

FOURTEENTH ANNUAL REPORT

OF

THE DIRECTORS

OF

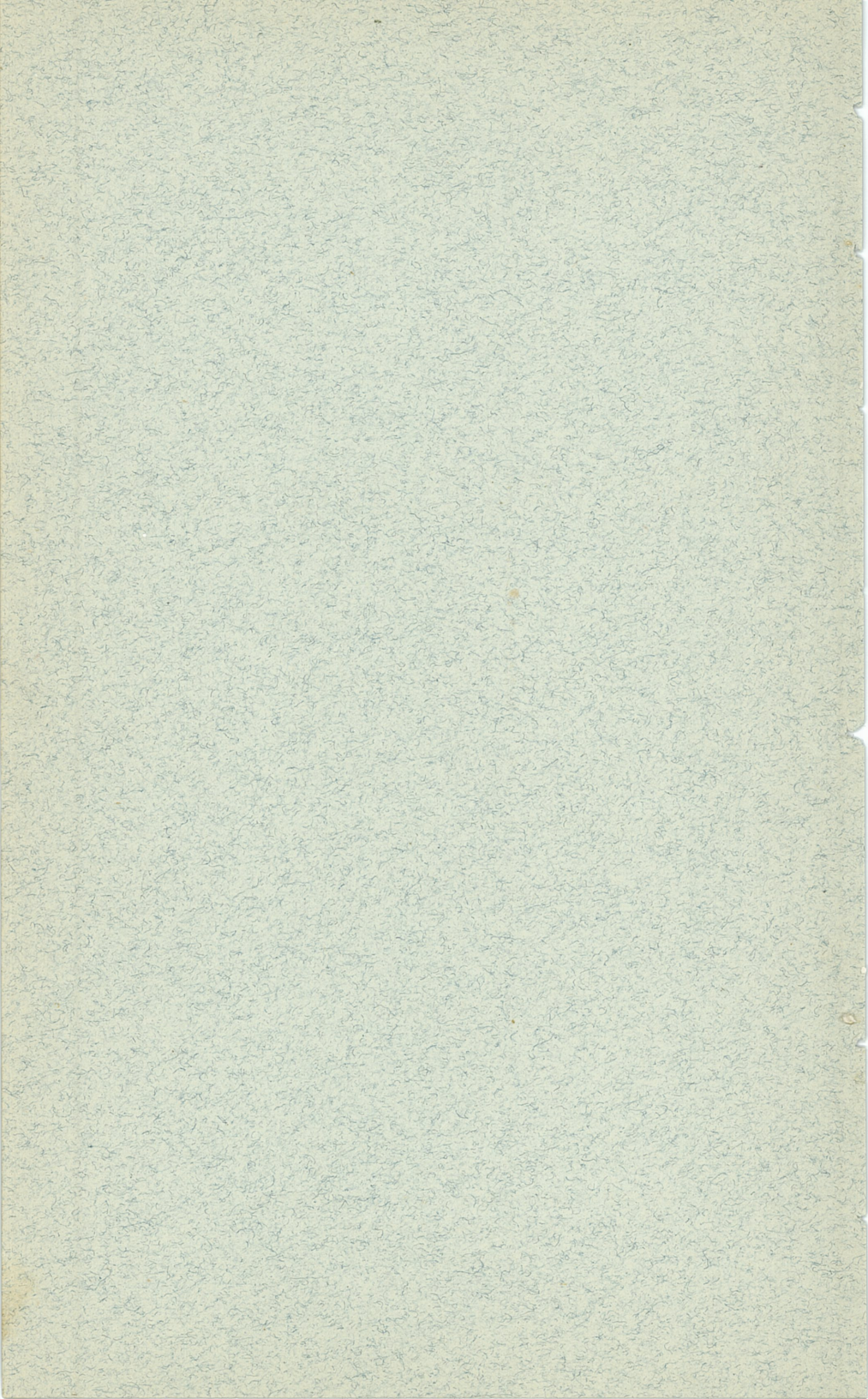
THE AMERICAN BELL TELEPHONE COMPANY

TO THE STOCKHOLDERS,

YEAR ENDING DECEMBER 31, 1893.



BOSTON:
ALFRED MUDGE & SON, PRINTERS,
No. 24 FRANKLIN STREET.
1894.



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OFFICE OF
THE AMERICAN BELL TELEPHONE COMPANY

BOSTON, MARCH 27, 1894.

TO THE STOCKHOLDERS :

A summary of the output of telephones from 1884, and the consolidated statistics from the reports of the various companies operating under license from us, are here given, in the usual form for convenience of reference. They are as follows : —

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.	Dec. 20, 1893.
325,574	330,040	353,518	380,277	411,511	444,861	483,790	512,407	552,720	566,491
	4,466	23,478	26,759	31,234	33,350	38,929	28,617	40,313	13,771

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.	Jan. 1, 1894.	Increase over 1893.
Exchanges.....	906	772	747	736	739	742	757	774	788	812	838	26
Branch Offices.....	419	481	428	446	452	452	471	467	509	539	571	32
Miles of Wire on Poles.....	-	88,481	100,332	111,349	127,839	142,631	154,009	171,498	180,139	201,259	214,676	13,417
Miles of Wire on Buildings.....	-	11,886	10,043	10,587	10,225	10,266	11,484	13,445	14,954	14,980	16,492	1,512
Miles of Wire Under- ground.....	-	1,225	3,417	6,030	8,009	17,038	27,117	54,690	70,334	90,216	120,675	30,459
Miles of Wire Sub- marine.....	-	-	254	265	365	536	603	779	1,029	1,336	1,637	301
Total Miles of Wire,	85,896	101,592	114,046	138,231	146,438	170,471	193,213	240,412	266,456	307,791	353,480	45,689

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.	Jan. 1, 1894.	Increase over 1893.
Total Circuits.....	97,422	107,440	112,067	121,260	132,004	143,687	156,750	173,665	186,462	201,322	205,891	4,569
Total Employees....	4,762	5,168	5,438	5,843	6,183	6,310	6,758	7,845	8,376	9,970	10,421	451
Total Stations.....	123,625	134,847	137,750	147,068	158,712	171,454	185,003	202,931	216,017	232,140	237,186	5,046

EXCHANGE CONNECTIONS.

The estimated number of exchange connections daily in the United States, made up from actual count in most of the exchanges, is 1,871,667
 Or a total per year of about 600,000,000

The number of daily calls per station varies in different exchanges from 2 to 18, the average throughout the United States being 8, which is about the same as the number reported last year.

The average cost to the subscriber varies, according to the size of the exchange and character of the service, from less than 2 to 8½ 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.	Jan. 1, 1894.	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	46,727	3,833
Miles of Wire.....	29,359	35,631	41,745	43,767	56,179	73,293	86,728	91,230	115,088	133,002	154,106	21,104

TOLL CONNECTIONS.

The average daily number of toll connections is	.	.	.	.	.	.	.	.	.	.	.	34,321
Or a total per year of about	.	.	.	.	.	.	.	.	.	.	.	11,000,000
The toll revenue reported by all companies for the year 1893 was	.	.	.	.	.	.	.	.	.	.	.	\$2,146,677 77 *
Earnings of extra-territorial lines included in the above sum amounted to	.	.	.	.	.	.	.	.	.	.	.	921,576 99 *
Of which last item this company's share is	.	.	.	.	.	.	.	.	.	.	.	112,840 23
An increase over 1892 of	.	.	.	.	.	.	.	.	.	.	.	8,165 73

* Not including herein earnings of the American Telephone and Telegraph Company.

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.	Jan. 1, 1894. Miles.	Increase over 1893. Miles.
Albany, N. Y.	1	1	1	1	1	.....	971	1,259	288
Atlanta, Ga.	1,636	1,636
Aurora, Ill.	4	4	.....	4	4
Baltimore, Md.	2,708	4,295	4,314	4,314	.....
Boston, Mass.	289	347	736	1,580	3,599	5,485	7,680	8,281	8,361	80
Bridgeport, Conn.	425	238	162	*76
Brookline, Mass.	57	532	475
Brooklyn, N. Y.	134	1,233	1,443	2,197	2,254	4,199	4,542	5,652	6,972	1,320
Buffalo, N. Y.	1,170	1,414	1,756	2,410	2,767	357
Cambridge, Mass.	275	275	408	648	240
Chicago, Ill.	760	1,462	2,000	3,127	3,255	6,444	7,288	14,010	18,554	4,544
Cincinnati, O.	4,345	4,345
Cleveland, O.	595	645	1,697	2,228	531
Dedham, Mass.	2	2
Denver, Col.	1,175	1,175	1,572	1,754	182
Derby, Conn.	20	18	*2
Detroit, Mich.	82	175	500	871	1,101	1,145	1,235	4,409	3,174
Hartford, Conn.	769	339	340	1
Holyoke, Mass.	330	330
Lawrence, Mass.	114	146	32
Los Angeles, Cal.	1,027	1,027
Louisville, Ky.	9	238	469	780	1,114	1,182	1,650	2,490	840
Lowell, Mass.	4	150	165	267	250	*17
Medford, Mass.	10	10
Milwaukee, Wis.	1	1	.....	.....	.....	1,047	2,165	5,181	5,242	61
Minneapolis, Minn.	734	1,029	1,246	1,516	270
New Britain, Conn.	15	15
New Haven, Conn.	300	546	832	390	449	59
Newton, Mass.	60	60
New York, N. Y.	627	627	1,120	5,203	10,900	22,507	26,881	28,216	30,397	2,181
Niagara Falls, N. Y.	25	25
Omaha, Neb.	1,351	1,351
Orange, N. J.	6	.....	.....	.....

* Loss.

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.	Jan. 1, 1894. Miles.	Increase over 1893. Miles.
Philadelphia, Penn..	.....	.....	.....	.....	.....	.....	1,457	2,895	3,289	394
Pittsburgh, Penn....	614	966	958	2,370	2,394	2,868	2,920	3,103	5,719	2,616
Portland, Me. ....	.....	.....	.....	.....	.....	.....	.....	51	70	19
Rochester, N. Y. ...	.....	.....	.....	.....	.....	110	242	444	677	233
San Francisco, Cal..	.....	.....	.....	.....	.....	.....	985	2,415	,047	1,632
Seabright, N. J. ....	.....	.....	.....	.....	.....	.....	.....	2	19	17
South Omaha, Neb..	.....	.....	.....	.....	.....	.....	.....	.....	6	6
Springfield, Mass. ..	.....	.....	.....	.....	.....	.....	.....	74	553	479
Stockton, Cal. ....	.....	.....	.....	.....	.....	.....	.....	.....	288	288
St. Paul, Minn. ....	.....	.....	.....	.....	.....	580	759	873	1,304	431
Washington, D. C... 992	1,302	1,338	1,591	1,589	1,633	1,764	2,111	2,782	671	
Wheeling, W. Va. ...	.....	.....	.....	.....	.....	.....	.....	33	33	.....
Yonkers, N. Y. ....	.....	.....	.....	.....	.....	.....	.....	.....	331	331
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	||120,731	30,462
.....	.....	.....	140	327	559	1,133	1,120	1,194	1,199	5
Total	3,417	6,030	8,149	17,365	27,676	55,823	71,506	91,463	121,930	30,467

† Includes 52 miles classed as toll wire.

‡ Includes 53 miles classed as toll wire.

|| Includes 56 miles classed as toll wire.

The output of telephones had amounted during the first seven months of the year to more than 25,000 when the financial panic caused the returns of instruments to exceed the output, and a part of the gain thus made was lost, the total output for the year being 13,771.

Another fact tending to show the intimate connection of the telephone system with the commercial activity of the country is that the number of daily exchange connections fell off during the latter part of the year so that the aggregate, which had previously shown a marked increase from year to year, has remained almost unchanged since our last report.

In spite, however, of the financial stringency which continued through the latter part of the year, most of the licensed companies have found means to complete the work of extension and improvement already in hand.

It will be observed that noteworthy progress has been made in the development of the underground system. At the close of the year more than a third of the total mileage of exchange wire of the whole country was in operation in underground conduits.

While there has been in general a steady gain in the character of all classes of the service, due to the better discipline of central offices, the larger experience and trained skill of the electrical and mechanical staffs, and the numerous improvements in apparatus and line construction, it is gratifying to be able to say that the use of the metallic circuit, with its capacity for the most effective service, has been greatly on the increase. The number of subscribers having stations equipped for that class of service was 37,648 at the close of the year, as against 23,053 at its beginning.

The business or professional man, aside from the fact that he finds this class of service more convenient even for local

use, is fast coming to consider the advantage which it affords of placing him, almost on the instant, in communication with the numerous cities and towns through some twenty States of the Union, which have successively been brought within reach of his voice by extension of the Long Distance system.

There have been added to the Long Distance system during the year, 423 miles of pole line, 9,934 miles of wire, and eight new offices have been opened ; making in operation on January 1, 1894, a total of 3,695 miles of poles and 63,529 miles of wire. There are 124 offices under its immediate operation.

The larger cities to which the lines were extended, and in which service was opened during the year, are Detroit, Cleveland, Cincinnati, Dayton, and Indianapolis. The line from Dayton to Indianapolis forms a link in a proposed through line connecting Pittsburg and places to the east with St. Louis and the principal cities *en route*. The line connecting Detroit, by the way of Toledo and Maumee, with Cincinnati, crosses the above line near Dayton, and reaches directly, and through such connection, a large amount of extra territorial work of the Central Union Company in the States of Ohio and Indiana. The Long Distance lines now reach and connect the exchanges of twenty-six companies licensees.

The general excellence of the construction of the Long Distance lines is shown by the fact that there were no serious interruptions from storms during the year.

The use of the lines steadily increases, and the number of connections made shows a very satisfactory increase in the past year over the year 1892.

The companies which are operating the telephone business have long seen that the business man in this country, to whom the use of the telephone is so important a factor in the conduct of his affairs, wants the best and the most extended service that means and skill can provide, and their efforts have been steadily directed not only to extending the reach of the service, but to improving in every way its quality and its character. To accomplish these ends,

construction and equipment of the most costly nature are required, as well as the employment of the most competent men in all departments. The proportions which the telephone work has assumed are shown by the fact that the telephone companies operating under license from this company have, during the past nine years, 1885-1893, expended forty-two millions of dollars, within a few thousand, upon the extension and betterment of their plant.

The larger items are in round numbers: overhead and exchange, twelve millions; subways and cables, fourteen millions five hundred thousand; buildings, six millions; toll lines, nine millions.

Previously to that period the construction account stood at the sum of thirty-one millions of dollars, a total, that is, with the expenditures since 1885, of seventy-three millions of dollars.

In the earlier years, undoubtedly, mistakes due to the newness of the work were made; but, in addition to ample allowances made for many years for maintenance and reconstruction, there has been written off on account of construction a sum rising four millions of dollars.

That this system of telephonic intercommunication, so built up, is by far the most extensive in the world, is beyond question. There is, of course, nothing that yet approaches in length the line from Boston to Chicago; and it is generally admitted that the standard of service which has been set, and the extent of the use which is made, are also without parallel.

Some statistics which have recently appeared in foreign scientific journals are of interest in connection with this subject, as affording the means for comparing the relative degree to which the telephone has come into use in this and the principal foreign countries. In the United States, with a population of sixty-three millions, there are 237,000 exchange subscribers, a number larger than that of all continental Europe, with its population of more

than three hundred millions. In Great Britain, with a population of thirty-eight millions of people, there are but 45,000 telephone subscribers; in Germany, with forty-nine millions of population, 86,500 subscribers; in France, with thirty-eight millions of people, no more than 24,000 subscribers.

And of the efforts to give service of a high quality, and to maintain the efficiency of the plant and its working, Mr. Preece, electrician and engineer of the British Post-office Telegraphs, in a recent address before the Institution of Electrical Engineers in London, said:—

“ The telephone in the United States is essential to the business man, and its price is compared to that of an office boy. Labor in the States is expensive, and an office boy costs more than a telephone subscription. The present generation in America has grown up with the telephone. It has become a factor of business and absolutely essential to the transaction of that business. Its use has passed its climax. It has reached its normal stage. There is no touting for business; business comes. Every new office must have it. The working is excellent, and they are alive to the necessity of maintaining its efficiency at the very highest point. Education is complete, not only of the staff, but of the customer. The apparatus itself is being perfected. Uniformity of practice is being introduced under the operation of the paternal control at Boston, and the influence of technical education is being felt everywhere. I find a group of highly-educated, clever young electricians being engaged and encouraged by the telephone companies. New blood is being introduced, and great zeal and activity is shown.”

“ In trunk working, whether for inter-exchange communication or for long distance working,” Mr. Preece adds, “ they (in America) are far ahead of us in England; . . . the trunk working is wonderfully well done.”

To reach this degree of efficiency in a business absolutely new, with no body of trained people to draw upon, and to maintain it through a constantly increasing complexity as it extends and grows, and through a constantly increasing use, requires the highest vigilance and is an expensive affair.

This constantly increasing use makes a grave addition to the expense account, and in answer to the criticism that is at times

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, it may be proper to repeat what was said in a previous report.

“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.”

The general system of the operating companies throughout the country has been to charge the subscriber a fixed sum for exchange service, graduated according to the class of equipment which he elects, and leaving him free to use the service as much or as little as he chooses.

On the whole, this plan appears to have worked to the satisfaction of subscribers, and in a measure distributes equitably the charge which the public pays for telephone service, since in the smaller exchanges, where the average use is the least, the charges are correspondingly small, while in the great cities, where of necessity the rates are highest, the average use is also greatest.

It is by no means certain, however, that, in time to come, the companies and their patrons may not find a system of tariff rates, that is, the charging the subscriber according to the number of times his telephone is used, more equitable than the present system of uniform charges.

It is true that by this method the amount paid by the individual subscriber would more nearly represent the service received, even taking into consideration the fact that the party called by telephone may derive equal advantage from the conversation with the one who calls.

In considering this question the wishes of the great body of the subscribers should have a large, possibly a controlling, influence.

Some experiments are in hand to see if in the great cities the case of those who want only a limited use of the telephone at a less rate than is fixed for an unlimited use can be met.

Large as the expenditures mentioned above have been, the necessity of further capital expenditures for the extension of the business has not yet passed by. Indeed, at the point to which the business has now come, we have to consider, not a series of isolated exchanges or a number of scattered lines, but something very like a national exchange is showing itself. The pressure is great to extend the scheme of long lines to the West and to the South. There is of course much to do in the filling up of existing lines, and the local companies will have much to do to meet the extensions of the business. In view of this, as the limit of capital had been reached, your directors have caused application to be made to the Legislature at its present session for authority to increase the capital to fifty millions of dollars.

The money is wanted, not only to perfect the long lines already built, for which it will be remembered the last increase was chiefly made, but to develop and extend the system to all paying points throughout the United States as fast as the public demands it. This would involve an outlay of many millions, the whole of which will fall upon this company. The expenditure on long lines alone already amounts to between \$6,000,000 and \$7,000,000.

The effect of the long lines already has been to work a vast improvement in the local service through the efforts of the local companies to give their subscribers the benefit of the long distance service. The local plants have largely been changed over into the new order of things, but that work must be com-

pleted and provision made for a very large development of business.

A great outlay will be required for this also, and while the expense will in part be borne by other stockholders in local companies, the American Bell Telephone Company, as a large stockholder in them, must, of course, bear a large part.

It should be understood that it is not proposed to issue any part of this stock except as needed for the development of the business.

The second Bell patent, that numbered 186,787, dated January 30, 1877, expired on the 30th of January last, and magneto receiving telephones are no longer covered by patent. We continue to furnish magneto receivers to our licensees under the contracts between them and us, but the loss of royalty from this source will result in a considerable reduction in our revenue.

In the suit of the *United States v. The American Bell Telephone Company and Alexander Graham Bell*, in respect of the said Bell patents, the defendants since Nov. 25, 1892, have been engaged, with necessary intervals for preparation, in taking evidence upon the issue of Daniel Drawbaugh's alleged priority of invention appertaining to the electric speaking telephone.

The time allotted by the Court to the defendants for this purpose expired Jan. 25, 1894, but by stipulation of counsel for both parties on that date the time was extended until the deposition of Mr. Franklin L. Pope, an electrical expert who was then under examination, could be completed.

After that it will be necessary to ask the Court for further time in which to take further testimony upon the same issue and upon such collateral questions as may have arisen during cross examination; and it is probable that six months or more will be required for this purpose.

When the defendants have finished taking their countervailing evidence, it will be according to usual practice for the complainant to take proper evidence in reply; so that no definite estimate can now be made as to the date when the case will be ready for final hearing.

In the case of the *United States v. The American Bell Telephone Company et al.* (the suit instituted by Attorney-General Miller seeking to annul the Berliner patent, bill filed Feb. 9, 1893), all the evidence is completed except a moderate amount of rebuttal testimony for the Government. It is understood and agreed that the case shall be argued in June.

In the *Western Union Telegraph Company v. The American Bell Telephone Company*, it will be remembered that a report of the master in 1891 finding that the plaintiffs were not entitled to the account asked for was followed by a motion by the Western Union to dismiss their case without prejudice. The Circuit Court made an order allowing this. An appeal by the Bell Company from that order to the Circuit Court of Appeals will be argued next month.

During the year a reorganization of the engineers' department has been determined upon, and partly carried out. It has been decided to unite with it the mechanical department, thereby much enlarging the scope of the work of the latter department and conducing to the ease of the work of both departments. Mr. Hayes has been appointed electrical engineer, under Mr. Davis, our chief engineer. The work of the department has been very considerable in examining and advising upon projects for altering, extending, or otherwise improving the buildings, the equipment, and the plants of the company's licensees, and in giving personal assistance when desired while such work was in progress. Plans, specifications, and estimates have also been made in new underground systems where none before existed, and in extending the underground systems already existing in other cities.

The advantage of uniformity in the form of apparatus used, in the mode of working, the details of construction, and the various methods of operation that are thereby introduced, are highly and extremely beneficial. There is in effect but a single system, and the result tends much to the thorough and perfect performance of

the service. It needs not to be added that we have the licensees' hearty co-operation in carrying out this work.

The work and the usefulness of the patent department grow year by year, with the advance in electrical knowledge and electrical invention. The demands made upon it by our licensees also steadily increase.

The ledger balances as they stood on the 31st of December, 1893, and a statement of the earnings and expenses in detail, and in comparison with the earnings and expenses of the year 1892, are furnished by the Treasurer, and appended.

The Long Distance Company had invested up to December 31, 1893, in line construction, equipment, and supplies, \$6,433,149.91.

The Company shows an increase in its gross earnings from that source in 1893 over 1892 of something like 38 per cent, the amount for 1893, gross, being \$892,361.62.

It will be remembered that the gross earnings for 1891 were \$437,828.61; for 1892, \$643,436.77.

It has been thought that the stockholders would find it convenient to have at hand copies of the schedules, used at the World's Fair, showing graphically the miles of wire, telephones in use, number of connections, etc., from the beginning of the business, and such copies are appended.

There is also added a map of the lines of the Long Distance Company.

And copies of the reports of the committee on accounts of April 15, 1893, July 15, 1893, Oct. 20, 1893, and Jan. 15, 1894, are annexed.

For the Directors.

JOHN E. HUDSON,
President.

LEDGER BALANCES DEC. 31, 1893.

DEBTORS.

Telephones . . .	\$1,266,182 03
Real Estate . . .	950,984 11
Stocks . . .	37,065,131 12
Merchandise and Machinery,	13,311 83
Bills and Accounts Receivable,	3,573,053 07
Cash and Deposits . . .	2,843,678 36

CREDITORS.

Capital Stock . . .	\$20,000,000 00
Debenture Bonds, 1888 .	2,000,000 00
Bills and Accounts Payable,*	1,550,596 07
Patent Account (Profit and Loss),	10,137,493 08
Profit and Loss . . .	5,682,227 13
Reserve . . .	4,191,012 63
Surplus . . .	2,151,011 61
	<hr/>
	\$45,712,340 52
	<hr/>
	\$45,712,340 52
	<hr/>

* Of this amount \$1,200,000 is for the dividends payable Jan. 15, 1894, to stockholders of record, Dec. 30, 1893.

Comparative Statement of Earnings and Expenses.

EARNINGS.		
	1892.	1893.
Rental of Telephones	\$3,303,753 10	\$3,513,711 42
Dividends	*1,422,047 93	*1,824,431 98
Commission from Ex.-Terr. Lines,	101,306 32	108,621 38
Commission from Teleg. Business,	29,417 31	29,192 79
Real Estate	67,868 14	68,097 06
Interest	168,830 22	225,936 28
Miscellaneous	7,663 57	11,086 08
	<u>\$5,100,886 59</u>	<u>\$5,781,076 99</u>
EXPENSES.		
Expenses of Operation	\$378,272 89	\$392,770 39
Legal Expenses	87,767 28	114,852 47
Real Estate	35,666 19	44,532 41
Interest and Taxes	279,638 93	300,368 38
Commission	648,689 25	690,380 58
Royalty	10,000 00	10,000 00
Concessions	246,914 53	257,829 92
Miscellaneous	2,262 74	44,857 15
	<u>\$1,689,211 81</u>	<u>\$1,855,591 30</u>
Net Earnings	<u>\$3,411,674 78</u>	<u>\$3,925,485 69</u>
Surplus Account, Dec. 31, 1892,	\$2,151,011 61	
Net Earnings, 1893	3,925,485 69	
		\$6,076,497 30
Regular Dividends, 1893	\$2,214,156 00	
Extra Dividends, 1893	1,125,000 00	
Reserve for General Depreciation,	450,000 00	
Reserve for Depreciation of Insts. . . .	136,329 69	
		<u>\$3,925,485 69</u>
Surplus Account, Dec. 31, 1893		<u>\$2,151,011 61</u>

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

REPORT OF AUDITING COMMITTEE.

BOSTON, MASSACHUSETTS, 15 April, 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 March 31st, 1893.

Respectfully yours,

FRANCIS BLAKE,

Auditing Committee, A. B. Tel. Co.

Boston, April 14, 1893.

This is to certify that I have examined the books and accounts of the Treasurer of the American Bell Telephone Company for the quarter ending March 31st, 1893, and have to report; I found the Cash book correctly footed, and the disbursements supported by approved vouchers.

Have examined the rental, commission, and concession accounts, the entries and footings of the ledgers proving the balance sheets, cash on hand and in banks, likewise the bills receivable and Stock investments, having seen the certificates of stock and notes, that they are on hand or properly accounted for.

Have also 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, 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 June 30th, 1893.

Respectfully yours,

FRANCIS BLAKE,

Auditing Committee, A. B. Tel. Co.

BOSTON, July 15, 1893.

Having examined the books and accounts of the Treasurer of the American Bell Telephone Co., for the quarter ending June 30, 1893, have to report thereon : —

The Cash book is correctly footed and the disbursements supported by approved vouchers.

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

Have also examined the rental, commission, and concession accounts, the payrolls, the footings of the ledgers proving the balance sheet of June 30, 1893, verifying the bills receivable, and cash on hand.

I find also that the bank 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, 20 October, 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 September 30th, 1893.

Respectfully yours,

FRANCIS BLAKE,

Auditing Committee, A. B. Tel. Co.

BOSTON, October 19, 1893.

I hereby certify that I have audited the books and accounts of the Treasurer of the American Bell Telephone Company for the quarter ending September 30, 1893, and have to report: —

The Cash book is correctly footed and the disbursements sustained by approved vouchers.

Have examined the rental, commission, and concession accounts, the entries and footings of the ledgers proving the balance sheets, cash on hand and in banks, likewise the bills receivable and stock investments having seen the certificates of stock and notes that they are on hand or properly accounted for.

Have also 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 January, 1894.

JOHN E. HUDSON, Esq^{re}.,

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 31st, 1893.

Respectfully yours,

FRANCIS BLAKE,

Auditing Committee, A. B. Tel. Co.

BOSTON, January 15, 1894.

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, 1893, and have to report thereon : —

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

Have proved the amount of Certificates outstanding to Stockholders by the amount of new issue of stock and cancellation of certificates.

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

Have verified the bank accounts, the balances on hand in the several banks and trust companies at the close of business, December 31, 1893, agree with the Company's books after allowing for outstanding checks.

CHAS. T. PLIMPTON,

Auditor.

MILES OF WIRE

In use for telephonic purposes in the United States on January 1st of each year.

1881	29,714
1882	52,205
1883	82,224
1884	115,255
1885	137,223
1886	155,791
1887	171,998
1888	202,617
1889	243,764
1890	279,941
1891	331,642
1892	381,544
1893	440,793
1894	507,586

MILES OF WIRE

*In use underground for telephonic purposes in the United States on
January 1st of each year.*











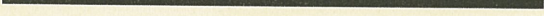

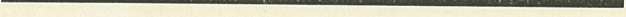

1885 -	1,225
1886 ■	3,417
1887 ■■	6,030
1888 ■■■	8,149
1889 ■■■■	17,365
1890 ■■■■■	27,676
1891 ■■■■■■	55,823
1892 ■■■■■■■	71,506
1893 ■■■■■■■■	91,463
1894 ■■■■■■■■■	121,930

TELEPHONES IN USE*In the United States on December 20th of each year.*











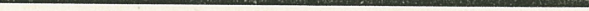
1877 ■	5,187
1878 ■■	17,567
1879 ■■■	52,517
1880 ■■■■	123,380
1881 ■■■■■	180,592
1882 ■■■■■■	237,728
1883 ■■■■■■■	298,580
1884 ■■■■■■■■	325,574
1885 ■■■■■■■■■	330,040
1886 ■■■■■■■■■■	353,518
1887 ■■■■■■■■■■■	380,277
1888 ■■■■■■■■■■■■	411,511
1889 ■■■■■■■■■■■■■	444,861
1890 ■■■■■■■■■■■■■■	483,790
1891 ■■■■■■■■■■■■■■■	512,407
1892 ■■■■■■■■■■■■■■■■	552,720
1893 ■■■■■■■■■■■■■■■■■	566,491

TELEPHONE SUBSCRIBERS

In the United States on January 1st of each year.

1881		47,880
1882		70,525
1883		97,728
1884		123,625
1885		134,847
1886		137,750
1887		147,068
1888		158,712
1889		171,454
1890		185,003
1891		202,931
1892		216,017
1893		232,140
1894		237,186

NUMBER OF CONNECTIONS*Between exchange subscribers in the United States in each year.**Yearly rate based upon daily use.*

1884		215,280,000
1885		251,267,760
1886		272,478,705
1887		312,605,710
1888		369,203,705
1889		383,821,590
1890		400,000,000
1891		450,000,000
1892		500,000,000
1893		600,000,000
1894		600,000,000

PERSONS EMPLOYED

In the Telephone Exchanges of the United States January 1st of each year.

1881		1,481
1882		1,863
1883		3,716
1884		4,762
1885		5,168
1886		5,438
1887		5,843
1888		6,183
1889		6,310
1890		6,758
1891		7,845
1892		8,376
1893		9,970
1894		10,421

