

# The Bell Telephone Company of Canada

## 1884.

The Directors beg to submit their Fifth Annual Report.

The number of Subscribers has increased from 6,000, December 31st, 1883, to 7,418, December 31, 1884, about 23 per cent.

The Gross Revenue has increased from \$217,624 in 1883, to \$283,044 in 1884, about 30 per cent.

The Net Revenue has increased from \$112,233 in 1883, to \$118,951 in 1884. \$40,000 carried to Contingent Fund in Expense Account brings the Net Revenue to \$78,951.

Twenty-seven new Exchanges and Agencies have been added during the year.

About 636 miles have been added to our Trunk-lines, which now cover 1,498 miles of wire on 855 miles of poles; of this 1,390 miles are in the Ontario Department, and 108 in the Eastern Department.

About 256 miles have been built by Sub-licensees of this Company on 200 miles of poles.

The entire Mileage now owned by Sub-licensees from which this Company derives an income is 506, on 450 miles of poles.

A Dividend of 3½ per cent. was paid in July.

The slight apparent increase in Net Revenue,—\$118,951 against \$112,233,—was caused partly by the burning of the Toronto Exchange which caused a great outlay for improved apparatus, and also by the demand for larger offices, and generally increased facilities owing to the increased business. These expenses while improving the service and providing for future business, could not properly be charged to Construction Account.

Legal expenses were also exceptionally large.

In view of the recent decision of the Commissioner of Agriculture, and pending litigation, your Board deemed it but prudent to defer the payment of a Dividend in January 1885, from the earnings of the last six months of 1884, and decided to strengthen the Company's position by carrying \$40,000 to the Contingent Fund, which is now \$105,000, and using that amount for Construction purposes at such points as it seemed prudent for the Company to occupy, and to protect the Company's interests now attacked.

The balance of Revenue Account carried forward, \$43,951.78, added to the balance carried forward last year, \$11,367.76, makes \$55,319.54 now at credit of Revenue Account.

The Directors deem it but just to themselves to state to the Shareholders regarding the recent decision of the Commissioner of Agriculture, that the so-called infractions of the Patent Act had occurred prior to the time when this Company acquired the Patents, and that no step has been taken since that time except in accordance with the advice of the best Legal Counsel obtainable in the Dominion.

The Directors having decided to increase the Capital of the Company to the amount authorized by Act of Parliament, viz:—\$2,000,000, the additional Stock to be sold from time to time as the Board may deem for the Company's interest, the Shareholders will be asked to confirm the resolution, and a motion to that effect will be made at the meeting.

C. F. SISE,  
*Vice-President and Managing Director.*

ANDREW ROBERTSON,  
*President.*

MONTREAL, 23th February, 1885.