

Letter from Alexander Graham Bell to Mabel Hubbard Bell, January 27, 1879, with transcript

ALEXANDER GRAHAM BELL TO MABEL (Hubbard) BELL Crawford House, Boston.
Monday, Jan. 27th, 1879. My darling May:

I wish I could only have you here to make clear to you the condition of affairs here. I think the worst has passed away and everything looks bright and hopeful. All depends upon your father's co-operation with those gentlemen who have saved us from disgrace and bankruptcy by raising money at a few hours notice to meet debts for which there was no money in the Treasury.

I heartily approve of all that has been done so far and only hope Mr. Hubbard will approve also when he comes to know all.

It seems that the total debt of the Company amounted to about forty thousand dollars (!) an enormous sum — and certain payments had to be made at once. For instance when the first Director's meeting was held — something had to be done at once. Judge Bradley advanced fifteen hundred dollars out of his own pocket to pay our workmen and etc., in Chicago — as the opposition were ready there to pounce down upon our property there and declare us seemingly Bankruptcy if the money was not paid that very day.

Then other large bills were due next day — and the question — what was to be done — had to be settled immediately. There were four plans proposed.

1st. Mr. Sanders offered to advance \$30,000 if the company would give him bonds for the amount so that the Company would be fairly in his power and he manage it as he chose.

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2nd. It was proposed to make a call on all the stockholders — so as to supply the money requisite.

3rd. It was proposed to increase the number of shares of the Company and to sell some of the new shares to be created — certain 2 gentlemen guaranteeing that they could find purchasers immediately, which plan would give us all the money required for the payment of debts and place us on our feet without alarming the stockholders by calling upon them to relinquish anything they possessed.

4th. If none of these plans were adopted — to wind up the affairs of the Company and have it declared Bankrupt.

The third plan was adopted and Mr. Forbes and Mr. Bradley were appointed a committee to raise money to pay the bills due next day upon their promise to supply shares to the gentlemen who supplied the money. Although the increased shares cannot be voted without the consent of the shareholders as well as the Directors — in the emergency all present pledged themselves to support these gentlemen if they found purchasers willing to pay in advance — and although I had no power from you in the matter — I pledged my word that you also would support the action of the Company, by letting these gentlemen sell your proportion of the increased stock. Upon the strength of our promises, Mr. Forbes and Mr. Bradley worked hard and succeeded in getting the money required and now there is every prospect of our being placed upon our feet. An unexpected difficulty made its appearance in the shape of a Law that deprived a corporation such as the Bell Telephone Company of power to sell increased stock excepting at par. That is the shares that nominally represent \$100 must be sold for \$100 and it would be difficult to find any persons willing to give this. For moneyed men want to buy stock that they think will rise in value — and if we sell this stock at \$50 — the buyers will think it will soon be worth \$100.

The difficulty has been met by the proposal to nominally 3 dissolve the Company and re-organize it on the basis of an increased number of shares (that is of an increased Capital)

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— so as to be within the law. This, if agreed upon by the stockholders, will get over our difficulty. It has also been suggested that the re-organization of the Company — would afford a good opportunity for amalgamating the Bell Telephone Company — and the New England Telephone Company — in one — so that we may present an unbroken front to the enemy — and there be only one Telephone Company — for the whole Country. The time seems ripe for this, and if this can be accomplished I have no fears for the Telephone.

The chief difficulty in the way here is Mr. Hubbard. His private financial condition seems to be suspected by moneyed men. It is said that many of his notes have gone to protest and the chief difficulty in the proposed amalgamation is that the members of the New England Telephone Company don't want to unite with the Bell Telephone Company if Mr. Hubbard is to be at the head of it. They say they have no confidence in the stability of the Bell Telephone Company — and that it cannot stand well in the Commercial world — while Mr. Hubbard is the President of it. This may defeat the whole plan of amalgamation — and I want Mr. Hubbard to come on here and smooth matters over and see every one personally — and to suggest some plan that will get us over every trouble.

I am so sorry Mr. Hubbard did not come on before. Affairs are in a critical condition. If he does not co-operate with the moneyed men now — the Telephone Company is ruined — for the moneyed men already with us are much alarmed — and if there are internal dissensions, a panic must ensue and they will sell out for what they can get — and the Western Union will have a chance to buy up the shares — and get the upper hand. I am so glad Mr. Hubbard is coming. I must stay here 4 until all is settled for we have a tremendous stake. Upon the results of the next few days depends your fortune. If our Company can stand and all comes out right — your shares are worth at par one hundred and ten thousand, seven hundred dollars (\$110,700) — if not they are not worth one cent. I feel with these gentlemen that the unfortunate condition of Mr. Hubbard's affairs reacts upon the Bell Telephone Company and that there is — whether rightly or wrongly — a

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feeling among the majority of the stockholders of both companies — of lack of confidence in his management.

I am quite distressed at this but I cannot shut my eyes to the fact — and I feel that a crisis is approaching and that either the moneyed men will leave us — or your father's name be less prominently associated with the Company. I feel also that Mr. Hubbard would never consent to any other person being President of the Company — and I — for one — would not support any attempt to displace him should he not wish to resign.

It has been suggested that perhaps the difficulty might be got over by making me President!

I say that I am not fitted for that position and could not undertake it. Mr. Bradley says that I could have the advice of Mr. Hubbard — and thus Mr. Hubbard could practically control the management — without his name appearing as President — and he urges that Mr. Hubbard would probably have less objection to my being President — than to any other person. Oh! dear me — I am tormented! — and wish I could only be left at peace. When will Mr. Hubbard be here. I feel that if only all can meet together — peace — harmony and prosperity — will return — and Mr. Hubbard will smooth over every difficulty.

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The cross-examination of Mr. Renwick commenced today. The opposing counsel have certainly “put their foot in it” — and all looks most promising for one cause.

My sweet darling wife — I am troubled and anxious and don't know what to do. I love your father and am proud to have him at the head of this company — and yet even I feel that his name stands in the way of our obtaining the pecuniary support we require — and threatens financial ruin to the Company. Oh! dear! That can we do? How will it all come out? I wish you could put your arms round my neck my darling darling wife and tell me what you wish. Whatever you want I will do.

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Your loving, Alec.