

FIFTEENTH ANNUAL REPORT

OF

THE DIRECTORS

OF

THE AMERICAN BELL TELEPHONE COMPANY

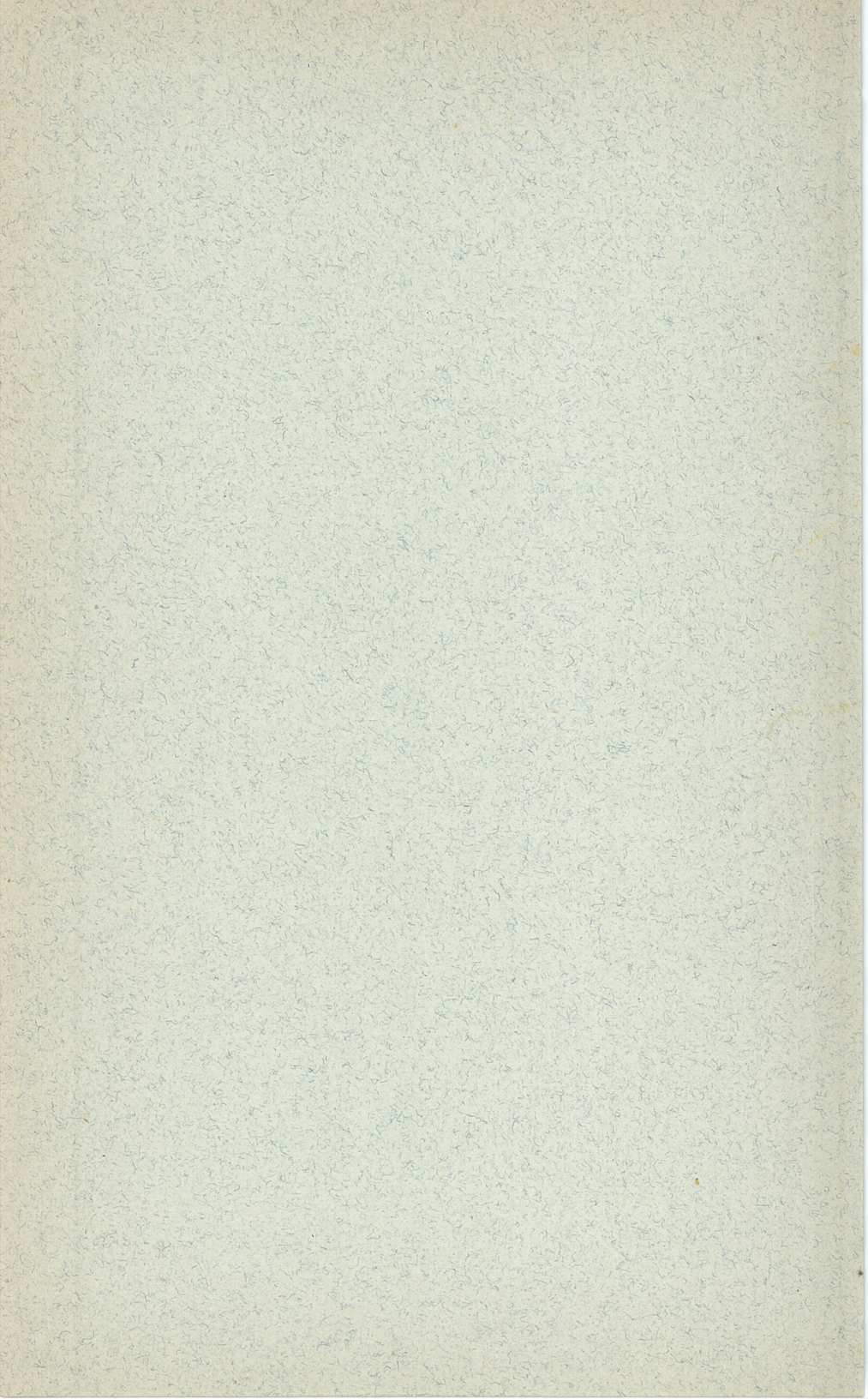
TO THE STOCKHOLDERS,

YEAR ENDING DECEMBER 31, 1894.



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

1895.



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ALFRED MUDGE & SON, PRINTERS,
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OFFICE OF
THE AMERICAN BELL TELEPHONE CO.
BOSTON, MARCH 26, 1895.

TO THE STOCKHOLDERS :

The output of telephones from 1884 to the close of the year 1894, and the consolidated statistics of our companies licensees 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.	Dec. 20, 1894.
325,574	330,040	353,518	380,277	411,511	444,861	483,790	512,407	552,720	566,491	582,506
—	4,466	23,478	26,759	31,234	33,350	38,929	28,617	40,313	13,771	16,015

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.	Jan. 1, 1895.	Increase over 1894.
Exchanges . . .	906	772	747	736	739	742	757	774	788	812	838	867	29
Branch Offices	419	481	428	446	452	452	471	467	509	539	571	572	1
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	232,008	17,332
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	14,525	*1,967
Miles of Wire Underground	-	1,225	3,417	6,030	8,009	17,088	27,117	54,690	70,334	90,216	120,675	148,285	27,610
Miles of Wire Submarine . .	-	-	254	265	365	536	603	779	1,029	1,336	1,637	1,856	219
Total Miles of Wire	85,896	101,592	114,046	128,251	146,438	170,471	193,213	240,412	266,456	307,791	353,480	396,674	43,194

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.	Jan. 1, 1895.	Increase over 1894.
Total Circuits	97,422	107,440	112,067	121,260	132,004	143,687	156,780	173,665	186,462	201,322	205,891	212,074	6,183
Total Employees.....	4,762	5,168	5,438	5,843	6,133	6,310	6,758	7,845	8,376	9,970	10,421	11,094	673
Total Stations	123,625	134,847	137,750	147,068	158,712	171,454	185,003	202,931	216,017	232,140	237,186	243,432	6,246

* Decrease.

EXCHANGE CONNECTIONS.

The estimated number of exchange connections daily in the United States, made up from actual count in most of the exchanges, is 2,088,152
 Or a total per year of about 670,000,000

The number of daily calls per station varies in different exchanges from 2½ to 24, the average throughout the United States being 8½, which shows an increase of 6¼ % from last year in the average use made of the telephone by each subscriber.

The average cost to the subscriber varies, according to the size of the exchange and character of the service, from less than 2 to 10½ 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.	Jan. 1, 1895.	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	49,324	2,597
Miles of Wire,	29,359	35,631	41,745	43,767	50,179	73,293	86,728	91,250	115,088	133,002	154,106	180,557	26,451

TOLL CONNECTIONS.

The average daily number of toll connections is	. . . . .	38,324
Or a total per year of about	. . . . .	12,000,000
The toll revenue reported by all companies for the year 1894 was	. . . . .	\$2,355,488 15 *
Earnings of extra-territorial lines included in the above sum amounted to	. . . . .	1,044,365 30 *
Of which last amount this company received	. . . . .	106,939 46
A decrease from 1893 of	. . . . .	1,681 92

* 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.	Jan. 1, 1895. Miles.	Increase over 1894. Miles.
Albany, N. Y.....		1	1	1	1	1	.....	971	1,250	1,250	.....
Atlanta, Ga.....							.....	.....	1,636	1,745	109
Aurora, Ill.....						4	4	.....	4	4	.....
Baltimore, Md.....						2,708	4,295	4,314	4,314	4,341	27
Boston, Mass.....	289	347	736	1,580	3,599	5,485	7,680	8,281	8,361	11,202	2,841
Bridgeport, Conn...							425	238	162	190	28
Brookline, Mass.....							.....	57	532	541	9
Brooklyn, N. Y.....	134	1,233	1,443	2,197	2,254	4,199	4,542	5,652	6,972	6,921	51*
Buffalo, N. Y.....					1,170	1,414	1,756	2,410	2,767	2,779	12
Cambridge, Mass...						275	275	408	648	648	.....
Chicago, Ill.....	760	1,462	2,000	3,127	3,255	6,444	7,288	14,010	18,554	18,737	183
Cincinnati, O.....							.....	.....	4,345	5,649	1,304
Cleveland, O.....						595	645	1,697	2,228	5,029	2,801
Dedham, Mass.....							.....	.....	2	2	.....
Denver, Col.....						1,175	1,175	1,572	1,754	1,791	37
Derby, Conn.....							.....	20	18	9	9*
Detroit, Mich.....		82	175	500	871	1,101	1,145	1,235	4,409	5,489	1,080
Elmira, N. Y.....							.....	.....	.....	230	230
Grand Rapids, Mich.....							.....	.....	.....	3	3
Hartford, Conn.....							769	339	340	425	85
Holyoke, Mass.....							.....	.....	330	404	74
Jersey City, N. J...							.....	.....	.....	1,720	1,720
Lawrence, Mass.....							.....	114	146	146	.....
Los Angeles, Cal....							.....	.....	1,027	984	43*
Louisville, Ky.....		9	238	469	780	1,114	1,182	1,650	2,490	4,576	2,086
Lowell, Mass.....					4	150	165	267	250	317	67
Medford, Mass.....							.....	.....	10	10	.....
Middletown, Conn...							.....	.....	.....	1	1
Milwaukee, Wis....	1	1				1,047	2,165	5,181	5,242	5,262	20
Minneapolis, Minn..						734	1,029	1,246	1,516	2,044	528
Newark, N. J.....							.....	.....	.....	2,348	2,348
New Bedford, Mass.							.....	.....	.....	30	30
New Britain, Conn..							.....	.....	15	13	2*
New Haven, Conn...					300	546	832	300	449	618	169

* Loss.

UNDERGROUND WIRES IN USE, CONTINUED.

	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.	Jan. 1, 1895. Miles.	Increase over 1894. Miles.
Newton, Mass.....									60	159	99
New York, N. Y....	627	627	1,120	5,203	10,900	22,507	26,881	28,216	30,397	38,125	7,728
Niagara Falls, N. Y.									25	29	4
Norwich, Conn.....										9	9
Oakland, Cal.....										463	463
Omaha, Neb.....									1,351	1,360	9
Orange, N. J.....							6				
Philadelphia, Pa....							1,457	2,895	3,289	3,509	220
Pittsburgh, Pa.....	614	966	958	2,370	2,394	2,868	2,920	3,103	5,719	5,929	210
Portland, Me.....								51	70	70	
Providence, R. I....										541	541
Rochester, N. Y....						110	242	444	677	1,183	506
Salem, Mass.....										65	65
San Francisco, Cal..							985	2,415	4,047	4,346	299
Seabright, N. J....								2	19	19	
Somerville, Mass...										4	4
South Omaha, Neb..									6	6	
Springfield, Mass...								74	553	553	
Stockton, Cal.....									288	236	||52
St. Paul, Minn.....						580	759	873	1,304	1,301	||3
Washington, D. C..	992	1,302	1,338	1,591	1,589	1,633	1,764	2,111	2,782	3,865	1,083
Wilkes Barre, Pa....										189	189
Wheeling, W. Va....								33	33	592	559
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	*148,351	‡7,620††
			140	327	559	1,133	1,120	1,194	1,199	1,241	42
Total.....	3,417	6,030	8,149	17,365	27,676	55,823	71,506	91,463	121,930	149,592	27,662

† Includes 52 miles classed as toll wire.

‡ Includes 56 miles classed as toll wire.

|| Loss.

† Includes 53 miles classed as toll wire.

* Includes 66 miles classed as toll wire.

†† Includes 10 miles classed as toll wire.

The increase, within the year, of the aggregate number of subscribers reported by the various companies, was somewhat larger than that of the previous year, and taking into consideration the facts that general business throughout the country had not recovered its usual activity, and that the growth of the telephone business must be, in great measure, dependent upon the prosperity of commercial and manufacturing interests, the results have been on the whole satisfactory.

In comparing the gain in the output of telephones for the year 1894 over that of the year 1893, — 16,015 telephones for 1894, as against 13,771 in 1893, — attention should be called to the fact that in the months of January and February, the returns exceeded the output by 3,472, so that the actual growth in number of telephones during the remaining ten months would be little short of 20,000 instruments.

Extensive additions and improvements of plant have been made by most of the companies, especially in the direction of underground and toll line construction.

A greater mileage of toll wires has been added than in any previous year in the history of the business.

Not including the cost of current repairs and renewals, the companies operating under our licenses have expended, during 1894, upon extensions of lines and apparatus, \$4,138,000, and for buildings to accommodate their exchanges \$411,000, making, with the amount reported last year, a total of investment in telephone property in the United States, of \$77,500,000.

The pole line construction of the Long Distance Company last

year consisted mainly of the line from Pittsburg to Chicago via Indianapolis, and the line between Erie, Pa., and Norwalk, Ohio. No very important new places were reached during the year. The principal points to which service was opened were Richmond, Waterloo, Terre Haute, and Michigan City, Ind.; Piqua, Tadmire, Columbus, Springfield, Zanesville, Cambridge, and Chillicothe, Ohio; Wheeling, W. Va; Danville, Ill.; and McKeesport and Northumberland, Pa.

The construction department reports that the total of lines, December 31, 1894, was 4,617.24 miles of pole line and cables and 75,555.72 miles of wire. Of this there were constructed during the year 633.26 miles of pole line and 9,379.71 miles of wire.

The metallic circuit system has grown rapidly in favor, and at the close of the year the stations of 54,680 exchange subscribers were furnished with the equipment for this improved class of service, a gain during the year of 17,032.

The steadily increasing use which subscribers make of the exchange service continues to be a noticeable feature of the statistics furnished us by the operating companies.

On the average each subscriber throughout the country now uses his telephone, upon calls made and received, seventeen times per day.

While this enlarged use is gratifying as an indication of the enhanced value which the subscriber derives from the service, the greater demand thus made upon the exchange system of necessity involves a corresponding increase in the cost of rendering service, and a larger investment per station for central office apparatus and trunk lines.

Comparing the latest statistics with those of six years ago, we find the total number of subscribers has increased by 42 per cent.

Within the same time the average daily use of the exchange service by each subscriber has increased 40 per cent, and the number of employees engaged upon exchange work 76 per cent.

The great disparity in the number of calls made by different subscribers in the same exchange, who, though paying the uniform yearly rate, require in the transaction of their business a widely varying amount of daily service, has led several of the companies, especially in the large cities, to consider the adoption of a plan for measured service, of which advantage can be taken by the smaller users.

This question was discussed in the last Annual Report, and it was there stated that "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."

The plan has already been put in operation in New York, Brooklyn, Boston, and some other exchanges. The choice is offered to subscribers of paying either the fixed yearly rate, with unlimited local service, or a graduated scale of charges, dependent upon the extent of use within the year, the cost per connection lessening with the increase in the number of calls for which contract is made.

This system is an alternative to that of unlimited use, is equitable to those whose requirements for service are not large, and has commended itself to a considerable number of the telephone users in the exchanges named, some thousands being now connected on the measured service plan.

The application to the Legislature for authority to increase the capital to fifty millions of dollars, of which mention was made in the last report, resulted in Chapter 544 of the Acts of the year 1894, authorizing the increase, but providing that in the first instance the stock should be offered to the stockholders at the market price, to be determined by the Commissioner of Corporations, having in view actual sales and "other pertinent conditions," and that what should remain undisposed of in that mode should be offered for sale by public auction.

As you will remember, at a special meeting of the stockholders, held November 15, 1894, it was voted that the Act be accepted

and the stock be increased by 5,000 shares, say at par, \$500,000. Upon application to the Commissioner of Corporations, he fixed the price at which this should be offered to the stockholders at \$190 per share, and it was so offered. 1632 shares were taken by stockholders; the remainder, 3,368 shares, were sold on the ninth day of February, 1895, by public auction at an average price of \$189.75 per share.

The suit of *The United States v. The American Bell Telephone Company* and *Alexander Graham Bell* still remains pending, notwithstanding that the two Bell patents, No. 174,465, of March 7, 1876, and No. 186,787, of January 30, 1877, which it was brought to annul, have both expired.

The deposition of Mr. Franklin L. Pope was concluded May 15, 1894, and on June 15, 1894, the Court extended until January 1, 1895, the time within which the defendants might take further evidence.

Owing to unavoidable interferences and to the illness of counsel for complainant, the time for taking defendants' evidence has again been extended to June 12, 1895. By that date, if no accident prevents, the defendants expect to have closed their testimony.

The suit of the *United States v. The American Bell Telephone Co. et al.*,—the Berliner suit, so-called,—was argued June 14–20, 1894, before the Circuit Court. The Court, on the eighteenth day of December, 1894, rendered a decision that the patent was void. An appeal has been taken to the Circuit Court of Appeals, and the cause is expected to be argued next month.

In *The Western Union Telegraph Company v. The American Bell Telephone Company*, it will be remembered that a decree was made by the Circuit Court allowing the motion of the plaintiffs to dismiss their case without prejudice. This motion was made upon the coming in of a report of the Master finding that the plaintiffs were not entitled to the account asked for. An appeal was taken, and the decree of the Circuit Court has been reversed by the Court of Appeals, the case being remanded to the Circuit Court for further proceedings.

In the Thirteenth Annual Report it was stated that Edison's application for a patent for the carbon telephone had resulted in patent No. 474,231; but it was said:—

“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 question involved has recently been determined by the Supreme Court in the case of *Bate Refrigerator Co. v. Ferdinand Sulzberger et al.*, which holds in substance that the domestic patent in such case is determined by the expiration of the foreign patent, notwithstanding that the domestic application is earlier than the application for the foreign patent. The result of the decision is to annul the Edison patent.

The ledger balances as they stood on the 31st of December, 1894, and a statement in detail of the earnings and expenses of that year, and of the earnings and expenses of the year 1893, for purposes of comparison, are furnished by the Treasurer and are appended.

The Long Distance Company had invested up to December 31, 1894, in line construction, equipment, and supplies, \$7,460,662.97. The Company shows an increase in gross earnings in 1894 over 1893 of 13.4 per cent, the amount for 1894, gross, being \$1,011,961.82. It will be remembered that the gross earnings for 1892 were \$643,436.77; for 1893, \$892,361.62.

Copies of the reports of the Auditing Committee of April 13, 1894, July 14, 1894, Oct. 18, 1894, and Jan. 14, 1895, accompany this report.

For the Directors,

JOHN E. HUDSON,

President.

LEDGER BALANCES DEC. 31, 1894.

DEBTORS.

Telephones	\$1,209,787 77
Real Estate	950,926 86
Stocks	38,268,455 95
Merchandise and Machinery	14,232 70
Bills and Accounts Receivable	4,355,554 55
Cash and Deposits	760,776 08

CREDITORS.

Capital Stock		\$20,000,000 00
Debenture Bonds, 1888		2,000,000 00
Bills and Accounts Payable*		1,107,949 92
Patent Account (Profit and Loss),		10,228,571 33
Profit and Loss		5,849,444 13
Reserve		4,222,756 92
Surplus		2,151,011 61
	\$45,559,733 91	\$45,559,733 91
	\$45,559,733 91	\$45,559,733 91

*Of this amount \$900,000 is for the dividends payable Jan. 15, 1895, to stockholders of record, Dec. 31, 1894.

Comparative Statement of Earnings and Expenses.

EARNINGS.		
	1893.	1894.
Rental of Telephones	\$3,513,711 42	\$2,502,992 17
Dividends	*1,824,431 98	*1,937,657 77
Commission from Ex.-Terr. Lines,	108,621 38	106,939 46
Commission from Teleg. Business,	29,192 79	29,352 96
Real Estate	68,097 06	69,675 09
Interest	225,936 28	196,455 11
Miscellaneous	11,086 08	5,172 38
	<u>\$5,781,076 99</u>	<u>\$4,848,244 94</u>
EXPENSES.		
Expenses of Operation	\$392,770 39	\$430,340 29
Legal Expenses	114,852 47	178,342 88
Real Estate	44,532 41	35,798 34
Interest and Taxes	300,368 38	356,478 51
Commission	690,380 58	459,958 71
Royalty	10,000 00	5,000 00
Concessions	257,829 92	231,713 64
Miscellaneous	44,857 15	26,827 50
	<u>\$1,855,591 30</u>	<u>\$1,724,459 87</u>
Net Earnings	<u>\$3,925,485 69</u>	<u>\$3,123,785 07</u>
Surplus Account, Dec. 31, 1893,	\$2,151,011 61	
Net Earnings, 1894	<u>3,123,785 07</u>	\$5,274,796 68
Regular Dividends, 1894	\$2,400,000 00	
Extra Dividends, 1894	600,000 00	
Reserve for Depreciation of Insts.,	<u>123,785 07</u>	3,123,785 07
Surplus Account, Dec. 31, 1894 . . . . .	. . . . .	<u>\$2,151,011 61</u>

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

REPORTS OF AUDITING COMMITTEE.

BOSTON, MASSACHUSETTS.

13 April, 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 March 31st, 1894.

Respectfully yours

FRANCIS BLAKE.

Auditing Committee, A. B. Tel. Co.

BOSTON April 13, 1894.

I have audited the books and accounts of the American Bell Telephone Company for the quarter ending March 31, 1894, and have to report as follows: —

I have examined the Stockholders' Ledger and the Stock certificate books, and found the amount of outstanding Stock to agree with the Capital Stock account in the General Ledger.

I have made examination of the Cash in hand and in the banks and trust companies, at the close of business March 31, 1894 and find the amount, after allowing for outstanding checks, to agree with the balance of the Cash book upon that date.

I have seen approved and receipted vouchers for all disbursements, and have verified the records of cash receipts.

I have examined and verified the accounts of revenue, including rentals, commissions and concessions, and have seen that all notes, Stock certificates and other securities owned by the company are in hand, or properly accounted for, and correctly entered upon the books.

I have found all Cash book and Journal entries duly posted to the Ledger, and the footings correct, and have proved the Balance Sheets.

I hereby certify that in all my investigations, as above recited, I have found everything correct.

CHA'S T. PLIMPTON

Auditor

BOSTON, MASSACHUSETTS

14 July, 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 June 30th, 1894.

Respectfully yours

FRANCIS BLAKE.

Auditing Committee, A. B. Tel. Co.

Boston, July 13, 1894

I have audited the books and accounts of the American Bell Telephone Company for the quarter ending June 30, 1894, and have to report as follows :

I have examined the Stockholders' Ledger and the Stock certificate books, and found the amount of outstanding stock to agree with the Capital Stock Account in the General Ledger.

I have made examination of the cash in hand and in the banks and trust companies, at the close of business June 30, 1894, and find the amount, after allowing for outstanding checks, to agree with the balance of the Cash Book upon that date.

I have seen approved and receipted vouchers of all disbursements, and have verified the records of cash receipts.

I have examined and verified the accounts of revenue, including rentals, commissions and concessions, and have seen that all notes, stock certificates, and other securities owned by the company are in hand, or properly accounted for, and correctly entered upon the books.

I have found all Cash Book and Journal entries duly posted to the Ledger, and the footings correct, and have proved the Balance Sheets.

I hereby certify that in all my investigations, as above recited, I have found everything correct.

CHA'S T. PLIMPTON

Auditor

BOSTON, MASSACHUSETTS.

18 October, 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 September 29th, 1894.

Respectfully yours,

FRANCIS BLAKE.

Auditing Committee, A. B. Tel. Co.

BOSTON October 18, 1894.

I have audited the books and accounts of the

—American Bell Telephone Co.—

for the quarter ending September 29, 1894 and have to report as follows:—

I have examined the Stockholders' Ledger and the Stock certificate books, and found the amount of outstanding stock to agree with the Capital Stock account in the General Ledger.

I have made examination of the cash in hand and in the banks and trust companies, at the close of business September 29, 1894 and find the amount after allowing for outstanding checks, to agree with the balance of the Cash book upon that date.

I have seen approved and receipted vouchers for all disbursements, and have verified the records of cash receipts.

I have examined and verified the accounts of revenue, including rentals, commissions and concessions, and have seen that all notes, Stock certificates and other securities owned by the company are in hand, or properly accounted for, and correctly entered upon the books.

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I hereby certify that in all my investigations, as above recited, I have found everything correct.

CHA'S T. PLIMPTON

Auditor

BOSTON, MASSACHUSETTS
14 January, 1895

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, 1894.

Respectfully yours

FRANCIS BLAKE,
Auditing Committee, A. B. Tel. Co.

BOSTON, Jan'y 12, 1895.

I have audited the books and accounts of the American Bell Telephone Company for the quarter ending Dec. 31, 1894 and have to report as follows :

I have examined the Stockholders' Ledger and the Stock certificate books, and found the amount of outstanding stock to agree with the Capital Stock Account in the General Ledger.

I have made examination of the cash in hand and in the banks and trust companies, at the close of business Dec. 31, 1894, and find the amount, after allowing for outstanding checks, to agree with the balance of the Cash Book upon that date.

I have seen approved and receipted vouchers for all disbursements, and have verified the records of cash receipts.

I have examined and verified the accounts of revenue, including rentals, commissions and concessions, and have seen that all notes, stock certificates and other securities owned by the company are in hand, or properly accounted for, and correctly entered upon the books.

I have found all Cash Book and Journal entries duly posted to the Ledger, and the footings correct, and have proved the Balance Sheets.

I hereby certify that in all my investigations, as above recited, I have found everything correct.

CHA'S T. PLIMPTON
Auditor.

