## Bell Telephone Co. of Canada.

The report presented at the annual meeting in Montreal Feb. 25 showed that 8,691 subscribers were added during the year, the total number of sets of instruments now earning rental being 57,172. The Company owns and operates 421 exchanges and 672 agencies. There were 4,121 miles of wire added to the long distance system in 1903; of these 1,738 were in the Ontario department, 1,260 in the Eastern, and 1,123 in the Northwestern. The long distance lines owned and operated by the Company comprise 30,969 miles of wire on 7,685 miles of poles. The 10,000 shares of new stock offered to the shareholders in 1902 at 25% premium were paid up, making the capital $6,000,000. The premium on this stock received during the year was $151,160, and was carried to the contingent account. From the balance of revenue account, $138,077.71, $24,562.68 was carried to insurance reserve account, $22,978.90 to accident insurance reserve account, and $50,000 to contingent account, leaving balance of revenue to be carried to 1904 $40,536.13.

REVENUE ACCOUNT, DEC. 31, 1903.

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| RECEIPTS. | | |
| Exchanges (less unearned rentals) | | $1,701,015 62 |
| Long distance lines | | 644,670 63 |
| Private lines | | 12,557 22 |
| Miscellaneous | | 164,031 64 |
| | | $2,522,275 11 |
| EXPENSES. | | |
| Operating | $1,787,429 01 | |
| Legal | 21,441 50 | |
| Insurance | 20,487 79 | |
| Bond interest | 100,000 00 | |
| Miscellaneous | 10,765 02 | |
| | | 1,940,123 32 |
| Net revenue for 1903 | | $ 582,151 79 |
| Less dividends (inc. Jan. 15, 1904) | | 467,510 35 |
| | | $ 114,641 44 |
| Balance revenue from 1902 | | 23,436 27 |
| | | $ 138,077 71 |
| Carried to insurance reserve ac. | $24,562 68 | |
| Carried to accident reserve act. | 22,978 90 | |
| Carried to contingent fund | 50,000 00 | |
| | | 97,541 58 |
| Carried forward to 1904 | | $ 40,536 13 |

BALANCE SHEET, DEC. 31, 1903.

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|---|---|---|
| Stock account | | $6,000,000 00 |
| Bond account | | 2,000,000 00 |
| Contingent account, 1902 | $1,115,010 24 | |
| Add premium on stock sold | 151,160 00 | |
| Add from revenue account | 50,000 00 | |
| | | 1,316,170 24 |
| Revenue account | | 40,536 13 |
| Unearned rental reserve | | 341,751 26 |
| Insurance reserve | | 175,000 00 |
| Accident reserve | | 75,000 00 |
| Bond interest reserve | | 25,000 00 |
| Sundry creditors | | 890,725 18 |
| | | $10,864,182 81 |
| Plant and patent account, Dec. 31, 1902 | $6,952,700 02 | |
| do. added in 1903 | 1,145,614 21 | |
| Plant and patent account, Dec. 31, 1903 | $8,098,314 23 | |
| Stores on hand | 398,345 95 | |
| Real estate | 1,045,179 16 | |
| Stock in other companies | 858,006 50 | |
| Due from agencies | 93,940 48 | |
| Debtors and cash | 370,396 49 | |
| | | 10,864,182 81 |

The directors were re-elected and at a subsequent meeting the board for the current year was constituted as follows: President, C. F. Sise; Vice-President, Hon. R. Mackay; other directors: F. P. Fish, R. Archer, W.R. Driver, H. Paton, C. Cassils, T. Sherwin.

The Mayor of Toronto in a recent communication to the board of control stated that, in his opinion, a new exchange providing for 10,000 subscribers could be established in Toronto, at a cost which would enable the rates to be fixed at $30 a year for instruments in business places, and $20 a year for those in private houses. Further, he says, if an automatic system could be installed these prices could be further reduced by $5 a year.

## General Telephone Matters.

The long distance telephone line between Halifax and Sydney, N.S., was put in operation March 15.

The Bell Telephone Co. has completed a line between Quebec and St. Petronille, Isle of Orleans, Que.

The Sandwich, Ont., town council declined, Mar. 3, to renew the franchise of the Bell Telephone Co. in that town.

A proposal is under consideration for the construction of a local telephone line between Clarksburg and Thornbury, Ont.

The Bell Telephone Co. has under consideration plans for the extension of its Winnipeg offices on Thistle st., and installing a larger switch board.

Gore Bay, Manitoulin island, Ont., residents are considering a plan for installing a telephone system on the same plan as that adopted on St. Joseph's Island.

The Halifax, N.S., city council has approved of the plans of the Nova Scotia Telephone Co., for further extensions of its system of underground cables in the city.

A bill to extend to counties the powers now held by towns and cities respecting the establishment of telephone systems, has been introduced in the Ontario Legislature.

The Brantford, Ont., board of trade proposes to start a subscription for the purpose of erecting a suitable monument in honor of A. G. Bell, the inventor of the telephone.

F. J. Leonard, Manager of the Canadian Telegraph and Telephone Co., claims that by the adoption of the system his Company is prepared to instal, provided it gets a franchise, Toronto telephone users would save $140,000 a year.

J. J. Price, who was the plaintiff in the unsuccessful action to have the by-law confirming an agreement made between the Hamilton, Ont., city council and the Bell Telephone Co., quashed, proposes to carry the case to the court of appeal.

The Bell Telephone Co., during the year, proposes to extend its long distance line from Morris to Emerson, Man., taking in Letellier, St. Jean and Dominion City; to enlarge the Calgary, Alta., exchange, and to provide a new exchange at Carman, Man.

The Bell Telephone Co. has practically completed the installation of a central energy switchboard in Toronto for its "Main" subscribers, and it is expected that the change to the new system of calling up "Central" will be made April 3.

The town engineer of Sydney, N.S., in his report for 1903, stated that during the year the Eastern Telephone Co. had laid 2,300 ft. of conduit on George st., from Pitt st. to Townsend st., the section to Prince st. being six duct, and from Prince st. to Townsend st. four duct.

The first of the Bell Telephone Co.'s branch exchanges in Montreal to be completed will be that at the east end, and it is expected that it will be opened early in the summer. It will be fitted with a central energy switch board. The exchange on Hospital st. will be the next one to be completed.

The London, Ont., city council is considering offers from the Bell Telephone Co. and the Canadian Telegraph and Telephone Co., but the members of the committee, who have the matter in hand, want to investigate the plans of other telephone companies before coming to a decision.

The Brantford, Ont., city council is collecting information from other municipalities in respect to contracts with the Bell Telephone Co., in view of the approaching expiration of the Company's franchise there. A proposal for a franchise has been submitted by the Canadian Telegraph and Telephone Co.

The civic telephone committee of the Ottawa city council has declined to recommend the council to grant a franchise for 21 years to the Canadian Telegraph and Telephone Co. The terms of the offer which was considered were $36 a year for business places, and $22 a year for private houses; the Company agreeing to pay $2,500 a year in cash, put up a guarantee of $5,000, give the city 40 free instruments, and make no charge at all for service until it has 1,000 subscribers. The Bell Telephone Co. submitted an offer to the committee for a five years' franchise, under which it would pay $2,500 a year, furnish 20 free instruments for the use of the city, provide accommodation on its poles for the fire alarm wires, and provide telephones for business places at $45 a year, and $25 a year for houses. An alternative proposal was also submitted similar to that recently agreed for in Hamilton. The council decided to give the Bell Telephone Co. an exclusive franchise for five years on certain terms.

The Railway Commissioners were somewhat divided in their opinions upon the application of the town councils of Port Arthur and Fort William, Ont., for an order to compel the C.P.R. to allow the municipal telephone system of the two towns to be connected with its stations. The effect of the judgment is that while an order will be made directing the connections to be made, it will not become effective until the question of compensation has been settled. The C.P.R. has an agreement with the Bell Telephone Co. by which the latter has an exclusive right to instal telephones in all its stations, and free travel over the C.P.R. for officials and employes, in return for which the C.P.R. has free telephone service at all points, and a local exchange at Windsor st. station, Montreal. The original contract was entered into in 1891. It was renewed in 1902 for eight years, and it was stated to be mutually satisfactory. So far as the C.P.R. is concerned, there is no objection to giving the accommodation asked for, although a second telephone would be somewhat of a nuisance; the main question, however, is the one of compensation. Counsel for the Bell telephone Co. submitted a statement showing the financial result for a year of the operation of the contract as follows:

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| Results to the benefit of C.P.R:— | |
| Passes and franks over Bell Co.'s long distance lines, valued at | $18,297.00 |
| Exchange service, 774 instruments free to railway company, valued at | 22,562.00 |
| | $40,859.00 |
| To the benefit of Bell Co.:— | |
| Trips, annual and periodical passes over C.P.R., valued at | $22,258.00 |
| Refunds | 200.00 |
| | $22,458.00 |

Chief Commissioner Blair, in a lengthy judgment, held that the agreement was a legal and binding one and that failure to maintain the exclusive feature of the contract entitled the companies to compensation. Deputy Chief Commissioner Bernier agreed that the agreement was binding, but did not think it should preclude a municipal telephone system from reaching a railway station; and further, that compensation should be given not because of the agreement, but by reason of the fact that no party could take advantage of another without remuneration. Commissioner Mills held that the exclusive privilege in the agreement aimed at creating a monopoly, interfered with public interest, was against public policy, and debarred either of the contracting parties from compensation. The C.P.R., however, was entitled to be given compensation for the use of its premises and the expense of operating the telephones at the stations.