INCREASE OF HALF MILLION STATIONS

American Telephone Lines in United States Now Reach 70,000 Places

DAILY TOLLS WERE 799,000

Total Mileage of Wire in Use for Exchange and Toll Service was 17,475,594 Miles, of Which 1,364,583 Were Added During Year.

New York, March 17.—The American Telephone & Telegraph Co. issues its annual report for the year ended Dec. 31, 1914:

Compared with previous years, the main figures are as follows:

	1914.	1913.	1912.	1911.
Divs rec'd	$25,638,205	$26,122,572	$24,247,430	$20,884,398
†Interest	13,959,943	13,564,952	12,523,084	10,462,786
Tele. traffic (net)	5,530,454	5,548,089	5,472,813	4,979,231
Oth sources	1,067,995	674,377	474,665	683,812
Total	$46,196,598	$45,909,991	$42,717,993	$36,970,229
Expense	5,638,621	5,333,245	4,810,348	3,668,984
Net earn.	$40,557,977	$40,576,746	$37,907,644	$33,301,245
Interest	8,223,163	7,656,655	5,844,698	5,567,980
Balance	*$32,334,814	$32,920,090	$32,062,945	$27,733,265
Dividends	27,572,674	27,454,037	26,015,587	22,169,449
Surplus	$4,762,139	$5,466,053	$6,047,358	$5,563,815

*Equal to 9.38 p.c. earned on $344,681,900 capital stock compared with 9.55 p.c. on $344,616,300 stock previous year.

†Interest and other revenue from associated and licensed companies.

Total Mileage of Wire.

President Theodore N. Vail says, in part:

At the end of the year stations which constituted our system in the United States were 8,648,993, an increase of 515,976, including 168,177 connecting stations.

The Bell telephone toll lines of the United States now reach 70,000 places. The extent of the system is best realized by comparison with less than 60,000 post-offices, 60,000 railroad stations and regular telegraph offices at about 25,000 places.

The total mileage of wire in use for exchange and toll service was 17,475,594 miles, of which 1,364,583 were added during the year. Of the total mileage, over 15,000,000 miles were exchange wires, and over 2,400,000 toll wires. These figures do not include the mileage of wire operated by connecting companies. Of this total wire mileage 92.6 p.c. is copper wire; 9,760,165 miles are under ground. Underground conduits cost $90,000,000 and cables in the conduits $404,200,000 a total in underground plant of $194,200,000.

The daily average of toll connections was about 799,000, and of exchange connections about 27,049,000, as against corresponding figures in 1913 of 806,000 and 26,431,000; the total daily average for 1911 reaching 27,848,000, or at rate of about 8,967,000,000 per year.

During the year $73,091,000 was applied out of revenue to maintenance and reconstruction purposes.

The total provision for maintenance and reconstruction charged against revenue for the last ten years was over $501,000,000.

The amount charged by the Bell companies for depreciation in 1914 was over $41,000,000, of which the amount unused during the year was about $15,000,000. While this $15,000,000 will some day be required for replacement of plant, it does not remain idle in the meantime, but is invested in productive plant, and is thus temporarily employed as additional capital on which no dividends or interest charges have to be paid.

Disturbed Business Conditions.

The effects of disturbed business conditions generally prevailing in this country during the past year have not been so serious for the Bell Telephone system as for most industries. Chiefly they were felt in a retardation of the usual growth. Thus the increase in number of subscriber stations was only about 76 p.c. of the number added in 1913, and was less than in any one of the four years previous.

Most of this retardation occurred in the latter half of the year and steps were at once taken to reduce expenditures for new construction by postponing such extensions as were not immediately necessary, with the result that the additions to plant, which at the beginning of the year were estimated to aggregate $56,000,000, were only $50,000,000.

For 1915 additions to plant will aggregate about $35,000,000 and construction work is now proceeding on that basis.

Total capitalization, including inter-company items and duplications but excluding reacquired securities of companies of the Bell system, is $1,419,039,668. Of this $624,324,761 is owned and in the treasury of the companies of the Bell system.

Capital stock, bonds and notes payable outstanding in the hands of the public at the close of the year were $794,714,907.

If to this be added the current accounts payable, $26,214,274, the total outstanding obligations of every kind were $820,929,181, as against which there were liquid assets, cash and current accounts receivable, of $87,066,862, leaving $733,862,319 as the net permanent capital obligations of the whole system outstanding in the hands of the public.

We believe from appraisals made by our engineers that the cost of reproduction of the physical plants of the Bell system would exceed their book cost by some $61,000,000, aside from all intangible values.

All of the present surplus and reserves, aggregating $190,000,000, is invested in tangible and productive property the revenue from which enables the companies to maintain their efficiency without paying capital charges on this amount.

Average Earnings Per Station.

Both earnings and expenses per station are slightly less from year to year, and are very much less than in earlier years. The average earnings per station have naturally decreased as the telephone service has been extended to smaller communities, and to smaller users in the cities. A very large majority of subscribers pay an annual rate much less than the average. Expenses per station have in spite of increased wages and taxes been kept down by improved methods, and greater efficiency all along the line.

Particular attention is called to the per cent. of net earnings and of dividend and interest disbursements to total plant and other assets:

Net earnings to plant and other assets... 5.51%
Dividends and int. to plant and other assets 4.87%

In other words, the property employed earned less than 6 per cent. per annum, and dividends and interest paid were less than 5 per cent. upon the value of the property.

Sales of the Western Electric for 1914 amounted to $66,466,000, of which $43,900,000 represents sales to the companies of the Bell Telephone system, and $22,500,000 sales to other customers.

The only change in the outstanding capital stock and bonds of the American Telephone and Telegraph Co. during 1914 was the issue of $65,000 par value of stock through the conversion of $86,000 of the 4 per cent. convertible bonds of 1906.

For the $344,681,900 capital stock, $369,219,358 has been paid into the treasury of the company the $24,537,458 in excess of par value representing premiums. All discounts on the bond issues have been charged off.

Number of shareholders, 59,415, on December 31, 1914, shows an increase of 3,432 during the year. The average number of shares held was 56. A majority of shareholders are women. Only 5 per cent. of the stock was at December 31 in the names of brokers. Less than 4 per cent. of the stock is held in Europe.

Although not effective until 1915, mention may be made here of the plan recently announced, by which employes of two years' service or more in the Bell system are aided to become shareholders to the extent of a limited number of shares each, which they are to pay for out of their wages at the rate of $2 per share per month. Over 30,000 employes in all parts of the country have applied for shares under this plan.

Held in Investment Trusts.

Counting these 30,000 employes and also those persons whose stock is held for them in investment trusts and the like, there are undoubtedly more than 100,000 actual owners of stock in this company.

In the Bell System standardization does not represent a standing still, but means unceasing effort, continually improving and upbuilding. Standard specifications covering improvements in all of the thousands of pieces of apparatus and methods employed in the plant and traffic of the Bell System follow each other with astonishing rapidity.

The amount of this development and the rapidity with which new improvements are incorporated into the Bell System, and the speed with which its worn-out parts are eliminated, are exemplified by the fact that during the past five years, new plant of all kinds costing more than $425,000,000, was added to the Bell System and plant to the value of more than $175,000,000 was taken out and removed from service.

From 1906 to 1914 new construction work in the Bell plant was done under our engineering specifications to an amount more than $700,000,000.

The latest product of this unceasing organized effort of the Bell System in the transcontinental telephone line, 3,600 miles long, bringing San Francisco within commercial talking distance of the principal cities on the Atlantic seaboard. Few can appreciate the years of indefatigable labor on the part of our entire staff, and the immense sums of money which this achievement has cost, and fewer still can foresee the countless ways in which it will, from now on, make for the benefit of all the service rendered to the public everywhere. It should be understood that transcontinental telephony is not the result merely of one concrete idea or device. It is a problem which was solved by the cumulative effect of improvements, great and small, in telephone, transmitter, line, cable, switchboard, and every other piece of apparatus and plant required for the transmission of speech.

Use of Cables Imperative.

The metallic circuit and hard drawn copper wire so greatly improved and extended the telephone service that wires began to increase in such numbers that the use of cables was imperative. A new series of difficulties then arose, one mile of underground cable cutting down the transmission sometimes as much as 100 miles of overhead wire. How successful has been the attack upon the underground wire problem is best shown by the figure of over 9,000,000 miles of wire in underground cable in 1914, as against only a few hundred miles in 1884.

The line from New York to San Francisco is overhead throughout its entire extent except for a few short stretches of cable in cities and under rivers. Notwithstanding improvements which we have made in underground cables, it is still necessary, in such long lines as this, to exclude as far as practicable all lengths of cable, however short.

During the past year we have developed a type of underground cable carrying 2,400 wires in a sheath having a diameter not greater than 2⅝ inches. The improvement which is represented by this cable, a section of which may be placed in the pocket, may be understood when it is known that to carry the same number of open wires on poles would require twelve huge pole lines, each carrying twenty large cross arms filled with wires.

By using cable improvements which the central engineering staff has placed at their disposal, the associated companies have saved, in the construction of their cable and subway systems, a sum greater than $60,000,000.

To place the telephone wires of the United States under ground, as has sometimes been thoughtlessly suggested, is an economic impossibility. Even assuming that all of the technical difficulties had already been overcome, it would still require the expenditure of billions of dollars, creating an intolerable financial burden upon the telephone using public. Manifestly, like so many other developments, the extension of underground telephone wires is not to be accomplished by it. It must be a matter of gradual growth.

TENDERS

TENDERS FOR THE SALE OF AN ARTIFICIAL MARBLE FABRIC

In Re:—

"Elbram Stone Co.," of Sherbrooke,
In Liquidation.

Tenders will be received at the office of the underwriters, No. 155 Wellington St., Sherbrooke, Que., till Thursday NOON, APRIL 1st, 1915.

For the purchase of Real Estate and Moveable, as follows:—

1. — Manufactured merchandise and furniture	$633.00
2. — Office and factory furniture, moulds, etc.	1,190.00
3. — Machine and machineries	3,725.50
4. — Lots 287-288-289 sub-div. 1444, South Ward, City of Sherbrooke, Que., with buildings erected thereon	10,235.00
	$15,783.00

"Elbram Stone" is the best known imitation of true marble.

Every detail concerning process for the manufacture of this artificial marble will be furnished by the late manager of the company, (this process has cost the company $20,000).

To be sold in block as a whole (as a going concern).

For further information, stock-taking, list, inspection of the property, etc., apply at our office.

BELANGER & BEGIN,
Joint-Liquidators.

PUBLIC SERVICE COMMISSION LOWER ELECTRIC CURRENT RATE

New York, March 17.—New York Edison Co., it was stated after the executive committee meeting will accept the lower rate for electric current as ordered by the Public Service Commission. As the company has until March 30th to accept the order, official announcement may not be expected within ten days.

The final order is the result of a conference between Edison officials and the commission. The order permits the companw to add ½ cent to 8 cent maximum charge to any customer who wants lamps and other services hitherto rendered free. It also exempts from operation of the order a zone covering certain undeveloped sections of the Bronx.

WILL RESIST COLLECTION.

Vancouver, B.C., March 17.—W. B. Arnold, the former managing-director of the defunct Dominion Trust Company, left an estate of $481,000.

This consists of life insurance, of which a large proportion was taken out a few weeks before Mr. Arnold's death.

It is understood his creditors will resist claims for payment.

SIR ROBERT BORDEN,
Who is determined to rush the present session of Parliament forward to a speedy conclusion.

FARMERS AND THEIR USE OF PARCEL POST

(Continued from page 1.)

ing the value of the system, most of them agreeing that the rates on large parcels would have to be reduced if it were to be made a real success. They all agreed that the system works well for small parcels within a prescribed radius, but outside of the twenty mile limit it is not of much value, especially for large parcels.

The questions addressed to country merchants follow:—

1.—Do you find the Parcels Post to have decreased your business with farmers?

2.—Do you find that the farmers ship produce directly to consumers in the larger centres?

3.—Do the departmental stores compete with you, as far as you know, through the Parcels Post?

4.—Kindly make any further observations as to the worth of the Parcels Post to you, your customers or your district.

In reply to question No. 1 the great majority of the merchants stated that the Parcels Post had not decreased their business with farmers, although a minority of the merchants gave an emphatic "Yes" to question No. 1.

To question No. 2 the replies bore out the statements made by the farmers themselves that very little produce was shipped by the farmers by Parcels Post to the large centres of population.

It was also somewhat surprising that to No. 3 the majority of the country merchants answered, "No," although here again a difference of opinion was expressed, about sixty per cent. saying that the departmental stores did not compete more than previously and forty per cent. holding a different opinion. The comments again expressed the view that up to the twenty mile zone the system was of value, especially for small parcels, but outside that it was of little use.

The departmental stores were most emphatic in their view that the system was a benefit to them and to the country at large. The majority of the departmental stores stated that business with the farmers and villagers had increased since the inauguration of the system, but that very little produce is sent by parcel post. The concensus of opinion furnished by these traders was that it was an excellent thing for the country, but all objected to the somewhat arbitrary zones which have been established. The express companies did not look upon the parcels post with favor. It has been a serious competitor to them in the matter of small parcels within the smaller zone, but for larger parcels and for the longer distances the express companies still transact the bulk of the business.

The conclusions reached as a result of the inquiry made, are:—

Farmers use it very little to send produce to the cities, but receive goods from the departmental stores by parcels post.

Country merchants use it to a considerable extent and regard it as satisfactory within the twenty-mile zone; while the majority of these merchants did not find the departmental stores any greater competitors than formerly.

The departmental stores, on the other hand, approve in the most unqualified way of the system, although they would like to see a readjustment of the zones and of the size of the parcels.

The express companies do not favor the system, but are holding their own except inside the twenty-mile radius.

AMERICAN SHIPPING QUITE INADEQUATE

Ninety-Six per cent of Nations Commerce in Hands of Foreign Commerce Carriers

MAINLY GREAT BRITAIN

Creation of an American Merchant Marine Affords Peculiarly Difficult Problem—Japan Shows One of Basic Advantages.

Boston, Mass., March 17.—One phase of the international position of the United States which the great European conflict has brought prominently to the front has been the pitiful inadequacy of our merchant marine.

At the beginning of the war only 4 per cent. of the foreign commerce of the United States was being carried in American bottoms. For 96 per cent. of our exports and imports we were entirely helpless in the hands of the great commerce carriers of Europe and the Orient.

The elimination of Germany's great fleet of cargo boats, the hasty shifting to the American flag of a considerable tonnage and finally the use of coastwise boats in transatlantic trade, have raised the percentage of American cargoes in American bottoms to about 14 per cent. Some of this increase is abnormal, and cannot survive the war.

When the skies are sunny the world smiles and wags along in the good old-fashioned way. Troubles show unexpected weaknesses no less than unexpected places of strength. American sentiment, especially along the Atlantic seaboard, has been greatly aroused at the nearly complete dependence of the United States upon the rest of the world to move our enormous foreign trade.

The Ship Purchase Bill represented a hasty attempt of political leaders to crystallize this desire for betterment in constructive legislation. It has failed of passage because of certain fundamental defects.

Curiously enough, while the deficiency of our foreign merchant marine is universally recognized and regretted, there is not one in a hundred who realizes certain fundamental conditions which make the creation of an American marine peculiarly difficult.

The manner in which Japan treats its merchant marine will serve to show one of these basic advantages which foreigners have over Americans.

We have before us a copy of the semi-annual statement of the Osaka Mercantile Steamship Company, Limited, covering the six months to December 31 last.

During the period this company, which owns and operates no less than 109 steamers with a combined tonnage of 191,204 tons, made net profits after insurance, repairs and depreciation of 1,346,213 yen, or say about $675,000 (a yen is about 50 cents). But while the profits were 1,346,231 yen, the receipts from subsidies paid to the company by the Japanese Government were 1,228,175. In other words, had there been no subsidies there would have been no profits. Fully 92 per cent. of the total net earnings, for the year came from governmental subsidies, and that this condition was considered normal and proper is shown in the declaration of dividends at the rate of 10 per cent. per annum on the 18,563,000 yen of capital stock.

The charges made by the Osaka Mercantile Steamship Company for repairs and depreciation are no more liberal than dozens of American coastwise steamship companies make, and in fact not as large as the Interstate Commerce Commission has in certain cases indicated it considers desirable. During the six months to December 31 last this Japanese company charged 552,000 yen, or at the rate of 6 per cent. per annum on book value of fleet to repairs, and 544,000, or at the rate of 4 per cent. on the cost of the fleet to depreciation. There are plenty of American companies which are charging 4 per cent. and 5 per cent. to depreciation. That these charges for repairs and depreciation were not excessive is indicated by the fact that all but 69,000 yen, or 6 per cent., out of 1,096,000 yen were actually expended.

While the United States through its Congress is passing seamen's bills and other labor legislation making steamship operation still more difficult, Japan and every European marine nation has been extending the helping hand, not spasmodically, but systematically and for years.

That the lesson of the Japanese practice may be appreciated we print below the profit and loss statement of the Osaka Company for the six months to December 31:—

Profit and Loss Account.

Dr.

	Yen.
To ship's expenses	3,089,427
Passenger and cargo expenses	1,838,515
Charter money	547,942
Office expenses	755,708
Miscellaneous expenses	578,106
Insurance fund	368,000
Repair fund	552,000
Depreciation on fleet	544,000
Net profit	1,346,231
Total	Yen. 9,622,929

Cr.

	Yen.
By freight and passage money	7,167,529
Subsidies	1,228,175
Miscellaneous receipts	1,227,225
Total	Yen. 9,622,929

BUSY BUSINESS MEN

Want their news condensed. They want facts, not theories, fancies and padding.

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ALL THE NEWS

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QUARTER OF MILLION FOR WESTERN HORSES FOR SECOND CONTINGENT

Calgary, Alta., March 17.—Over a quarter of a million dollars has been spent by the Dominion government for horses for the second contingent, it has just been announced by Commissioner George Hoadley upon the closing up of the Calgary office.

A total of 1,874 animals have been purchased, an amount more than double the original estimate provided for which was only 778, the number required for the Alberta units.

The official figures are as follows: There were 1,246 troopers purchased at an average price of $134.82 giving a total of $168,116.50; 628 gunners at an average price of $154.83, giving a total of $97,237.00. The grand total paid out for the 1,874 animals purchased amounted, therefore, to $263,353.50.

It is believed that this large sum of money distributed among the farmers will aid considerably in increasing the production in the province this year.

VOL. XXIX. No.

GENERAL IMPROVEMENT IN STEEL CONDITI

Steel Plate Market Active With —Bids in For Two Destroyers Maintained at 65 Per C

(Exclusive Leased Wire to Jou

Pittsburg, Pa., March 17.—Ste improvement during the week, lines. It was reported that the is negotiating for great quantiti difficulty is found in placing kind at present, as plants are for wire and wire products has Some improvement was noted and mills are operating at a be also a fairly large new inquiry Mills operations continued activ Production was maintained at a capacity.

The building of vessels at the yards continues to feature the ing the past week contracts were ditional merchant ships, which 20,00 tons of steel, mostly plate three months twenty-five large contracted for. The New York S taken two more tank steamers f Co. and two boats for the Atlani portation Company of Boston. W have taken the contract for a larg Grace Co. A number of boats ar market.

Bids have gone in on 5,200 to boat destroyers, while figures six large ocean going ships. T Company, Wilmington, Del., ha contract for the construction of t pelled vessels for the governmen be 110 feet 10 inches over all ar the Atlantic Coast. The lake shi beginning to show some life, th the season having come out for o quiries are for two freighters t 6,000 tons of plate and structur

Because of the advance in the American Sheet and Tinplate Co. for tinplate from $3.20 to $3.35 not so much the high price, but whether deliveries of pig tin can responsible for the advance. The Tin Plate Co. continues to opera cent. of capacity, and some of t dent tin mills are operating abo

The bar market is more active, second quarter delivery. For ear consumers are covered by contrac ago at $1.10 and in some cases at tions against these contracts are shipments by the mills being hea

The situation in ferro mangane what the price of $78 seaboard English 80 per cent. ferro manga embargo being removed and to s tions.

The Carnegie Steel Co has sol of ferro manganese at $100 and $ sumers that were badly in need of not get deliveries on their cont quoting $105 to $110 in car load lo ment from stock. About 20,000 t subject to the removal of the en

ORE RAN $3.91 TO T

Cobalt, Ont. March 17—Ore treat during the month of February r highest grade since November last In December and January the 3.56 respectively.

The mill tonnage was lower at 2 pared to 23,220 in the previous mon record for the mill.

The total gold recovered was $84 over the two previous months a per cent. of the total monthly ho

The figures of the Dome for Jan are as follows:

Month.	Ore. Milled.
January	23,220
February	21,600

ROBERT, LIM

Public notice is hereby given th bec Companies' Act, letters patent by the Lieutenant Governor of the bearing date the nineteenth of Feb porating Messrs. Maxwell Robert real, Abraham Louis Ship, agent, Alphonse Deguire, agent, Montrea Baker, stenographer, Longueil, J merchant, Montreal, for the follo

To manufacture, purchase or oth to sell or otherwise dispose of an goods, wares, chattels and merchan to deal in and with all species of or immoveable capable of being o the business of retail store or sto

To enter into any arrangement f fits, union of interest, co-operation reciprocal concession or otherwise, persons, company or corporation, ca in, or about to carry on, or engag or transaction which this compan carry on, or which may be directly enrich the company, and to take or shares and securities of any such sell, hold, re-issue, with or without erwise deal with the same;

To erect, construct, manufacture, let or conduct any buildings, work ery appliances or establishments n able for the purposes of the compa

To invest and deal with the mon not immediately required in such may be convenient and seem prope

To borrow monies for the compa and future use of the company as to time;

To acquire by purchase, exchang wise from any individual, firm or co concern or otherwise and to carry store or stores and to pay for the s bonds or in paid up or partly pai company;

To amalgamate, unite or join wit or corporation carrying on any sim ness;

To sell, lease, transfer or otherw whole or any part of the business a the company to any other person, corporation, and to accept by way o such sale, lease or transfer, monie or securities of any other company

To remunerate either in cash or in paid up stock, bonds or debenture any person, firm or corporation for to the company in connection with promotion or organization, or in co conduct of the company's business property rights acquired by the co name of "Robert Limited," with a c thousand dollars ($10,000.00), divide and (1,000) shares of ten dollars ($

The principal place of business o will be in the city of Montreal.

Dated from the office of the Pro this nineteenth day of February, 19

1226—9-2. Deputy Pro