

The President then read the following report of the Directors for the year 1877: also the auditors certificate of the correctness of the accounts of the Company.

# Report.

1. The Directors have much pleasure in reporting that the gross revenue for 1877 amounted to \$177,081 88, as against \$146,555 75, for 1876, showing an increase for the year of \$30,526 13, or 17.24 per cent. The aggregate working expenses amounted to \$124,397 68, or at the rate of 70.25 per cent., on the gross earnings, as against 73.00 per cent., for the preceding year, being a reduction of 2.75 per cent.

The net revenue for 1877 amounted to \$52,684 20, as compared with \$39,565 59, for 1876, leaving, after the payment of interest on the bonded debt of the Company, a surplus of \$39,801 01, from which the Directors have been enabled to declare an interim dividend of 3 per cent. for the half-year ending 30th, June last, and of 3½ per cent., for the closing half-year ending 31st, December, and to carry forward a balance to the credit of profit and loss account of \$3,408 36.

2. The following is a comparative statement of the gross revenue, working expenses, net revenue, and the amount of paid-up capital upon which dividends have been declared for the last six years:—

YEAR.	Gross Revenue.		Working Expenses.		Percentage of Working Expenses to Gross Revenue.		Net Revenue.		Paid-up Capital.	
	\$	c.	\$	c.	%		\$	c.	\$	c.
1872	69,178	52	52,428	44	75 78		16,750	08	287,925	00
1873	106,208	81	85,589	41	80 59		20,619	40	370,583	00
1874	125,652	52	98,829	48	74 67		31,823	04	487,785	00
1875	146,397	35	107,879	49	73 69		38,517	95	595,208	50
1876	146,555	75	106,990	16	73 00		39,565	59	611,187	50
1877	177,081	88	124,397	68	70 25		52,684	20	611,820	00

3. The following general financial statement shows the liabilities and assets of the company on the 31st December, 1877:—

## GENERAL FINANCIAL STATEMENT, 31ST DECEMBER, 1877.

### Liabilities.

Capital stock authorized..	\$708,000	
" " paid up....	\$611,820 00	
First mortgage (1896) bonds authorized .....	292,000	
Do. paid thereon .....	248,149 99	
Bills payable .....	41,500 00	
Dividends uncalled for, Nos. 1 to 12 .....	1,613 56	
Dividend No. 13, for six months, ending Dec. 31, 1877 .....	21,412 44	
Balance at credit of loss and gain account .....	3,408 36	
	<b>\$927,904 35</b>	

### Assets.

Construction, including incomplete Maritime Provinces lines, Hamilton and North-Western, etc....	\$831,157 22
Plant and stock on hand.....	62,329 61
Current accounts, including balances due from railways, telegraph companies, agencies, etc.....	32,205 84
Bills receivable.....	1,719 51
Cash on hand.....	492 17
	<b>\$927,904 35</b>

During the past year the Company has added

430 miles of poles and 678 miles of wire to its system, all of which has been accomplished in a most substantial and satisfactory manner. Total pole mileage, 4,090; wire, do., 7,824

The opening of an additional section of the Maritime Lines from Pictou to St. John, New Brunswick, was effected on the 1st November last, and the following places in Nova Scotia and New Brunswick are now provided with telegraph facilities by the Dominion Company.

In Nova Scotia—Torbay, Cape Canso, Guysboro', New Glasgow, Pictou, Truro, Stewiacke, Shubenacadie, Waverly, Dartmouth, Halifax, Westville, River John, Tatamagouche, Wallace, Pugwash, and Amherst.

In New Brunswick—Sackville, Dorchester, Memramcook, Moncton, Petitediac, Penobscus, Sussex, and St. John.

A new line has also been constructed upon the Hamilton and North-Western Railway, and the following offices lately opened, viz:—Jarvis Station, Hagersville Station, Caledonia Station, Burlington Station, Milton, Milton Station, Georgetown Station, Salmonville, Cheltenham, Thornton, Palgrave, Caledon East, Tottenham, Becton, Becton Station, Allandale, Alliston, Alliston Station, Cookstown, and Barrie Station.

An arrangement has also been made for working the new telegraph line upon the Montreal, Ottawa and Western Railway, which has given the Company the following new offices: Hochelega Station, St. Therese, Thurso Station, Buckingham Station, Calumet, Lachute, and Hull Station.

In twenty other places new offices have been opened, namely at Chambly, Cold Stream, Chaudiere, Dorval, Frankville, Farmerville, Goodwood, Longueil, Mannsville, Swanton, St. Maurice Bridge, Shaanonville, Sombra, Spencerville, Stonebridge, Victoria, Waterford, Walkerville, and at Toronto, American Hotel and corner of Front, Wellington, and Church Streets, adding in all fifty-eight new offices to the Company's system.

5. The Directors in their last annual report, referred to the guarantee of £30,000 sterling from the Direct United States Cable Company, for the security of working connections under the supplementary agreement, but since then, and on the 17th July, 1877, a new company under the same name was formed in London, for the purpose of succeeding to the assets and obligations of the former Company. The Directors of the new Company, in their report of the 16th, November, 1877, state, that since its formation they "have adopted and have continued to carry out the contracts arrangements entered into and binding upon the old Company, with the *bond fide* intention that the reconstruction shall not in its practical operation prejudice the interests of any one"; and they also express the hope that the differences which they say are "formal" between this Company and them, may be amicably and satisfactorily settled.

Your Directors can re-echo these friendly expressions, and are prepared to enter into such arrangements with the New Company as will properly secure all the obligations of the old Company. In the meantime the Directors have carefully guarded and reserved their substantial claims against the assets of that Company.

6. Since the last annual report was issued a "Joint Purse arrangement" has been made between our allies, the Atlantic and Pacific Company, and the Western Union Company, but the Directors are happy to state that they at the same time received the written assurance of the President of the former Company that their arrangements with the Dominion Company would be faithfully carried out. The Directors, however, have since had occasion to remonstrate with the A. & P. Company, but they have been given to understand that such arrangements will be made as will result in the reparation and removal of any injury to this Company.

7. By an arrangement made with the Atlantic and Pacific Company whereby they undertook to extend their lines from Portland, Maine, to Vancaboro', at or near the boundary line between Maine and New Brunswick, the Directors were in expectation of being able to open up a through connection with their system of lines in New Brunswick and Nova Scotia, and so to avoid for the present the necessity of building a connecting line between Quebec and Moncton. The subsequent withdrawal, however, of the Atlantic and Pacific Company from this arrangement has led to the abandonment of the Company's proposed extension from St. John to Vancaboro'. And the Directors have, therefore, decided at once to complete their own through line between Quebec and Moncton, and for this purpose will submit a resolution to the proprietors to enable them to do so.

Respectfully submitted,

THOS. N. GIBBS,  
President.

THOS. SWINYARD,  
Managing Director.

F. ROPER,

Secretary.

Toronto, 13th Feb., 1878.

## AUDITOR'S CERTIFICATE

To the President and Directors of the Dominion Telegraph Company:—

GENTLEMEN,—I have carefully examined the Books of Account of the Dominion Telegraph Company for the year ending 31st December, 1877, and have much satisfaction in certifying to their clearness, regularity and accuracy. Each entry has been fully vouched, and the several statements of revenue, profit and loss, and liabilities and assets herewith submitted have been examined with the ledger balances and certified as correct.

The balance of the cash book agrees with the banker's balance after deducting the outstanding cheques.

The stock register has also been examined, and the various transfers duly recorded and checked, and its balances agree with the stock list now presented.

J. SYDNEY CROCKER,  
Auditor.

Toronto, 12th Feb., 1878.

## MINUTES OF PROCEEDINGS.

The President in moving the adoption of the report said he thought the meeting would agree with him when he stated that the report was clear, concise, and exhaustive. He thought it advisable, however, to make allusion to one or two points which were of interest to the Company. In the first place, when the Company met about this time last year they were under the impression that the proposed arrangement between the Direct United States Cable Company and the Anglo-American Company would have been found impracticable. It had, however, since been accomplished. This Company had in consequence found it necessary to employ eminent counsel in England to protect its interests, and such measures had been taken in the premises as were calculated to effect this object. Referring to the "joint purse arrangement" between the Western Union and the Atlantic and Pacific Companies in the United States, he would state that the Company had asserted, and would maintain its rights, and insist on a strict adherence to the articles of agreement with that Company. He might say further that during the past year he had in company with the Vice-President and the Managing Director visited the Maritime Provinces and had passed through the territory over which the Company's lines extend. He was happy to state that from what he had seen there, he had been led to conclude that no telegraph company on this Continent owned a better or more substantial telegraph