

*J. Francis*

# REPORT

OF THE

DIRECTORS TO THE SHAREHOLDERS

OF

## The Bell Telephone Company of Canada

For the Year ending 31st December,

1916.



MONTREAL:

MORTON, PHILLIPS & CO., PRINTERS.

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## The Bell Telephone Company of Canada

For the Year ending 31st December,

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**Officers :**

C. F. SISE, . . . . . Chairman of the Board.  
L. B. McFARLANE, - - - - . President.  
\*Hon. ROBERT MACKAY, - . . . . Vice-president.  
C. F. SISE, Ja., - - - - . General Manager.  
W. H. BLACK, - - - - . Secretary.  
WM. GEORGE SLACK, . . . . . Treasurer.  
E. PALM, . . . . . General Auditor.

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**Directors :**

C. F. SISE	Z. A. LASH, K.C.
*Hon. ROBERT MACKAY	U. N. BETHELL
THEO. N. VAIL	C. F. SISE, JR.
HUGH PATON	THOS. AHEARN
CHARLES CASSILS	A. J. DAWES
L. B. McFARLANE	P. W. MOLSON

\*Since deceased

## 1916.

To the Shareholders of

The Bell Telephone Company of Canada.

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

**19,115** Subscribera' Stations have been added during the year. The total number of owned telephone stations now in use being **261,899**, an increase of **7.87%** over the previous year.

The Company has arrangements for exchange of business with **641** local telephone organizations, serving **87,997** Subscribers' Stations, thus affording intercommunication with our subscribers.

The Company now owns and operates **442** Central Offices.

**2,431** miles of wire were added to the Long Distance system in **1916**. The Long Distance Lines now owned and operated by the Company comprise **77,599** miles of wire on **9,311** miles of poles, and **4,740** miles of wire in underground and submarine cables.

Five Exchange buildings have been added to the Company's Real Estate during the year.

To the 31st of December, **657** of our employees had enlisted for Overseas Service, or **30%** of our male employees of military age. Of this number, **348** have families or relatives dependent upon them. The Company continues to pay one-half of the salaries of enlisted employees to their 'dependents when they are not otherwise provided for.

The Company purchased \$207,500 of the Canadian War Loan which was offered to the public for subscription last September ; and ~~has~~ undertaken to pay to the Canadian Patriotic Fund, for twelve months commencing March 1917, \$2,000 per month, a total of \$24,000. These payments we ask you to authorize.

The ~~sum~~ of **\$71,635** has been taken from Surplus and credited to Employees' Benefit Fund, which **Fund** now stands at the sum of \$400,000.

In addition to the action previously taken ~~to~~ create an Employees' Pension and Benefit System for the Company, your Directors have thought it desirable to pass a By-law which will make provision for those employees' grown old in the service of the Company, or who have become ill or have been injured while in its employ, and for certain dependents of deceased employees. We ask you to confirm this By-law.

Financial and war conditions have made heavy expenditures almost prohibitive, and only imperative work has been undertaken. The increasing cost and scarcity of materials, delays in transportation, and the lack of skilled labor, have been matters of much concern to your Directors, and have caused, and may continue to cause, delays in the fulfilment of subscribers' orders. Notwithstanding these drawbacks, we can report a fair increase in the number of Subscribers' Stations, and a growth in the mileage of Long Distance or Toll Lines. This increase in Plant is reflected in the revenue, there being a moderate growth in the **Exchange** Revenue, and a substantial growth in Toll Revenue, the latter caused **by** the abnormal military and manufacturing conditions which prevail.

It is with sincere regret that we record the death on the 19th of December, 1916, of the Hon. Senator **Mackay**, who, in 1888, joined the Board of Directors and who has been continuously on the Board since that date, having held the position of Vice-president from **1895** until his death. Your Directors greatly appreciated his very able services on behalf of the Company during the **past** twenty-eight years.

Mr. Charles **Cassils** has been elected Vice-President.

Thanks are due to our officers and employees for their faithful and efficient services during the **past** year.

The **financial** statements are appended hereto.

All of which is respectfully submitted.

**CHARLES CASSILS,**  
*Vice-President.*

**L. B. McFARLANE**  
*President.*

**MONTREAL, February, 22nd, 1917.**

## BALANCE SHEET. DECEMBER 31. 1916

### ASSETS

Real Estate.....	8 3,785,805.27
Telephone <b>Plant</b> .....	<b>33,933,937.38</b>
Furniture. <b>Tools</b> and Supplies.....	1,124,855.38
Cash.....	1,612,081.83
Bills and Accounts Receivable.....	740,297.47
Investments.....	3,467,560.72
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	<b>\$44,664,538.05</b>
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### LIABILITIES

<b>Capital</b> Stock Issued.....	<b>\$18,000,000.00</b>
5% Bonds. 1925.....	11,149,000.00
Accounts <b>Payable</b> .....	220,981.86
Accrued Liabilities not due.....	528,702.04
Unearned Revenue.....	26,673.72
Replacement and other <b>Reserves</b> .....	13,091,225.22
Surplus.....	<b>1,647,955.21</b>
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	<b>\$44,664,538.05</b>
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Audited and verified.

P. S. ROSS & SONS.

Chartered Accountants.

E. PALM.

General Auditor.

## EARNINGS STATEMENT FOR YEAR 1916

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Gross Earnings.....		\$10,375,318.60
Operation Expense.....	3,718,422.87	
Current Maintenance.....	1,549,939.41	
Depreciation.....	2,310,000.00	
Taxes.....	327,713.68	7,906,075.96
Net Earnings.....		2,469,242.64
Deduct Interest.....		558,792.23
Balance.....		1,910,450.41
Deduct Dividends 8%.....		1,440,000.00
Surplus Earnings.....		\$ 470,450.41

Audited and verified.

P. S. ROSS & SONS.  
Chartered Accountants.

E. PALM.  
General Auditor.



## STATISTICS

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	At Dec. 31, 1916	Increase during Year
Number of Owned Stations. . . .	261,899	19,115
Number of Connecting and Miscellaneous Stations. . . . .	88,314	6,497
Total Stations, . . . . .	350,213	25,612

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Number of Miles of Wire. . . . .	812,918
Number of Central Offices. . . . .	442
Number of Employees. . . . .	8,698

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Average Daily Connections 1916—Exchange. . . . .	2,052,957
Average Daily Connections 1916—Long Distance. . . . .	21,812

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 1916.

Year	Central Offices	Number of Subscribers Stations	Long Distance	
			Wire Miles	Pole Miles
1885	126	10,200	3,000	2,000
1890	212	20,437	(1,228	4,071
1895	345	30,908	14,851	5,884
1900	343	40,094	21,350	6,525
1905	526	82,351	37,082	8,646
1910	508	138,370	54,133	8,861
1916	449	242,784	79,908	9,297
1916	442	261,899	82,339	9,311

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## 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
1915	300.00	1,860.00	819.60	450,665.00
1916	319.00	1,958.00	862.99	476,998.00

**Total Assets, and percentage of Net Earnings thereto, in five year periods, and for 1916.**

Year	Total Assets (Excluding Cash and Receivables).	Exchange Revenue	Long Distance Revenue	Misc. Revenue and Revenue from Outside Investments	Expenses	Net Earnings	% Net Earnings to Total Assets
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.	179,855.	6.3
1895	4,765,644.	834,518.	178,313.	74,292.	760,463.	326,660.	6.8
1900	7,498,762.	1,137,660.	369,801.	116,801.	1,177,582.	436,680.	5.8
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
1915	39,789,807.	7,156,302.	2,306,636.	171,836.	7,412,689.	2,221,985.	5.6
1916	42,312,159.	7,496,691.	2,708,307.	170,321.	7,906,076.	2,469,243.	5.8



