

APPENDIX No. 1

successful in its operation. The West Virginia Company owns 90 per cent of the stock of the Marietta Telephone Company, operating the city of Marietta, Ohio, and Washington county. However, this plant is not reckoned in the above statement, but is operated independent as an under-lying corporation. The company also controls directly or indirectly a number of smaller companies in the state, which when taken in conjunction with the original plant make it the largest independent company operating in this section of the Ohio valley. Since competition the Bell Company have reduced their rates, and have always given lower rates of service than we do. The fight has been aggressive, and taking the whole territory the ratio is ten (10) to one in favour of our company. We have been able to pay fixed charges, repairs, maintenance and improvements and betterments (which are always charged up to maintenance account, and not to improvements or betterments), and pay 6 per cent on our stock and bonds, and carry a large amount annually to our surplus fund. We have never earned less than 15 $\frac{1}{2}$  net on our common stock, but invariably pay but 6, carrying the residue, after depreciation charges have been deducted, to surplus account.

When we began operation in this field our competitors stated that our rates were too low, and that we could not maintain ourselves in the field at the prices we charged. However, it is true that they immediately reduced their own prices, and have been

CONSOLIDATED TELEPHONE CO. (J 1).

EXCHANGE.

Fairview, (Amos, W. Va., P.O.)	Fannington, W. Va.	Grafton, W. Va.	Philippi, W. Va.	Bellington, W. Va.	Elkins, W. Va.
1,000	750	8,000	2,000	1,000	4,000
50	40	200	200	75	200
.....	.....	400	50	15	150
.....	.....	\$25.00	\$20.00 & \$25.00	\$20.00 & \$25.00	\$20.00 & \$25.00
.....	.....	\$15.00 & \$20.00	\$15.00 & \$20.00	\$15.00 & \$20.00	\$15.00 & \$20.00
.....	.....	\$24.00 & \$41.00	\$20.00 & \$25.00	\$20.00 & \$25.00	\$20.00 & \$25.00
.....	.....	\$12.00 & \$20.00	\$15.00 & \$20.00	\$15.00 & \$20.00	\$15.00 & \$20.00
.....	.....	Magneto.	Magneto.	Magneto.	Magneto.

giving service for less money than we do. We can say that our success has been far ahead of our expectations, and our business constantly growing and increasing.

L. 1.—*Old Kentucky Telephone and Telegraph Co., Ky.*—The charges in the rural districts are on a moveable scale, as follows: A farmer having a direct metallic line for his own use, pays the local residence rate of \$12 per annum, and in addition thereto \$5 per mile, per annum, beyond the city limits. Where there are several farmers on the same line, the extra mileage charge is divided and each farmer pays in addition thereto the \$12 per annum local residence rate. The company has two central exchanges, at Winchester and Mount Sterling. Within corporated limits, each subscriber has a separate wire. In the country, party lines are used with not more than six on a line. An increase in the residence rate from \$12 to \$18 per annum is contemplated. Beyond 300 subscribers, a \$12 rate is not considered remunerative.

M. 1.—*Saugatuck and Ganges Telephone Co., Ltd., Mich.*—Ours is a co-operative company. It was started in 1895 by a number of fruit growers who desired to com-