

## APPENDIX No. 1

In Stockholm and within the 70 kilometres radius there has been competition between the State and the companies for 16 years.

CARL HALLEN.

Stockholm, the 29th of May, 1905.

## No. 154b.

(Translation.)

## ANNUAL REPORT OF THE STOCKHOLM GENERAL TELEPHONE CO. FOR 1904.

Stockholm General Telephone Co.:—

As has been reported at the annual meeting of managers for 1904, the arrangement for purchase and exchange made by one of the Stockholm Telephone Companies with the Government Telephone Department on February 9 of the same year, has fallen through, on account of the decision of parliament, made on April 30, 1904; and thereby the agreement for resuming cooperation between the companies and the government has been cancelled. Consequently a most unsatisfactory condition of affairs exists for the telephone-using public, through all direct connection having ceased with the Government Telephone Bureau, the number of whose subscribers on December 31, 1904, amounted to 74,798; while the subscribers to the other telephone companies mentioned above were, on the same date, 37,445, and have increased on January 15, 1904, to 37,893. The public, therefore, desire that this unfortunate condition of affairs may be remedied. This desire has been specially expressed by the Stockholm Real Estate Owners' Union, to both the telephone systems in question. In replying to this appeal the telephone companies in question have expressed their willingness to enter into any arrangement with the Royal Telegraph Department which may not infringe the rights of either company.

The General Telephone Company has made an arrangement to install a double-wire system in place of the old single wire in its establishments in Moscow and Warsaw. This arrangement was to be carried out in Moscow in December, 1904, and in Warsaw in July 1, 1905. This work has, in the meantime, been so urgently carried on that even at the end of last September the new buildings of the company were completed in both cities, so that messages could be sent, and wires connected with the new central stations, which were opened and inaugurated, the station in Moscow on November 12, and the one in Warsaw on November 16, 1904. A number of representatives were present from the General Telephone Company, the Swedish-Danish-Russian Telephone Company, and the Cedergren Telephone Company, as well as a large number of prominent people who had been invited.

At the end of the year the number of subscribers in Moscow was 7,744, and in Warsaw, 4,901. This number is much in excess of what was expected when the telephone arrangements were proposed. This condition of affairs is all the more remarkable from the fact that the present war in the east has necessarily seriously interfered with the increase of subscribers.

After the announcement that the director of the company, H. S. Cedergren, was prepared to donate \$37,500 to form a general telephone pension fund, the managers of the company, at their business meeting on May 28, 1904, decided that 500 shares at par should be transferred to this fund, and the management authorized to transfer the same. The amount was paid in, and the shares transferred, shortly after the meeting was held.

During the year 1904, the increase in the number of subscribers to the General Telephone Company and the Bell Telephone Company was 2,685, which is somewhat greater than during 1903. The number of new telephone instruments set up by the company during 1904, was 6,003. As during the year 3,318 subscribers have ceased,