representations of a Circular marked ["Private."] The amount of stock was fixed at £300,000, since increased to £350,000, equal to about \$1,700,000.

That Circular represented that "upon a very moderate computation of profits, the capital will yield a return exceeding 40 per cent."

These profits are not to be divided among all the Stockholders in the ordinary way; but one-half of the amount over ten per cent. is to go to four individuals, three of them British subjects, and one of them a citizen of the United States.

That citizen is the gentleman who procured the Act of the Legislature of Newfoundland incorporating the New York, Newfoundland and London Telegraph Company; the same who got up the American Telegraph Company; the same who doubtless originated the present plan of the Atlantic Telegraph Company; and the same who is now said to be entrusted with the duty of superintending the laying of the Atlantic Cable.

Of the one-half of the profits over ten per cent. this gentleman is to receive *thirteen parts* out of *twenty-four*,

which, if the estimate of profits as held out to subscribers shall be realized, will give him an annual income exceeding \$120,000, in addition to twenty-five per cent. upon his stock in common with other Stockholders.

As this estimate was promulgated before application was made to Congress for assistance, and there was no mention of any bounty from the British Government, it would seem that the eight per cent. per annum said to be secured from the two Governments for a term of years was not included in the forty per cent. estimate, and while four per cent. of it is to go to swell the dividends of the Stockholders beyond twenty-five per cent., the other four is to be divided — thirteen parts to the American citizen, and eleven parts to the British subjects hereinbefore alluded to.

As no interest in the fifty square miles of land appropriated by the Legislature of Newfoundland to encourage the laying of the Telegraphic Cable, is mentioned as vested in the Atlantic Company, it is presumed that the New York, Newfoundland and London Company purpose retaining the bounty, while they transfer to another Company the service for which it was provided. But if the fifty square miles of land is to go to the Atlantic Telegraph Company, it will swell the enormous profits anticipated from other sources beyond the foregoing estimate.

Your Memorialists further represent, that the instrument through which this combination, backed by the direct aid, influence and money of the three Governments, seeks to force the New England Union and Magnetic Lines of Telegraph into connection with them on their own terms, under penalty of the destruction of their property in case

of refusal, is the American Telegraph Company. This Company covers a field of operations, as already shown, which was embraced in the Newfoundland Act of Incorporation. It was gotten up by the same men who control the New York, Newfoundland and London Telegraph Company. Both Companies have the same President, are composed mainly of the same Stockholders, and are under the same control.

The objects of this separation have been substantially avowed. If the original project had been prosecuted under the Newfoundland Act of Incorporation, the State and Federal Governments would have had direct control over that Corporate Body by operating upon the American branch of their enterprise, and that control would have reached the Submarine Electric Cable. But by cutting off the American branch of the original scheme, and confining the operations of the Newfoundland Company to the British Provinces, that Company, as well as its other branch, the Atlantic Company, are placed beyond the reach of the direct legislation of the United States, and of the several States through which their connecting Lines may pass. And the avowed object of the chief proprietors and principal managers of the Newfoundland and American Companies — being in the main the same men, and all or nearly all citizens of the United States — is to bar all Telegraph Lines in these States, except such as may be owned, controlled, or in league with them, from connection with the Atlantic Cable, by means of operations carried on by them in part beyond the jurisdiction of their own Government, and in part by special

grants and prohibitions procured from State Legislatures, as shown in the Act of the State of Maine.

Your Memorialists charge, that backed by the Newfoundland monopoly, and an anticipated exclusive connection through that monopoly with the Atlantic Cable, the authors and managers of the combined operation have attempted to bring the principal Lines in the United States under their control upon their own terms; and, not succeeding in relation to the Lines represented by your Memorialists, are now employing the power thus acquired, strengthened by domestic combinations and the bounty of the Government, to destroy the business of said Lines and render them valueless, not only by cutting them off from all connection with the Atlantic Cable, but by getting up rival Lines in the United States, and making them the exclusive recipients of European Telegraphic correspondence.

A brief history of the origin and progress of the American Telegraph Company is necessary to a clear understanding of the present position of the subject and the object of this Memorial.

After the Newfoundland Company was formed, its managers and most of its Stockholders, as already stated, organized themselves into another Company, with a nominal capital of \$100,000, (since increased to \$200,000,) and assuming the name of the American Telegraph Company became a Corporation under the laws of New York.

Their first step was to make proposals to lease the existing Morse Lines on the Atlantic Coast, from the British Provinces to New Orleans and from New York to

Buffalo, for an annual rent in general below their current income. The several Companies were much inclined to accede to these proposals, though there were well-grounded objections in the small capital of the new Company to the security for the rents; but before they had time to consider and act upon the proposals, the American Company suddenly withdrew them.

The next step of the American Company was to purchase a new and untried Telegraph instrument; and while they were spending hundreds and thousands of dollars upon it to make it of any use, they silently allowed the Agent of the Associated Press, of or through whom they had made the purchase, to fill the country with misrepresentations in relation to its powers and performances, and to announce their purpose to establish new Lines of Telegraph along the principal commercial routes in the United States in competition with the existing Lines.

When these publications, suffered to pass by them without contradiction, had circulated long enough to thoroughly alarm the Stockholders of existing Lines, the American Company came forward with a new set of proposals to rent them on terms much reduced below those which they had withdrawn. Convinced that the policy of the American Company was to force them into a surrender of their property through fear of destruction in case of refusal, the Companies addressed, with a natural repugnance to such a system of coercion, rejected these new proposals.

In the mean time the American Company rented the Maine Line, taking into their service the President and

Superintendent of that Line, thereby effecting a connection between the City of Boston and the British Provinces.

Not succeeding in securing, by lease, control of any considerable Line south of Boston, the American Company purchased an existing Line between that City and New York, and entered into competition with the New England Union Line between those Cities. This was the condition of Telegraph matters, as between the American Company and the Companies represented by your Memorialists, when the Atlantic Telegraph Company made application to Congress for the aid and bounty of the Government.

The community of interests between that Company and the American Company, is proved by the fact that this application was made through the President and principal Stockholders of the latter Company, who visited and spent much time in Washington to promote the passage of the bill.

Your Memorialists further represent, that some of the Stockholders of the Magnetic Telegraph Company, apprehensive that the power which in anticipation was already used against them, and might hereafter be used against the commercial and political interests of their country, would be greatly strengthened should Congress accede to this application, interposed to prevent its success, and for a time its fate became doubtful.

Your Memorialists charge, and are prepared to prove, that in this emergency the principal manager of the application on the part of the Atlantic Company, who is also one of the chief managers of the American and

Newfoundland Companies, and a large Stockholder in all three of them, accompanied by a British Stockholder in the Atlantic Company, called on some of the most influential Stockholders of the Magnetic Company, and by pledges that the Atlantic Cable should not be so managed as to affect injuriously the interests of the Magnetic Company, prevented the interposition of the said Stockholders in opposition to the passage of the bill then before Congress. And they further charge, that within less than four months thereafter, in anticipation of the immediate successful laying of the Atlantic Cable, these pledges were falsified by one of the men who made them and his associates in the American Company, who entered into arrangements, the palpable object of which is, to use the power anticipated from the absolute control by their three combined Companies over the transatlantic correspondence for the injury, and, if practicable, the destruction of the Lines owned and controlled by the Magnetic Telegraph Company, as well as those owned and controlled by the New England Union Telegraph Company. These arrangements were made secretly during the pendency of negotiations, with a view of securing to the Magnetic Company that position in relation to the Atlantic Cable which had been pledged to them at Washington, as well as to put an end to telegraphic warfare. And in pursuance of those arrangements, the American Company have established a Line from New York to Philadelphia, and avow a design to extend it further South, for the purpose, not only of monopolizing the European correspondence, but depriving the Magnetic Company of its local business.

Your Memorialists further represent, that the arrangements thus secretly entered into were afterwards publicly ratified, and that they provide in effect for cutting off the Companies represented by your Memorialists for thirty years from business reaching the Continent of America by the Atlantic Cable; and to make the exclusion more effective they contemplate the extension of the American Lines along the Atlantic Coast south to New Orleans. Finding their very existence thus threatened, the Magnetic and New England Union Companies combined together for mutual defence for a like term of thirty years, and made contracts of the same duration for connections with other Lines. It soon became evident that the American Company and their allies, foreign and domestic, were not to destroy the Magnetic and New England Union Lines without a severe and expensive struggle, when that Company indicated a willingness to amalgamate the three Companies. While some of the Stockholders of the two former Companies were willing to attempt a removal of the obstacles which had been created by contracts on both sides for exclusive connections for thirty years, others thought the attempt useless, and for that and other reasons the project was not entertained.

Your Memorialists further represent, that by a contract of the Maine Telegraph Company, entered into before the lease of their Line to the American Telegraph Company, the Maine Line of Telegraph was bound to a perpetual connection with the New England Union Company at Boston to the extent of returning that Company as much business from the East as they might receive by it from

the West, and this contract, at the time of the lease, the American Company became bound to fulfil in good faith. But since they purchased a Line for their own use from Boston to New York, they have, under various pretexts, refused to fulfil this contract so far as it relates to business from beyond Portland, thus cutting off the New England Union Line and its connections from all business coming from points East of that City in the United States, in the British Provinces, and from Europe through the Atlantic Cable.

Your Memorialists further represent, that the Act of Congress, approved March 3d, 1857, "to expedite Telegraphic communication for the uses of the Government in its foreign intercourse," provides for a contract "with any competent person, persons or association," for the aid of the Government in laying the Submarine Cable and for its use, paying therefor \$70,000 per year until the net income of said parties shall be six per cent., and afterwards \$50,000 per annum for twenty-five years. As the persons constituting the New York, Newfoundland and London Telegraph Company, have the exclusive right of landing a Telegraph Cable on the Coast of Newfoundland, and those persons are in the main the same who constitute the American Telegraph Company, it is evident that this liberal grant is for the benefit of the individuals composing the latter Company as much as the former. If the Newfoundland Company have ceded their exclusive right to the Atlantic Company, it is not likely to have been done without a consideration of which a part would accrue to the principal Stockholders in the American Company, and

in any event the bounty of the Government will go to strengthen each of the combined Companies through those individuals who are heavy Stockholders in them all. But if the profits of the Atlantic Company shall equal even less than one-half of the estimate of its projectors, then thirteen dollars out of forty-eight of the Government appropriations, both of Great Britain and the United States, will accrue to a citizen of New York, who is believed to be financially the projector of the whole scheme, and is notoriously the life and soul of each and all of the three Companies which compose it.

Your Memorialists are not disposed to complain of any thing their Government may be inclined to do in promoting or rewarding this great enterprise; all that they desire and ask is, that the parties thus strengthened and enriched, shall not be permitted to exercise the power thus acquired for the oppression and destruction of the Companies which they represent, and the foregoing detail of facts has been given merely to show the extent of that power and the use which is already made of it.

The Act of Congress above alluded to, contains the following Proviso, viz:

“ Provided further, That the United States, and the
‘ citizens thereof, shall enjoy the use of said submarine
‘ communication for all time on the same terms and con-
‘ ditions which shall be stipulated in favor of the Govern-
‘ ment of Great Britain, and the subjects thereof, recog-
‘ nising equality of rights among the citizens of the
‘ United States in the use of the said submarine commu-
‘ nication, and the Lines of Telegraph which may at any
‘ time connect with the same at its terminus on the Coast

' of Newfoundland and in the United States, in any contract so to be entered into by such person, persons or ' association with that Government.'

Your Memorialists are already admonished that the "equality of rights" seemingly provided for in this proviso is, so far as their Companies are concerned, wholly illusory.

No Line other than that of the Newfoundland Company *can* connect with the Submarine Cable, on account of their monopoly.

No Line but that of the American Company *can* connect with the Newfoundland Line, because both virtually belong to and are managed by the same men.

Members of the American Company have already denied the right of any other Telegraph Lines to insist on a reciprocal connection with the Submarine Cable through the Newfoundland and their own Lines for the purpose of sending and receiving intercontinental messages, claiming that privilege as a portion of their own property. And by this exclusive connection, as well as by the legislation of the State of Maine, the managers of the scheme virtually extend their Newfoundland monopoly through the British Provinces and into the United States; for though messages going to Europe may be delivered to them at any of their stations in the United States, all messages from Europe to any of their stations or stations of parties in alliance with them, will be sent to their own Lines, the practical effect of which will soon be to make the Lines of the American Company in the United States the exclusive channels of European telegraphic correspondence.

But if the "equality of rights" mentioned in the proviso includes a right of Telegraph Lines in the United States to a reciprocal connection with the Submarine Cable through connecting Lines for business both ways, it is a right depending on a contract to which the American and Newfoundland Companies are not proposed to be parties, and of course it will impose upon them no obligation. And the Atlantic Company is in no shape bound to secure access to its own terminus, and if it were, could be held responsible, as the matter now stands, only by the withdrawal of the future bounty of the Government.

Your Memorialists neither ask nor desire the interposition of Congress to protect them against competition in the United States. They neither ask nor desire the withdrawal of the aid of the Government from the Atlantic Telegraph Company, or its refusal to any other Company which may be organized to span the Ocean with a Line of Telegraph. All they ask is to be protected against combinations for the purpose of oppressing or destroying them between parties operating in the United States and out of the United States, and to be put on an equal footing with all others in their connection with foreign Lines entering the United States by sea or land.

This protection your Memorialists are advised it is the province of Congress to afford them, by virtue of their constitutional power to regulate trade and intercourse with foreign nations. And they appeal the more confidently for this protection on account of the aid granted by Congress to the combination against them, increasing their power to oppress.

Your Memorialists, therefore, pray for the passage of a general law which shall prevent combinations between Citizens or Companies in the United States, and Monopolists or Companies out of the United States for the purpose of oppressing Telegraph Companies and monopolizing the business of telegraphing in the United States, and shall enable all Telegraph Lines in the United States to form connections with all Telegraph Lines approaching their borders on terms of perfect equality.

Your Memorialists are the more emboldened to present this prayer, from the consideration, that the monopoly of telegraphic intercourse between, if not throughout the Old and New Worlds, now sought to be established, may be applied with fearful effect to the commercial and political as well as telegraphic interests of the United States, unless regulated by law.

MARCH 10, 1858.

AMOS KENDALL,
SAMUEL C. BISHOP,
ZENUS BARNUM,

Committee of the Magnetic Telegraph Company.

FRANCIS O. J. SMITH,
H. M. SCHIEFFELIN,

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Telegraph Company.*

