

J. Francis

REPORT

OF THE

DIRECTORS TO THE SHAREHOLDERS

OF

The Bell Telephone Company
of Canada

For the Year ending 31st December,

1914.



MONTREAL:

MORTON, PHILLIPS & CO., PRINTERS.

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For the Year ending 31st December,

1914.

Officers :

C. F. SISE, President.
HON. ROBERT MACKAY, . . . Vice-President.
L. B. McFARLANE, Managing Director.
C. F. SISE, JR., " General Manager.
W. H. BLACK, Secretary.
WM. GEORGE SLACK, Treasurer.

Directors :

C. F. SISE	CHARLES CASSILS
HON. ROBERT MACKAY	H. B. THAYER
THEO. N. VAIL	L. B. McFARLANE
ROBERT ARCHER	Z. A. LASH, K.C.
WM. R. DRIVER	U. N. BETHELL
HUGH PATON	C. F. SISE, JR.

THE BELL TELEPHONE COMPANY OF CANADA

1914.

The Directors beg to submit their thirty-fifth Annual Report.

13,402 Subscribers have been added during the year, the total number of telephones now in use being 237,068.

The Company now owns and **operates 460** Exchanges, an increase of 8.

4,202 miles of wire were added to the Long Distance System in 1914. The Long Distance Lines now owned and operated by the Company comprise 75,371 miles of wire on 9,304 miles of poles, and 3,913 miles of wire in underground and submarine cables.

Two Exchange buildings have **been added** to the Company's Real Estate during the year, in addition to which a large extension has been made to the Adelaide Street building at Toronto, and progress has been made with the building on Ontario Street, Montreal, on which approximately \$160,000.00 has been expended during the **past** year.

The amount of **\$3,387,942.38**, now shown as Real Estate on our books is represented by 52 buildings, valued at **\$2,636,672.01**, and land valued at \$751,270.37, situated in 38 cities and towns.

The Company now has arrangements for exchange of business with 585 local organizations, serving over 72,762 subscribers.

No Stock was **issued** nor Bonds sold during the year 1914.

From the Surplus Earnings of 1914, amounting to \$210,837.69, an amount of \$118,665.70 has been carried to Reserves, and the balance, \$92,171.99, has been carried to Surplus Account.

The balance in Surplus Account to be carried to 1915 is \$1,000,000.00.

The war in Europe has naturally affected our business and 123 of our employees have volunteered for the service of the Empire. To all such the Company has stated that their positions will be kept open for them, and that to those who have families and relatives dependent upon them, and not otherwise provided for, one-half of their salary will be continued and paid.

Your Board has also contributed, on behalf of the Company, \$20,000.00 to the Canadian Patriotic Fund, and will ask the Shareholders' approval of their action.

The financial statements are appended hereto.

As explained in last year's Report, a substantial part of the Company's earnings is derived from investments of the shareholders' funds, and from the use of surpluses year by year in extending and improving the operating telephone plant of the Company—and, as shown on page 9 of this report, the net revenue for 1914 was 5.7 per cent. upon the total investment.

All of which is respectfully submitted.

ROBERT MACKAY,
Vice-President.

O. F. SISE,
President.

MONTREAL, February 25th, 1915.

BALANCE SHEET. DECEMBER 31. 1914

ASSETS

Real Estate.....	\$ 3,387,942.38
Telephone Plant.....	31,205,640.43
Furniture, Tools and Supplies.....	1,357,029.71
Cash	1,512,539.08
Bills and Accounts Receivable.....	837,081.45
Stocks and Bonds.....	2,551,866.87
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	\$40,852,099.92
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LIABILITIES

Capital Stock Issued.....	\$18,000,000.00
5% Bonds, 1925.....	11,149,000.00
Accounts Payable.....	293,608.89
Accrued Liabilities not due.....	500,877.52
Unearned Revenue.....	34,144.22
Replacement and Other Reserves.....	9,874,469.29
Surplus.....	1,000,000.00
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	\$40,852,099.92
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Audited and verified.

P. S. ROSS & SONS.
Chartered Accountants.

E. PALM.
General Auditor.

EARNINGS STATEMENT FOR YEAR 1914

Gross Earnings		\$9,599,026.83
Operation Expense.....	\$3,456,045.00	
Current Maintenance.....	1,702,157.31	
Depreciation.....	2,010,000.00	
Taxes.....	218,207.28	7,386,409.59
		2,212,617.24
Net Earnings		2,212,617.24
Deduct Interest.....		561,779.55
		1,650,837.69
Balance.....		1,650,837.69
Deduct Dividends 8%.....		1,440,000.00
		210,837.69
Surplus Earnings.....		\$ 210,837.69

Audited and verified.

P. S. ROSS & SONS.

Chartered Accountants.

E. PALM.

General Auditor.

STATISTICS

	At Dec. 31, 1914	Increase during Year
Number of Owned Stations	237,068	13,402
Number of Connecting and Miscellaneous Stations	73,072	7,510
Total Stations	310,140	20,912

Number of Miles of Wire	748,007
Number of Central Offices	460
Number of Employees	7,836

Average Daily Connections 1914—Exchange	1,744,386
Average Daily Connections 1914—Long Distance	17,266

The following statements, showing the growth and revenue of the Company in five year periods, which appeared in our last Annual Report, have been brought up to date by adding the figures for 1914.

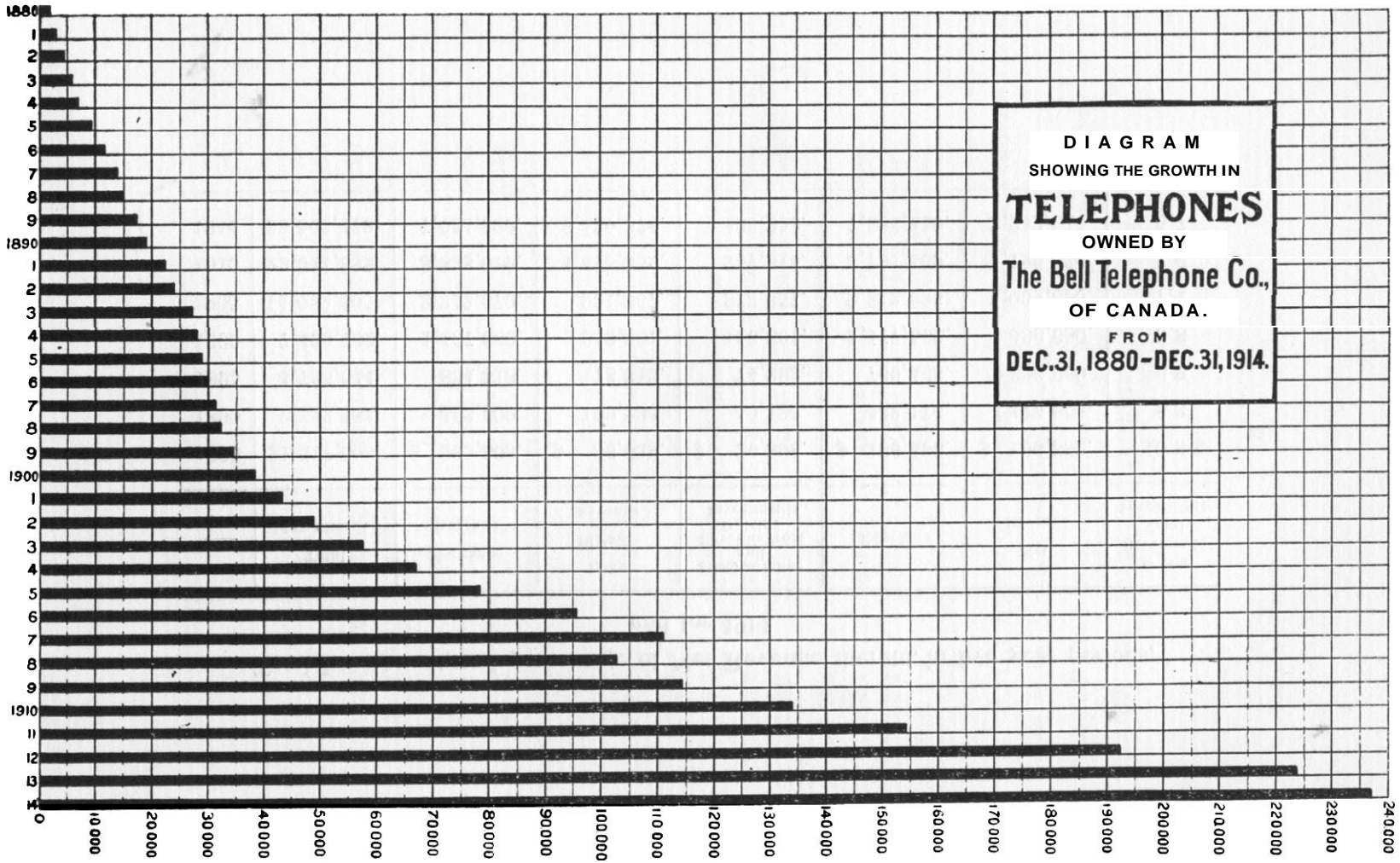
Year	Exchanges	Number of Subscribers	Long Distance	
			Wire, in Miles	Pole Miles
1885	126	10,200	3,000	2,000
1890	212	20,437	8,228	4,071
1895	345	30,908	14,851	5,884
1900	343	40,094	21,360	6,525
1905	526	82,351	37,082	8,645
1910	508	138,370	54,133	8,861
1914	460	237,068	79,284	9,304

UNDERGROUND

Year	Miles Conduit	Miles Single Duct.	Miles Cable	Miles Wire
1890	1.85	43.16	1.04	103.72
1895	12.10	143.64	16.35	2,211.54
1900	46.71	321.07	156.57	30,686.40
1905	99.62	572.56	264.34	94,131.80
1910	191.10	1,014.66	453.35	208,956.02
1914	279.00	1,754.00	781.80	433,424.00

**Total Investment, and percentage of Net Revenue thereto, in five year periods,
and for 1914.**

Year	Total Investment	Exchange Revenue	Long Distance Revenue	Misc. Revenue and Revenue from Outside Investments	Expenses	Net Revenue	% Net Revenue to Total Investment
1885	\$1,527,503.	\$ 299,803.	\$ 36,629.	\$ 26,396.	\$ 196,496.	\$ 166,332.	10.8%
1890	2,822,581.	462,600.	109,236.	40,195.	432,176.	179,865.	6.3
1896	4,765,644.	834,618.	178,313.	74,292.	760,463.	326,660.	6.8
1900	7,498,762.	1,137,660.	369,804.	116,801.	1,177,582.	436,680.	6.8
1905	14,062,605.	2,342,870.	901,367.	273,357.	2,512,696.	1,004,898.	7.1
1910	22,541,382.	3,838,019.	1,416,362.	257,314.	3,781,109.	1,729,576.	7.6
1914	38,502,479.	7,054,899.	2,120,876.	423,262.	7,386,410.	2,212,617.	6.7



D I A G R A M
 SHOWING THE GROWTH IN
TELEPHONES
 OWNED BY
The Bell Telephone Co.,
 OF CANADA.
 FROM
DEC.31, 1880-DEC.31, 1914.

NUMBER OF OWNED STATIONS

