

J. Francis

REPORT

OF THE

DIRECTORS TO THE STOCKHOLDERS

OF

The Bell Telephone Company of Canada

For the Year ending 31st December,

1913



MONTREAL:

MORTON, PHILLIPS & CO., PRINTERS

1914



REPORT

OF THE

DIRECTORS TO THE SHAREHOLDERS

OF

The Bell Telephone Company of Canada

For the Year ending 31st December,

1913

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. GEO. 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

1913.

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

30,918 Subscribers have been added during the year, the total number of telephones now in use being 223,666.

The Company now owns and operates 452 Exchanges, an apparent decrease of 4 (caused by the consolidation of certain Exchanges).

7,977 miles of wire were added to the Long Distance System in 1913. The Long Distance Lines now owned and operated by the Company comprise 72,063 miles of wire on 9,276 miles of poles, and 3,019 miles of wire in underground and submarine cables.

Six buildings have been added to the Company's Real Estate during the year, (including those in process of construction).

The Company now has arrangements for exchange of business with 531 local organizations, serving over 65,179 subscribers.

\$3,000,000 new Stock was issued and \$4,500,000 Bonds were sold, during the year 1913.

From the Surplus Earnings of 1913, amounting to \$503,732.43, \$49,144.35 has been carried to Reserves, leaving a balance of \$454,588.08 of Surplus Earnings, which has been carried to Surplus Account.

The balance in Surplus Account to be carried to 1914 is \$907,828.01.

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 shewn on page 9 of this Report, the net revenue for 1913 was 6.2 per cent. upon the total investment.

All of which is respectfully submitted.

ROBERT MACKAY,
Vice-President.

C. F. SISE,
President

MONTREAL, February 26th, 1914.

BALANCE SHEET, DECEMBER 31, 1913

ASSETS

Real Estate	\$ 2,943,554.99
Telephone Plant	28,707,246.16
Furniture, Tools and Supplies.	1,370,233.96
Cash	1,457,416.21
Bills and Accounts Receivable	2,768,533.75
Stocks and Bonds	2,551,866.87
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	\$39,798,851.94
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LIABILITIES

Capital Stock Issued	\$18,000,000.00
5% Bonds, 1925	11,149,000.00
Accounts Payable	560,915.80
Accrued Liabilities not due	489,520.12
Unearned Revenue	20,896.81
Replacement and other Reserves	8,670,691.20
Surplus	907,828.01
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	\$39,798,851.94
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Audited and verified,

P. S. ROSS & SONS,

Chartered Accountants.

E. PALM,

General Auditor.

EARNINGS STATEMENT FOR YEAR 1913

Gross Earnings	\$ 8,850,448.94
Operation Expense	\$3,214,564.73
Current Maintenance	1,549,978.25
Depreciation	1,680,000.00
Taxes	190,648.22
	<hr style="width: 20%; margin: 0 auto;"/> 6,635,191.20
Net Earnings	2,215,257.74
Deduct Interest	421,735.31
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Balance	1,793,522.43
Deduct Dividends 8%	1,289,790.00
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Surplus Earnings	<u><u>\$ 503,732.43</u></u>

Audited and verified,

P. S. ROSS & SONS,
Chartered Accountants.

E. PALM,
General Auditor.

STATISTICS

	At Dec. 31, 1913	Increase during Year
Number of Owned Stations ..	223,666	30,918
Number of Connecting and Miscellaneous Stations	65,562	10,225
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Total Stations	289,228	41,143

Number of Miles of Wire.....	622,548
Number of Central Offices	452
Number of Employees	8,270

Average Daily Connections 1913—Exchange: . .	1,739,388
Average Daily Connections 1913—Long Distance: .	17,169

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 1913.

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	21,350	6,525
1905	526	82,351	37,082	8,645
1910	508	138,370	54,133	8,861
1913	452	223,666	75,082	9,276

UNDERGROUND

Year	Miles Conduit	Miles		Miles Wire
		Single Duct.	Miles Cable	
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
1913	258.00	1,577.00	710.28	335,735.00

Total Investment, and percentage of Net Revenue thereto, in five year periods,
and for 1913.

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.	179,855.	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.	359,801.	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.	1,415,352.	257,314.	3,781,109.	1,729,576.	7.6
1913	35,572,902.	6,362,073.	2,035,390.	452,986.	6,635,191.	2,215,258.	6.2

DIAGRAM
SHOWING THE GROWTH IN
TELEPHONES
OWNED BY
The Bell Telephone Co.,
OF CANADA.
FROM
DEC. 31, 1880 - DEC. 31, 1913.



