THE FOLLOWING PROTEST WILL EXPLAIN ITSELF:

Or, in other words, you agree with the Combination to institute the following schedule of prices:

From Chicago to San Francisco:

<table>
<thead>
<tr>
<th>No. of Words</th>
<th>One Paper</th>
<th>Two Papers</th>
<th>Three Papers</th>
</tr>
</thead>
<tbody>
<tr>
<td>250</td>
<td>$600</td>
<td>$800</td>
<td>$1,000</td>
</tr>
<tr>
<td>500</td>
<td>800</td>
<td>1,200</td>
<td>1,600</td>
</tr>
<tr>
<td>1,000</td>
<td>1,200</td>
<td>1,800</td>
<td>2,400</td>
</tr>
</tbody>
</table>

In the present arrangement some little modification of this took place. For the fourth paper of the combination, (the Times,) you only added $100 to the price for 1,000 words of news, and before the Herald started you agreed that the price to it should be $800 for 500 words from New York, or $750 from Chicago.

Between the old schedule and the one which you have proposed the California Combination to adopt, the first and most striking difference is that the old schedule recognizes the principle that a single paper should not be compelled to pay as much as a number of papers, which principle is totally ignored in the new schedule. It is only by a recognition of this principle that any competition in the newspaper business in California becomes possible. The prices which the California papers pay for telegraphic tolls are so enormous, as compared with their field and their receipts, that it is not possible for a single journal to maintain opposition, if it is compelled to pay as much for its news as all the others combined; and thus the only way to prevent the Telegraph from being used to establish a most odious and oppressive monopoly, is either to charge each paper a certain price for its news, or to adopt a sliding scale, such as was adopted in your old schedule, or to permit no exclusive combinations, and while charging but one price for news, whether delivered to many papers, or to a single one, to make it a condition that any newspaper combination which seeks to take advantage of this shall submit to a share of the news, any other paper which is willing and able to bear its proportion of the joint expenses.

The eastern papers pay four hundred and fifty cents per page, and this is, in fact, the price which all the eastern papers pay, whether they have any competition or not. You have not, in your agreement that the combination to whom you give a virtual monopoly of Telegraphic News shall sell five hundred words per day to any paper which will pay them a thousand dollars a month for this, but this proviso merely adds a new element of competition, and it would be in your interest to make the price for this five hundred words of news more than they pay individually for five times the amount! Imagine the New York World doing out news to the Herald, or the Tribune dependent on the Times for its Telegraphic Dispatches. As every newspaper man knows the five hundred words will never be called for, and the standing order is only a standing joke.

It may be said that the Herald, or any new paper is perfectly free to form partnerships with other papers not now receiving the news, and to enjoyment the same kind of schedules which you give the present combination.

This is as though a Railroad Company should tell a single passenger whom it refused to carry, that he still had his inalienable right to walk, or, if he chose, was perfectly free to join with others and build a new railroad. The fact is known to all who are conversant with the subject that the five papers which are now receiving Eastern news, are the only papers in California which can afford to pay the prices you charge for Telegraphing. Should you adhere to your present policy, new papers will start, and as the development of the country goes on, which will be able, after a while, to...
form new combinations; but the new schedule, if enforced, will not only crush the enterprise, but entirely prevent the only competition on paper now published, and naturally prohibit the establishment of any others.

There is, however, another difference between the two schedules which is hardly less important than that which I have alluded to; and it is sufficient to show that the purpose for which you and I have been induced to adopt the new schedule is to give an absolute monopoly of papers comprising the subscription list, and to establish the difference between the prices fixed for a small number of words as compared with the price charged for a larger number.

Under the old schedule, starting from $2,000 for 500 words, the price is advanced only one cent per word for 1,000 words, and only 50 cents per word for 5,000 words, a reduction of only 25 per cent. In the number of words, an increase of 150 per cent. In the number of words. Or, reversely, starting from 2,500 words, a reduction of 75 per cent. In the number of words, a price increase of only 25 per cent. In the number of words.

Under the new schedule, starting from $2,000 for 500 words, the price is advanced only one cent per word for 500 words, in the number of words, and only 33 1/3 cents per word for 2,500 words, the second increase of 150 per cent. In the number of words. Or, reversely, starting from 2,500 words, a reduction of only 25 per cent. In the number of words, a price reduction of only 25 per cent. In the number of words.

Now, in the ratio of your schedule is preserved, more word for word and for month than you charge transient customers for ten word dispatches, with address and signature appended. Could anything be more gross?

Look for a moment at the difference in the manner in which the enforcement of the new schedule is conducted. Under your old schedule, the price per word increases 25, 50, and 75 per cent. The price charged is not exactly the same as the price charged for the same number of words in the new schedule.

Under the new schedule, the price is reduced 25 per cent. or more. Under your old schedule, the price is reduced 25 per cent., or 50 per cent. or 75 per cent. The price charged is not the same as the price charged for the same number of words in the new schedule.

And, again, look at the matter merely as it affects your pecuniary interest. You are now receiving $30,000 a year from the Combination, and $10,000 per annum from the Telegraph, for the transmission of 1,500 words. Besides this the competition between the papers causes the sending of special and private dispatches which considerably increases your profits, and the gross sum would be far less increased by the new schedule than it would be if the papers were in a free field. But, by the monopolizing arrangement which you have made, you cut all this off; you kill all opposition to the combination, destroy all competition, and get only $40,000 a year for 2,500 words, instead of about $60,000 for 1,500 words.

Your agents would undertake to kill the Herald and prevent future competition, at a cost to yourselves of $10,000 per annum; do more work for less money for the sake of giving certain technical perfection.

When the very lowest and most selfish motive is thus wanting, when you have consented to crush enterprise, not merely for no gain to yourselves, but at a positive loss to your stockholders, how can your agents have been induced, except as prompted by the very lust of overgrown monopoly?

Look at the equities which ought to subsist between you and the men who have been led to invest their capital in the newspaper enterprise which you now propose to crush. The Herald was not started

HENRY G. GEORGE
Agent San Francisco Herald.