

# SEVENTEENTH ANNUAL REPORT

OF

THE DIRECTORS

OF

## THE AMERICAN BELL TELEPHONE COMPANY

TO THE STOCKHOLDERS,

YEAR ENDING DECEMBER 31, 1896.



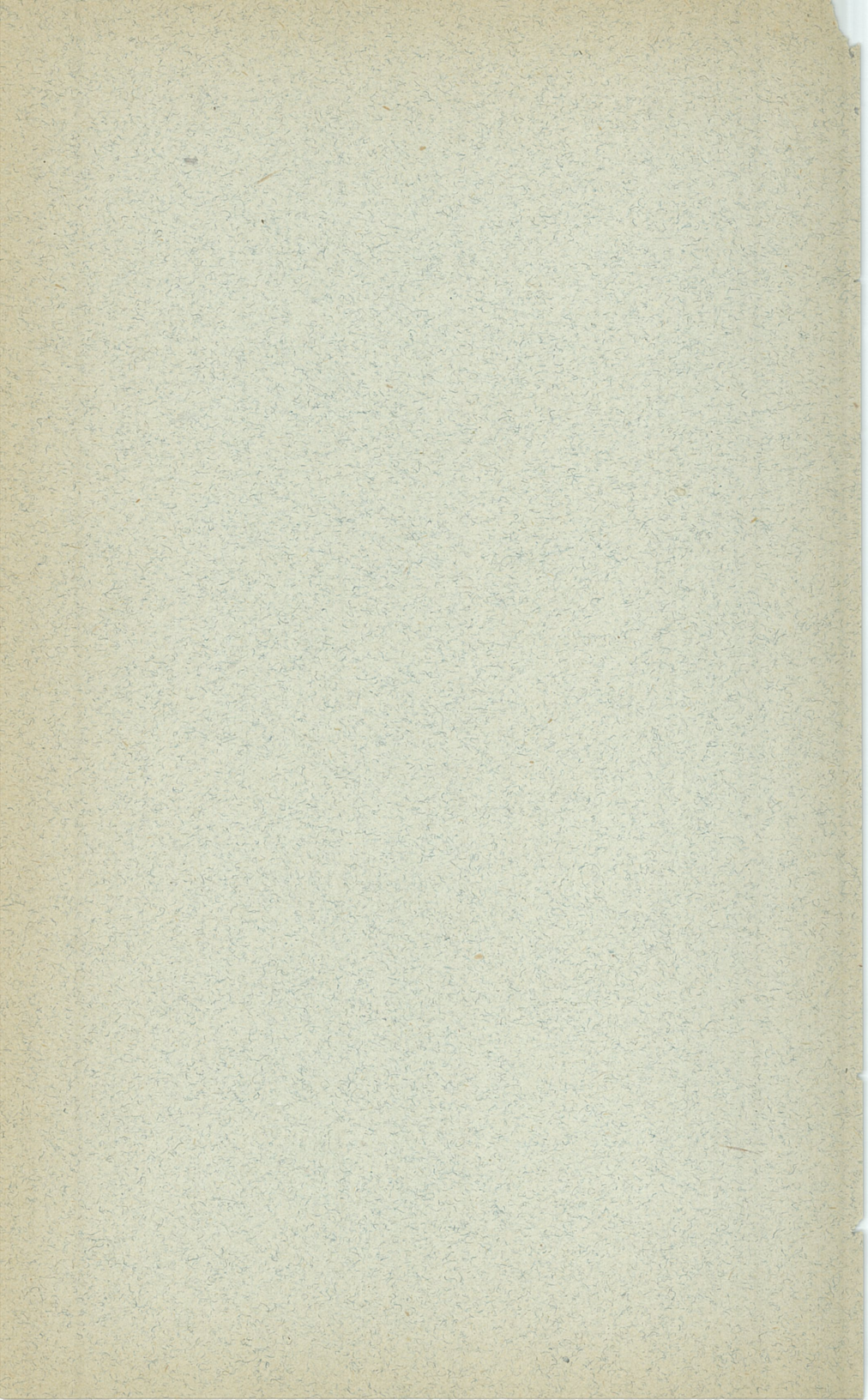
BOSTON:

ALFRED MUDGE & SON, PRINTERS,

NO. 24 FRANKLIN STREET.

1897.







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OFFICE OF  
THE AMERICAN BELL TELEPHONE CO.,  
BOSTON, MARCH 30, 1897.

TO THE STOCKHOLDERS :

The usual tables giving the output of telephones from 1884 to the close of the year 1896, and exhibiting the consolidated statistics of the companies operating under license from us, are as follows :—

## INSTRUMENTS IN THE HANDS OF LICENSEES UNDER RENTAL.

THE FIGURES IN LOWER LINE SHOWING 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.	Dec. 20, 1895.	Dec. 20, 1896.
325,574	330,040	353,518	380,277	411,511	444,861	483,790	512,407	552,720	566,491	582,506	674,976	772,627
	4,466	28,478	26,759	31,224	33,950	38,929	28,617	40,313	13,771	16,015	92,470	97,651



## 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.	Jan. 1, 1896.	Jan. 1, 1897.	Increase.
Exchanges.....	906	772	747	736	739	742	757	774	788	812	838	867	927	967	40
Branch Offices.....	419	481	428	446	452	452	471	467	509	539	571	572	686	832	146
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	260,324	286,632	26,308
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	12,861	12,594	267*
Miles of wire underground.....	—	1,225	3,417	6,030	8,009	17,038	27,117	54,690	70,334	90,216	120,675	143,235	184,515	234,801	50,286
Miles of wire submarine .....	—	—	254	265	365	536	603	779	1,029	1,336	1,637	1,856	2,028	2,818	790
Total miles of wire...	85,896	101,592	114,046	128,231	146,438	170,471	193,213	240,412	266,456	307,791	353,480	396,674	459,728	536,845	77,117



## EXCHANGES — Continued.

	Jan. 1, 1884.	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.	Jan. 1, 1896.	Jan. 1, 1897.	Increase.
Total Circuits.....	97,422	107,440	112,067	121,260	132,004	143,637	156,780	173,665	186,462	201,322	205,891	212,074	237,837	26,808
Total Employees.....	4,762	5,168	5,438	5,843	6,183	6,310	6,758	7,845	8,376	9,970	10,421	11,094	11,930	2,495
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	281,695	43,549

\* 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 . . . . . 2,630,071

Or a total per year of about . . . . . 847,000,000

The number of daily calls per station varies in different exchanges from  $1\frac{1}{16}$  to 16, the average throughout the United States being  $8\frac{1}{16}$ , which shows a slight decrease from last year in the average use made of the telephone by each subscriber, due to the extension of the Measured Service system.

The average cost to the subscriber by exchanges varies, according to the size of the exchange and character of the service, from less than 1 to  $7\frac{1}{2}$  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.	Jan. 1, 1896.	Jan. 1, 1897.	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	52,873	60,453	7,580
Miles of Wire . .	29,959	35,631	41,745	43,767	56,179	73,293	86,728	91,230	115,088	133,002	154,106	180,557	215,637	268,866	53,179

## TOLL CONNECTIONS.

The average daily number of toll connections is . . . . .	63,290
Or a total per year of about . . . . .	20,400,000
The toll revenue reported by all companies for the year 1896 was . . . . .	\$3,589,044 43*
Earnings of extra-territorial lines included in the above sum amounted to . . . . .	1,562,688 38*
Of which last amount this company received . . . . .	182,265 32
An increase over 1895 of . . . . .	33,570 85

\* 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.	Jan. 1, 1896. Miles.	Jan. 1, 1897. Miles.	Increase over 1896. Miles.
Albany, N. Y.....	.....	1	1	1	1	1	.....	971	1,259	1,259	1,358	1,600	242
Atlanta, Ga.....	.....	.....	.....	.....	.....	.....	.....	.....	1,636	1,745	1,745	1,745	.....
Aurora, Ill.....	.....	.....	.....	.....	.....	4	4	.....	4	4	8	8	.....
Baltimore, Md.....	.....	.....	.....	.....	.....	2,708	4,295	4,314	4,314	4,341	4,342	4,348	6
Boston, Mass.....	289	347	736	1,580	3,599	5,485	7,680	8,281	8,361	11,202	15,687	20,130	4,443
Branford, Conn.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	12	12
Bridgeport, Conn.....	.....	.....	.....	.....	.....	.....	425	238	162	190	209	211	2
Brockton, Mass.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	474	474
Brookline, Mass.....	.....	.....	.....	.....	.....	.....	.....	57	532	541	1,082	1,757	675
Brooklyn, N. Y.....	134	1,233	1,443	2,197	2,254	4,199	4,542	5,652	6,972	6,921	7,255	10,922	3,667
Buffalo, N. Y.....	.....	.....	.....	.....	1,170	1,414	1,756	2,410	2,767	2,779	2,941	3,769	828
Cambridge, Mass.....	.....	.....	.....	.....	.....	275	275	408	648	648	682	684	2
Chicago, Ill.....	760	1,462	2,000	3,127	3,255	6,444	7,288	14,010	18,554	18,737	20,352	*20,128	†1224
Cincinnati, O.....	.....	.....	.....	.....	.....	.....	.....	.....	4,345	5,649	7,641	8,933	1,292
Cleveland, O.....	.....	.....	.....	.....	.....	595	645	1,697	2,228	5,029	5,638	7,370	1,732
Columbus, O.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1,701	1,701
Danbury, Conn.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	78	90	12
Dedham, Mass.....	.....	.....	.....	.....	.....	.....	.....	.....	2	2	2	5	3
Denver, Col.....	.....	.....	.....	.....	.....	1,175	1,175	1,572	1,754	1,791	1,798	1,957	159
Derby, Conn.....	.....	.....	.....	.....	.....	.....	.....	20	18	9	11	11	.....
Detroit, Mich.....	.....	82	175	500	871	1,101	1,145	1,235	4,409	5,489	5,415	6,030	615
Elmira, N. Y.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	230	350	557	207
Evanston, Ill.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	8	8	.....
Fall River, Mass.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	12	12
Fitchburg, Mass.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	332	332
Frederick, Md.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3	3	.....
Fresno, Cal.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	139	139	.....
Grand Rapids, Mich..	.....	.....	.....	.....	.....	.....	.....	.....	.....	3	359	179	†180
Greenwich, Conn.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2	2
Hagerstown, Md.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	4	4	.....
Hartford, Conn.....	.....	.....	.....	.....	.....	.....	769	339	340	425	509	661	152
Holyoke, Mass.....	.....	.....	.....	.....	.....	.....	.....	.....	330	404	360	360	.....
Jersey City, N. J.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1,720	2,024	2,685	661
Lawrence, Mass.....	.....	.....	.....	.....	.....	.....	.....	114	146	146	181	186	5
Lincoln, Neb.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	502	502	.....
Long Branch, N. J...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	4	4	.....

\* Excluding toll wire, included in previous years.

† Loss.



ANNUAL REPORT OF THE DIRECTORS OF  
UNDERGROUND WIRES IN USE, CONTINUED.

	Jan. 1, 1896. Miles.	Jan. 1, 1897. Miles.	Jan. 1, 1898. Miles.	Jan. 1, 1899. Miles.	Jan. 1, 1900. Miles.	Jan. 1, 1901. Miles.	Jan. 1, 1902. Miles.	Jan. 1, 1903. Miles.	Jan. 1, 1904. Miles.	Jan. 1, 1905. Miles.	Jan. 1, 1906. Miles.	Jan. 1, 1907. Miles.	Increase over 1896. Miles.
Los Angeles, Cal.....									1,027	984	1,607	2,652	1,045
Louisville, Ky. ....		9	238	469	780	1,114	1,182	1,650	2,490	4,576	5,317	5,418	101
Lowell, Mass.....					4	150	165	267	250	317	960	927	113
Lynn, Mass.....											767	832	65
Malden, Mass. ....												550	550
Manchester, N. H. ....											187	187	
Medford, Mass. ....									10	10	10	10	
Meriden, Conn.....											42	46	4
Middletown, Conn. ....										1	2	59	57
Milford, Conn.....												15	15
Milwaukee, Wis. ....	1	1				1,047	2,165	5,181	5,242	5,262	5,262	5,202	1160
Minneapolis, Minn. ....						734	1,029	1,246	1,516	2,044	2,185	2,173	112
Newark, N. J.....										2,348	3,073	3,971	898
New Bedford, Mass..										30	30	734	704
New Britain, Conn....									15	13	16	16	
New Haven, Conn....					300	546	832	390	449	618	679	797	118
New Orleans, La.....											3	2	11
Newport, R. I.....											27	27	
Newton, Mass.....									60	159	135	191	56
New York, N. Y.....	627	627	1,120	5,203	10,900	22,507	26,881	28,216	30,897	38,125	38,986	47,855	8,869
Niagara Falls, N. Y..									25	29	35	39	4
North Adams, Mass..											132	132	
Norwich, Conn.....										9	10	11	1
Oakland, Cal.....										463	1,583	1,579	114
Omaha, Neb.....									1,351	1,360	1,367	2,177	810
Orange, N. J.....							6				13	1,226	1,213
Paterson, N. J.....												1,158	1,158
Philadelphia, Pa.....							1,457	2,895	3,289	3,509	10,999	18,097	7,098
Pittsburgh, Pa.....	614	966	958	2,370	2,394	2,868	2,920	3,103	5,719	5,929	6,499	10,032	3,533
Portland, Me.....								51	70	70	410	865	455
Portland, Ore.....												516	516
Providence, R. I.....										541	3,903	3,903	
Reading, Pa.....											298	300	2
Ridgefield, Conn.....												4	4
Rochester, N. Y.....					110	242	444	677	1,183	1,302	1,302	1,376	74
Sacramento, Cal.....											333	333	

† Loss.



## UNDERGROUND WIRES IN USE, CONCLUDED.

	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.	Jan. 1, 1896. Miles.	Jan. 1, 1897. Miles.	Increase over 1896. Miles.
Salem, Mass.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	65	150	150	.....
Salt Lake City, Utah. ....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	40	86	46
San Antonio, Texas.. ....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	365	550	185
San Francisco, Cal... ..	.....	.....	.....	.....	.....	.....	985	2,415	4,047	4,346	8,031	10,263	2,232
Saybrook, Conn.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1	1
Seabright, N. J.....	.....	.....	.....	.....	.....	.....	.....	2	19	19	27	27	.....
Simsbury, Conn.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1	1
Somerville, Mass.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	4	.....	4	4
South Norwalk, Conn. ....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	47	47
South Omaha, Neb... ..	.....	.....	.....	.....	.....	.....	.....	.....	6	6	6	6	.....
Springfield, Mass....	.....	.....	.....	.....	.....	.....	.....	74	553	553	626	886	260
Stamford, Conn. ....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	100	100
St. Joseph, Mo.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	598	598
St. Louis, Mo.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	44	44	.....
Stockton, Cal.....	.....	.....	.....	.....	.....	.....	.....	.....	288	236	288	325	37
St. Paul, Minn.....	.....	.....	.....	.....	580	759	873	1,304	1,301	1,676	1,690	1,690	14
Taunton, Mass.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	39	39
Toledo, O.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2,021	2,021
Torrington, Conn....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2	2
Wallingford, Conn...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	10	10	.....
Waltham, Mass. ....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	123	123
Washington, D. C....	992	1,302	1,338	1,591	1,589	1,633	1,764	2,111	2,782	3,865	3,621	3,599	†22
Waterbury, Conn....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	151	168	17
West Newton, Mass..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	203	250	47
Wilkes Barre, Pa. ....	.....	.....	.....	.....	.....	.....	.....	.....	.....	189	189	202	13
Willimantic, Conn...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	9	9
Wheeling, W. Va....	.....	.....	.....	.....	.....	.....	.....	33	33	592	592	592	.....
Worcester, Mass.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1,271	1,723	452
Yonkers, N. Y.....	.....	.....	.....	.....	.....	.....	.....	.....	331	331	432	432	.....
	3,417	6,030	8,009	17,038	27,117	54,690	*70,386	†90,269	†120,731	\$148,351	\$184,581	224,879	50,298
American Telephone and Telegraph Co.'s long distance wires,	.....	.....	140	327	559	1,133	1,120	1,194	1,199	1,241	1,264	1,263	†1
Total .....	3,417	6,030	8,149	17,365	27,676	55,823	71,506	91,463	121,930	149,592	185,845	236,142	50,297

\* Includes 52 miles classed as toll wire.

† Includes 56 miles classed as toll wire.

|| Includes 78 miles classed as toll wire.

† Includes 53 miles classed as toll wire.

\$ Includes 66 miles classed as toll wire.

† Loss.



The adoption, by many more of the exchanges throughout the country, of the measured service and party line systems, under which the service can be furnished at the lower yearly rates, has contributed materially to the gain of subscribers.

Both of these systems are designed to bring the telephone, as an instrument of business, professional, or household use, within the reach of those whose requirements for service are limited, and who do not feel warranted in subscribing for the exclusive use of the circuit, with unlimited calls upon the exchange, which alone can serve the purposes of a great number of the subscribers who are classed as large users of the telephone.

The measured service, the system of later adoption, introduced as an experiment in a few of the larger cities from three to four years ago, and since extended to numerous other exchanges, has already proved its value in meeting the wants of many thousands of subscribers, and promises to become, to still larger extent, an approved class of service, supplementing, but not displacing, the older system of unlimited use.

One effect of the new system becomes apparent in the slightly reduced average rate of daily exchange usage—about one fifth of a call per day—made by each subscriber throughout the country. As has been noted in previous reports, there is the constant tendency to larger use on the part of the subscriber for unlimited service, while the subscriber on the measured system may find his advantage in restricting the number of his outgoing calls, as nearly as possible, to the number contracted for. He is charged nothing for the calls which he receives from other stations.

The extensive addition to the toll line systems, both of the local and long distance companies, constitutes a notable feature in the work of the year. The new lines are substantially built, under specifications drawn by competent engineers, and for the most part are equipped with copper wire in metallic circuits. Not less than 7,500 miles of new pole lines, carrying 53,000 miles of toll wire, have been constructed within the year, making the total length of wire employed for this purpose upwards of 268,000 miles. Within four years the mileage of toll lines has been doubled.



In the Long Distance Company's system there were, on January 1st, 1897, in operation, 7,344 miles of pole lines and cables, and 107,409 miles of wire, connecting 183 offices; an increase during the year of 1,543.20 miles of pole line and cables, 17,048.20 miles of wire, and 34 offices.

The following tables show the condition of the companies with which the Long Distance Company connects as regards their metallic circuit development:—

## COMPARATIVE STATEMENT.

	Number of Companies.	Number of Stations.	Connected by Metallic Circuit.		Cabinet Sets.
			Number.	Per cent.	
January 1, 1896. ....	29	201,987	78,755	38.99	20,173
“ 1, 1897. ....	32	259,198	105,091	40.54	21,452
Increase. ....	3	57,211	26,336	1.55	1,279

In all there are 32 companies reached whose systems furnish our long line terminals. These companies report a total of 259,198 stations, of which 105,091 (40.54 per cent) are connected by metallic circuit. And of these 105,091 stations 21,452 are equipped with long distance cabinet sets.

The importance, not only to the business of the companies, but to the general business interests of the country, of this rapid extension of the lines can hardly be overestimated.

Isolated exchanges are steadily becoming less in number. The great system of interconnecting lines, linking together the smaller cities and towns, as well as the important commercial centres, has brought many millions of the people within the possibility of speech over long distances by telephone, and the subscriber of to-day, at most of the exchanges, finds himself not only furnished with the facilities for talking with others in the same locality, but



able to command, almost on the instant, the service of lines, over which he may, within the time allowed for a toll line connection, hold a conversation of several hundred words with his correspondent at a distant point.

The United States still hold the leading place among the great nations of the world in the development and use of the telephone service. It is a noteworthy fact that the number of exchange stations operated by the licensees of this company about equals the aggregate of stations in all the countries of Continental Europe, having more than five times our population, taking as the basis of computation the latest statistics available, derived from official reports and scientific journals.

More than elsewhere the telephone has become a factor in our national life, the medium for conducting important transactions, to the economy of time, labor, and expense.

An interesting comparison may be found between the State of Massachusetts and the Republic of Switzerland, which has very often been cited as an instance of large development of the telephone service. Switzerland has a population larger by 475,000 than that of Massachusetts. At the close of 1895, the latest date for which the foreign report can be had, Switzerland had 23,446 telephone exchange stations against 23,390 at the same date in Massachusetts. Each subscriber in Massachusetts averages 2,500 calls per year from his station for exchange service, while in Switzerland the average use is but 530 times per year.

There is a concurrence of evidence that in the United States the telephone service has been brought to a higher standard of excellence and efficiency than elsewhere, and to this fact must be attributed, in great part, the general use into which the system has been brought for the transaction of business and for household convenience.

Recognition is due to the officers directing the operations of the numerous companies throughout the country, which make use of our instruments, for their able and unremitting efforts to develop the business upon the lines best calculated to make the telephone system an agent of great and increasing value to the commercial and industrial interests of the community.



The companies operating under our licenses expended during the year \$8,275,929.11 for new construction, to which amount is to be added an expenditure of \$1,160,924.30 for land and buildings.

With the large cost of construction in cities of considerable size, and especially since the use of underground conduits and cables has become so extended, the selection of permanent exchange centres, and the erection of suitable buildings for the operation of the service, has become, at many points, a matter of business necessity.

The total investment in real estate, already in use or to be employed for operation of the telephone business, is upward of \$8,000,000.00.

In the suit of the *United States v. The American Bell Telephone Company and Alexander Graham Bell*, the complainant began to introduce evidence in reply on April 27, 1896, and continued thereafter with some intermissions until July 2, 1896, when a short adjournment was taken. But the health of Special Assistant United States Attorney, Charles S. Whitman, Esq., subsequently became so seriously impaired that there had to be an indefinite postponement of the proceedings. He died on September 11, 1896, and no successor to his position has since been appointed.

In the suit of the *United States v. The American Bell Telephone Company et al.*—the so-called Berliner case—it will be remembered that the Government took an appeal from a decision in favor of the defendant by the Circuit Court of Appeals of the First District. This appeal was argued November 9–11 last. The Court has not yet rendered its decision.

The ledger balances as they stood on the 31st of December, 1896, and a detailed statement of the earnings and the expenses for the years 1896 and 1895 in comparison, are furnished by the Treasurer and are appended.

The Long Distance Company had invested, up to December 31, 1896, in line construction, franchises, equipment, and supplies, \$13,187,299.77. The Company shows an increase in gross earnings in 1896 over 1895 of 20.6 per cent, the amount for 1896, gross, being \$1,599,589.74.



Copies of the reports of the Auditing Committee of April 17, 1896, July 16, 1896, October 19, 1896, and January 15, 1897 are subjoined.

For the Directors,

JOHN E. HUDSON,

*President.*



## LEDGER BALANCES, DEC. 31, 1896.

### DEBTORS.

Telephones . . . . .	\$1,537,761 36
Real Estate . . . . .	1,046,126 86
Stocks and Bonds . . . . .	50,511,149 09
Merchandise and Machinery . . . . .	17,484 29
Bills and Accounts Receivable . . . . .	1,490,930 73
Cash and Deposits . . . . .	900,271 36

### CREDITORS.

Capital Stock . . . . .	\$23,650,000 00
“ “ Premium Account, . . . . .	3,561,200 00
Debenture Bonds, 1888 . . . . .	2,000,000 00
Bills and Accounts Payable * . . . . .	1,204,591 01
Patent Account (Profit and Loss) . . . . .	12,397,621 16
Profit and Loss . . . . .	6,551,403 24
Reserve . . . . .	3,987,896 67
Surplus . . . . .	2,151,011 61
	<hr/>
	\$55,503,723 69
	<hr/>
	\$55,503,723 69
	<hr/>

\* Of this amount \$1,064,250 is for the dividends payable Jan. 15, 1897, to stockholders of record Dec. 31, 1896.



# Comparative Statement of Earnings and Expenses.

## EARNINGS.

	1895.	1896.
Rental . . . . .	\$2,125,359 05	\$2,458,488 93
Less Concessions . . . . .	\$649,508 41	\$1,008,451 08
and Commissions paid Western Union Telegraph Co. . . . .	296,284 86	211,654 82
	945,792 77	1,220,105 90
Dividends . . . . .	\$1,179,566 28	\$1,238,378 03
Commission from Ex.-Terr. Lines, . . . . .	2,523,149 61	2,616,307 00
Commission from Teleg. Business, . . . . .	148,694 47	182,265 32
Real Estate . . . . .	32,422 65	34,046 88
Interest . . . . .	76,175 50	80,864 38
Miscellaneous . . . . .	215,320 06	171,355 23
	3,831 49	4,107 41
	<u>\$4,179,160 06</u>	<u>\$4,327,324 25</u>



## EXPENSES.

Expenses of Operation . .	\$495,611 87	\$499,052 31
Legal Expenses . .	182,754 73	100,744 78
Real Estate . .	37,452 70	40,117 87
Interest and Taxes . .	245,536 83	303,731 38
Royalty . .	1,452 03	
Miscellaneous . .	2,592 37	97 47
	<u>\$965,400 53</u>	<u>\$943,743 81</u>
Net Earnings . .	\$3,213,759 53	\$3,383,580 44
Surplus Account, Dec. 31, 1895,		
Net Earnings, 1896 . .	\$2,151,011 61	
	<u>3,383,580 44</u>	
Regular Dividends, 1896 . .	\$2,683,983 00	\$5,534,592 05
Extra Dividends, 1896 . .	677,250 00	
Reserve for Depreciation of Insts	22,347 44	
	<u>3,383,580 44</u>	
Surplus Account, Dec. 31, 1896,		
	<u>\$2,151,011 61</u>	



## REPORTS OF AUDITING COMMITTEE.

BOSTON, MASSACHUSETTS.

17 April, 1896.

JOHN E. HUDSON, Esq<sup>re</sup>.*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 31<sup>st</sup>, 1896.

Respectfully yours,

FRANCIS BLAKE,

*Auditing Committee A. B. Tel. Co.*

BOSTON, April 16, 1896.

I have audited the books and accounts of the American Bell Telephone Company for the quarter ending March 31<sup>st</sup>, 1896, and have to report as follows: —

I have made examination of the cash in hand and in the banks and trust companies, at the close of business March 31<sup>st</sup>, 1896, 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 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 hereby certify that in all my investigations, as above recited I have found everything correct.

CHAS. T. PLIMPTON,

*Auditor.*



BOSTON, MASSACHUSETTS.

16 July, 1896.

JOHN E. HUDSON, Esq<sup>re</sup>.*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 30<sup>th</sup>, 1896.

Respectfully yours,

FRANCIS BLAKE,

*Auditing Committee, A. B. Tel. Co.*

BOSTON, July 16, 1896.

I have audited the books and accounts of the American Bell Telephone Company for the quarter ending June 30, 1896, and have to report as follows: —

I have made examination of the cash in hand and in the banks and trust companies, at the close of business June 30, 1896, and find the amount, after allowing for outstanding checks, to agree with the balance of the cash books 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 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 hereby certify that in all my investigations as above recited, I have found everything correct.

CHAS. T. PLIMPTON,

*Auditor.*



BOSTON, MASSACHUSETTS.

19 October, 1896.

JOHN E. HUDSON, Esq<sup>re</sup>.,*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 30<sup>th</sup>, 1896.

Respectfully yours,

FRANCIS BLAKE,

*Auditing Committee, A. B. Tel. Co.*

BOSTON, October 17, 1896.

I have audited the books and accounts of the American Bell Telephone Company for the quarter ending September 30, 1896, and have to report as follows :—

I have made examination of the cash in hand and in the banks and trust companies, at the close of business September 30, 1896, 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 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 hereby certify that in all my investigations, as above recited, I have found everything correct.

CHAS. T. PLIMPTON,

*Auditor.*



BOSTON, MASSACHUSETTS.

15 January, 1897.

JOHN E. HUDSON, Esq<sup>r</sup>.*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<sup>st</sup>, 1896.

Respectfully yours,

FRANCIS BLAKE,

*Auditing Committee, A. B. Tel. Co.*

BOSTON, January 14, 1897.

I have audited the books and accounts of the American Bell Telephone Company for the quarter ending December 31, 1896, and have to report: —

I have made examination of the cash in hand and in the banks and trust companies, at the close of business December 31, 1896, 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 on 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 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 hereby certify that in all my investigations as above recited, I have found everything correct.

CHAS. T. PLIMPTON,

*Auditor.*



















