NOVA SCOTIA TELEPHONE COMPANY.

Proposal to Amalgamate with Maritime Company Discussed—History of the Company.

Shall the Nova Scotia Telephone Company accept a proposal made by the Maritime Telegraph and Telephone Company to take a 99 years' lease, with a guarantee of 7 per cent. dividend and a bonus of 25 per cent. of the common stock of the Maritime company? This was the question considered by the shareholders at a recent meeting, but no definite decision was reached. Mr. C. F. Fraser, president, in presenting the directors' report, said the company's affairs were in a prosperous condition. The subscribers list had been increased by 740 new names, making the total 7,874. The growth was in districts where there was sufficient plant to meet the increased demand so that no heavy expenditures of capital account were required. The actual additions to plant were approximately $27,500 to exchanges and $4,000 to long distance lines.

The Annual Report.

The gross earnings for the year amounted to $273,265.89. The expenditure, including an adequate allowance for depreciation and a six per cent. dividend on the outstanding stock was $261,655.10, leaving a balance of $11,610.79.

From the profit and loss account directors deemed it wise to transfer $12,000 to the credit of contingent account. Assets.—Exchanges and plant, $827,420.79; stores, $68,795.32; real estate, buildings, etc., etc., $147,663.02; stocks and bonds of other companies, $451,801.13; accounts receivable, $90,021.11; due from agencies, including Halifax, $7,868.45; cash on hand and in bank, $14,471.68; total, $1,608,041.50. Liabilities.—Capital stock, $1,180,550.00; dividend No. 65, payable January 1st, 1911, $17,708.25; accounts payable, $7,143.14; insurance reserve, $51,706.16; accident reserve, $19,640.87; storm accident reserve, $16,297.93; contingent and depreciation, $308,755.20; profit and loss, $6,239.95; total, $1,608,041.50.

Letter From Hon. B. F. Pearson.

Secretary Goudge read Mr. Pearson's letter, which was as follows:—

To the president and shareholders of the Nova Scotia Telephone Company.

Gentlemen,—Some weeks ago, I, on behalf of the directors of the Maritime Telegraph and Telephone Company, submitted an offer to lease the entire undertaking of the Nova Scotia Telephone Company, Limited, for a period of 99 years, offering as rental thereof, payable quarterly, to seven per cent. on the par value of the entire issued capital stock thereto, payable quarterly, and to cause to be issued to the Nova Scotia Telephone Company, Limited, to be divided among the shareholders thereof, a bonus of the capital stock of the first named company fully paid up and unassessable, amounting to two hundred and ninety-five thousand one hundred and forty dollars, equal when distributed to one share for every four shares held by the shareholders in the Nova Scotia Telephone Company.

Annual Lump Sum.

Also to pay the said last named company a lump sum annually of $2,000 for the purpose of defraying the expenses incident to maintaining the organization of said company.

Also to give the Nova Scotia company the right to appoint from among its own directors five directors out of the ten of the said Maritime company. I furthermore offered to purchase any of the shares of the Nova Scotia company, the holders of which were unwilling to accept this proposition, at twelve dollars and fifty cents per share being equal to 125 per cent. of the par value thereof.

The terms of said lease to be carefully drawn so as to fully safeguard the possession of the said undertaking to the said Nova Scotia company in all reasonable respects.

The Maritime Telegraph and Telephone Company was incorporated at the last session of the legislature of Nova Scotia by special Act. Its charter contains valuable franchise empowering it to carry on a telephone and telegraph business, and in many respects supplies important omissions in the charter of the Nova Scotia company.

Owner of Valuable Patents.

Immediately after the company was incorporated it was duly organized, and its present directors consist of: S. M. Brookfield, president; O. E. Smith, vice-president; A. E. Ings, B. F. Pearson, W. T. Allen.

The said Maritime Company is the owner of several valuable patents for new and useful improvement in the art of telephoning and telegraphy. It has caused to be laid between Nova Scotia and Prince Edward Island a cable for the transmission of telegraph and telephone messages between those places.

It has secured options on the majority of the capital stock of the Telephone Company of Prince Edward Island. It has purchased a majority of the capital stock of the Antigonish and Sherbrooke Telephone Company, and also of the Queens County Telephone Company, and has entered into active operations in the exercise of its franchises, and its earnings from these several sources already netting a respectable sum are capable of being rapidly increased.

The company anticipates by agreements with other companies to effect a material saving in construction, which may be required for future extensions and the operations thereof, negotiations for which are being carried on with every prospect of success. Your directors took this proposition under careful consideration for several days and subsequently notified me that they courteously declined the proposition, but were ready to receive further offers.

Will Take Over Officers.

I enquired later whether they would place this offer before their shareholders at the next annual meeting, to which I received a reply in the negative, whereupon feeling that this offer was distinctly in the interests of the shareholders of the Nova Scotia Telephone Company, I thought it best to place the matter before them by means of this letter for acceptance or rejection as the shareholders may determine at this meeting.

I might say that it is part of the present scheme that all the officers and employees of the Nova Scotia Telephone Company will be continued in their employment without any exception so that no responsibility in that connection will be cast upon the leasing company.

MANITOBA TELEPHONES AND ELEVATORS.

The returns laid upon the table of the Manitoba Legislature showed the total cash receipts for the fiscal year 1910 as $3,847,321, a capital outlay of $304,277, an ordinary expenditure of $3,234,941 and a balance of $612,380. The expenditure on elevators and telephones, both government enterprises, was responsible for an increase in the public debt of over $3,000,000.

According to the report of the Telephone Commission for last year the government system now includes 29,748 telephones. Including the rural subscribers, the total number of phones in the province is 33,446, making an increase of 8,338 during the year. The rental revenue has increased from $563,125 to $751,651, or 33.48 per cent. The increase in Winnipeg subscribers is 27 per cent.

The long distance lines now have an aggregate of 5,631 miles, of which 1,481 miles were built last year. The revenue from the long distance phones last year was $243,371, or an increase of 19 per cent. The total revenue last year rose to $1,038,466, as compared with $792,632 in 1909. The report shows that the total capital invested in the system to date is approximately $7,600,000, of which $600,000 is for poles and tools.

The report of the Elevator Commission shows that the commission purchased 163 elevators for a sum of $814,710.40. Ten elevators were built, the cost and maintenance being $65,144.77, and the total income amounting to $60,494.55. There was spent on capital account $929,730.85. The amount of grain handled was more than three million bushels.

Messrs. Gunn's, Limited, pork packers, West Toronto, will open a branch warehouse at 672 Main Street, St. John, N.B.

The Reid Wrecking Company will shortly start work on a 600-foot extension to its drydock at Port Huron. The dock will be large enough to accommodate any boat on the great lakes.

Real estate on Lulu Island, south of Vancouver in the Fraser delta, has been active, consequent on a rumor that the Canadian Northern would not go to English Bluff but would turn to the north on to the Island.

Officers elected for this year by the board of trade of Kelowna, B.C., are: President, Mr. J. W. Jones; vice-president, Mr. R. B. Kerr.

The Canadian Fire Underwriters' Association sent out circulars in Toronto carrying independent fire-fightig facilities and giving the following suggestions: Inform department if water in tank becomes low. Consult department if there is any difficulty over deficiency of water for heating purposes. Extra watchmen should be provided. Examine sprinkler tank several times a day. Note—The low city pressure is liable to cause a leakage into city mains if check valves are not tight. Close city valve if this condition prevails long. Have fire pails filled with water. Remove all rubbish from property. Give proper attention to all fire appliances. See that all sprinkler valves are open.