



"Customers ought to be protected by price controls."

IT WAS a receipted bill for electrical service rendered in 1907 by the Edison Light and Power Company to a customer in Wichita, Kansas. The bill was for \$7.00, for a month's service — for only 14 kilowatt-hours of electricity. (Collection must have been something of a problem in those days, because the bill specified: "Less 20 per cent if paid before the 10th of the month.")

The bill was made out on a postal card, the other side of which bore the one-cent stamp that paid for its delivery across town.

In the 58 years since 1907, the postage rate has risen to 4 cents a card — 400 per cent of what it was then; whereas, the price for electricity has steadily declined from 50 cents per kwh to 2 cents now — 4 per cent of what it was then.

An average American home today, if fully electrified with air conditioning and heating, would use about 24,000 kwh annually, costing \$480. At the 1907 rate, that cost would be \$12,000; and if kwh prices had behaved as has the price for delivering a post card, the electrical bill would be \$48,000

annually. Except, that no one would use electrical appliances!

One may speculate as to what those respective rates might be today had the situations been reversed, with a government monopoly of electrical service, and a free enterprise postal service!

How much profit was earned over the years by the Edison Light and Power Company and its successors in Wichita is unknown to us, but we do know that within a recent period of years while the Post Office was accumulating a deficit of \$10 billion, its largest competitor in the communications field, the privately owned American Telephone and Telegraph, showed \$22 billion in profits — despite the fact that the rates it could charge for phone service were regulated and controlled by the Federal Communications Commission.

The comparative performance of governmental and private enterprise, even when both are subject to price control, is further illustrated in adjoining news items from the front page of *The Wall Street Journal* of November 27, 1964:

Postal rate increases for business mail may be recommended by President Johnson in his January budget message. The increases might be as much as \$300 million annually. Postmaster General Gronouski said the President ordered him to draw up proposals for rate boosts on second and third class mail. These would chiefly affect newspaper and magazine publishers and users of direct-mail advertising.

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American Telephone reductions in long-distance interstate rates estimated at \$100 million annually were announced by the Federal Communications Commission. The cuts take effect in two stages on Feb. 1 and April 1. The FCC said it had moved for the reductions, to which AT&T indicated it had agreed reluctantly, after reviewing the company's profit picture.

In view of all the talk about protecting consumers, the record suggests that private enterprise is a better caretaker than the government.

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