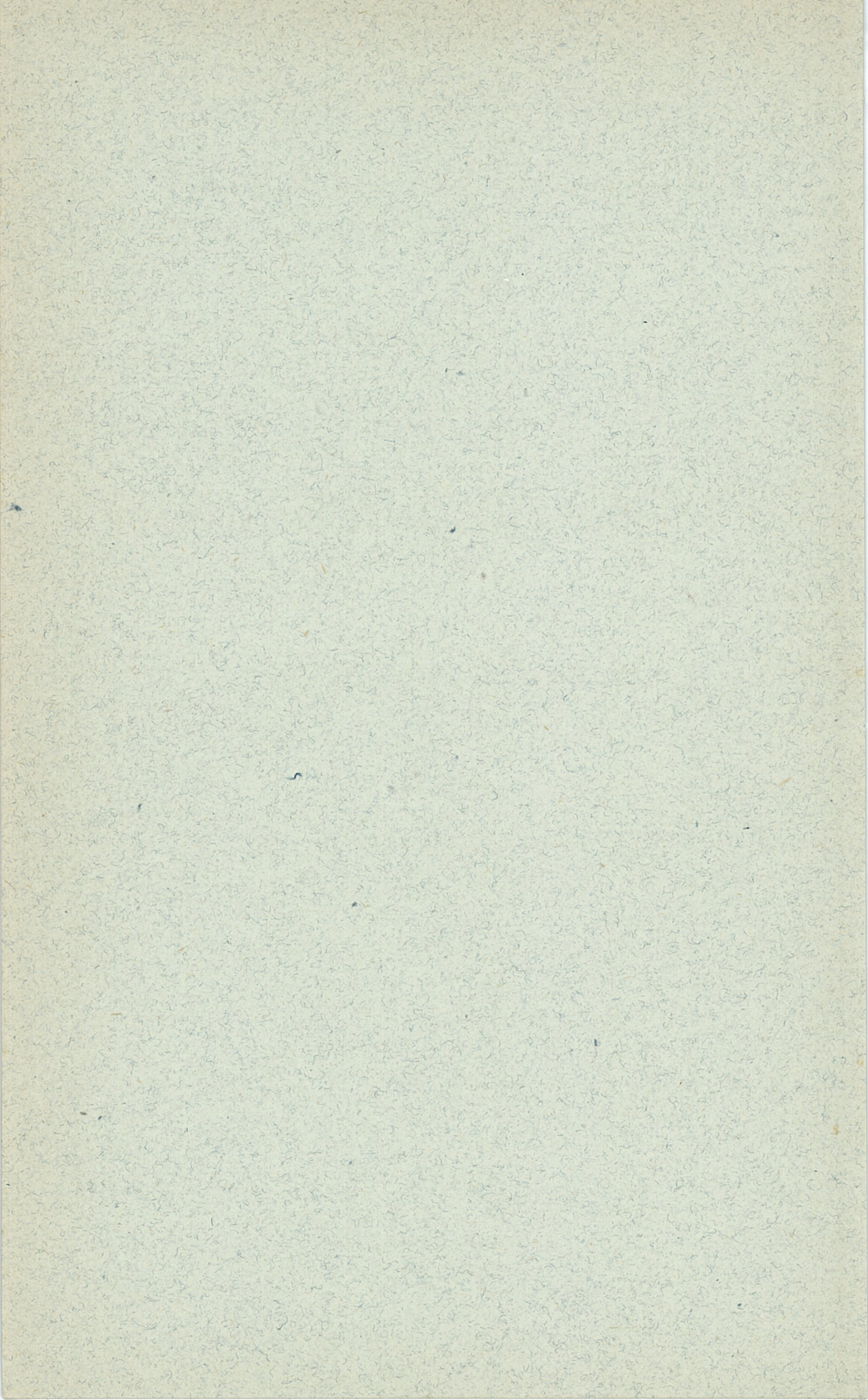


THIRTEENTH ANNUAL REPORT
OF
THE DIRECTORS
OF
THE AMERICAN BELL TELEPHONE COMPANY
TO THE STOCKHOLDERS,
YEAR ENDING DECEMBER 31, 1892.

BOSTON:
ALFRED MUDGE & SON, PRINTERS,
No. 24 FRANKLIN STREET.
1893.



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1893.

OFFICE OF
THE AMERICAN BELL TELEPHONE COMPANY,
BOSTON, MARCH 28, 1893.

TO THE STOCKHOLDERS : —

The year ending December 31, 1892, was marked by a considerable increase of business, and the extension and improvement of the plants of the companies operating under our licenses and the improvement of the service have been most satisfactory.

The usual tables of statistics follow : —

INSTRUMENTS IN THE HANDS OF LICENSEES UNDER RENTAL.

THE FIGURES IN LOWER LINE SHOW INCREASE FROM YEAR TO YEAR.

Dec. 20, 1884.	Dec. 20, 1885.	Dec. 20, 1886.	Dec. 20, 1887.	Dec. 20, 1888.	Dec. 20, 1889.	Dec. 20, 1890.	Dec. 20, 1891.	Dec. 20, 1892.
325,574	330,040	353,518	380,277	411,511	444,861	483,790	512,407	552,720
	4,466	23,478	26,759	31,234	33,350	38,929	28,617	40,313

ANNUAL REPORT OF DIRECTORS OF

EXCHANGES.

	Jan. 1, 1884.	Jan. 1, 1885.	Jan. 1, 1886.	Jan. 1, 1887.	Jan. 1, 1888.	Jan. 1, 1889.	Jan. 1, 1890.	Jan. 1, 1891.	Jan. 1, 1892.	Jan. 1, 1893.	Increase over 1892.
Exchanges.....	906	772	747	736	739	742	757	774	788	812	24
Branch Offices.....	419	481	428	446	452	452	471	467	509	539	30
Miles of Wire on Poles	—	88,481	100,332	111,349	127,839	142,631	154,009	171,498	180,139	201,259	21,120
Miles of Wire on Buildings	—	11,886	10,043	10,587	10,225	10,266	11,484	13,445	14,954	14,980	26
Miles of Wire Under- ground	—	1,225	3,417	6,030	8,009	17,038	27,117	54,690	70,334	90,216	19,882
Miles of Wire Sub- marine	—	—	254	265	365	536	603	779	1,029	1,386	307
Total Miles of Wire,	85,896	101,592	114,046	128,231	146,438	170,471	193,213	240,412	266,456	307,791	41,335

EXCHANGES. — Continued.

	Jan. 1, 1884.	Jan. 1, 1885.	Jan. 1, 1886.	Jan. 1, 1887.	Jan. 1, 1888.	Jan. 1, 1889.	Jan. 1, 1890.	Jan. 1, 1891.	Jan. 1, 1892.	Jan. 1, 1893.	Increase over 1892.
Total Circuits.....	97,422	107,440	112,067	121,260	132,004	143,687	156,780	173,665	186,462	201,322	14,860
Total Employees....	4,762	5,168	5,438	5,843	6,183	6,310	6,758	7,845	8,376	9,970	1,594
Total Stations.....	123,625	134,847	137,750	147,068	158,712	171,454	185,003	202,931	216,017	232,140	16,123

EXCHANGE CONNECTIONS.

The estimated number of exchange connections daily in the United States, made up from actual count in most of the exchanges, is 1,868,189

Or a total per year of about 600,000,000

The number of daily calls per Station varies in different exchanges from 2 to 17, the average throughout the United States being 8 1/20, which shows an increase from last year in the average use made of the telephone by each subscriber of about 10 per cent.

The average cost to the subscriber varies, according to the size of the exchange and character of the service, from less than 2 to 11 cents per connection.

EXTRA-TERRITORIAL AND TOLL LINES.

	Jan. 1, 1884.	Jan. 1, 1885.	Jan. 1, 1886.	Jan. 1, 1887.	Jan. 1, 1888.	Jan. 1, 1889.	Jan. 1, 1890.	Jan. 1, 1891.	Jan. 1, 1892.	Jan. 1, 1893.	Increase.
Miles of Pole Lines..	20,592	25,766	30,697	31,143	32,478	34,010	35,254	35,541	41,298	42,894	1,596
Miles of Wire.....	29,359	35,631	41,745	43,767	56,179	73,293	86,728	91,230	115,088	133,002	17,914

TOLL CONNECTIONS.

The average daily number of toll connections is 40,772
 Or a total per year of about 13,000,000
 The toll revenue reported by all companies for the year 1892 was . . . \$1,897,258 93 *
 Earnings of extra-territorial lines included in the above sum amounted to . . . 850,429 73 *
 Of which last item this company's share is 104,674 50
 An increase over 1891 of 8,532 17

* Not including herein earnings of the American Telephone and Telegraph Company, \$643,436 77, gross.

UNDERGROUND WIRES IN USE.

	Jan. 1, 1886. Miles.	Jan. 1, 1887. Miles.	Jan. 1, 1888. Miles.	Jan. 1, 1889. Miles.	Jan. 1, 1890. Miles.	Jan. 1, 1891. Miles.	Jan. 1, 1892. Miles.	Jan. 1, 1893. Miles.	Increase over 1892. Miles.
Albany, N. Y.....	.....	1	1	1	1	1	.....	971	971
Aurora, Ill.....	.....	.....	.....	.....	.....	4	4	.....	*4
Baltimore, Md.....	.....	.....	.....	.....	.....	2,708	4,295	4,314	19
Boston, Mass.....	289	347	736	1,580	3,599	5,485	7,680	8,281	601
Bridgeport, Conn.....	.....	.....	.....	.....	.....	.....	425	238	*187
Brookline, Mass.....	.....	.....	.....	.....	.....	.....	.....	57	57
Brooklyn, N. Y.....	134	1,233	1,443	2,197	2,254	4,199	4,542	5,652	1,110
Buffalo, N. Y.....	.....	.....	.....	.....	1,170	1,414	1,756	2,410	654
Cambridge, Mass.....	.....	.....	.....	.....	.....	275	275	408	133
Chicago, Ill.....	760	1,462	2,000	3,127	3,255	6,444	7,288	14,010	6,722
Cleveland, O.....	.....	.....	.....	.....	.....	595	645	1,697	1,052
Denver, Col.....	.....	.....	.....	.....	.....	1,175	1,175	1,572	397
Derby, Conn.....	.....	.....	.....	.....	.....	.....	.....	20	20
Detroit, Mich.....	.....	82	175	500	871	1,101	1,145	1,235	90
Hartford, Conn.....	.....	.....	.....	.....	.....	.....	769	339	*†430
Lawrence, Mass.....	.....	.....	.....	.....	.....	.....	.....	114	114
Louisville, Ky.....	.....	9	238	469	780	1,114	1,182	1,650	468
Lowell, Mass.....	.....	.....	.....	.....	4	150	165	267	102
Milwaukee, Wis.....	1	1	.....	.....	.....	1,047	2,165	5,181	3,016
Minneapolis, Minn....	.....	.....	.....	.....	.....	734	1,029	1,246	217
New Haven, Conn....	.....	.....	.....	.....	300	546	832	390	*†442
New York, N. Y.....	627	627	1,120	5,203	10,900	22,507	26,881	28,216	1,335
Orange, N. J.....	.....	.....	.....	.....	.....	.....	6	.....	*6
Philadelphia, Penn....	.....	.....	.....	.....	.....	.....	1,457	2,895	1,438
Pittsburgh, Penn....	614	966	958	2,370	2,394	2,868	2,920	3,103	183
Portland, Me.....	.....	.....	.....	.....	.....	.....	.....	51	51
Rochester, N. Y.....	.....	.....	.....	.....	.....	110	242	444	202
San Francisco, Cal....	.....	.....	.....	.....	.....	.....	985	2,415	1,430
Seabright, N. J.....	.....	.....	.....	.....	.....	.....	.....	2	2
Springfield, Mass.....	.....	.....	.....	.....	.....	.....	.....	74	74
St. Paul, Minn.....	.....	.....	.....	.....	.....	580	759	873	114
Washington, D. C....	992	1,302	1,338	1,591	1,589	1,633	1,764	2,111	347
Wheeling, W. Va....	.....	.....	.....	.....	.....	.....	.....	33	33
American Telephone and Telegraph Co.'s long distance wires,	3,417	6,030	8,009	17,038	27,117	54,690	†70,386	||90,269	19,883
	.....	.....	140	327	559	1,133	1,120	1,194	74
Total	3,417	6,030	8,149	17,365	27,676	55,823	71,506	61,463	19,957

* Loss. † Wire reported in 1892, but not yet "in use."

‡ Includes 52 miles classed as toll wire.

|| Includes 53 miles classed as toll wire.

Regarding the increase of business during the year 1892 throughout the country, it will be observed that only one of the previous eight years shows so large a gain in the number of exchange stations reported by the operating companies.

And not only has there been a large increase of subscribers, but an interesting feature of the statistics, of which mention has been made in earlier reports, is the increase of the average daily use, by each subscriber, of the local exchange service. In 1892 this average of use was greater by 10 per cent than in 1891, being least in the small exchanges, and following a fairly well graduated scale of increase to the highest average, which is found in the large cities. The computed total number of exchange connections yearly throughout the United States has advanced from 312,605,000 in 1886 to 600,000,000 in 1892.

The general average of such connections originating at each station is $8\frac{1}{2}$ per day, that is, each subscriber on the average is placed in communication upward of 16 times with others in the same exchange, as compared with an average of $11\frac{6}{10}$ times, which was the record of six years ago. This constantly growing use of the telephone may be attributed to three causes; first, familiarity with the use of the instrument, and its vast convenience in finishing business by sending the message and receiving the answer in one act; second, the larger number of correspondents with whom, as the exchange increases, each subscriber may be placed in communication; third, the greater confidence — due to better construction and supervision of lines and apparatus, and to the improvement of service consequent upon the employment of experienced and highly skilled officials — which the subscriber has in the telephone system as a trustworthy means for the transaction of important business.

The increase in the number of subscribers and the rapidly increasing frequency in the use of the lines are, of course, in part

but the evidences of improvement in the plant and in the character of the service given; and it is with gratification that the large addition to the number of subscribers for the metallic circuit service is noted, as a proof of appreciation of the advantages which this class of service is found to afford. At the beginning of the year the exchange stations having the metallic circuit equipment numbered 11,584, and at the close of the year they numbered 23,053.

The criticism has at times been made that the rates at which the service is furnished to subscribers in our larger cities are disproportionately high, when compared with those charged in smaller exchanges.

Setting aside the consideration that, in the large city, containing some thousands of exchange stations, the use made by each subscriber, and the value to him of the telephone facilities must inevitably be much greater than they would be in an exchange of less importance, it is also the fact that, in exchanges above the limit of a few hundred subscribers, the cost of maintaining and operating each station bears a close relation to the numerical size of the exchange, and the extent to which each station is used, rising in the largest cities to an amount several times as great as the cost in the average of the small exchanges. The necessity of bringing the service to the highest attainable standard of excellence to meet the needs of a great business community; of employing a corps of the best skilled officials large enough to meet any probable emergency of the service; the higher rates of wages, rents, taxes, transportation, which prevail in the large cities; the expensive character of the construction and maintenance inseparable from the conduct of business in densely populated sections, where proximity with electric light and power currents is difficult to avoid, combine to enhance the cost to the company operating the telephone exchange. While these facts are doubtless recognized by the subscribers in the large exchanges, it has seemed appropriate to call attention to them in connection with the subject of the relative use of the service in the small and large exchanges, and in the last year as compared with preceding years.

It is admitted generally that, in point of convenience, celerity

and certainty, the telephone service has proven its superiority to any other method of communication.

It can justly lay claim to the further advantage that, taking together the average of exchange use, and the cost to the subscriber, it has become a less expensive means of communication than the others commonly employed, not excepting the United States mail.

The work of connecting together the territories of the different licensees has taken a great step forward. It will be remembered that in the last report the intention was announced of the Long Distance Company of filling the gap between Cleveland, Ohio, and Hammond, Ill., thus giving through service between Boston, New York, and Chicago. This has been done — that Company having added to its construction during the year, 494 miles of pole line, and 8,645 miles of wire, of which 365 miles represent the extension from Cleveland to Chicago, about 74 miles a spur connecting Detroit, by the way of Toledo, with the through line, and the remainder, some 93 miles, the joint construction and reconstruction upon the Hazleton and Altoona line, in Pennsylvania. Of the added mileage of wire, 7,150 miles are strung on the New York-Chicago line; the remainder are wires added to the existing system, chiefly in the New England States and Pennsylvania.

The general route of the line to Chicago is by the way of Newark, N. J., Harrisburg and Pittsburgh, Pa., Cleveland and Toledo, O., and South Bend, Ind.

To determine the feasibility of transmitting speech over the theretofore unapproached distance of one thousand miles — the limit of the successful transmission of speech had not before exceeded 500 miles — a special experimental circuit, consisting of two number 8 hard-drawn copper wires, was constructed. This wire weighs 435 pounds to the mile, and the circuit contains 826,500 pounds of copper. A circuit of the weight generally used for telephone service would weigh less than 200,000 pounds.

The success was so complete that the lines were at once extended to Boston, and two more circuits ordered strung from New York to Chicago.

The connecting of these cities together, and the furnishing of apparatus for personal conversation between them, was such an addition to the facilities of business as by sort of common consent to be recognized as a matter of public concern.

The line from New York to Chicago was formally opened to the public on the 18th of October last, and the line to Boston on the 7th of February, 1893, when his Excellency, Gov. Russell, opened the line by conversation with the company's officers in the office at Chicago. The formal opening in New York was made by his Honor, Mayor Grant, at the company's office in New York, who conversed with his Honor, Mayor Washburne, in Chicago, at the company's office in the last named city.

It is now possible from this room, or from any properly appointed station on this system, to talk north and east to Augusta, north to Concord, N. H., to Buffalo, N. Y., west to Chicago and south to Washington, and of course to the principal cities intermediate.

In the Eastern States connecting lines already reached all important points. As said, a spur has been built to Detroit by way of Toledo. A line had previously been built from Chicago to Milwaukee. Through these branches and through contemplated connecting lines of local companies, all important points in Ohio, Indiana, Illinois, Michigan and Wisconsin as well, will soon be reached.

It may be interesting to note that within that territory live and do business something more than one-half of the whole population of the United States, so that soon it will not be a figure of speech to say that one-half of the population of the country are within talking distance of each other.

That this constitutes an addition to the social and business facilities of the country of far reaching consequence, needs, of course, not to be added. Nor, I suppose, needs it to be said that such a performance taxes to the uttermost the technical resources of the companies in construction and equipment, and in an equal degree their vigilance in inspection and maintenance.

In building these lines, in building plants to meet the growing business, and in bringing existing plants up to the level of our

improved knowledge, and adapting them for use on such an extended scheme, and in yielding to the public demand in the more thickly settled portions of the larger cities that the wires should go underground, in these various branches of work from 1885 to 1892, principally, however, in the last five or six years of that period, there has been expended, after ample allowance made for repairs and maintenance, no less a sum than \$35,737,049.14.

This, of course, it will be observed, takes no note of the large investments in the business made prior to 1885.

In the last annual report it was stated that the long pending application of Berliner for a patent for the microphone, an invention acquired by the predecessors of this company in the early days of telephones, had been allowed by the Commissioner of Patents, and that the patent had issued to the company bearing date November 17, 1891. This year we are able to report that Edison's application for a patent for the carbon telephone has also finally met with success and resulted in patent, No. 474,231, granted to the Western Union Telegraph Co. as assignee of Edison, May 3, 1892. The carbon telephone patent will be controlled by this company under its agreement with the Western Union Telegraph Co. It is necessary to add, however, that Edison's foreign patents for the same invention, although applied for subsequently to the application in this country, had expired previously to the grant of the American patent. Our counsel inform us that the law is unsettled, whether in such cases the American application should be defeated by the expiration of the foreign patent, but that the better opinion is that the expiration of the foreign patent is immaterial.

The expiration on March 7, 1893, of United States patent, No. 174,465, issued to Prof. Bell, occasioned some confusion in the public mind, owing to the fact that it was not clearly understood that Prof. Bell's patents were two in number, the second of which, No. 186,787, dated January 30, 1877, will continue in force until January 30, 1894. The subject matter of this second patent was defined as follows by Mr. Chief Justice Waite in giving the decision of the Supreme Court of the United

States in *The Telephone Cases* (126 United States Reports, 572) : —

“The patent itself is for the mechanical structure of an electric telephone to be used to produce the electrical action on which the first patent rests. The third claim is for the use in such instruments of a diaphragm, made of a plate of iron or steel, or other material capable of inductive action; the fifth, of a permanent magnet constructed as described with a coil upon the end or ends nearest the plate; the sixth, of a sounding box as described; the seventh, of a speaking or hearing tube as described for conveying the sounds; and the eighth, of a permanent magnet and plate combined. The claim is not for these several things in and of themselves, but for an electric telephone in the construction of which these things or any of them are used.”

An impression has also gained some currency, that the patents upon the Blake transmitter, expired January 20, 1893, because of the expiration on that date of certain foreign patents which were taken out on Mr. Blake's inventions. While it is true that these foreign patents were granted before the United States patent was issued to Mr. Blake, it is also true that Mr. Blake's original application was filed in the United States before any application abroad, and under these circumstances, — although the point has not been decided by the Supreme Court of the United States, — it seems to be the better opinion, as said in speaking of the Edison patent, that the patents on the Blake transmitter are still in force.

Moreover, it should be borne in mind that the instrument commonly known as the Blake transmitter embodies other patents besides those issued to Mr. Blake, notably certain patents issued to Edison and Berliner, and this fact is indicated upon the instruments themselves.

In the case of *The United States v. The American Bell Telephone Company and Alexander Graham Bell*, the court on January 25, 1892, allowed the defendants until October 1, 1892, within which to take their evidence, with the understanding that additional time would be granted if they decided to introduce evidence to meet the testimony taken by the complainant in relation to Daniel Drawbaugh. The time so allowed was spent in taking evidence relating to the history of Mr. Bell's inventions set forth in his two

patents in suit; and then the defendants made application for further time in which to introduce countervailing evidence upon the Drawbaugh issue. The court, after hearing counsel for the respective parties on that application, November 25, 1892, decided that the defendants were entitled to as much time, if they needed it, for taking their evidence, as the complainant had consumed in taking its evidence; and accordingly an order was entered allowing an instalment of three months, with liberty to apply for an extension at the end of that period, and so on until the defendants had had two years from the date of the first order, January 25, 1892. On February 25, 1893, the defendants applied to the court for another instalment of time, and they were allowed until August 25, 1893.

One of the latest acts of Attorney-General Miller, before retiring from his office, was to institute a suit to annul the Berliner patent. For that purpose, the Government filed its bill of complaint in the Circuit Court of the United States for the District of Massachusetts, against the American Bell Telephone Company and Emile Berliner. The bill was filed February 9, 1893. It charges particularly that the original application did not cover the microphone, but was only made to do so by unlawful amendments, that Berliner was not the original and first inventor of the microphone, and above all, that the progress of the application in the Patent Office was wrongfully delayed.

In the course of proceedings the brief or argument which had been filed with the Attorney-General and on which he was asked to take action, was sent to the Interior Department and the Patent Office for consideration and report. The Commissioner gave the matter exhaustive examination, and said in conclusion:—

“I do not believe that a suit to repeal this Berliner patent is justifiable.”

This report was sent to the Hon. the Secretary of the Interior, who in turn sent it to the Attorney-General with a communication containing an expression of his own belief that Berliner's was the mind that made the invention covered by the patent, that the amendments complained of were made in due course, and that

there were no extraordinary delays in the prosecution of the patent imputable to Berliner or his representatives.

I am advised that it is without precedent for the Department of Justice to bring a suit to annul a patent without first obtaining from the department of government, from which the patent issued, an expression of opinion that the suit ought to be brought.

In their several fields, the technical departments, the Engineers, the Electrical, the Patent Division and Mechanical Department have followed closely the practical operation of the telephone business, and have rendered much and useful assistance during the year.

The ledger balances as of December 31, 1892, and a comparative statement of the earnings and the expenses of the company for the years 1891 and 1892, as furnished by the Treasurer, are appended.

The Long Distance Company is making a moderate but steady increase in its earnings; its net earnings for last year amounted to \$274,499.69, which was invested in plant.

The reports of the Committee on Accounts of April 13, July 15, and October 17, 1892, and January 16, 1893, are also annexed.

For the Directors,

JOHN E. HUDSON,

President.

LEDGER BALANCES, DEC. 31, 1892.

DEBTORS.

Telephones	\$1,133,900 39
Real Estate	950,976 61
Stocks	34,120,795 56
Merchandise and Machinery	14,440 73
Bills and Accounts Receivable,	3,781,747 52
Cash and Deposits . . .	2,365,419 10

CREDITORS.

Capital Stock	\$17,500,000 00
Debenture Bonds, 1888 .	2,000,000 00
Bills and Accounts Payable,*	1,334,515 76
Patent Account (Profit and Loss),	10,169,924 75
Profit and Loss	5,684,104 97
Reserve	3,527,722 82
Surplus	2,151,011 61
	<hr/>
	\$42,367,279 91
	<hr/>
	\$42,367,279 91
	<hr/>

* Of this amount \$1,050,000 is for the dividends payable Jan. 16, 1893, to stockholders of record Dec. 31, 1892.

Comparative Statement of Earnings and Expenses.

EARNINGS.		
	1891.	1892.
Rental of Telephones	\$3,127,783 01	\$3,303,753 10
Dividends	1,320,645 92	* 1,422,047 93
Commission from Ex.-Terr. Lines,	91,280 73	101,306 32
Commission from Teleg. Business,	27,844 89	29,417 31
Real Estate	16,326 76	67,868 14
Interest	145,159 63	168,830 22
Miscellaneous	6,965 72	7,663 57
	<u>\$4,736,006 66</u>	<u>\$5,100,886 59</u>
EXPENSES.		
Expenses of Operation	\$332,996 05	\$378,272 89
Legal Expenses	74,603 69	87,767 28
Real Estate	29,062 72	35,666 19
Interest and Taxes	309,109 62	279,638 93
Commission	614,019 06	648,689 25
Royalty	10,000 00	10,000 00
Concessions	239,395 62	246,914 53
Miscellaneous		2,262 74
	<u>\$1,609,186 76</u>	<u>\$1,689,211 81</u>
Net Earnings	\$3,126,819 90	\$3,411,674 78
Surplus Account, Dec. 31, 1891,	\$2,151,011 61	
Net Earnings, 1892	3,411,674 78	
		\$5,562,686 39
Regular Dividends, 1892	\$1,927,227 00	
Extra Dividends, 1892	991,863 00	
Reserve for General Depreciation,	400,000 00	
Reserve for Depreciation of Insts.	92,584 78	
		\$3,411,674 78
Surplus Account, Dec. 31, 1892		\$2,151,011 61

* No portion of the earnings of the Metropolitan Telephone and Telegraph Company, were divided.

REPORT OF AUDITING COMMITTEE.

BOSTON, MASSACHUSETTS, 13 April, 1892.

JOHN E. HUDSON, Esq.,

President Am'n Bell Tel. Co.:

Dear Sir,—With this I enclose the report of Mr. Chas. T. Plimpton, an expert accountant employed by me to examine the books of our Company for the quarter ending March 31st, 1892.

Respectfully yours,

FRANCIS BLAKE,

Auditing Committee A. B. Tel. Co

Boston, April 12, 1892.

This is to certify that I have examined the books and accounts of the Treasurer of the American Bell Telephone Co. for the quarter ending March 31st, 1892, and have to report I found the cash book correctly added, and the disbursements supported by approved vouchers.

Have examined the rental commission and concession accounts, the entries and footings of the ledgers proving the trial-balances and cash on hand and in banks, likewise the bills receivable and Stock investments, having seen the certificates of stock and notes are on hand or properly accounted for, also the cancelled coupons paid for interest on bonds.

Have examined and verified the Stockholders' Ledgers, and in all of my investigations have found everything in connection with all of the above correct.

CHAS. T. PLIMPTON,

Auditor.

BOSTON, MASSACHUSETTS, 15 July, 1892.

JOHN E. HUDSON, Esq.,

President Am'n Bell Telephone Co.:

Dear Sir, — With this I enclose the report of Mr. Chas. T. Plimpton, an expert accountant employed by me to examine the books of our Company for the quarter ending June 30th, 1892.

Respectfully yours,

FRANCIS BLAKE,

Auditing Committee A. B. Tel. Co.

BOSTON, July 15, 1892.

Having examined the books and accounts of the Treasurer of the American Bell Telephone Co. for the quarter ending June 30, 1892, have to report thereon: —

I find the Cash book correctly footed and the disbursements supported by approved vouchers.

Have examined the Stubs of Certificate books, verifying the amount of Certificates to Stockholders.

Have also examined the rental Commission Concession accounts and payrolls, the footings of the ledgers proving balances, bills receivable, and cash on hand.

I find also that the book accounts agree with the pass books of the several banks after allowing for checks, not presented.

In my investigations have found everything in connection with all of the above correct.

CHAS. T. PLIMPTON,

Auditor.

BOSTON, MASSACHUSETTS, 17 October, 1892.

JOHN E. HUDSON, Esq.,

President Am'n Bell Telephone Co.:

Dear Sir, — With this I enclose the report of Mr. Chas. T. Plimpton, an expert accountant employed by me to examine the books of our Company for the quarter ending September 30th, 1892.

Respectfully yours,

FRANCIS BLAKE,

Auditing Committee, A. B. Tel. Co.

BOSTON, October 15, 1892.

I have examined the books and accounts of the Treasurer of the American Bell Telephone Co. for the quarter ending September 30, 1892, and hereby certify and report: —

I find the Cash book correctly added, and the disbursements supported by approved vouchers.

Have examined the rental, commission, and concession accounts and payrolls, the footings of the ledgers proving the trial balances, and cash on hand and in banks.

Have seen that the bills receivable and Stock investments are fully accounted for and sustained.

Have examined and verified the Stockholders' ledgers, and in all of my investigations have found everything in connection with all of the above correct.

CHAS. T. PLIMPTON,

Auditor.

BOSTON, MASSACHUSETTS, 16 January, 1893.

JOHN E. HUDSON, Esq.,

President Am'n Bell Telephone Co.:

Dear Sir, — With this I enclose the report of Mr. Chas. T. Plimpton, an expert accountant employed by me to examine the books of our Company for the quarter ending December 31, 1892.

Respectfully yours,

FRANCIS BLAKE,

Auditing Committee, A. B. Tel. Co.

BOSTON, January 16, 1893.

I hereby certify that I have audited the books and accounts of the Treasurer of the American Bell Telephone Co. for the quarter ending December 31, 1892, and have to report thereon: —

I find the Cash book correctly footed and the disbursements supported by approved vouchers.

Have proved from the Stock Certificate books the amount of Certificates outstanding to Stockholders.

Have examined the rental, commission and concession accounts, the payrolls, the footings of the ledgers proving the trial balances, the cash on hand and bills receivable.

Have verified the bank accounts, and the balances on hand in the several banks at the close of business, December 31, 1892, agree with the Company's books after allowing for outstanding checks.

CHAS. T. PLIMPTON,

Auditor.

