

THE MARCONI WIRELESS TELEGRAPH

CANADIAN MARCONI COMPANY

OFFICIAL COPY

1912 ANNUAL REPORT

Annual Report and Statement of Affairs Year ending January 31st, 1912.

CAPITAL, - - - \$5,000,000.00.

DIRECTORS.

ANDREW A. ALLAN, Esq., President.
Commendatore G. MARCONI, LL.D., D.Sc., Vice-President.
J. N. GREENSHIELDS, Esq., K.C.
ROBERT BICKERDIKE, Esq., M.P.
GODFREY C. ISAACS, Esq.
G. M. BOSWORTH, Esq.
J. H. LAUER, Esq., General Manager.

AUDITORS.

RIDDELL, STEAD, GRAHAM & HUTCHISON.

SOLICITORS.

GREENSHIELDS, GREENSHIELDS & LANGUEDOC.

SECRETARY-TREASURER.

A. E. REOCH, Esq.

DIRECTORS' REPORT.

The Directors of the Marconi Wireless Telegraph Company of Canada, Limited, have pleasure in presenting to the Shareholders the following report of the Company's business, with the accounts for the year ending January 31st, 1912:—

Owing to the rapidly increasing development of Wireless Telegraphy throughout the world, and of the constantly extending scope of the work of the Marconi Wireless Telegraph Company of Canada, Limited, the present report has necessarily been somewhat retarded, and the Directors therefore embrace the opportunity in this report of touching upon several important events which have transpired since the actual close of the Company's financial year.

The new Contract with the Canadian Government referred to at the last annual meeting was completed on April 5th, 1912.

This contract places the Company in a much more satisfactory position with regard to the stations owned by the Canadian Government in the Gulf of St. Lawrence and on the Atlantic coast, securing to this Company as it does the control, operation and proceeds of these stations for a period of twenty years, and in addition an increase in the total amount of subsidy paid by the Government for this service.

With regard to the stations owned by the Newfoundland Government, negotiations have been in progress during the entire year. In December, 1911, a representative of the Company visited St. Johns, and obtained the assent of the Government to the Company's proposal. Further negotiations were necessary before a satisfactory form of Agreement was obtained, but advice has recently been received that the Government has accepted the Agreement in its present form, which is entirely satisfactory to this Company. This Agreement mainly provides for the operation of several new stations for the Newfoundland Government on the Labrador coast, and for the extension during a further term of ten years of the existing Agreement, protecting this Company's exclusive rights in Newfoundland until the year 1926.

The Shore Stations now operated by the Company on the East Coast of Canada under these two Agreements are as follows:—

Labrador Stations owned by the Newfoundland Government and operated by the Company:—

Battle Harbour,	Grady,
Venison Island,	Indian Harbour,
American Tickle,	Holton,
Domino,	Cape Harrison,

Mokkovik.

Newfoundland Stations owned and operated by the Company under contract with the Newfoundland Government:—

Fogo.

Gulf of St. Lawrence Stations owned by the Canadian Government and operated by the Company:—

Belle Isle,	Magdalen Islands,
Point Amour,	Cape Bear,
Point Rich,	Clarke City,
Harrington,	Father Point,
Heath Point,	Grosse Isle,
Fame Point,	Quebec,
Cape Ray,	Three Rivers,

Montreal.

Gulf of St. Lawrence Stations owned by the Company and operated by the Company under contract with the Canadian Government :—

North Sydney,
Pictou.

Atlantic Coast Stations owned by the Canadian Government and operated by the Company :—

Cape Race,
Cape Sable,
St. John, N. B.

Atlantic Coast Stations owned and operated by the Company :—

Halifax, N. S.
Sable Island.

Trans-Atlantic Station owned and operated by the Company :—

Glace Bay, N. S.

The traffic receipts for ship-to-shore business have continued to increase, as has also the inter-station traffic handled by the Company. The total receipts for this portion of the Company's business amounted during the year to \$45 367.42, showing an increase of \$2,677 00 over the previous year. Every endeavour is being made to extend this branch of the Company's business, and the latest returns indicate that a much larger increase in receipts will be obtained from this source during the current year.

The number of vessels equipped with the Marconi System at the date of the last annual meeting was five hundred and thirty-six. While not in a position at the moment to give the exact number of vessels equipped at the present date, the Directors feel that they are well within the mark in stating that the number has at least doubled during the interim.

The attention of the Shareholders is drawn to an important contract entered into between the British Marconi Wireless Telegraph Company, Limited, and the British Government, providing for the erection of a chain of long distance Wireless Telegraph Stations to girdle the earth. The British Marconi's Wireless Telegraph Company, Limited, will receive \$300,000.00 for each station, exclusive of sites, foundations and buildings, and it will also receive 10 % of the gross receipts for all stations so erected for a term of twenty-eight years. The construction of six of these stations is to be commenced at once. This Agreement, which is undoubtedly the most important which has ever been concluded in the annals of Wireless Telegraphy, has been obtained by the British Marconi's Wireless Telegraph Company, Limited, to a large extent through the practical demonstration of long distance wireless telegraphy which has been so long maintained by their station in Ireland and this Company's station at Glace Bay. This communication which has been developed at a tremendous cost to this Company has at last been brought to a high state of efficiency.

During the present year the capacity of the Glace Bay Station has been increased, and it is estimated that the traffic receipts will provide for current expenditure hereafter. It has been considered necessary to erect a duplex receiving station at Glace Bay. The initial cost of this duplex station will be about \$75,000.00. The cost of operation of the combined station will be increased by about 20 %, but the capacity and the traffic receipts will be at least doubled.

Another Agreement of almost equal importance is one between the British Marconi's Wireless Telegraph Company, Limited, and the Marconi Wireless Telegraph Company of America, and the Western Union and Great North Western Telegraph Companies. This Agreement particularly bears on this Company's Trans-Atlantic business. As the Shareholders are no doubt aware, the Trans-Atlantic business of the Company has in the past year been subjected to very close competition by the Land Telegraph Companies of Canada and the United States, which are all affiliated with various cable companies. The Agreement with the Western Union and Great North Western Telegraph Companies now provides for their handling Trans-Atlantic Marconigrams, and for the acceptance and delivery by the Telegraph Companies' lines, offices and messengers on the same terms as those enjoyed by the Cable Companies. It is evident that as soon as the capacity of the system has increased, it will be possible to obtain sufficient traffic to greatly augment the revenue from Trans-Atlantic business.

The Directors are also pleased to be able to inform you that another obstruction to the extension of the Company's business has been removed this year through the absorption by the Marconi Wireless Telegraph Company of America of the United Wireless Telegraph Company. This Company has for several years rendered successful competition impossible by its peculiar business methods. The whole of the assets of that Company, in so far as they relate to the United States have been taken over by the Marconi Wireless Telegraph Company of America, and its interests are now being legitimately developed by that Company. A number of steamers of Canadian register, formerly operated by the United Wireless Telegraph Company, will come under this Company's control.

The Company's system of stations is now being rapidly extended to the Great Lakes. The necessity for stations on the Great Lakes for ship-communication purposes has been urged on the Canadian Government by the Company's officials for several years, and early this year the Government declared its intention of erecting a chain of stations to connect from Montreal to Port Arthur. The requirements of the Government were carefully considered by the Company's engineers and all the most modern features in Wireless Telegraphy are being embodied in these stations. The Government considered it advisable to have these stations operated under an extension to the contract of April 5th, 1911. A draft Agreement has been prepared, satisfactory to both parties, and the Government has signified its intention of completing this Agreement on the return of the Canadian Ministers from England. It provides at present for the operation of four stations, the payment of \$3,500.00 per annum per station to the Company and for the

Company to retain for its own use a proportion averaging eighty-five per cent. of the traffic receipts. Five further stations required to complete the chain will be operated under the same terms as they are completed. The apparatus for all these stations is being supplied and installed by the Company.

The number of installations on board ship on the Great Lakes has been considerably increased. Whereas at the commencement of the year only three vessels on the Great Lakes were operated, the Company now has contracts for installations on the following steamers:—

CANADIAN PACIFIC RAILWAY CO.

SS. Athabasca,
SS. Assiniboia,
SS. Keewatin,
SS. Alberta,
SS. Manitoba.

NORTHERN NAVIGATION CO.

SS. Hamonic,
SS. Huronic,
SS. Saronic,

CANADIAN TOWING & WRECKING CO.

Barge Provence,
Barge Empire,
Barge Imperial.

REID WRECKING CO.

One Wrecking Tug.

On the Atlantic Coast the following steamers come under the control of this Company:—

CANADIAN NORTHERN STEAMSHIP CO.

SS. Royal George,
SS. Royal Edward.

BLACK DIAMOND STEAMSHIP CO.

SS. City of Sydney,
SS. Morwenna,

DOMINION ATLANTIC RAILROAD STEAMSHIP CO.

SS. Boston,
SS. Prince George,
SS. Prince Arthur,

REID NEWFOUNDLAND RAILROAD.

SS. Bruce,
SS. Invenmore.

QUEBEC SALVAGE & WRECKING CO.

SS. Lord Strathcona.

On the Pacific Coast the following steamers:—

CANADIAN PACIFIC RAILWAY CO.

SS. Princess Mary,
SS. Princess Alice,
SS. Princess Adelaide,
SS. Princess Ena,
SS. Princess Beatrice,
SS. Princess Sophia,
SS. Princess Charlotte,
SS. Princess May,
SS. Princess Royal,
SS. Princess Victoria,
SS. Tees.

In addition the following Trans-Pacific steamers, which are controlled by this Company on behalf of the Marconi International Marine Communication Company, Limited:—

SS. Empress of Japan,
SS. Empress of India,
SS. Monteagle.

All the above steamship installations will be productive of moderate revenue which will be amplified by traffic receipts.

The Directors are pleased to be able to inform you that in view of the improving prospects of the Company's expansion in Canada, they have secured the services of Mr. J. H. Lauer as General Manager of the Company. Mr. Lauer will give his particular attention to the development of the Company's business.

Before closing the report the Directors consider that it will not be out of place to say that information has been received regarding the measures considered at the recent International Radio-telegraphic Convention in London.

One of these, unanimously adopted by the delegates representing forty-two countries, is the recommendation to their respective Governments that equipment with Wireless Telegraphy shall be compulsory for both passenger and cargo steamers. Should such laws be enacted Wireless Telegraphy in connection with ships will receive an immediate and enduring impetus.

The following Directors retire, all of whom are eligible for re-election :—

ANDREW A. ALLAN, Esq.,
 COMMENDATORE G. MARCONI, LL D., D.Sc.
 J. N. GREENSHIELDS, Esq.
 ROBERT BICKERDIKE, Esq.
 GODFREY G. ISAACS, Esq.
 G. M. BOSWORTH, Esq.
 J. H. LAUER, Esq.

Respectfully submitted,

ALEX. E. REOCH,

Secretary.

The Marconi Wireless Telegraph Company of Canada, Limited.

BALANCE SHEET AS AT JANUARY 31ST. 1912.

ASSETS.		LIABILITIES.	
Property, Stations, Rights, Patents, Titles, Contracts, &c., &c.,	\$5,354,941.29	CAPITAL STOCK. 1,000,000 Shares of \$5.00 each issued and fully paid,	\$5,000,000.00
Apparatus and Stores on hand,	\$18,512.76	ACCOUNTS PAYABLE. Sundry,	\$32,468.52
ACCOUNTS RECEIVABLE— Sundry,	\$32,199.11	Marconi's Wireless Tele- graph Co., Ltd., London, 388,186.82	420,655.34
Due by Affiliated Com- panies,	26,250.50	SURPLUS ACCOUNT. Balance at Credit of Orga- nization Expenses and Deficit Account trans- ferred,	\$60,663.94
	58,449.61	LESS: Net Loss for year on oper- ation of System,	5,467.33
Montreal Office Furniture,	871.09	Interest on Advances, &c. 34,170.95 39,638.28	21,025.66
CASH ON HAND, Head Office, Stations and Operators,	8,906.25		\$5,441,681.00
	86,739.71		
	<u>\$5,441,681.00</u>		<u>\$5,441,681.00</u>

We have examined and audited the accounts of the Marconi Wireless Telegraph Company of Canada, Limited, and certify that the above Balance Sheet, in our opinion, is a correct statement of the position of the Company at 31st January, 1912, as disclosed by the books.

(Signed), RIDDELL, STEAD, GRAHAM & HUTCHISON, C.A.

Auditors.

Montreal, August 26th, 1912.

