To provide for directors' remuneration & to carry forward to next year's account.....	825	4	3
	£4111	17	4

CAPITAL AND LIABILITIES.

				£	s.	d.	£	s.	d.
Nominal capital: £100,000, divided into 3,000 6 % preference shares of £10 each, and 7,000 ordinary shares of £10 each.									
Issued: 2,000 6 % preference shares, fully paid				20,000	0	0			
3,000 ordinary shares, £7 10s. per share paid..............				22,500	0	0			
							42,500	0	0
Debenture stock, bearing interest at 4½ %.................							20,000	0	0
Sundry creditors................							323	19	5
Cash due bank.							469	7	5
Profit and loss account:—									
Profit for the year..............				5,769	15	6			
Less interest on purchase money to date of payment £1,092 10 11									
Interest on debenture stock.......... ..	565	7	3						
Dividends paid:-On preference shares to June 30, 1899..	761	19	6						
Interim dividend on ordinary shares.	272	18	1	2,692	15	9	3,076	19	9
							£66,370	6	7

ASSETS.

	£	s.	d.
Shares in New Westminster & Burrard Inlet Telephone Co., which include shares in subsidiary companies..................	60,000	0	0
Cost of registration in B.C., & Parliamentary expenses.......................... ..	351	15	6
Dividends from subsidiary companies	6,018	11	1
	£66,370	6	7

The report & accounts were adopted & the dividend recommended was declared & has been paid. £400 were voted as directors' remuneration. The retiring director, W. Farrell of Vancouver, B.C., was re-elected. The other directors, who are resident in England, are E. Gray, Chairman; F. Priestman & J. Wheatley. The secretary is W. H. Hughes. The chief officers in B.C. are R. K. Houlgate, Comptroller; H. W. Kent, Construction Superintendent & Manager, both located at Vancouver.

On Nov. 2, the Secretary issued a circular to shareholders from which the following is extracted: The purchase of the whole of the shares in the Victoria & Esquimalt Telephone Co., which was referred to by the Chairman at the annual meeting, has been completed. By this purchase the Co. acquires the telephone systems in Victoria & Esquimalt, and so completes its control of practically all the telephone systems in B.C., both on the Mainland & on Vancouver Island. It is believed this acquisition will greatly strengthen the Co.'s position, & very materially improve the value of its general undertaking. The Mainland & Vancouver Island are connected by telegraph only, but it is now probable that a submarine telephone cable will be laid. In the event of this being done, subscribers to the Co.'s principal systems, whether on the Mainland or on the Island, will be able to communicate one with another. The revenue derived from the Victoria & Esquimalt system has hitherto been very satisfactory, but it is anticipated that the improvements & extensions under this Co.'s management, which have had so beneficial an effect on the other systems owned by the Co. will also considerably increase the revenue from the V. & E. system. In order to provide funds for the purchase of the shares of the V. & E. Co. which has been fixed at £27,250, it has been decided to make the following issue of debenture stock and shares, viz.: £10,000 of 4½% 1st mortgage debenture stock at 102½%; 1000 6% cumulative preference shares of £10 each at £10 10s. a share; 1000 ordinary shares of £10 each (£7 10s. a share paid), at £8 10s. a share. The reserve fund & the sum carried forward from last year's account, after deducting directors' remuneration, amount to £1,425 4s. 3d., & in addition to this, £1,581 10s. 6d. has been set aside by the subsidiary companies for the purpose of constructing a new switchboard. These two amounts are equivalent to £1 a share premium on the ordinary shares originally issued. The whole of the premiums realized on the debenture stock & shares now to be issued will belong to the Co., & will be utilized for the purpose of further extensions which are rendered necessary by the continued development of the business. The circular is accompanied by application form for debenture stock & shares. Existing holders will have preference in allotment in proportion to the amounts already held by them respectively. A cablegram has been received from Vancouver intimating that all the present shareholders of this Co. resident in B.C., wish to subscribe their pro rata amounts of the new issue. The debenture stock is secured by a 1st mortgage trust deed charging the whole of the property & undertaking of the Co., & is issued in multiples of £10. It is redeemable at the Co.'s option at any time before July 1, 1908, at £110% on giving 6 months' notice; or on, or at any time after July 1, 1908, at £105% on giving 6 months' notice.

On the formation of the Co. the following contracts were entered into: An agreement dated Oct. 11, 1898, between the Western Canada Telephone Co., (whose shareholders are the Yorkshire Guarantee & Securities Corporation, The Northern Counties Investment Trust, J. Wheatley, W. D. Shaw, F. Priestman, J. Crowther, R. I. Critchley, J. H. Wade, G. Sheard, F. W. Bentley, & G. P. Norton) as vendor of the one part & B.C. Telephones, Ltd., of the other part. An agreement containing an option of purchase of shares in The New Westminster & Burrard Inlet Telephone Co., dated May 10, 1898, addressed to W. Farrell, & signed by or on behalf of the following shareholders in such company, viz.: E. M. Tatlow, A. Leaycroft, J. C. Keith, W. Godfrey, J. M. Lefevre, O. Plunkett, H. W. Kent, C. Sweeney, The Mercantile Development Co., H. Abbott, G. E. Corbould, & J. C. Armstrong, & in addition there were contracts or transfers of shares from other shareholders in the N.W. & B.I. T. Co., and many other contracts, agreements & arrangements with various persons connected with the business & concerning the formation of the Co. & the subscription of the capital offered to the public.

General Telephone Matters.

The Bell Co. has declared a 2% dividend for the quarter ended Sep. 30.

The Yarmouth Telephone Co. is building an 8 mile line between Belleville & Springhaven, N.S.

An agitation is on foot to have the Nicola, B.C., telegraph line changed to a telephone line.

The North American Telegraph Co. is putting a new telephone exchange in at Tweed, Ont.

The Carman, Man., Telephone Exchange Co. has been incorporated, with a capital stock of $2,000.

The Citizens Telephone & Electrical Co., Rat Portage, Ont., has had its capital stock increased from $40,000 to $90,000.

The Bell Co. has decided to construct a copper metallic long distance line between Winnipeg, Portage la Prairie & Neepawa, Man.

The Bell Co. has laid a steel armoured submarine telephone cable with six conductors across the St. Lawrence River between Prescott, Ont., & Ogdensburg, N.Y.

The Vernon & Nelson Co. has reduced its rates in Rossland, B.C., within a radius of a mile from the central office, to business telephones, $2.50 a month, 2 for $4; residences, $2.

Telephonic communication has been completed between the lighthouse on Belle Isle, at the entrance to the Straits, situated 600 feet above the sea, & the powerhouse, near the sea level, two miles distant on the southwest extremity of the island.

The Bell Co. is making extensions & improvements to its lines on the south side of the St. Lawrence. Underground conduits have been laid as far as the Victoria Bridge, Montreal, & it is expected to have the line to St. Lambert finished in a short time.

The Merchants Telephone Co. wants to extend its service to the town of Westmount, a suburb of Montreal. The Bell Co. offers, if exempted from taxation for five years, to enter into a contract for that time to supply domestic telephone service at $30, & business service at $50.

The Bell Co. has decided to make some improvements in the service between Montreal & Quebec, & has entered into arrangements with the Canadian Electric Light Co., of Chaudiere & Levis, by which it is expected that Montreal & Quebec will shortly be connected by a telephone line independent of the one now in use via Three Rivers.

The Kootenay Lake Telegraph Co. is improving its service in Nelson, B.C. A continuous day & night service was inaugurated last month, the under-ground return system is to be changed to a metallic system, & the Blake transmitters will be replaced by long distance transmitters. The switchboard now in use at Vancouver is to be transferred to Nelson.

Notice is given that application will be made to the B.C. Legislature for the incorporation of a company to construct & operate telephone lines in the district of East Kootenay. The capital is placed at $50,000. It is proposed to build first between Golden & the Windermere district, to connect with the mining camps of Canterbury, Athalmer, Windermere, Peterboro & Boulder, & then to make connection with Cranbrook or Fort Steele, as a point from which to operate lines in various directions, embracing among other places Moyie, Wardner, Elko, Kimberley & Wasa.

At the recent annual meeting of the Merchants Telephone Co. in Montreal, the President reported that the business was increasing, that it is the intention to connect with as many outside lines as possible, & that negotiations were on foot to this end. The following directors whose term had expired, were re-elected: A. S. Hamelin, L. H. Henault, R. Moisan, S. Larcheveque, & J. B. Thibaudeau. The following officers were elected: A. S. Hamelin, President; J. E. Beaudoin, Vice-President; J. M. Marcotte, Secretary, & L. E. Beauchamp, Treasurer.

Superintendent Kent, of the B.C. Telephones, Ltd., recently returned to Vancouver from an eastern trip, during which he ordered for the Vancouver office a branch terminal multiple board from the Bell Co. Mr. Kent states that for an 800-wire office Vancouver's exchange answers more calls than cities of the same size in the east. An average of 13½ calls a day is registered in Vancouver to each subscriber, which makes a total of 12,000 messages a day. In addition to improving the Vancouver system a metallic circuit will be put in the Victoria system which is now controlled by the same company.

The Boundary Creek, B.C., Telephone Co.'s business is to be worked in connection with the telegraph line which has been built from Spokane, Wash., via Republic into the Boundary Creek district. The Co. has already opened telephone exchanges at Greenwood, Phœnix & Midway. A metallic circuit is being put in between Greenwood & Midway, & an extension to Grand Forks is contemplated.