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—THE—

# New York and New Jersey Telephone Co.

## ANNUAL REPORT,

JANUARY, 1892.



NINTH ANNUAL REPORT

OF

THE DIRECTORS

OF THE

New York and New Jersey Telephone Company

TO

THE STOCKHOLDERS.

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JANUARY, 1892.

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BROOKLYN:

1892.

# The New York and New Jersey Telephone Company.

---

PRESIDENT,  
CHARLES F. CUTLER.

---

VICE PRESIDENT AND GENERAL MANAGER,  
W. D. SARGENT.

---

SECRETARY AND TREASURER,  
U. N. BETHELL.

---

EXECUTIVE COMMITTEE,  
CHARLES F. CUTLER, W. D. SARGENT,  
JOS. P. DAVIS.

---

DIRECTORS,

CHARLES F. CUTLER, . . . .	NEW YORK, N. Y.
ALEXANDER CAMERON, . . . .	BROOKLYN, N. Y.
MORRIS F. TYLER, . . . .	NEW HAVEN, CONN.
JOS. P. DAVIS, . . . .	NEW YORK, N. Y.
CHAS. A. NICHOLS, . . . .	SPRINGFIELD, MASS.
HUGH KINNARD, . . . .	NEWARK, N. J.
SAMUEL KLOTZ, . . . .	NEWARK, N. J.
WILLIAM D. SARGENT, . . . .	BROOKLYN, N. Y.
DAVID B. POWELL, . . . .	BROOKLYN, N. Y.
GEORGE H. PRENTISS, . . . .	NEW YORK, N. Y.
HENRY J. CULLEN, JR., . . . .	BROOKLYN, N. Y.
UNION N. BETHELL, . . . .	BROOKLYN, N. Y.



TELEPHONE BUILDING, GENERAL OFFICES,  
16 SMITH STREET, BROOKLYN.  
N. Y. & N. J. TELEPHONE CO.



# REPORT OF THE DIRECTORS.

TO THE STOCKHOLDERS :

Your Board of Directors has the honor to submit the following as the Annual Report of the operations of the Company for the year 1891, and of its financial condition on December 31st of that year :

## TREASURER'S REPORT, DEC. 31, 1891.

### RESOURCES.

Property Account, . . . . .	\$3,804,458.36	
Equipment Account, . . . . .	212,922.68	
Real Estate, . . . . .	278,670.29	
Office Fixtures and Furniture, . . . . .	12,828.42	
Material, . . . . .	44,074.38	
Cable Factory, . . . . .	8,080.55	
Repair Shop, . . . . .	10,572.24	
Exchange Accounts Receivable, . . . . .	76,134.21	
Sundry Accounts Receivable, . . . . .	138,987.95	
* Bonds in Reserve, . . . . .	631,000.00	
Bonds Available, . . . . .	45,000.00	
Deposits in Bank and Cash, . . . . .	9,537.61	
	\$5,272,266.69	

### LIABILITIES.

Capital Stock, . . . . .	\$2,535,000.00 ✓	
General Mortgage Bonds, . . . . .	1,500,000.00 ✓	
First Mortgage Bonds, . . . . .	472,500.00	
Real Estate Mortgages, . . . . .	89,500.00	
Bills Payable, . . . . .	94,304.80	
Vouchers Audited and Unpaid, . . . . .	88,551.52	
Sundry Accounts Payable, . . . . .	15,914.69	
Reserve		
For Accrued Interest, . . . . .	\$16,535.41	
" Unearned Rentals, . . . . .	47,836.89	
	64,372.30	
	4,860,143.31	
Surplus Account, . . . . .	\$412,123.38	

1500  
 676.000  
 824  
 631  
 472.5  
 158.5

\*General Mortgage 5% Bonds due 1920 reserved for retirement of First Mortgage 6% Bonds due 1895.

## PROFIT AND LOSS ACCOUNT, YEAR 1891.

REVENUE.	
Exchange Earnings, . . . . .	\$666,568.62
Trunk Line, Extra-Territorial, . . . . .	\$93,919.33
Toll Earnings, Local, . . . . .	22,943.27
Pay Station Earnings, . . . . .	31,313.33
	<hr/>
	148,175.93
Private Line Earnings, . . . . .	27,769.87
Speaking Tube Account, . . . . .	3,013.17
	<hr/>
	30,783.04
Western Union Commissions, . . . . .	769.19
Miscellaneous, . . . . .	24,890.38
	<hr/>
Total Gross Revenue, . . . . .	\$871,187.16
EXPENSES.	
General Expense, . . . . .	\$101,571.51
Operating Expense, . . . . .	109,691.45
Maintenance Account, . . . . .	304,132.06
Reconstruction Account, . . . . .	58,816.14
Royalty on Instruments, . . . . .	136,415.29
Royalty on Switchboards, . . . . .	1,741.92
Miscellaneous, . . . . .	13,345.42
	<hr/>
Total Operating and Maintenance Expenses, . . . . .	725,713.79
Operating Profit, . . . . .	\$145,473.37
Deduct Taxes, . . . . .	16,595.10
	<hr/>
Net Revenue, General Business, . . . . .	\$128,878.27
Real Estate Revenue, . . . . .	\$7,857.28
Real Estate Expense, . . . . .	2,176.50
	<hr/>
Net Revenue, Real Estate, . . . . .	5,680.78
	<hr/>
Net Revenue (all sources), . . . . .	\$134,559.05
Interest Account, . . . . .	71,299.44
	<hr/>
Surplus for the Year, . . . . .	\$63,259.61
Add Surplus, Jan. 1st, 1891, . . . . .	500,963.77
	<hr/>
Applicable to Dividends, . . . . .	\$564,223.38
Dividends Paid, . . . . .	152,100.00
	<hr/>
Surplus, December 31st, 1891, . . . . .	\$412,123.38

71.299  
 16.595  
 87.895

## COMPARISON.

	1890.	1891.	Increase.
Gross Earnings, . . .	\$848,926.91	\$879,044.44	\$30,117.53
Operating and Maintenance Expense, . .	503,357.96	727,890.29	224,532.33
Operating Profit, . .	\$345,568.95	\$151,154.15	x \$194,414.80
Taxes, Interest and Dividends, . . . . .	219,304.56	239,994.54	20,689.98
Added to Surplus, . .	\$126,264.39	x \$88,840.39	x \$215,104.78
Number of Stations,	8,691	9,044	353

(x Decrease.)

The storms in January, 1891, were the most destructive in the history of this Company. We suffered first from a sleet storm on January 19th, from which we were just recovering when, on the morning of January 25th, a wet clinging snow and a high wind broke down poles and wires of the most substantial character, all over the territory. On Monday morning, the 26th, we found sixty per cent. of our subscribers in the Long Island Division, and more than ninety per cent. in the New Jersey Division, including Staten Island, without service on account of prostrated lines, broken and crossed wires. These storms being equally disastrous in New York City and the surrounding country, we were unable to get competent men, in addition to our regular force, to repair the damage promptly. With our own force working overtime, and many days in the rain with the utmost cheerfulness, the entire service in the Long Island Division was restored within thirty days. The damage was much lessened in Brooklyn

by the underground system. In the New Jersey Division and Staten Island, where the construction was exclusively overhead, it required more than two months to make a general restoration of the service, and then only by the use of many miles of aerial cable. The damage was so serious that the overhauling of the entire outside plant became necessary, and consequently our maintenance charges throughout the year were greatly increased.

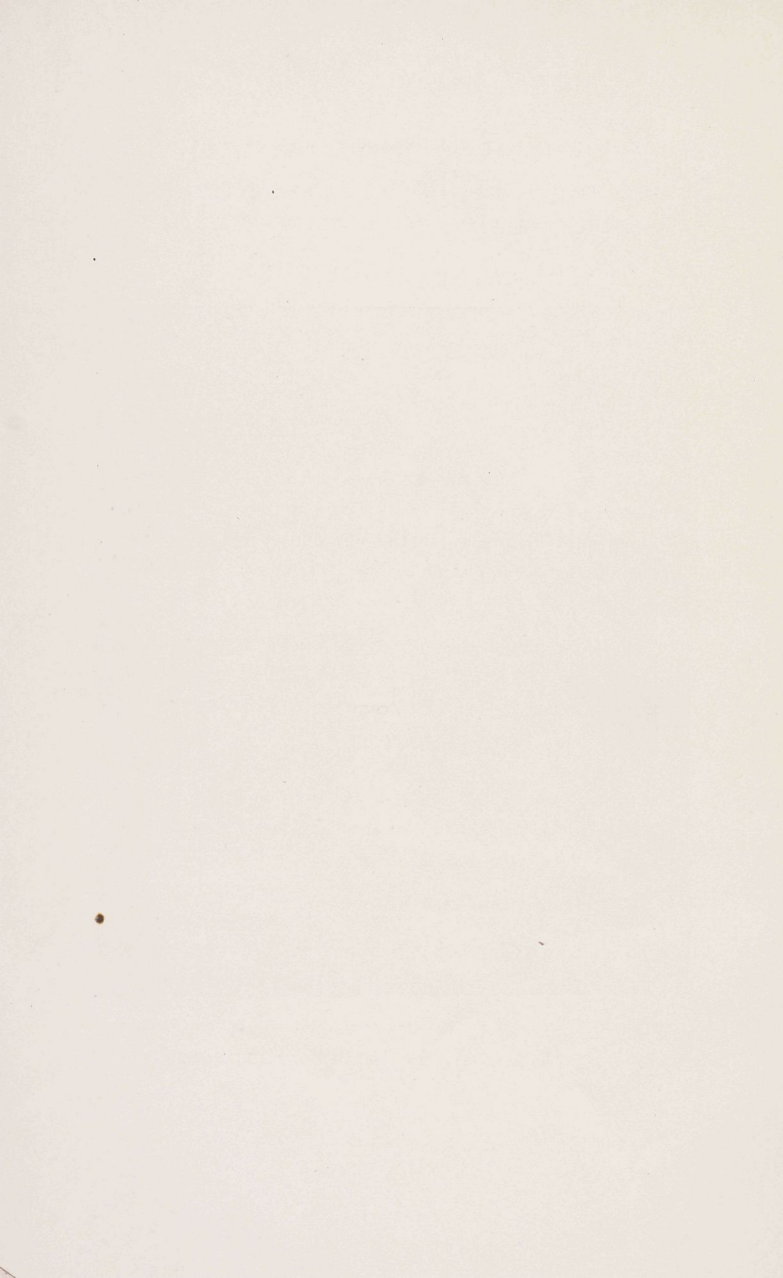
Losses by fire were also suffered. The central office in Elizabeth, including all the apparatus and supplies on hand, was destroyed in April, and that at Seabright in the great fire in June, which consumed the greater part of that city. Both fires originated outside of our offices, and in both places the service was restored in new quarters within forty-eight hours. The loss by fire was largely covered by insurance, and our claims were promptly paid.

In spite of these disasters the business increased handsomely during the last half of the year. The metallic circuit service continues to be popular, and is growing very rapidly. During the year the number of metallic circuit stations increased from 870 to 1818,—a gain of 948. No new exchanges were established during the year. That at Freehold was closed, the business there not warranting its continuance. A pay station is maintained at that point, and a line was built from there to Lakewood, where several pay stations are maintained, which promise a large amount of business. The Exchange at Islip was also closed, the business there being unprofitable. The number of pay stations



BARTLETT & CO. N.Y.

TELEPHONE BUILDING,  
THROOP AVENUE AND DECATUR STREET, BROOKLYN.  
N. Y. & N. J. TELEPHONE CO.



was increased from 259 to 323, and the aggregate volume of business done at these stations is growing constantly.

All of our exchanges are now connected with each other, and with New York City by metallic circuit trunk lines. Being fully prepared to furnish metallic circuit trunk service of satisfactory character, not only between the several points around New York City, but also with the entire Long Distance system, now reaching all important points east of Pittsburg, and realizing the importance to our subscribers of being able to avail themselves of these facilities, the rule has been adopted of taking new subscribers upon metallic circuit lines only. However, by the adoption of a combination line system, we are still able to offer service of a much improved character without increase of rates.

In Brooklyn, some additions to the underground system have been made, and 18 1-2 miles of 51-pair cable have been placed. The creosoted wooden conduits are giving satisfactory service and show no signs of decay. At the cable factory we made 11 1-2 miles of cable, but the price at which this material may now be purchased makes it unnecessary to continue work at the factory. We can afford to retire from this work with the feeling that we have contributed in no small degree to the development of a superior type of cable and a great reduction in the cost. The work in our repair shops is increasing, and with present facilities we can take care of ordinary repairs to all our apparatus with economy.

The new building in Brooklyn, at the corner of Throop Avenue and Decatur St., for the Bedford office, was com-

pleted and occupied in October. The transfer was made without interruption to the service, all the wires entering the building underground. In Jersey City, the new building at the corner of Erie and Bay Sts., the headquarters of the New Jersey Division, will be completed and ready for occupancy early in 1892. This will give us improved facilities for the Superintendent's Department and the repair shop of that division. Both buildings are commodious, well lighted, fire-proof, and constructed in the most substantial manner. Photographic views of the Company's three principal buildings may be seen elsewhere in this report.

In Newark, land has been purchased on Market street, near Broad street, but the erection of a building has not been commenced.

We have had no new litigation of importance, and at the close of the year our affairs in all branches are in a satisfactory condition.

The death of Hon. William H. Murtha, a director of the Company, occurred in April. At a special meeting of the Board of Directors, held for the purpose, the following resolutions were adopted :

*Resolved*, That in the death of Hon. William H. Murtha this Board of Directors has lost one of its most esteemed members, and that we unite with others who appreciate his worth as a citizen, in deploring his loss to the City and State, and

*Resolved*, That we sincerely sympathize with his bereaved family, and his business associates in the varied fields of labor in which he attained an enviable prominence.



TELEPHONE BUILDING, JERSEY CITY.

N. Y. & N. J. TELEPHONE CO.



In September, Mr. Theo. N. Vail retired from the Board. To fill the vacancies thus occasioned, Messrs. Henry J. Cullen, Jr., and Union N. Bethell were elected Directors.

The employés of the Company have performed their duties with the greatest zeal and efficiency, and at times under trying circumstances.

For the Board of Directors,

CHARLES F. CUTLER,  
*President.*

BROOKLYN, Feb. 20th, 1892.



AUDITORS' REPORT.

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We, the undersigned, appointed by the Directors of the New York and New Jersey Telephone Company to examine the Accounts of the Treasurer of said Company, to January 1st, 1892, do hereby certify that we have this day examined said accounts, counted the cash on hand, and verified the balances due from banks; and have to report that we find the same correct in every particular, the payments properly avouched, and the securities and cash on hand and in banks to agree with the statement of the Treasurer.

H. S. HYDE,  
JOEL C. CLARK.

BROOKLYN, N. Y., Feb. 19, 1892.

## EXCHANGES.

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NEW JERSEY DIVISION.			LONG ISLAND DIVISION.		
	No. Subscribers			No. Subscribers	
	Jan. 1, '91	Jan. 1, '92		Jan. 1, '91	Jan. 1, '92
Ashbury Park, . . . . .	86	91	Astoria, . . . . .	39	46
Bayonne, . . . . .	85	90	Babylon, . . . . .	15	20
Bloomfield, . . . . .	94	110	Brooklyn, . . . . .	4,042	4,266
Dover, . . . . .	36	42	Williamsburg, . . . . .		
Elizabeth, . . . . .	186	190	Greenpoint, . . . . .		
Englewood, . . . . .	51	50	Bedford, . . . . .		
Freehold, . . . . .	7	7	South Brooklyn, . . . . .		
Hackensack, . . . . .	36	34	East New York, . . . . .		
Hoboken, . . . . .	246	257	Flushing, . . . . .	70	67
Jersey City, . . . . .	641	639	Flatbush, . . . . .	41	49
Long Branch, . . . . .	83	100	Glen Cove, . . . . .	11	15
Morristown, . . . . .	134	139	Hempstead, . . . . .	28	24
New Brunswick, . . . . .	136	139	Islip . . . . .	4	
Newark, . . . . .	1,040	1,063	Total, . . . . .	4,250	4,487
Orange, . . . . .	491	500			
Passaic, . . . . .	82	82	Total, December 31, 1891, . . . . .		9,044
Paterson, . . . . .	574	565	Total, December 31, 1890, . . . . .		8,691
Perth Amboy, . . . . .	16	31			
Plainfield, . . . . .	159	168	Gain, . . . . .		353
Rahway, . . . . .	33	33			
Seabright, . . . . .	8	18			
Staten Island, . . . . .	216	214			
South Amboy, . . . . .	1	2			
Total, . . . . .	4,441	4,557			

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WILLIAMS B. DANA & Co.  
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*W. B. Dana*  
Maryn Smider  
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JUN 25 1953

— THE —

# New York and New Jersey Telephone Co.

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## ANNUAL REPORT.

JANUARY, 1893.



TENTH ANNUAL REPORT

OF

THE DIRECTORS

OF THE

New York and New Jersey Telephone Company

TO

THE STOCKHOLDERS.

---

JANUARY, 1893.

---

BROOKLYN:

1893.

# The New York and New Jersey Telephone Company.

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PRESIDENT,  
CHARLES F. CUTLER.

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VICE-PRESIDENT AND GENERAL MANAGER,  
W. D. SARGENT.

---

SECRETARY,  
JOEL C. CLARK.

---

TREASURER,  
U. N. BETHELL.

---

EXECUTIVE COMMITTEE,  
CHARLES F. CUTLER,                      W. D. SARGENT,  
JOS. P. DAVIS,                              JOEL C. CLARK.

---

DIRECTORS,

CHARLES F. CUTLER,	. . .	NEW YORK, N. Y.
ALEXANDER CAMERON,	. . .	BROOKLYN, N. Y.
MORRIS F. TYLER,	. . .	NEW HAVEN, CONN.
JOS. P. DAVIS,	. . .	NEW YORK, N. Y.
CHAS. A. NICHOLS,	. . .	SPRINGFIELD, MASS.
HUGH KINNARD,	. . .	NEWARK, N. J.
WILLIAM D. SARGENT,	. . .	BROOKLYN, N. Y.
DAVID B. POWELL,	. . .	BROOKLYN, N. Y.
GEORGE H. PRENTISS,	. . .	NEW YORK, N. Y.
UNION N. BETHELL,	. . .	BROOKLYN, N. Y.
JOEL C. CLARK,	. . .	BROOKLYN, N. Y.
JOHN H. CAHILL,	. . .	NEW YORK, N. Y.

# REPORT OF THE DIRECTORS.

To THE STOCKHOLDERS :

Your Board of Directors has the honor to submit the following as the Annual Report of the operations of the Company for the year 1892, and of its financial condition on December 31st of that year :

## TREASURER'S REPORT, DEC. 31, 1892.

### REVENUE.

Exchange Rental, . . . . .	\$770,093.08	
Trunk Line, Extra Territorial, . . . . .	\$129,970.65	
Toll Earnings, Local, . . . . .	37,674.35	
Pay Station Earnings, . . . . .	40,973.42	
	208,618.42	
Private Lines and Leased Instruments, . . . . .	35,186.94	
Miscellaneous, . . . . .	21,571.35	
	208,618.42	
Total Gross Revenue, . . . . .		\$1,035,469.79

### EXPENSES.

General Expense, . . . . .	\$129,274.03	
Operating Expense, . . . . .	127,644.49	
Maintenance, . . . . .	223,174.51	
Reconstruction, . . . . .	41,143.01	
Royalty on Instruments, . . . . .	144,229.31	
Royalty on Switchboards, . . . . .	1,821.92	
	667,287.27	
Total Operating and Maintenance Expenses, . . . . .		667,287.27
Operating Profit, . . . . .		\$368,182.52
Deduct Taxes, . . . . .		18,389.63 -
		\$349,792.89
Net Revenue, General Business, . . . . .		\$349,792.89
Real Estate Revenue, . . . . .	\$14,655.43	
Real Estate Expense, . . . . .	4,969.98	
	9,685.45	
Net Revenue, Real Estate, . . . . .		9,685.45
Net Revenue (all sources), carried forward, . . . . .		\$359,478.34

AMOUNT BROUGHT FORWARD, . . . . .	\$359,478.34
Interest Account, . . . . .	76,932.01
Applicable to Dividends, . . . . .	\$282,546.33
Dividends Paid, . . . . .	152,100.00
Surplus for the Year, . . . . .	\$130,446.33
Add Surplus, Jan. 1st, 1892, . . . . .	412,123.38
Surplus, Dec. 31st, 1892, . . . . .	<u>\$542,569.71</u>

**STATEMENT OF RESOURCES AND LIABILITIES,  
DECEMBER 31, 1892.**

RESOURCES.

Property Account, . . . . .	\$4,001,430.55	
Equipment Account, . . . . .	240,380.93	
Real Estate, . . . . .	293,688.06	
Office Fixtures and Furniture, . . . . .	8,948.37	
Material, . . . . .	64,333.98	
Exchange Accounts Receivable, . . . . .	115,691.12	
Sundry Accounts Receivable, . . . . .	102,968.49	
*Bonds in Reserve, . . . . .	590,000.00	
Deposits in Bank and Cash, . . . . .	12,643.24	
		<u>\$5,430,084.74</u>

LIABILITIES.

Capital Stock, . . . . .	\$2,535,000.00	
General Mortgage Bonds, . . . . .	1,490,000.00	- 610,000
First Mortgage Bonds, . . . . .	440,900.00	- 47,250
Real Estate Mortgages, . . . . .	114,500.00	
Bills Payable, . . . . .	90,231.33	
Vouchers Audited and Unpaid, . . . . .	103,341.06	
Sundry Accounts Payable, . . . . .	11,606.24	
Reserve,		
For Accrued Interest, . . . . .	\$17,306.87	
For Unearned Rentals, . . . . .	84,629.53	
	101,936.40	
		<u>4,887,515.03</u>
Surplus Account, . . . . .		<u>\$542,569.71</u>

\* General Mortgage 5% Bonds due 1920 reserved for retirement of First Mortgage 6% Bonds due 1895.

## COMPARISON.

	1891	1892	Increase.
Gross Earnings, . . . . .	\$879,044.44	\$1,050,125.22	\$171,080.78
Operating and Maintenance Expense, . . . . .	727,890.29	672,257.25	* 55,633.04
OPERATING PROFIT.	\$151,154.15	\$377,867.97	\$226,713.82
Taxes, Interest and Dividends, . . . . .	239,994.54	247,421.64	7,427.10
Added to Surplus, . . . . .	†\$88,840.39	\$130,446.33	\$219,286.72

\* Decrease. † Loss.

The report of the Treasurer, herewith submitted, shows that the year 1892 has been one of prosperity, as that of 1891 was one of disaster. During the whole year of 1892 no storms interfered with our business and no serious losses have occurred on account of fire or accident. This is the more remarkable, as the increase of electric light and power, and, more particularly, the trolley roads, have increased our liabilities in these respects.

The extensive reconstruction rendered necessary in 1891, on account of severe storms, has undoubtedly assisted in the results of this year's business.

The numerous changes to metallic circuits and the increase in the number of subscribers indicate that this class of service is efficient and popular.

December 31, 1891, the number of metallic circuit subscribers was 1,818, and December 31, 1892, the number was 3,587, making a gain during the year of 1,769.

The percentage of metallic circuits to the total number of subscribers over the whole territory is 38 per cent. This percentage varies greatly throughout the territory, reaching a maximum in Staten Island, where the trouble from electric light and power

wires began earlier than at other points. In Staten Island about 85 per cent. of the subscribers are on metallic circuits, and the indications are that the remainder will all be changed during the coming year.

The increasing cost of our plant in connection with new business is indicated by the large mileage of wire. The mileage of wire for exchange purposes, January 1, 1892, was 18,791, and January 1, 1893, the mileage was 23,973, a gain of 6,082 miles. This increase is due to changes from single wires to metallic circuits and the net gain in subscribers.

The changing character of our business is well illustrated by the number of connections and disconnections during the year; 2,279 subscribers were connected and 1,905 disconnected, making a net gain for the year of 374. These figures, of course, include the changes from single wire to metallic circuit, each change counting as a connection and disconnection, but the disconnections do not represent a loss in business in proportion to their number.

It will be noted that nearly all our gains are in the large cities, where we have facilities, and that the smaller towns are either at a stand-still or losing ground. The opposition of property-owners to the placing of poles in the vicinity of their residences largely increases the difficulty and expense of maintaining telephone systems in these smaller places. Frequent objection to the maintenance of poles at convenient points largely increases the length of wire necessary to connect subscribers, and this in turn increases their rates to a point

frequently in excess of the amount which their limited business will justify paying.

It is proposed to continue the development of the pay station business as rapidly as possible. We close the year with 345 pay stations throughout the territory, an increase during the year of 46 stations. The service is growing in popularity, and enables us to reach business which individually cannot support private telephones, but which collectively will support pay stations, and brings telephone communication within the reach of every one.

In Newark the ordinance authorizing us to place our wires underground has passed, and, at the date of this report awaits the signature of the Mayor. Plans are being prepared for a new building and underground conduits, which we hope will be completed during the year.

Our new building in Jersey City, completed early in the year, was occupied by the Superintendent and his staff on the first of May. The building is a credit to the city and to the Company, and the accommodations are everything that could be desired. It was decided not to move the Central Office into the new building until we were able to lay the wires under ground. This will probably be accomplished during the summer of 1893.

The death of Mr. Henry J. Cullen, Jr., Director of the Company, occurred in March. At a special meeting of the Board of Directors, held for the purpose, the following resolutions were adopted:

RESOLVED, That in the death of Mr. Henry J. Cullen, Jr., this Board of Directors has lost one of its most efficient and esteemed members; the Company a faithful and reliable adviser, and the City and State a most upright and public-spirited citizen.

RESOLVED, That in all our associations with our departed friend he demonstrated all the genial qualities of heart and mind which make the efficient Director and thorough gentleman, and that we shall long cherish his devotion to the best interests and welfare of this Company.

RESOLVED, that we sincerely sympathize with his bereaved family and his associates in the various fields of social, civic and professional work in which his activity and worth were displayed.

All of the employés of the Company have performed their duties with zeal and efficiency, and the year closes with our affairs throughout the territory in a satisfactory condition.

For the Board of Directors,

CHARLES F. CUTLER,

*President.*

BROOKLYN, N. Y., Feb. 20, 1893.

## AUDITORS' REPORT.

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We, the undersigned, appointed by the Board of Directors of The New York and New Jersey Telephone Company to examine the accounts of the Treasurer of said Company, to January 1st, 1893, do hereby certify that we have this day examined said accounts, counted the cash on hand, and verified the balances due from banks, and have to report that we find the same correct in every particular, the payments properly avouched, and the securities and cash on hand and in banks to agree with the statement of the Treasurer.

H. S. HYDE,  
CHAS. T. YOUNG.

BROOKLYN, N. Y., January 27th, 1893.



## EXCHANGES.

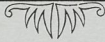
NEW JERSEY DIVISION.				LONG ISLAND DIVISION.						
		No. of Subscribers.				No. of Subscribers.				
		Jan. 1, '92.	Jan. 1, '93.			Jan. 1, '92.	Jan. 1, '93			
Asbury Park,	. . .	91	87	Astoria,	. . .	46	47			
Bayonne,	. . .	90	88	Babylon,	. . .	20	18			
Bloomfield,	. . .	110	123	Brooklyn,	}	4,266	4,441			
Dover,	. . .	42	37	Williamsburg,						
Elizabeth,	. . .	190	211	Greenpoint,						
Englewood,	. . .	50	53	Bedford,						
Freehold,	. . .	7	Closed	South Brooklyn,						
Hackensack,	. . .	34	30	East New York,	}					
Hoboken,	. . .	257	274	Flushing,				. . .	67	70
Jersey City,	. . .	639	671	Flatbush,				. . .	49	68
Long Branch,	. . .	100	93	Glen Cove,				. . .	15	19
Morristown,	. . .	139	156	Hempstead,				. . .	24	26
New Brunswick,	. . .	139	135							
Newark,	. . .	1,063	1,095	Total,				. . .	4,487	4,689
Orange,	. . .	500	500							
Passaic,	. . .	82	96	Total, December 31st, 1892,						9,418
Paterson,	. . .	565	574	Total, December 31st, 1891,						9,044
Perth Amboy,	. . .	31	33							
Plainfield,	. . .	168	170	Gain,	. . .		374			
Rahway,	. . .	33	29							
Seabright,	. . .	18	21							
Staten Island,	. . .	214	251							
South Amboy,	. . .	2	2							
Total,	. . .	4,557	4,729							







*ANNUAL REPORT.*



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JUN 25 1953

*The New York*  
*and*  
*New Jersey Telephone Co.*

*JANUARY, 1894.*



ELEVENTH ANNUAL REPORT  
OF  
THE DIRECTORS  
OF THE  
New York and New Jersey Telephone Company  
TO  
THE STOCKHOLDERS.

---

JANUARY, 1894.

---

BROOKLYN :

1894.

# The New York and New Jersey Telephone Company.

---

PRESIDENT,

CHARLES F. CUTLER.

---

VICE-PRESIDENT AND GENERAL MANAGER,

W. D. SARGENT.

---

SECRETARY,

JOEL C. CLARK.

---

TREASURER,

HENRY SANGER SNOW.

---

EXECUTIVE COMMITTEE,

CHARLES F. CUTLER,

JOS. P. DAVIS,

W. D. SARGENT,

JOEL C. CLARK.

---

DIRECTORS,

CHARLES F. CUTLER,	. . .	NEW YORK, N. Y.
ALEXANDER CAMERON,	. . .	BROOKLYN, N. Y.
MORRIS F. TYLER,	. . .	NEW HAVEN, CONN.
JOS. P. DAVIS,	. . .	NEW YORK, N. Y.
CHAS. A. NICHOLS,	. . .	SPRINGFIELD, MASS.
HUGH KINNARD,	. . .	NEWARK, N. J.
WILLIAM D. SARGENT,	. . .	BROOKLYN, N. Y.
DAVID B. POWELL,	. . .	BROOKLYN, N. Y.
GEORGE H. PRENTISS,	. . .	NEW YORK, N. Y.
JOEL C. CLARK,	. . .	BROOKLYN, N. Y.
JOHN H. CAHILL,	. . .	NEW YORK, N. Y.
FELIX CAMPBELL,	. . .	BROOKLYN, N. Y.

# REPORT OF THE DIRECTORS.

TO THE STOCKHOLDERS :

Your Board of Directors has the honor to submit the following as the Annual Report of the operations of the Company for the year 1893, and of its financial condition on December 31st of that year :

## TREASURER'S REPORT, DEC. 31, 1893.

### I. OPERATION.

#### GROSS EARNINGS.

Exchange Rental.....		\$893,667 70
Toll Earnings :		
N. Y. and N. J. Lines.....	\$47,430 86	
New York            ".....	166,707 99	
Foreign             ".....	1,952 13	
		<u>216,090 98</u>
Private Lines and Leased Instruments.....	36,482 95	
Miscellaneous.....	20,249 67	
		<u>\$1,166,491 30</u>
Gross Earnings, General Business.....		\$1,166,491 30
Real Estate Earnings.....		<u>17,340 64</u>
Total Gross Earnings.....		<u>\$1,183,831 94</u>

#### OPERATING EXPENSES.

General Expenses.....	\$156,154 22	
Central Office Operation.....	144,612 69	
Maintenance.....	204,769 50	
Reconstruction.....	53,422 41	
Rental and Royalty.....	154,985 07	
		<u>\$713,943 89</u>
Expenses, General Business.....		\$713,943 89
Real Estate Expenses.....		<u>5,097 22</u>
Total Expenses.....		<u>719,041 11</u>
Earnings over Operating Expenses (forward).....		<u>\$464,790 83</u>

Earnings over Operating Expenses (forward).....	\$464,790 83
Taxes.....	\$20,895 79-
Interest.....	76,519 84-
	<hr/>
Total Fixed Charges.....	97,415 63
	<hr/>
Profits for the Year 1893.....	\$367,375 20
Dividends Paid in 1893.....	152,100 00
	<hr/>
Surplus Earnings for 1893.....	\$215,275 20
"    Jan. 1st, 1893.....	542,569 71
	<hr/>
"    Dec. 31, 1893.....	\$757,844 91
	<hr/> <hr/>

## II. RESOURCES AND LIABILITIES.

### RESOURCES.

Property Account.....	\$4,302,189 50
Equipment Account.....	302,785 31
Real Estate.....	304,961 96
Material on Hand.....	110,680 23
Exchange Accounts Receivable.....	127,896 47
Sundry Accounts Receivable.....	128,377 98
*Bonds in Reserve.....	542,000 00
Bonds in hands of Treasurer.....	5,000 00
Cash.....	5,743 95
	<hr/>
	\$5,829,635 40

### LIABILITIES.

Capital Stock.....	\$2,535,000 00
First Mortgage Bonds Outstanding.....	404,800 00
General Mortgage Bonds.....	1,470,000 00
Real Estate Mortgages.....	114,500 00
Bills Payable.....	238,269 82
Vouchers Payable.....	177,502 96
Sundry Accounts Payable.....	15,370 49
Accrued Interest.....	17,004 61
Unearned Rental, etc.....	99,342 61
Surplus, December 31, 1893.....	757,844 91
	<hr/>
	\$5,829,635 40

\* General Mortgage 5 per cent. Bonds, due 1920, reserved for retirement of outstanding First Mortgage 6 per cent. Bonds, due 1895.

## III. COMPARISON.

	1893.	1892.	INCREASE.
Gross Earnings.....	\$1,183,831 94	\$1,050,125 22	\$133,706 72
Operating Expenses.....	719,041 11	672,257 25	46,783 86
Earnings over Operating Ex- penses.....	\$464,790 83	\$377,867 97	\$86,922 86
Fixed Charges and Dividends.....	249,515 63	247,421 64	2,093 99
Surplus Earnings for Year....	\$215,275 20	\$130,446 33	\$84,828 87

June 15, 1893, marked the close of the first decade of this Company's corporate existence, the Company having been incorporated June 15, 1883. Previous to that date the present management had been in control of the business for a few months, which period had been spent in perfecting the organization and formulating plans for the active development of the business.

It will perhaps be interesting to refer briefly to some of the changes which have taken place in the telephone industry and the business of the Company during this period of ten years, which really comprises the period during which the practical development of the great invention has taken place.

Since 1883 the territory covered by this Company's license has been enlarged by the addition of Staten Island, N. Y., Newark, N. J., and the balance of the counties in New Jersey, of which part, but not the whole, were included in the original license.

Our original license contract provided that of any future issues of capital stock, one-third should be delivered to the licensor without cost, the stock to be full paid and not liable to future assessments. As you have been previously advised, this provision of the license has now been formally surrendered, and all future issues of capital stock may be sold for cash for the benefit of the Company's treasury. This concession is considered very important and valuable.

The first full year of the operations of the business under the present management was 1883. A comparison of the revenue and expense account of that year with that of the year 1893 will prove interesting:

	1893.	1883.	Increase.
Gross Earnings.....	\$1,183,831 94	\$259,505 29	\$924,326 65
Earnings over Operating Expenses and Taxes .....	443,895 04	111,521 44	332,373 60
Number of Stations Operated....	9,671	3,673	5,998

Of these 9,671 stations, 751 are pay stations, located at convenient points throughout the territory. The extent to which the public are already availing themselves of this convenience indicates that before many years the pay station business will become one of the most important sources of revenue. Ten years ago development in this direction was scarcely thought of. At that time even the use of toll lines by subscribers was merely an *incidental* source of revenue, and few even of the most sanguine telephone managers suspected that it was likely ever to assume the proportions which it has already reached.

In the annual report of January, 1886, attention was called to the fact that during the previous year (1885), nearly 1,000,000 toll messages were handled by this Company. The toll earnings for that year amounted to \$48,691.53. During the past year (1893) 2,899,516 toll messages were handled, yielding a revenue of \$216,090.98. The very great development of this class of business is due almost entirely to the improvement in facilities furnished by the Company, both in the direction of metallic circuit copper wire toll lines and metallic circuit exchange connections. To keep pace with the demands of the public requires a constantly increased investment in this direction.

The popularity of the telephone as a means of communication is constantly increasing, and with a continuance of the present policy of furnishing the best possible facilities, it may well be within the bounds of possibility that eventually the revenue to be derived from toll business will equal, or exceed, that from exchange subscription.

During the year 1886 our first copper metallic circuit toll lines were installed, and during 1891 the policy of taking new subscribers only upon metallic circuit basis was adopted. Since that date about 3,170 miles of such toll lines have been built, and on December 31, 1893, about 60 per cent. of our entire number of subscribers' stations were equipped with metallic circuit lines.

The multiplication of conductors required for this change rendered it necessary in all the larger places to consider the underground question at once, it being next to impossible to provide room overhead for the necessary number of conductors. To satisfactorily operate metallic circuit service required a complete reconstruction of all central office plants; and their intricate and expensive character, and the importance of protecting them so far as possible against fire loss, require in many cases the construction of fire-proof buildings. It is expected that during the next year nearly, or quite, all the subscribers' lines now equipped with grounded circuits will be changed to metallic circuit.

The establishment of what is known as the "Long Distance" system, connecting Chicago, Cincinnati, Cleveland, Indianapolis and all intermediate cities eastward, marks an event in the history of the world. It brings with it the necessity for the most improved local facilities, in order that our subscribers may get all the benefits accruing from such a system.

All these items increase the expense of installation and maintenance; but believing that the true interests of the stockholders would be best promoted by keeping well abreast of the march of improvement in all directions, your Directors have always favored a liberal policy in providing the best facilities obtainable for the perfection of the service.

During the period since our first annual report, five pieces of real estate have been purchased, and suitable buildings erected for the permanent accommodation of our central exchanges and executive offices. An extensive system of subways has been constructed in Brooklyn, in which are about 177 miles of duct, and we have put in service about 100 miles of cable, having approximately 11,000 miles of conductors.

There has been expended upon the plant under the direction of the present management from October, 1882, to December 31, 1893, \$2,723,254, of which \$757,844 has been furnished by earnings, and the balance obtained by the issue of the obligations of the Company. Of this sum, \$304,961.96 has been expended for real estate; \$830,864.81 for underground conduits and cables;

\$302,785.31 for equipment (including central offices), and the balance for trunk lines and exchange construction.

During 1892 and 1893, as will be seen by the Treasurer's statement, the bonded indebtedness has been reduced \$30,000 by the operations of the sinking fund.

Upon two different occasions during the ten years the stockholders have been asked to approve plans for an increase of available capital. Upon each of these occasions the management estimated that they were making all necessary provisions for the future development of the territory. As you are well aware, in making these estimates your officers failed to fully appreciate the extent to which the telephone business of the territory would increase. When it is considered that in those early days no experience was available, and that the telephone introduced a new method of communication to the commercial world, it is perhaps not surprising that they failed to recognize how promptly its advantages would be realized and to what extent its use would be adopted. It may be said, however, that whatever new capital has been brought into the business and expended in the development of the plant, has resulted in increasing the earnings, both gross and net, considerably beyond the expectations of the officers when recommending the larger investment.

As was stated in the circular to the stockholders dated December 21st, a further increase of available capital seems necessary, if we are to continue the previous policy of keeping pace with the demands of the business, and it is confidently believed that the expenditure of this additional capital will enhance the earnings in as satisfactory a ratio as previous expenditures have done.

The advent of the date upon which the patent upon the magneto telephone expires not unnaturally suggests many inquiries as to how this will affect the business of the telephone companies. It is believed that the public are rapidly coming to realize that the telephone itself is but a small part of the system required to enable the furnishing of satisfactory telephone service. It does not appear to require much argument to show that the company which has already well established plants and the experience of

ten years in the business, should be able to maintain its present forward position as against any new enterprises which may be established, even if all the instruments and devices in the control of licensees of the Bell Company were open to unrestricted use by others, which is far from the case at the present time.

At the meeting of the stockholders held January 16, 1894, the proposed increase of capital stock was authorized. This stock has now been offered for subscription to the present stockholders in proportion to their several interests.

During the year 1893 no serious loss or damage has been sustained by the Company through fire or storm. It is fair to assume that the strengthening and general improvement of the plant, and the placing of wires underground, which have been progressing so generally in the past few years, reduce very largely the chances of serious damage through any ordinary stress of weather.

A fire-proof building suitable for the accommodation of our exchange has been completed on the lot formerly purchased at Newark, N. J., and at the date of writing this report the work of connecting the Newark subscribers into this new office is well under way. This building has been erected upon the rear portion of the lot, leaving the front on Market street for future improvement in the way of an office building, if thought desirable.

At Jersey City, N. J., the subways have been completed, cables drawn in, new switchboard set up, and it is expected that the new exchange service working through the subways will be established early in the present year.

In both of these important exchanges it is confidently anticipated that the establishment of the new service will result in very large increase in business when a general revival of business activity occurs.

It will be observed that an exchange has been re-opened at Madison, N. J. This is due to the growth of that locality and to the demand for improved service consequent upon the development of our trunk line system. All subscribers in this exchange have the improved metallic circuit equipment. The service seems highly

appreciated by the residents of the place, and the prospects are encouraging for a larger growth.

The various officers and employees of the Company have performed the duties assigned them with zeal and efficiency, and deserve great credit therefor.

For the Board of Directors,

CHARLES F. CUTLER, *President.*

BROOKLYN, N. Y., February 15, 1894.

## AUDITORS' REPORT.

We, the undersigned, appointed by the Board of Directors of The New York and New Jersey Telephone Company to examine the accounts of the Treasurer of said Company to January 1st, 1894, do hereby certify that we have this day examined said accounts, counted the cash on hand and verified the balances due from banks, and have to report that we find the same correct in every particular, the payments properly avouched, and the securities and cash on hand and in banks to agree with the statement of the Treasurer.

H. S. HYDE,  
CHAS. T. YOUNG

BROOKLYN, N. Y., February 6, 1894.

## EXCHANGES.

## NEW JERSEY DIVISION.

	No. of Stations.	
	Jan. 1, '93.	Jan. 1, '94.
Asbury Park.....	87	89
Bayonne.....	88	98
Bloomfield.....	123	127
Dover.....	37	39
Elizabeth.....	211	233
Englewood.....	53	63
Hackensack.....	30	37
Hoboken.....	274	280
Jersey City.....	671	688
Long Branch.....	93	115
Madison.....		21
Morristown.....	156	162
New Brunswick, ...	135	140
Newark.....	1,095	1,091
Orange.....	500	494
Passaic.....	96	108
Paterson.....	574	574
Perth Amboy.....	33	38
Plainfield.....	170	176
Rahway.....	29	27
Seabright.....	21	27
Staten Island.. ...	251	266
South Amboy.....	2	3
Total.....	4,729	4,896

## LONG ISLAND DIVISION.

	No. of Stations.	
	Jan. 1, '93.	Jan. 1, '94.
Astoria.....	47	47
Babylon.....	18	18
Brooklyn.....	4,441	4,511
Williamsburgh .		
Greenpoint.....		
Bedford.....		
South Brooklyn.		
East New York.		
Flushing.....	70	79
Flatbush . . . . .	68	68
Glen Cove. . . . .	19	22
Hempstead . . . . .	26	30
Total.....	4,689	4,775
Total, January 1st, 1894.....		9,671
Total, January 1st, 1893.....		9,418
Gain.....		253





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THE  
New York and New Jersey Telephone Co.

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ANNUAL REPORT,

JANUARY, 1895.



TWELFTH ANNUAL REPORT

OF

THE DIRECTORS

OF THE

New York and New Jersey Telephone Company

TO

THE STOCKHOLDERS.

---

JANUARY, 1895.

---

BROOKLYN:

1895.

# The New York and New Jersey Telephone Company.

---

PRESIDENT,  
CHARLES F. CUTLER.

---

VICE-PRESIDENT AND GENERAL MANAGER,  
W. D. SARGENT.

---

SECRETARY,  
JOEL C. CLARK.

---

TREASURER,  
HENRY SANGER SNOW.

---

EXECUTIVE COMMITTEE,  
CHARLES F. CUTLER, W. D. SARGENT,  
JOS. P. DAVIS, JOEL C. CLARK.

---

DIRECTORS,  
CHARLES F. CUTLER, . . . . . NEW YORK, N. Y.  
ALEXANDER CAMERON, . . . . . BROOKLYN, N. Y.  
MORRIS F. TYLER, . . . . . NEW HAVEN, CONN.  
JOS. P. DAVIS, . . . . . NEW YORK, N. Y.  
CHAS. A. NICHOLS, . . . . . SPRINGFIELD, MASS.  
HUGH KINNARD, . . . . . NEWARK, N. J.  
WILLIAM D. SARGENT, . . . . . BROOKLYN, N. Y.  
DAVID B. POWELL, . . . . . BROOKLYN, N. Y.  
GEORGE H. PRENTISS, . . . . . NEW YORK, N. Y.  
JOEL C. CLARK, . . . . . BROOKLYN, N. Y.  
FELIX CAMPBELL, . . . . . BROOKLYN, N. Y.  
EDWARD J. HALL, . . . . . NEW YORK, N. Y.

# REPORT OF THE DIRECTORS.

TO THE STOCKHOLDERS :

Your Board of Directors has the honor to submit the following as the Annual Report of the operations of the Company for the year 1894, and of its financial condition on December 31st of that year :

## TREASURER'S REPORT, DEC. 31, 1894.

### I. OPERATION.

#### GROSS EARNINGS.

Exchange Rental . . . . .	\$836,282	64
Pay Stations . . . . .	111,366	90
Toll Earnings . . . . .	236,790	90
Private Lines and Leased Instruments . . . . .	33,403	52
Miscellaneous . . . . .	17,433	67
Real Estate . . . . .	17,231	20
		\$1,252,508 83

#### OPERATING EXPENSES.

General Expenses . . . . .	\$161,121	96
Central Office Operation . . . . .	161,646	85
Maintenance . . . . .	288,665	38
Reconstruction . . . . .	71,564	23
Royalties . . . . .	116,152	00
Real Estate . . . . .	5,416	47
		804,566 89
Earnings over Operating Expenses . . . . .		\$447,941 94

#### FIXED CHARGES.

Interest on Real Estate Mortgages . . . . .	\$5,725	00-
Taxes . . . . .	27,603	17-
Interest on Bonds . . . . .	69,699	74-
		103,027 91

Profits for 1894 . . . . .	\$344,914	03
Dividends Paid in 1894 . . . . .	190,189	50-
Surplus Earnings for 1894 . . . . .	\$154,724	53
Surplus, Jan. 1st, 1894 . . . . .	757,844	91 ~
		\$912,569 44
Dividends Declared December 27, 1894, Payable January, 1895 . . . . .	75,000	00-
Surplus Dec. 31st, 1894 . . . . .	\$837,569	44
		\$837,569 44

## II.—RESOURCES AND LIABILITIES.

## RESOURCES.

Property .....	\$4,481,638 04	
Equipment .....	360,232 09	
Real Estate.....	310,601 13	
Material .....	111,969 97	
Exchange Accounts Receivable .....	140,186 76	
Sundry Accounts Receivable.....	133,261 88	
*Bonds in Reserve.....	500,000 00	
Treasury Stock.....	500,000 00	
Bonds in Treasury.....	15,000 00	
Cash .....	49,253 68	
	<hr/>	\$6,602,143 55

## LIABILITIES.

Capital Stock.....	\$3,500,000 00	
First Mortgage Bonds.....	375,000 00	
General Mortgage Bonds..	1,449,000 00	
Real Estate Mortgages .....	114,500 00	
Bills Payable.....	70,000 00	
Vouchers Payable.....	47,873 09	
Sundry Accounts Payable.....	15,993 50	
Accrued Interest.....	16,407 63	
Unearned Rental, etc.....	100,799 89	
Reserved for Dividends declared De- cember 27th, 1894, Payable Janu- ary, 1895.....	75,000 00	
Surplus, December 31, 1894.....	837,569 44	
	<hr/>	\$6,602,143 55

\* General Mortgage 5 per cent. Bonds, due 1920, reserved for retirement of out-  
standing First Mortgage 6 per cent. Bonds, due 1895.

## III.—COMPARISON.

	1894.	1893.	Changes.
Gross Earnings . . . . .	\$1,252,508 83	\$1,183,831 94	\$68,676 89 Inc.
Operating Expenses . . . . .	804,566 89	719,041 11	85,525 78 “
Earnings over Operating Expenses.	\$447,941 94	\$464,790 83	\$16,848 89 Dec.
Fixed Charges and Dividends . . . . .	293,217 41	249,515 63	43,701 78 Inc.
Surplus Earnings for Year . . . . .	\$154,724 53	\$215,275 20	\$60,550 67 Dec.

In the foregoing comparison it is proper to state that the indicated decrease in surplus earnings of 1894 is due to the change from overhead to underground, moving two important offices, increasing the operating expenses of the year, and also to the larger dividend requirements of the past year, due to the increase in capital stock.

Since the close of the year your Directors have decided to exercise the option given to the Company under its first mortgage—of calling all of its outstanding first mortgage 6 per cent. bonds, amounting to \$375,000, for payment March 2d, 1895, ten years before they fall due. This call has already been made, and \$375,000 of the reserve 5 per cent. bonds of 1890 have been offered for subscription to the holders of the called bonds and the public, at 103 and interest. After March 2d, 1895, therefore, the original issue of \$600,000 6 per cent. mortgage bonds of the Company will have been retired, and the general mortgage of 1890 becomes the general first lien upon your property.

Of the \$965,000 increase of stock, authorized by the stockholders in 1894, \$465,000 has been disposed of at par during the year, leaving \$500,000 still available, which, together with the surplus of \$125,000 bonds from the reserve bonds held for retirement of the old 6 per cent. bonds called for payment, will be used to provide for new construction and extension of your system, as may be required.

During the year 1894 special attention has been paid to the development of the pay station system and the toll business, and, notwithstanding the continued business depression, it will be seen by the

reports that this business is increasing in popularity, and that the introduction of pay stations, which brings the telephone within the reach of the smallest users, is the best means for extending the use of the telephone.

In addition to this, your Board of Directors have authorized a message rate system by which the telephone may be introduced in the subscriber's place of business or residence at a minimum charge, beyond which the subscriber pays according to the number of messages used. This proposition enables us to reach a new class of customers, whose use of the telephone is comparatively small.

In Newark, N. J., and Jersey City, N. J., the main lines of the underground systems have been completed, and the Central Offices moved into our new fire-proof buildings, greatly improving the service, and giving us ample facilities for the growth and development of the business, heretofore much retarded by lack of these facilities.

A lot has been purchased on Greene avenue, near Broadway, Brooklyn, N. Y., for the erection of a branch office, to be known as Bushwick. It is in contemplation to open four additional offices in Brooklyn at convenient localities, and several more in Hudson and Essex Counties, in New Jersey, which will enable the Company to dispense with charges for extra mileage.

In addition to these improvements, additions to our trunk line system will be necessary, and it is hoped that we will be able to extend our lines to the eastern end of Long Island early in the season.

The various officers and employees of the Company have performed the duties assigned to them with skill and efficiency, and they are entitled to great credit for the results obtained.

For the Board of Directors,

CHARLES F. CUTLER,

President.

BROOKLYN, N. Y., February 23, 1895.

## AUDITORS' RERORT.

We, the undersigned, appointed by the Board of Directors of The New York and New Jersey Telephone Company to examine the accounts of the Treasurer of said Company to January 1st, 1895, do hereby certify that we have this day examined said accounts, counted the cash on hand and verified the balances due from banks, and have to report that we find the same correct in every particular, the payments properly avouched, and the securities and cash on hand and in banks to agree with the statement of the Treasurer.

H. S. HYDE,  
CHAS. T. YOUNG.

BROOKLYN, N. Y., February 21st, 1895.

## EXCHANGES :

NEW JERSEY DIVISION.			LONG ISLAND DIVISION.		
	Number of Stations.			Number of Stations.	
	Jan. 1, '94.	Jan. 1, '95.		Jan. 1, '94.	Jan. 1, '95.
Asbury Park.....	89	79	Astoria .....	47	53
Bayonne .....	98	88	Babylon.....	18	14
Bloomfield.....	127	148	Brooklyn .....	} 4,579	} 4,729
Dover .....	39	38	Williamsburgh .		
Elizabeth .....	233	250	Greenpoint . . .		
Englewood.....	63	69	Bedford .....		
Hackensack .....	37	46	South Brooklyn.		
Hoboken .....	280	306	East New York.	} 79	} 82
Jersey City.....	688	759	Flatbush .....		
Long Branch ....	115	123	Flushing .....	79	82
Madison .....	21	45	Glen Cove.....	22	21
Morristown... ..	162	169	Hempstead .....	30	34
New Brunswick..	140	134			
Newark .....	1,091	1,162	Total .....	4,775	4,933
Orange .....	494	478			
Passaic .....	108	137	Total Jan. 1, 1895.....	10,102	
Paterson... ..	574	585	Total Jan. 1, 1894.....	9,671	
Perth Amboy....	38	38			
Plainfield.....	176	178	Gain.....	431	
Rahway .... .	27	28			
Seabright.....	27	27			
Staten Island....	266	278			
South Amboy....	3	4			
Total .....	4,896	5,169			





THIRTEENTH ANNUAL REPORT

OF

THE DIRECTORS

OF THE

New York and New Jersey Telephone Company

TO  
COLUMBIA  
THE STOCKHOLDERS.  
LIBRARY

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JANUARY, 1896.

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BROOKLYN :  
1896.



# The New York and New Jersey Telephone Company.

---

PRESIDENT,

CHARLES F. CUTLER,

---

VICE-PRESIDENT AND GENERAL MANAGER,

W. D. SARGENT.

---

SECRETARY,

JOEL C. CLARK.

---

TREASURER,

HENRY SANGER SNOW.

---

EXECUTIVE COMMITTEE,

CHARLES F. CUTLER,

W. D. SARGENT,

JOS. P. DAVIS,

JOEL C. CLARK.

---

DIRECTORS,

CHARLES F. CUTLER, . . . . .	NEW YORK, N. Y.
ALEXANDER CAMERON, . . . . .	BROOKLYN, N. Y.
JOS. P. DAVIS, . . . . .	NEW YORK, N. Y.
CHAS. A. NICHOLS, . . . . .	SPRINGFIELD, MASS.
HUGH KINNARD, . . . . .	NEWARK, N. J.
WILLIAM D. SARGENT, . . . . .	BROOKLYN, N. Y.
DAVID B. POWELL, . . . . .	BROOKLYN, N. Y.
GEORGE H. PRENTISS, . . . . .	NEW YORK, N. Y.
JOEL C. CLARK, . . . . .	BROOKLYN, N. Y.
FELIX CAMPBELL, . . . . .	BROOKLYN, N. Y.
EDWARD J. HALL, . . . . .	NEW YORK, N. Y.



# REPORT OF THE DIRECTORS.

TO THE STOCKHOLDERS :

Your Board of Directors has the honor to submit the following annual report of the operations of the Company for the year 1895, together with its financial condition on December 31st of that year.

## TREASURER'S REPORT, DEC. 31, 1895.

### I. OPERATION.

#### GROSS EARNINGS.

Exchange rental, - - - - -	\$860,911.67
Pay stations, - - - - -	152,542.15
Toll earnings, - - - - -	310,648.32
Private lines and leased instruments,	28,064.31
Miscellaneous, - - - - -	33,355.82
Real estate, - - - - -	20,359.96
	<hr/>
	\$1,405,882.23

#### OPERATING EXPENSES.

General expenses, - - - - -	\$200,260.62
Central office operation, - - - - -	187,082.47
Maintenance, - - - - -	305,466.45
Reconstruction, - - - - -	67,647.37
Royalties, - - - - -	88,955.71
Real estate, - - - - -	5,862.71
	<hr/>
	855,275.33
	<hr/>
Earnings over operating expenses,	\$550,606.90

Forward, - - - - -	\$550,606.90
FIXED CHARGES.	
Interest on bonds, - - - - -	\$65,331.66
Taxes, - - - - -	35,446.81
Interest on real estate mortgages, -	5,725.00
	\$106,503.47
Net earnings, - - - - -	\$444,103.43
Dividends, - - - - -	215,125.00
	\$228,978.43
Surplus earnings, 1895, - - - - -	837,569.44
	\$1,066,547.87

## II. RESOURCES AND LIABILITIES.

RESOURCES.	
Property, - - - - -	\$4,794,335.47
Equipment, - - - - -	386,822.27
Real estate, - - - - -	326,442.05
Material, - - - - -	129,399.76
Exchange accounts, - - - - -	176,560.92
Sundry accounts, - - - - -	180,917.31
Treasury stock, - - - - -	400,000.00
Treasury bonds, - - - - -	150,000.00
Cash, - - - - -	56,842.97
	\$6,601,320.75
LIABILITIES.	
Capital Stock, - - - - -	\$3,500,000.00
General mortgage bonds, - - - - -	1,430,000.00
Real estate mortgages, - - - - -	114,500.00
Bills payable, - - - - -	50,000.00
Vouchers, - - - - -	227,445.61
Sundry accounts - - - - -	21,304.85
Accrued interest, - - - - -	11,790.96
Unearned rental, etc., - - - - -	102,231.46
Reserved for dividends declared De- cember, 1895, payable January, 1896,	77,500.00
Surplus, December 31, 1895, -	1,066,547.87
	\$6,601,320.75

## III. COMPARISON.

	1895.	1894.	Changes—Inc.
Gross earnings, -	\$1,405,882.23	\$1,252,508.83	\$153,373.40
Operating expenses,	855,275.33	804,566.89	50,708.44
Earnings over oper- ating expenses,	<u>\$550,606.90</u>	<u>\$447,941.94</u>	<u>\$102,664.96</u>
Fixed charges, taxes and dividends, -	321,628.47	304,842.41	16,786.06
Surplus for year,	<u>\$228,978.43</u>	<u>\$143,099.53</u>	<u>\$85,878.90</u>

In the Annual Report of last year you were advised that the Board of Directors had called for payment, on March 2d, 1895, the first mortgage 6% bonds of your Company outstanding January 1st, 1895, amounting to \$375,000. Pursuant to this call, the entire amount of these bonds was paid off before the expiration of the year. To provide in part the funds requisite for this redemption, \$350,000 of reserved 5% bonds of 1890 were sold at a price yielding a substantial premium to the Company. This refunding constitutes the issue of general mortgage bonds of 1890, the first and only general lien on your property; effects a saving of several thousand dollars annually of interest charge; and frees \$150,000 of unissued 5% bonds heretofore held in reserve against outstanding 6%, for use in the treasury of the Company.

Of the \$500,000 of treasury stock held at the beginning of the year, your Directors have disposed of \$100,000 par value, the proceeds of which, and the premium received from it, have been applied toward the new construction and extension of your system.

During the year special attention has been given to the development of the system of message rate exchange service

initiated in 1894, and which your Directors believe, constitutes the rational basis of charge for telephone service, each subscriber being charged in proportion to his individual use, while the rate of charge diminishes as the amount of the subscriber's use increases.

The message rate schedules established for this service during the year have effected substantial reductions in the charges heretofore made for telephone service by your Company, and have thus enabled us to reach a large class of new subscribers, with relatively small use, who speedily avail themselves of the service at rates which place it within their reach.

The substantial increase in both gross and net earnings of your Company for the fiscal year, and the net gain of 1,781 new stations, reflect in large measure the growth of business resulting from the introduction of the message rate system.

Throughout the Company's territory, the pay station system, which offers the facilities of telephone communication, both local and long distance, to the public at large has been steadily and rapidly extended. The number of public stations maintained by your Company at the close of the year, aggregated 1,450, and it is intended that this service shall be increased as rapidly as the demands of business may require. The enlarged earnings shown in our report from this source, as well as from tolls for use of your trunk line service, exhibiting in each class a gain of between thirty and forty per cent. over 1894, illustrates the importance of these factors in the growth of the telephone business.

During the year your trunk line system has been extended throughout the entire length of Long Island, and before the Summer of 1896 every important point on the Island will have telephone communication with the system throughout the country. The constant increase in the use of the trunk line service, which interconnects the Company's various exchanges and joins these with the lines of other Companies, requires a steady enlargement of these facilities in both divisions of the Company's territory.

Local ordinances, authorizing the construction by the Company of its underground system, have been applied for in most of the large towns throughout our territory. In the city of Paterson our ordinance was passed during the year, and the work of constructing the underground system is well under way, and will doubtless be completed during the coming season.

In the city of Brooklyn a fire-proof building has been erected on Greene avenue, near Broadway, and another at Hamilton avenue and Luquer street, for the new "Bushwick" and "Red Hook" exchanges, respectively, the former of which has been already opened. A new exchange has also been established on Seventh avenue, near Union street, known as "Prospect," and another in South Brooklyn, known as "Bay Ridge." The principal local exchanges established during the year have been at Far Rockaway, Patchogue, Quogue, Riverhead, Greenport, Sag Harbor, Oyster Bay, Huntington and Northport, on Long Island; and at Boonton, Freehold, Lakewood, Red Bank, Ridgewood, Rutherford, Somerville and Union, in New Jersey.

The requirements of the Company's business have made apparent the necessity of soon erecting a new and larger building in the city of Brooklyn, to properly accommodate its general offices, conveniently administer the various departments of its business, and to afford adequate quarters for its principal exchange. The Board of Directors have this matter under advisement, and they expect shortly to perfect plans for undertaking the work.

In order to provide funds sufficient for this purpose, and which will be required also for the further development of the business, beyond those resources now available, your Directors have decided to recommend a further increase of the capital stock of your Company, and a call for a special meeting to consider such a proposition has already been issued.

The increase of capital authorized by you two years ago has been more than justified by the large gain in the Company's earnings arising from the improvements and extensions of its system which that increase made possible. In a territory, however, of the density of population and of the vast and rapidly enlarging business and social interests, of that covered by the lines of your Company, it is important, both in the interest of the stockholders and of the public at large, that we should be able to meet the increasing demand upon our service; and there is, in the judgment of your Board of Directors, no reason to doubt that the further investment which they will advise you to make will be as well justified by its results as have been those which you have made heretofore.

In conclusion, it is proper to acknowledge the fidelity and efficiency displayed by the various officers and employees of the Company in the performance of the duties assigned them, and they are entitled to your thanks for the satisfactory results obtained in the business of the year.

By order of the Board of Directors.

CHARLES F. CUTLER,

*President.*

BROOKLYN, N. Y., February 24, 1896.

## AUDITORS' REPORT.

We, the undersigned, appointed by the Board of Directors of The New York and New Jersey Telephone Company to examine the accounts of the Treasurer of said Company to January 1st, 1896, do hereby certify that we have this day examined said accounts, counted the cash on hand and verified the balances due from banks, and have to report that we find the same correct in every particular, the payments properly avouched, and the securities and cash on hand and in banks to agree with the statement of the Treasurer.

H. S. HYDE,  
CHAS. T. YOUNG.

BROOKLYN, N. Y., February 18, 1896.

EXCHANGES.

NEW JERSEY DIVISION.

Number of Stations.

Jan. 1, 1895.      Jan. 1, 1896.

Asbury Park.....	79	107
Bayonne.....	88	97
Bloomfield.....	148	177
Dover.....	38	52
Elizabeth.....	250	285
Englewood.....	69	91
Hackensack.....	46	64
Hoboken.....	306	279
Jersey City.....	759	827
Long Branch.....	123	122
Morristown.....	169	202
Madison.....	45	48
New Brunswick..	134	170
Newark.....	1,162	1,297
Orange.....	478	496
Passaic.....	137	167
Paterson.....	585	657
Perth Amboy.....	38	87
Plainfield.....	178	195
Rahway.....	28	44
Red Bank.....	..	31
Rutherford.....	..	29
Seabright.....	27	30
Staten Island....	278	343
Union.....	..	84

1895    1896

Arlington.....	10	
Atlantic High-		
lands.....	3	
Boonton.....	11	
Bound Brook...	2	
Freehold.....	12	
Lakewood.....	9	
Matawan.....	3	
Pompton.....	2	
Port Morris...	2	
Ridgewood....	14	
Rockaway.....	2	
Somerville....	19	
South Amboy. 4	5	
Tenafly.....	3	

Total..... 5,169      6,078

LONG ISLAND DIVISION.

Number of Stations.

Jan. 1, 1895.      Jan. 1, 1896.

Astoria.....	53	64
Babylon.....	14	25
Brooklyn.....		
Bedford.....		
Bay Ridge.....		
Bushwick.....		
East New York..	4,729	5,343
Flatbush.....		
Greenpoint....		
South.....		
Williamsburgh..		
Flushing.....	82	115
Far Rockaway...	..	41
Hempstead.....	34	35
Newtown.....	..	34
Quogue.....	..	25
	1895	1896
Glen Cove....	21	21
Greenport...	..	12
Huntington...	..	14
Northport...	..	16
Oyster Bay...	..	20
Patchogue...	..	15
Riverhead...	..	15
Sea Cliff.....	..	8
Sag Harbor...	..	2

Total..... 4,933      5,805

Total Jan. 1, 1896..... 11,883

Total Jan. 1, 1895..... 10,102

Gain..... 1,781







FOURTEENTH ANNUAL REPORT

OF

THE DIRECTORS

OF THE

New York and New Jersey Telephone Company

TO

THE STOCKHOLDERS.

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JANUARY, 1897.

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BROOKLYN:

1897.



# The New York and New Jersey Telephone Company.

---

PRESIDENT,

CHARLES F. CUTLER.

---

VICE-PRESIDENT AND GENERAL MANAGER,

W. D. SARGENT.

---

SECRETARY,

JOEL C. CLARK.

---

TREASURER,

HENRY SANGER SNOW.

---

EXECUTIVE COMMITTEE,

CHARLES F. CUTLER,

JOS. P. DAVIS,

W. D. SARGENT,

JOEL C. CLARK.

---

DIRECTORS,

CHARLES F. CUTLER,	NEW YORK, N. Y.
ALEXANDER CAMERON,	BROOKLYN, N. Y.
JOS. P. DAVIS,	NEW YORK, N. Y.
CHAS. A. NICHOLS,	SPRINGFIELD, MASS.
HUGH KINNARD,	NEWARK, N. J.
WILLIAM D. SARGENT,	BROOKLYN, N. Y.
DAVID B. POWELL,	BROOKLYN, N. Y.
GEORGE H. PRENTISS,	NEW YORK, N. Y.
JOEL C. CLARK,	BROOKLYN, N. Y.
FELIX CAMPBELL,	BROOKLYN, N. Y.
EDWARD J. HALL,	NEW YORK, N. Y.
HENRY SANGER SNOW,	BROOKLYN, N. Y.



# REPORT OF THE DIRECTORS.

---

TO THE STOCKHOLDERS:

Your Board of Directors has the honor to submit the following annual report of the operations of the Company for the year 1896, together with its financial condition on December 31st of that year.

## TREASURER'S REPORT, DEC. 31, 1896.

### I. OPERATION.

#### GROSS EARNINGS.

Exchange rental, - - - -	\$922,587.21
Pay station earnings, - - - -	163,470.88
Toll earnings, - - - -	400,887.13
Private lines and leased instruments,	27,246.10
Miscellaneous, - - - -	17,136.20
Real estate, - - - -	23,257.81
	<hr/>
	\$1,554,585.33

#### OPERATING EXPENSES.

General expenses, - - - -	\$262,711.55
Central office operation, - - - -	240,513.79
Maintenance, - - - -	350,977.99
Reconstruction, - - - -	113,801.06
Royalties, - - - -	102,303.96
Real estate expense, - - - -	6,546.32
	<hr/>
	\$1,076,854.67
Earnings over operating expenses, - -	\$477,730.66

Forward, - - - - -	\$477,730.66
FIXED CHARGES.	
Interest on bonds, - - - - -	\$63,352.51
Taxes, - - - - -	38,066.24
Interest on real estate mortgage, -	5,849.97
	107,268.72
Net earnings, - - - - -	\$370,461.94
Dividends, - - - - -	253,363.00
	\$117,098.94
Surplus earnings, 1896, - - - - -	1,066,547.87
Surplus, January 1, 1896, - - - - -	\$1,183,646.81
Surplus, December 31, 1896, - - - - -	

## II. RESOURCES AND LIABILITIES.

### RESOURCES.

Property, - - - - -	\$5,334,729.41
Equipment, - - - - -	473,486.76
Real estate, - - - - -	408,616.13
Material, - - - - -	158,593.33
Exchange accounts, - - - - -	201,711.35
Sundry accounts, - - - - -	177,806.98
Treasury stock, - - - - -	396,900.00
Treasury bonds, - - - - -	150,000.00
Cash, - - - - -	33,519.43
	\$7,335,363.39

### LIABILITIES.

Capital stock, - - - - -	\$4,120,000.00
General mortgage bonds, - - - - -	1,411,000.00
Real estate mortgages, - - - - -	121,500.00
Bills payable, - - - - -	50,000.00
Vouchers, - - - - -	263,872.42
Sundry accounts, - - - - -	26,105.68
Accrued interest, - - - - -	11,669.08
Unearned rental, - - - - -	54,491.90
Reserved for dividends declared Decem- ber, 1896, payable January, 1897,	93,077.50
Surplus, December 31, 1896, - - - - -	1,183,646.81
	\$7,335,363.39

## III. COMPARISON.

	1896.	1895.	Changes.
Gross earnings, -	\$1,554,585.33	\$1,405,882.23	\$148,703.10 Inc.
Operating expenses,	1,076,854.67	855,275.33	221,579.34 Inc.
Earnings over oper-			
ating expenses,	\$477,730.66	\$550,606.90	\$72,876.24 Dec.
Fixed charges, taxes			
and dividends, -	360,631.72	321,628.47	39,003.25 Inc.
Surplus for year,	\$117,098.94	\$228,978.43	\$111,879.49 Dec.

At the special meeting of Stockholders held on March 12th, 1896, the authorized capital stock of the Company was increased from \$3,500,000 to \$5,000,000, and upon the same date the Board of Directors, pursuant to this action, offered to the Stockholders \$620,000 of the increased stock at par, in proportion to their existing holdings. Practically the entire amount of this offering was subscribed for, and the proceeds thereof have been used in the large extensions of the Company's system which have been made during the year. The addition to your investment in plant and property of the Company, represented by Capital Account, amounts to \$709,232.51.

It was apparent a year ago that the demands upon your Company for service throughout its thickly settled territory were so great and so rapidly increasing, that very large extensions must immediately be made in order to take care properly of the Company's business.

The expenditure of the above mentioned large sum in the extension of the plant, and the substantial increase in

the revenues of your Company resulting therefrom, has demonstrated almost beyond question that there is still room for further development of the telephone business in the territory covered by your licenses which will require large additional expenditures. Your directors believe that the experience of the past justifies them in stating that there is reasonable assurance that upon such further investment, judiciously made, a fair dividend will be earned.

There have been opened during the year 23 new central offices throughout the territory, a very large amount of new trunk lines has been constructed, and many old lines overhauled and rebuilt. Although the gain in stations operated by your Company during the year 1895 far surpassed that of any former year, it is gratifying that the increase of the present year has been still larger, the number of stations maintained at the close of 1896 being 14,333, representing a net gain for the year of 2,450. The changes from single wire to metallic circuit service have progressed steadily during the year until at the date of this report about 94 per cent. of your Company's stations are receiving metallic circuit service.

The Company's underground system has been considerably extended in the Cities of Brooklyn, Jersey City and Newark, and new underground systems have been constructed in the Cities of Paterson and Orange, N. J. Ordinances were passed during the year by the Cities of Orange and East Orange, N. J., authorizing the construction of

subways, and it is expected that the system in the latter city will be built during the coming season.

The extension of your lines throughout Long Island, made a year ago, has enabled us to establish successful Exchanges at a number of the principal towns, until substantially every point on the Island is now connected with the telephone systems of the country by your trunk lines.

The number of pay stations operated by your Company at the close of the year is 2,038, representing a gain of 588 during the year. These stations have proved themselves of large public service, and as the people become accustomed to their use and appreciative of their convenience, the amount of use and the consequent revenue may be expected to show a corresponding increase.

In order to provide proper accommodations for handling the Company's business, there have been acquired during the year several pieces of real estate. The most important of these are: A corner plot about 100 feet square, on Willoughby street, in the City of Brooklyn, not far from the present location of the Company's main Office, upon which it is proposed to erect during the present year a substantial eight story building to accommodate the General Offices and the various administrative departments of the Company, as well as its principal Brooklyn Exchange. The plans for this building have been completed, and it is hoped that the building may be ready for occu-

pany early in 1898. A desirable lot has been acquired, adjoining the Company's Williamsburgh Exchange, and a plot of ground was also bought in the City of Paterson, N. J. Upon both of these it is proposed hereafter to erect substantial buildings for the Company's central offices.

The unusual business depression which has existed throughout the past year has undoubtedly caused a very considerable diminution of the revenues which your Company would otherwise have earned. While the gross earnings of your Company show a substantial increase above those of the preceding year, they are, we believe, much less than would have been the case in ordinary times.

It is apparent, also, from an inspection of the financial report, that your Company's expenses of operation have increased during the present year in larger ratio than the gross earnings. The large number of new central offices which the Company has established during the year required a considerable additional outlay for expenses of operation, in advance of the increased revenue from new subscribers for whom these offices are provided. Undoubtedly, also, the rapid change which has been progressing during the year from the former "Flat Rate" to "Message" Contracts, upon a somewhat lower basis, has had its effect. These conditions, which have caused an increase in the ratio of expense to earnings, are of a temporary nature, and it is believed that the business will, in a large

degree, adjust itself during the coming year, so as to restore, at least approximately, the former ratio.

It will be interesting to note that during the year 1896 three Companies which were organized within the territory of your Company to transact a competing business, have succumbed, and their territory is now operated exclusively by your Company. These Companies were located at Somerville and at Freehold, N. J., and on the eastern end of Long Island. At the outset of the year your Company had no exchange service whatever in Somerville, operating a few pay stations only in that town and the adjoining town of Raritan. At the close of the year we have a successful Exchange established at those points, with 105 stations connected.

While an opposition Company is still in operation at Elizabeth, N. J., it has not hindered the growth of our business at that point, and a gain in the number of stations of over 20 per cent. during the year, as against practically no gain by the opposing Company, is a satisfactory assurance of the superior character of our service.

At other points within the territory Companies have been organized to operate in the telephone field, but up to the present time substantially no service is being rendered, and the business of your Company, so far as competition is concerned, is not interfered with.

Your Directors are gratified to inform the Stockholders that since the close of the year a decision has been

handed down by the Court of last resort of the State of New York, affirming the judgments in the Courts below, granted in favor of your Company in its litigation with the Metropolitan Telephone and Telegraph Company of New York, in reference to the acquisition of the Newark territory some years ago. While the amount of the judgment is yet to be finally settled, it is believed that the recovery will afford a very substantial and satisfactory fund for the purposes of the Company during the coming year.

To the various officers and employees of the Company, whose ability and attention have made possible the satisfactory results achieved during the year, your Directors are glad to express their acknowledgments and their full appreciation of the service rendered.

By order of the Board of Directors,

CHARLES F. CUTLER,

*President.*

BROOKLYN, N. Y., February 27th, 1897.

## AUDITORS' REPORT.

We, the undersigned, appointed by the Board of Directors of the New York and New Jersey Telephone Company to examine the accounts of the Treasurer of said Company to January 1, 1897, do hereby certify that we have this day examined said accounts, counted the cash on hand and verified the balances due from banks, and have to report that we find the same correct in every particular, the payments properly avouched, and the securities and cash on hand and in banks to agree with the statement of the Treasurer.

H. S. HYDE,

CHAS. T. YOUNG.

BROOKLYN, N. Y., February 19th, 1897.

EXCHANGES.

LONG ISLAND DIVISION.

	Number of Stations.			Number of Stations		
	Jan. 1, 1896.	Jan. 1, 1897.		Jan. 1, 1896.	Jan. 1, 1897.	
Astoria . . . . .	64	74	Brought forward.	5,432	6,266	
Babylon . . . . .	25	17	Far Rockaway . . . . .	41	55	
Bath Beach . . . . .	..	35	Flushing . . . . .	115	125	
Bayshore . . . . .	..	13	Glen Cove . . . . .	21	27	
Brooklyn . . . . .	} 5,343	} 6,091	Jamaica . . . . .	..	36	
Bay Ridge . . . . .			Hempstead . . . . .	35	49	
Bedford . . . . .			Newtown . . . . .	34	50	
Bushwick . . . . .			Quogue . . . . .	25	27	
East New York . . . . .					1896	1897
Flatbush . . . . .			Amityville . . . . .	11	} 102	} 183
Greenpoint . . . . .			Greenport . . . . .	12		
Hamilton . . . . .			Hicksville . . . . .	10		
Prospect . . . . .			Islip . . . . .	11		
South . . . . .			Huntington . . . . .	14		
Williamsburgh . . . . .	Northport . . . . .	16				
Coney Island . . . . .	Oyster Bay . . . . .	20				
	Patchogue . . . . .	15				
	Riverhead . . . . .	15				
	Sea Cliff . . . . .	8				
	Sag Harbor . . . . .	2				
	Southampton . . . . .	12				
Carried forward..	5,432	6,266	Total . . . . .	5,805	6,818	
Total Jan. 1, 1897 . . . . .				14,333		
Total Jan. 1, 1896 . . . . .				11,883		
				<hr/>		
Gain . . . . .				2,450		

EXCHANGES—Continued.

NEW JERSEY DIVISION.

	Number of Stations.			Number of Stations.	
	Jan. 1, 1896.	Jan. 1, 1897.		Jan. 1, 1896.	Jan. 1, 1897.
Asbury Park . . . . .	107	128	Brought forward.	5,573	6,775
Bayonne . . . . .	97	117	Staten Island . . . . .	343	438
Bloomfield . . . . .	177	233	Union . . . . .	84	103
Montclair . . . . .			Westfield . . . . .		
Dover . . . . .	52	62			
Elizabeth . . . . .	285	347			
Englewood . . . . .	91	122			
Hackensack . . . . .	64	74			
Hoboken . . . . .	279	310			
Jersey City . . . . .	827	986			
Bergen . . . . .					
Long Branch . . . . .	122	143			
Morristown . . . . .	202	264			
Madison . . . . .	48	57			
New Brunswick . . . . .	170	187			
Newark . . . . .	1,297	1,589			
Roseville . . . . .					
Bowery . . . . .					
Orange . . . . .	496	525			
Passaic . . . . .	167	211			
Paterson . . . . .	657	801			
Perth Amboy . . . . .	87	105			
Plainfield . . . . .	195	232			
Rahway . . . . .	44	46			
Red Bank . . . . .	31	45			
Rutherford . . . . .	29	49			
Seabright . . . . .	30	37			
Somerville . . . . .	19	105			
Carried forward.	5,573	6,775	Total . . . . .	6,078	7,515

	1896	1897				
Arlington . . . . .	10	15	}	78		
Atlantic High-						
lands . . . . .	3	9				
Boonton . . . . .	11	12				
Bound Brook . . . . .	2	3				
Butler . . . . .		2				
Fort Lee . . . . .		7				
Freehold . . . . .	12	10				
Lakewood . . . . .	9	24				
Locust Point . . . . .		2				
Matawan . . . . .	3	6				
Millburn . . . . .		3				
Mt. Arlington . . . . .		1				
Oceanic . . . . .		6				
Oradell . . . . .		5				
Pompton . . . . .	2 cl's'd					
Pompton Lakes . . . . .		11				
Port Morris . . . . .	2	2				
Ridgewood . . . . .	14	22				
Rockaway . . . . .	2	2				
South Amboy . . . . .	5	7				
South River . . . . .		4				
Tenafly . . . . .	3	3				



FIFTEENTH ANNUAL REPORT

OF

THE DIRECTORS

OF THE

New York and New Jersey Telephone Company

TO

THE STOCKHOLDERS.

---

JANUARY, 1898.

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BROOKLYN:

1898.



# The New York and New Jersey Telephone Company.

PRESIDENT,

CHARLES F. CUTLER.

VICE-PRESIDENT AND GENERAL MANAGER,

W. D. SARGENT.

SECRETARY,

JOEL C. CLARK.

TREASURER,

HENRY SANGER SNOW.

EXECUTIVE COMMITTEE,

CHARLES F. CUTLER,  
JOS. P. DAVIS,

W. D. SARGENT,  
JOEL C. CLARK.

DIRECTORS,

CHARLES F. CUTLER,	. . .	NEW YORK, N. Y.
ALEXANDER CAMERON,	. . .	BROOKLYN, N. Y.
JOS. P. DAVIS,	. . .	NEW YORK, N. Y.
CHAS. A. NICHOLS,	. . .	SPRINGFIELD, MASS.
HUGH KINNARD,	. . .	NEWARK, N. J.
WILLIAM D. SARGENT,	. . .	BROOKLYN, N. Y.
DAVID B. POWELL,	. . .	BROOKLYN, N. Y.
GEORGE H. PRENTISS,	. . .	NEW YORK, N. Y.
JOEL C. CLARK,	. . .	BROOKLYN, N. Y.
FELIX CAMPBELL,	. . .	BROOKLYN, N. Y.
EDWARD J. HALL,	. . .	NEW YORK, N. Y.
HENRY SANGER SNOW,	. . .	BROOKLYN, N. Y.



# REPORT OF THE DIRECTORS

TO THE STOCKHOLDERS:

Your Board of Directors has the honor to submit the following annual report of the operations of the Company for the year 1897, together with a statement of its financial condition on December 31st of that year.

## TREASURER'S REPORT, DEC. 31, 1897.

### I. OPERATION.

#### GROSS EARNINGS.

Exchange, - - - - -	\$983,880.56
Toll, - - - - -	517,968.24
Pay station, - - - - -	199,884.56
Private lines and leased instruments, -	25,959.06
Miscellaneous, - - - - -	37,268.49
Real estate, - - - - -	25,326.30
	<hr/>
	\$1,790,287.21

#### OPERATING EXPENSES.

General, - - - - -	\$312,531.56
Central office, - - - - -	276,548.37
Maintenance, - - - - -	384,054.23
Reconstruction, - - - - -	140,790.01
Royalties, - - - - -	113,813.09
Real estate, - - - - -	9,082.63
	<hr/>
	\$1,236,819.89
Earnings over operating expenses, - - - - -	\$553,467.32

Forward, - - - - -	\$553,467.32
FIXED CHARGES.	
Interest on bonds, - - - - -	\$64,563.87
Taxes, - - - - -	39,000.00
Interest on real estate mortgages, -	5,741.29
	109,305.16
Net earnings, - - - - -	\$444,162.16
Dividends, - - - - -	272,420.50
	\$171,741.66
Surplus earnings, 1897, - - - - -	173,258.48
Settlement Newark case, - - - - -	1,183,646.81
Surplus, January 1, 1897, - - - - -	\$1,528,646.95
Surplus, December 31, 1897, - - - - -	

## II. RESOURCES AND LIABILITIES.

### RESOURCES.

Plant, - - - - -	\$5,748,309.93
Equipment, - - - - -	547,040.55
Real estate, - - - - -	642,983.72
Material, - - - - -	196,385.04
Accounts receivable, - - - - -	371,765.87
Treasury stock, - - - - -	808,900.00
Treasury bonds, - - - - -	31,000.00
Cash, - - - - -	57,566.33
	\$8,403,951.44

### LIABILITIES.

Capital stock, - - - - -	\$5,000,000.00
General mortgage bonds, - - - - -	1,392,000.00
Real estate mortgages, - - - - -	121,500.00
Vouchers, - - - - -	181,041.32
Accounts payable, - - - - -	34,874.66
Accrued interest, - - - - -	12,565.36
Advance charges unearned, - - - - -	28,545.65
Reserved for dividends declared Decem- ber, 1897, payable January, 1898,	104,777.50
Surplus, December 31, 1897, - - - - -	1,528,646.95
	\$8,403,951.44

## III. COMPARISON.

	1897.	1896.	Changes.
Gross earnings, -	\$1,790,287.21	\$1,554,585.33	\$235,701.88 Inc.
Operating expenses,	1,236,819.89	1,076,854.67	159,965.22 Inc.
Earnings over oper- ating expenses,	\$553,467.32	\$477,730.66	\$75,736.66 Inc.
Fixed charges, taxes and dividends,	381,725.66	360,631.72	21,093.94 Inc.
Surplus from opera- tion - - -	\$171,741.66	\$117,098.94	\$54,642.72 Inc.

On September 30th, 1897, your Board of Directors, in order to provide the funds requisite for the new construction and extension of your Company's system for the years 1897 and 1898, authorized the issue to the Stockholders, at par, of \$932,500 of the unissued stock of the Company. This issue was made under the increase of capital provided for at the special meeting of Stockholders held March 12th, 1896; and when the final installments upon the subscription shall be paid, the outstanding capital stock of your Company will amount to \$4,662,400.

Your Directors also authorized the sale of \$100,000 of 5 per cent. general mortgage bonds in the treasury, which was effected at a price which yielded a substantial premium to the Company.

Allusion was made in the Annual Report of last year, to the decision of the New York Court of Appeals, favorable to this Company, in its suit against the Metropolitan Telephone and Telegraph Company of New

York. Your Directors are now pleased to report a satisfactory settlement of the claim against that Company, growing out of the suit with the Domestic Telegraph Company, of Newark, N. J., in reference to the Newark license. The balance of the amount received, \$173,258.48, after deducting legal expenses and all charges against the account, has been credited to Surplus Account, as indicated upon the foregoing financial statement.

The new construction added to your investment in plant, equipment and real estate of the Company, amounted to \$699,137.76.

The financial results of your Company's operations for the year satisfy your Directors that the policy of meeting the constant demand for extension of telephone service throughout the territory served by your Company, is both wise and profitable. Your Company is the only one furnishing a general system of telephone communication throughout the densely populated territory surrounding New York. The demand for telephone service is steadily increasing and must, in the judgment of your Directors, be promptly responded to. While, in the construction of additions to the Company's system, reasonable provision is made for future requirements, it is evident that the process of growth and development of your property must still continue, and it is gratifying to note, therefore, that the enlargement of capital so made necessary promises a reasonable return for the investment.

The revival in general business conditions throughout the country, which has taken place during the past year, has been amply reflected in the growth of your Company's business, both in increased earnings and in the large gain in the number of stations. The net increase in stations has amounted to 3,760, making the total number of stations on January 1st, 1898, 18,093; a gain of over 25 per cent. for the year, as against a gain of about 20 per cent. for the preceding year.

It is especially gratifying to note the large increase of earnings from your Company's toll lines. This affords an additional indication of the increasing popularity of the service and of the process of educating the public in its use. Necessarily, your Company's extensive toll line system among the numerous cities and towns in its territory, and between them and the City of New York, constitutes a large item in its plant investment. The great number of new lines built during the past few years afford facilities for handling the large and rapidly growing traffic of the territory, and all indications point to a steady increase in the volume of this business and in its importance as a part of the general business.

Closely connected with the toll line business in character, is that of the pay stations. At the beginning of the year your Company maintained 2,038 of these stations in its territory, which included a gain of 588 such stations during the year 1896. At the close of the year

1897, there had been established 3,257 pay stations, making a gain for the year of 1,219. It is the policy of your Management to extend these facilities for the public use as rapidly as the demand may require. It is believed that the increase of pay stations, instead of diminishing, contributes to a corresponding increase in the number of exchange or private stations, inasmuch as the former serve to teach the people the convenience and usefulness of telephone service.

During the year, there has been erected upon the land purchased on Willoughby Street, Brooklyn, a year ago, a commodious and imposing building for the general offices of your Company and for its principal Brooklyn exchange. This building is now approaching completion and is expected to be ready for occupancy about the first of March.

There has been acquired also a plot of ground and building at Morristown, N. J., for a permanent central office at that point.

Your Directors have under consideration the erection, upon the land purchased by your Company some years ago, at Newark, N. J., of a substantial office building, sufficient to afford accommodations for your Company's offices in that city. Plans are also in preparation for the erection of a building for the accommodation of the central office of the Company in the City of Paterson, N. J. Work will be begun early in the coming Spring, and it is hoped the building will be ready in the Fall.

The work of extending the Company's underground system in the large cities and towns of its territory, and thereby establishing the plant upon a more permanent basis, has steadily progressed throughout the past year. New underground systems have been constructed at Hoboken, at Morristown, and at East Orange, N. J.

An ordinance has been granted to your Company, authorizing the construction of a subway system at Plainfield, N. J., and the work of construction will be undertaken during the coming season.

Your Directors believe that they are warranted in assuming, as pointed out in the last Annual Report, that the business of the Company is now satisfactorily adjusting itself to the change of conditions arising from the institution of the message basis of charge for telephone service, in place of that of flat rates. This is indicated by the improved ratio of earnings to operating expenses in the year past. The excess facilities provided a year ago in the large number of new exchanges then established, are being taken up with satisfactory rapidity, thus reducing the ratio of cost of operation to revenue in those exchanges.

In respect of the status of competing companies established in your Company's territory, there has been no material change of conditions from that noted one year ago. The only opposition worthy of note is that maintained at Newark, Jersey City and Elizabeth, N. J.

The unprofitable rates at which service has been rendered by competing companies have apparently been productive of unsatisfactory results to those persons who have been induced to invest with them, while the character of the service furnished by them has not, in the judgment of your Directors, been such as to lead us to fear the ultimate result of this opposition upon our own business. During the year, your Company has gained in the city of Newark 718 stations, in Jersey City 174 stations, and in Elizabeth 157 stations, and in every case the increase has surpassed that of any year in the Company's history. There is, therefore, in the opinion of your Directors, no reason to doubt that the superiority of your Company's service, as well as the vastly larger facilities which it is able to afford, by reason of its pay station system and its trunk line and long distance connections, will hold it secure against competition from whatsoever source. It is, at the same time, to be borne in mind that your Management believe the best weapon with which to meet and to forestall such competition is the continued extension and improvement, where possible, of the service which your Company renders, together with such reductions in the cost of the service as experience may justify and as shall be consistent with a fair return to the Stockholders upon their investment.

It gives your Directors pleasure to testify again to the efficiency and fidelity of the work performed by the employees of the Company throughout the year. There

has been absolute harmony and united effort among all classes of your Company's employees, and it is chiefly to these conditions that the excellent results achieved are due.

By order of the Board of Directors,

CHARLES F. CUTLER,  
*President.*

NEW YORK, February 25th, 1898.

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### AUDITORS' REPORT.

We, the undersigned, appointed by the Board of Directors of the New York and New Jersey Telephone Company to examine the accounts of the Treasurer of said Company to January 1, 1898, do hereby certify that we have this day examined said accounts, counted the cash on hand, and verified the balances due from banks, and have to report that we find the same correct in every particular, the payments properly avouched, and the securities and cash on hand and in banks to agree with the statement of the Treasurer.

H. S. HYDE,  
CHAS. T. YOUNG.

NEW YORK, February 23d, 1898.

## EXCHANGES.

## NEW JERSEY DIVISION.

	Number of Stations.			Number of Stations.	
	Jan. 1, 1898.	Jan. 1, 1897.		Jan. 1, 1898.	Jan. 1, 1897.
Asbury Park . . . .	158	128	Brought forward.	8,223	6,261
Bayonne . . . . .	135	117	Plainfield . . . . .	290	232
Bloomfield . . . . }	326	233	Rahway . . . . .	50	46
Montclair . . . . }			Red Bank . . . . .	58	45
Dover . . . . .	71	62	Rutherford . . . . .	57	49
Elizabeth . . . . .	504	347	Seabright . . . . .	46	37
Englewood . . . .	153	122	Somerville . . . . .	106	105
Hackensack . . . .	117	74	Staten Island . . .	594	438
Hoboken . . . . .	362	310	Union . . . . .	140	103
Jersey City . . . }	1,160	986	Westfield . . . . .	54	43
Bergen . . . . . }					
Long Branch . . . .	174	143		1898	1897
Morristown . . . .	319	264	Arlington . . . . .	16	15
Madison . . . . .	76	57	Atlantic High-		
New Brunswick . .	263	187	lands . . . . .	14	9
Newark . . . . . }	2,307	1,589	Boonton . . . . .	16	12
Bowery . . . . . }			Bound Brook . . .	4	3
Roseville . . . . . }			Butler . . . . .	2	2
Orange . . . . . }	611	525	Fort Lee . . . . .	8	7
East Orange . . }			Freehold . . . . .	25	10
Passaic . . . . .	293	211	Lakewood . . . . .	40	24
Paterson . . . . .	1,069	801	Locust Point . . .	2	2
Perth Amboy . . .	125	105	Matawan . . . . .	8	6
			Millburn . . . . .	7	3
			Mt. Arlington . .	4	1
			Netcong . . . . .	6	4
			Oceanic . . . . .	8	6
			Oradell . . . . .	9	5
			Pompton Lakes . .	16	13
			Ridgewood . . . .	25	22
			Summit . . . . .	3	..
			South Amboy . . .	10	7
			South River . . .	7	4
Carried forward	8,223	6,261	Total . . . . .	9,846	7,515

EXCHANGES.—Continued.

LONG ISLAND DIVISION.

	Number of Stations.			Number of Stations.			
	Jan. 1, 1898.	Jan. 1, 1897.		Jan. 1, 1898.	Jan. 1, 1897.		
Astoria .....	85	74	Brought forward...	7,578	6,321		
Babylon .....	20	17	Flushing .....	164	125		
Bath Beach .....	68	35	Glen Cove.....	32	27		
Bayshore .....	17	13	Jamaica .....	53	36		
Brooklyn .....	7,244	6,091	Hempstead .....	55	49		
Bay Ridge.....			Newtown .....	60	50		
Bedford .....			Quogue .....	26	27		
Bushwick.....			Richmond Hill...	17	..		
East New York .			1898 1897		Amityville .....	15	11
Flatbush .....			Centre Moriches.	7	..		
Hamilton .....			Greenport .....	18	19		
Prospect .....			Hicksville .....	11	10		
South .....			Islip.....	24	11		
Williamsburgh ..			Huntington ....	13	14		
Coney Island .....	Northport .....	48	24				
Far Rockaway ...	Oyster Bay.....	26	24				
	Patchogue.....	14	20				
	Riverhead.....	19	17				
	Rockville Centre	19	..				
	Sea Cliff.....	8	7				
	Sag Harbor.....	10	14				
	Shelter Island... 6	..	..				
	Southampton ... 24	12	..				
Carried forward	7,578	6,321	Total .....	8,247	6,818		

SUMMARY

	L. I. Div.	N. J. Div.	Total.
Stations, Jan. 1, 1898 .....	8,247	9,846	18,093
Stations, Jan. 1, 1897 .....	6,818	7,515	14,333
Gain .....	1,429	2,331	3,760



SIXTEENTH ANNUAL REPORT

OF

THE DIRECTORS

OF THE

New York and New Jersey Telephone Company

TO

THE STOCKHOLDERS.

---

JANUARY, 1899.

---

BROOKLYN:

1899.



# The New York and New Jersey Telephone Company.

---

PRESIDENT,

CHARLES F. CUTLER.

---

VICE-PRESIDENT AND GENERAL MANAGER,

W. D. SARGENT.

---

ACTING SECRETARY,

WALDRON HOPPINS.

---

TREASURER,

HENRY SANGER SNOW.

---

EXECUTIVE COMMITTEE,

CHARLES F. CUTLER,  
JOS. P. DAVIS.

W. D. SARGENT,

---

DIRECTORS,

CHARLES F. CUTLER,	. . . . .	NEW YORK, N. Y.
ALEXANDER CAMERON,	. . . . .	BROOKLYN, N. Y.
JOS. P. DAVIS,	. . . . .	NEW YORK, N. Y.
CHAS. A. NICHOLS,	. . . . .	SPRINGFIELD, MASS.
HUGH KINNARD,	. . . . .	NEWARK, N. J.
WILLIAM D. SARGENT,	. . . . .	BROOKLYN, N. Y.
DAVID B. POWELL,	. . . . .	BROOKLYN, N. Y.
GEORGE H. PRENTISS,	. . . . .	NEW YORK, N. Y.
FELIX CAMPBELL,	. . . . .	BROOKLYN, N. Y.
EDWARD J. HALL,	. . . . .	NEW YORK, N. Y.
HENRY SANGER SNOW,	. . . . .	BROOKLYN, N. Y.
ZENAS CRANE,	. . . . .	DALTON, MASS



# REPORT OF THE DIRECTORS

TO THE STOCKHOLDERS:

Your Board of Directors has the honor to submit the following annual report of the operations of the Company for the year 1898, together with a statement of its financial condition on December 31st of that year.

## TREASURER'S REPORT, DEC. 31, 1898.

### I. OPERATION.

#### GROSS EARNINGS.

Exchange, - - - - -	\$1,047,983.39
Toll, - - - - -	664,071.97
Pay station, - - - - -	244,001.32
Private lines and leased instruments,	27,048.23
Miscellaneous, - - - - -	37,228.10
Real estate, - - - - -	38,144.20
	<hr/>
	\$2,058,477.21

#### OPERATING EXPENSES.

General, - - - - -	\$350,963.35
Central office, - - - - -	323,660.77
Maintenance, - - - - -	493,730.79
Reconstruction, - - - - -	125,445.34
Royalties, - - - - -	115,713.97
Real estate, - - - - -	23,962.12
	<hr/>
	\$1,433,476.34

Earnings over operating expenses, - - - - - \$625,000.87

Forward, - - - - -	\$625,000.87
FIXED CHARGES.	
Interest on bonds, - - - - -	\$67,838.19
Taxes, - - - - -	54,180.06
Interest on real estate mortgages, -	5,664.96
	127,683.21
Net earnings, - - - - -	\$497,317.66
Dividends, - - - - -	315,622.00
	\$181,695.66
Surplus earnings, 1898, - - - - -	1,528,646.95
Surplus, January 1, 1898, - - - - -	\$1,710,342.61
Surplus, December 31, 1898, - - - - -	

## II. RESOURCES AND LIABILITIES.

RESOURCES.	
Plant - - - - -	\$6,356,754.18
Equipment, - - - - -	657,786.79
Real estate, - - - - -	809,711.50
Material, - - - - -	283,384.76
Accounts receivable, - - - - -	520,390.54
Treasury stock, - - - - -	337,600.00
Treasury bonds, - - - - -	19,000.00
Cash, - - - - -	63,785.49
	\$9,048,413.26

LIABILITIES.	
Capital stock, - - - - -	\$5,000,000.00
General mortgage bonds, - - - - -	1,374,000.00
Real estate mortgages, - - - - -	121,500.00
Vouchers, - - - - -	269,996.95
Bills payable, - - - - -	60,000.00
Accounts payable, - - - - -	43,506.19
Accrued interest, - - - - -	12,515.33
Advance charges unearned, - - - - -	41,092.18
Stock subscription, - - - - -	298,900.00
Reserved for dividends declared Decem- ber, 1898, payable January, 1899,	116,560.00
Surplus, December 31, 1898, - - - - -	1,710,342.61
	\$9,048,413.26

## III. COMPARISON.

	1898.	1897.	Changes.
Gross earnings, -	\$2,058,477.21	\$1,790,287.21	\$268,190.00 inc.
Operating expenses,	1,433,476.34	1,236,819.89	196,656.45 inc.
Earnings over operating expenses, -	\$625,000.87	\$553,467.32	\$71,533.55 inc.
Fixed charges, taxes, and dividends, -	443,305.21	381,725.66	61,579.55 inc.
Surplus from operation - - -	\$181,695.66	\$171,741.66	\$9,954.00 inc.

INVESTMENT.—The balance remaining unpaid at the date of the last Annual Report upon the new issue of capital stock subscribed for in the preceding year was paid in during the first half of 1898.

In order to provide for further construction outlays authorized during 1898, and for the extensions in the Company's plant during 1899, made necessary by its constantly expanding business, it was deemed wise to provide for a further increase of the Company's capital stock. A special meeting of the Stockholders was, therefore, held on October 27th, 1898, at which the authorized capital of the Company was increased from \$5,000,000 to \$8,000,000. The Board of Directors subsequently authorized the issue to the Stockholders, at par, of \$1,165,600 of the increased stock. The entire amount of this offering was subscribed for and payment will be completed during the present year.

The additions to the plant investment of the Company during the year have amounted to \$885,918.27.

The work of constructing the Company's underground

system in cities and towns has advanced largely, thus enabling it to render an ampler and more satisfactory service, while at the same time insuring for the plant a degree of permanency not possible in the case of overhead lines. During the year underground systems were inaugurated in Plainfield, Montclair, New Brunswick and Passaic, and large extensions were made to the underground systems in Newark, Jersey City, Paterson and East Orange. Satisfactory ordinances for underground work have been secured at Long Branch, Summit and South Orange, and the work in these places will be started during the coming year. Large as have been the extensions of the subway and cable systems of the Company heretofore, your Directors anticipate the necessity for further enlargements in this direction for several years to come.

The total number of stations operated at the close of the year is 22,065, a net gain for 1898 of 3,972, or about 22 per cent.

The steady increase in earnings from toll lines and pay stations during the year is especially gratifying, the amount earned from these sources in 1898 (\$908,073.29) being \$190,220.49 above that of the previous year. The total number of pay stations in the Company's territory at the close of the year is 4,511.

REAL ESTATE.—The increased investment of your Company in real estate during 1898 amounts to \$166,727.78. It is believed by your Directors that to insure the safety and permanency of the plant, the Company should own the buildings in which are located its principal exchanges

in important cities and towns, and for this purpose several additional pieces of property have been acquired and the construction of new and fire-proof buildings undertaken during the year.

The General Office building, at the corner of Willoughby and Lawrence Streets, in Brooklyn, has been completed and has proved admirably adapted for the accommodation of the various departments concerned in the general operations of the Company.

A new six-story fire-proof building is in process of erection on the Company's property on Market Street, Newark, which, it is expected, will be completed during the coming summer.

A plot of land, with a suitable building thereon, has been purchased on Canal Street, Newark, affording needed facilities for the storage of material and supplies for that district. New buildings have been completed at Paterson and Elizabeth, which will shortly be occupied by the main exchanges in those cities. At Plainfield and New Brunswick, property has been purchased and the buildings thereon altered to suit the Company's needs. A lot has also been bought at Passaic, upon which a building is to be erected during the present year.

In the city of Brooklyn another fire-proof building has been erected to accommodate the branch exchange which has been opened on Fifteenth Street, and extensions are being made to the Company's Throop Avenue building to admit of the enlargement of the branch exchange located at that point.

COMPETITION.—Competing telephone companies are in operation at Newark, Jersey City, Elizabeth, Paterson and Passaic, in New Jersey. There is, however, no evidence that these enterprises are making substantial progress. So far as your Company is concerned, their establishment has stimulated, rather than retarded, the growth of its business. Sufficient evidence of this is perhaps afforded by the fact that at each point where a competing company is established, your Company has made a substantial net gain in stations since the commencement of the competition, greater than the total number of stations now in operation by its competitor.

Your Directors believe that telephone service in a given locality can be rendered best by one company. The value of the service to the subscriber is in large measure dependent upon the number of stations which he can reach over the one system. The installation of competing companies involves, in the main, a duplication of plant and apparatus not necessary for the rendering of proper or efficient service. Experience has shown that reasonable rates will be secured by the operation of natural laws of supply and demand, as well as dictated by the interest of good business management.

OUTLOOK.—At the opening of the new year the prospect for the business of the Company is in every way encouraging. The efforts which are constantly made by your Management to extend and perfect the service are apparently appreciated by the public whom it serves, and the rapid increase in the volume of business and in the use of

the Company's facilities is in every way gratifying. With the renewed business prosperity, which seems now assured, your Directors know no reason why the Company should not be a full sharer in the improved conditions. Telephone service has long ceased to be a luxury and is now a necessity of business and social life; the more widely extended its use, the more marked must be the ratio of its increase. It is the aim of the Management not only to meet, but to anticipate, the public requirement for service; to provide facilities that are ample; to furnish a plant as perfect and complete as careful study and use of the best materials and apparatus can provide; and to render its service with such thoroughness and care as to merit the continuance of public approval.

It is the sad duty of your Board of Directors to record the death on January 11, 1899, of Mr. Joel C. Clark, the Secretary of the Company and a member of the Board. Mr. Clark was one of the original incorporators of the Company, and he has been prominently connected with its management since its organization. At a meeting of the Directors, called to take proper action upon the matter, the following resolutions were unanimously adopted:

*Resolved*, That in the death of Mr. Joel Chessman Clark, who has been, excepting a brief interval, a Director and Secretary of this Company since its organization, this Board of Directors has lost one of its most esteemed and efficient members, and this Company an officer to whose zeal and industry it

has been indebted in large measure for its establishment and success;

*Resolved*, That throughout our long association with Mr. Clark, the simplicity and sincerity of his character and his uniformly kind and genial manner have endeared him to us as a friend and associate, and commanded our respect for him as a man;

*Resolved*, That we express to his bereaved family our sincere sympathy in their affliction and our deep sense of personal loss.

Your Directors acknowledge with pleasure the faithful and efficient service rendered by the employees of the Company during the past year. The harmonious relations existing throughout all departments of the Company have contributed largely to secure the satisfactory results attained.

By order of the Board of Directors,

CHARLES F. CUTLER,  
*President.*

New York, February 23, 1899.

## AUDITORS' REPORT.

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We, the undersigned, appointed by the Board of Directors of the New York and New Jersey Telephone Company to examine the accounts of the Treasurer of said Company to January 1, 1899, do hereby certify that we have this day examined said accounts, counted the cash on hand and verified the balances due from banks, and have to report that we find the same correct in every particular, the payments properly avouched, and the securities and cash on hand and in banks to agree with the statement of the Treasurer.

H. S. HYDE,  
CHAS. T. YOUNG.

Brooklyn, N. Y., February 21, 1899.

EXCHANGES

NEW JERSEY DIVISION.

	Number of Stations			Number of Stations	
	Jan. 1, 1899.	Jan. 1, 1898.		Jan. 1, 1899.	Jan. 1, 1898.
Asbury Park ...	166	158	Brought forward	10,430	8,513
Bayonne .....	147	135	Rahway .....	69	50
Bloomfield.... }	422	326	Red Bank.....	105	58
Montclair .... }			Rutherford.....	60	57
Dover .....	81	71	Seabright .....	60	46
Elizabeth .....	674	504	Somerville .....	117	106
Englewood....	170	153	Staten Island...	773	594
Hackensack....	146	117	Union .....	164	140
Hoboken .....	422	362	Westfield .....	63	54
Jersey City . . }	1,391	1,160			
Bergen .....					
Long Branch... }	188	174			
Morristown .... }					
Madison .....	428	319			
New Brunswick.. }	297	263			
Newark..... }					
Bowery..... }	2,800	2,307			
Harrison .... }					
Roseville .... }	871	611			
Orange... .. }					
East Orange .. }	352	293			
Passaic .....					
Paterson... .. }	1,229	1,069			
Perth Amboy... }					
Plainfield .....	159	125			
	403	290			
Carried forward.	10,430	8,513			

	1899	1898		1899	1898		
Arlington .....	22	16	} 424	228			
Atlantic High-							
lands .....	19	14					
Boonton .....	18	16					
Bound Brook..	5	4					
Fort Lee .....	8	8					
Freehold .....	29	25					
Lakewood.....	64	40					
Locust Point...	2	2					
Matawan .....	14	8					
Milburn.....	17	7					
Mt. Arlington..	10	4					
Netcong .....	5	6					
Oceanic .....	17	8					
Oradell .....	16	9					
Pompton Lakes.	20	16					
Ridgewood.....	27	25					
Summit.....	73	3					
South Amboy... }	13	10					
South River... }							
Bernardsville..	11	..					
Caldwell .....	3	..					
Fort Hancock..	6	..					
Jamesburg .... }	10	..					
Manasquan.... }							
Middletown.... }	4	..					
Ramseys .....							
Total .....	12,265	9,846					

EXCHANGES.—*Continued.*

LONG ISLAND DIVISION.

	Number of Stations.			Number of Stations.			
	Jan. 1, 1899.	Jan. 1, 1898.		Jan. 1, 1899.	Jan. 1, 1898.		
Astoria. ....	94	85	Brought forward...	8,948	7,742		
Babylon. ....	29	20	Glen Cove. ....	45	32		
Bath Beach. ....	94	68	Jamaica. ....	97	53		
Bayshore. ....	19	17	Hempstead. ....	116	55		
Brooklyn. ....	8,329	7,244	Newtown. ....	65	60		
Bay Ridge. ....			Quogue. ....	32	26		
Bedford. ....			Richmond Hill. ....	28	17		
Bushwick. ....			1899 1898		Amityville. ....	25	15
East New York. ..			Barren Island. ....	4	..		
Flatbush. ....			Centre Moriches. ....	12	7		
Greenpoint. ....			Cold Spr'g H'b'r. ....	10	..		
Hamilton. ....			Greenport. ....	14	18		
Prospect. ....			Hammels. ....	29	..		
South. ....			Hicksville. ....	13	11		
Williamsburgh. ....	Huntington. ....	16	13				
Coney Island. ....	Islip. ....	28	24				
Far Rockaway. ....	Northport. ....	65	48				
Flushing. ....	Oyster Bay. ....	30	26				
Carried forward.	8,948	7,742	Patchogue. ....	49	14		
			Riverhead. ....	24	19		
			Rockville Centre. ....	45	19		
			Roslyn. ....	16	..		
			Sag Harbor. ....	18	10		
			Sayville. ....	12	..		
			Sea Cliff. ....	12	8		
			Shelter Island. ....	6	6		
			Southampton. ....	31	24		
			Southold. ....	10	..		
			Total. ....	9,800	8,247		

SUMMARY

	L. I. Div.	N. J. Div.	Total.
Stations, Jan. 1, 1899. ....	9,800	12,265	22,065
Stations, Jan. 1, 1898. ....	8,247	9,846	18,093
Gain. ....	1,553	2,419	3,972



SEVENTEENTH ANNUAL REPORT

OF

THE DIRECTORS

OF THE

New York and New Jersey Telephone Company

TO

THE STOCKHOLDERS.

---

JANUARY, 1900.

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BROOKLYN:

1900.



# The New York and New Jersey Telephone Company.

---

PRESIDENT,

CHARLES F. CUTLER.

---

VICE-PRESIDENT AND GENERAL MANAGER,

W. D. SARGENT.

---

SECRETARY,

WALDRON HOPPINS.

---

TREASURER,

HENRY SANGER SNOW.

---

EXECUTIVE COMMITTEE,

CHARLES F. CUTLER,

W. D. SARGENT,

JOS. P. DAVIS.

---

DIRECTORS,

CHARLES F. CUTLER, . . .	NEW YORK, N. Y.
ALEXANDER CAMERON, . . .	BROOKLYN, N. Y.
JOS. P. DAVIS, . . . . .	NEW YORK, N. Y.
CHAS. A. NICHOLS, . . . . .	SPRINGFIELD, MASS.
HUGH KINNARD, . . . . .	NEWARK, N. J.
WILLIAM D. SARGENT, . . . . .	BROOKLYN, N. Y.
DAVID B. POWELL, . . . . .	BROOKLYN, N. Y.
GEORGE H. PRENTISS, . . . . .	NEW YORK, N. Y.
FELIX CAMPBELL, . . . . .	BROOKLYN, N. Y.
EDWARD J. HALL, . . . . .	NEW YORK, N. Y.
HENRY SANGER SNOW, . . . . .	BROOKLYN, N. Y.
ZENAS CRANE, . . . . .	DALTON, MASS.



# REPORT OF THE DIRECTORS

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TO THE STOCKHOLDERS:

The statement of the Treasurer here following, exhibits the result of the year's operations of the Company and its financial condition on December 31, 1899:

## TREASURER'S REPORT.

### I. OPERATION.

#### EARNINGS.

Exchange service, - - - -	\$1,165,220.07
Pay stations, - - - - -	297,505.99
Tolls, - - - - -	809,706.41
Private lines and leased instruments,	24,486.32
Real estate, - - - - -	47,107.07
Other sources, - - - - -	37,343.09
	<hr/> \$2,381,368.95

#### EXPENSES.

General expense, - - - - -	\$395,500.02
Operating expense, - - - - -	382,345.23
Maintenance, - - - - -	600,088.30
Reconstruction, - - - - -	94,164.17
Royalties, - - - - -	114,233.43
Real estate, - - - - -	31,860.69
	<hr/> \$1,618,191.84
Earnings over expense of operation, - - - -	\$763,177.11

Forward,	-	-	-	-	-	-	-	\$763,177.11
FIXED CHARGES AND TAXES.								
Interest,	-	-	-	-	-	-	-	\$72,794.08
Taxes,	-	-	-	-	-	-	-	68,762.79
								141,556.87
Net earnings,	-	-	-	-	-	-	-	\$621,620.24
Dividends,	-	-	-	-	-	-	-	398,850.00
								\$222,770.24
Surplus earnings, 1899,	-	-	-	-	-	-	-	1,710,342.61
Surplus, January 1, 1899,	-	-	-	-	-	-	-	\$1,933,112.85
Surplus, December 31, 1899,	-	-	-	-	-	-	-	

## II. RESOURCES AND LIABILITIES.

### RESOURCES.

Plant,	-	-	-	-	-	-	-	\$7,132,520.45
Equipment,	-	-	-	-	-	-	-	888,814.18
Real estate,	-	-	-	-	-	-	-	952,326.58
Material,	-	-	-	-	-	-	-	321,926.48
Accounts receivable,	-	-	-	-	-	-	-	629,957.91
Treasury stock,	-	-	-	-	-	-	-	165,600.00
Treasury bonds,	-	-	-	-	-	-	-	19,000.00
Stocks and bonds,	-	-	-	-	-	-	-	195,278.10
Cash,	-	-	-	-	-	-	-	114,275.83
								\$10,419,699.53

### LIABILITIES.

Capital stock,	-	-	-	-	-	-	-	\$6,165,600.00
General mortgage bonds,	-	-	-	-	-	-	-	1,364,000.00
Real estate mortgages,	-	-	-	-	-	-	-	111,500.00
Vouchers,	-	-	-	-	-	-	-	356,948.35
Accounts payable,	-	-	-	-	-	-	-	22,199.54
Bills payable,	-	-	-	-	-	-	-	290,000.00
Accrued interest,	-	-	-	-	-	-	-	12,336.08
Advanced charges unearned,	-	-	-	-	-	-	-	14,002.71
Reserved for dividends declared December,								
1899, payable January, 1900,	-	-	-	-	-	-	-	150,000.00
Surplus, December 31, 1899,	-	-	-	-	-	-	-	1,933,112.85
								\$10,419,699.53

## III.—COMPARISON.

	1899	1898	Changes
Gross Earnings, -	\$2,381,368.95	\$2,058,477.21	\$322,891.74 inc.
Expenses, - -	1,618,191.84	1,433,476.34	184,715.50 inc.
Earnings over Ex- pense of Operation,	\$763,177.11	\$625,000.87	\$138,176.24 inc.
Fixed Charges, Taxes and Dividends, -	540,406.87	443,305.21	97,101.66 inc.
Surplus Earnings,	\$222,770.24	\$181,695.66	\$41,074.58 inc.

The growth of the business during the year considerably exceeded what was anticipated when the original estimates were made. The new capital provided by the final payments upon the stock subscribed for in 1898, proved insufficient to meet the requirements of the Company in the extension of its plant and business. This deficiency was met in part by the sale of 1,720 shares of the Company's treasury stock, bringing the issued capital up to \$6,000,000.

About the close of the year, a further offering was made to the stockholders (at par pro rata upon their present holdings) of \$1,500,000 of new stock, substantially all of which has been subscribed, to be paid for in installments during the year 1900.

There was expended in the extension of the

Company's plant during the year 1899,	\$1,006,793.66
And in the maintenance and reconstruction of the same, - - - - -	694,252.47

Making a total expenditure upon plant of -	\$1,701,046.13
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The additional investment in Real Estate

during the year amounted to - - -	142,615.08
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The increase during the past year in the number of

telephone stations served by the Company has been far in excess of that of any previous year.

A comparison of the growth during the last five years will be found interesting:

<u>1895</u>	<u>1896</u>	<u>1897</u>	<u>1898</u>	<u>1899</u>
1,781	2,450	3,760	3,972	6,008

On January 1st, 1895, the total number of stations operated by the Company was 10,102. On January 1st, 1900, the number was 28,073. An even larger increase is anticipated during the coming year.

The earnings of the Company from Tolls and Pay Station business have increased in about the same ratio as its exchange business. The receipts from these two sources it will be seen amounted to \$1,107,212.40, approaching very closely to the Gross Earnings from exchange service.

The underground plant of the Company has been extended in the larger exchanges where it had been previously installed, and new underground systems have been constructed at several points not heretofore supplied with these facilities.

Among other important pieces of work of this character should be mentioned the construction of an underground conduit from Jersey City to Newark for the accommodation of the trunk lines of the Company connecting Newark and other suburban points lying beyond that city with New York. It has been planned to extend this underground trunk system to Elizabeth during the coming year. This trunk line service is growing to be such a large factor in the development of our business that it

becomes important, so far as possible, to protect the trunk lines against the liability to interruption of service which so frequently occurs from the destruction of overhead lines in cases of severe storms.

Our main Central Office in Brooklyn was removed during the year to the new building completed in the previous year at Willoughby and Lawrence Streets. This most important exchange of the Company, as well as one of the minor offices in Brooklyn, have been equipped with the new common battery switchboard.

While this new system of Central Office operation involves a considerably larger outlay in original installation, it enables the Company to give more satisfactory service, and has many advantages over the systems previously in use. The improved service resulting from the change appears to be appreciated by our patrons. Plans have been completed looking to the equipment of all the larger exchanges of the Company with this system of operation, and the change will be made as rapidly as the necessary apparatus can be obtained and installed.

During the year the Company has had no litigation of any importance, nor any disturbance of the cordial relations which for several years have existed between its management and the municipal bodies and communities in which its operations are conducted.

No new opposition companies have commenced operations in its territory during the year, nor has any considerable progress been made by the companies which were in operation at the time our last Annual Report was

issued. While it would not be safe to state that we shall not have more or less competition for some years to come, there are many evidences that the people are coming to agree with the statement made in our last report, that their interests will be best subserved by having the telephone business of each community furnished by one company rather than by two or more in competition.

Several modifications have been made during the year in the rates charged for exchange service, and new classes of service have been adopted with the purpose of being able to offer some form of telephone service at rates within the means of all who have any use for it. These cheaper classes of service have proved popular, and their adoption has resulted in a considerable reduction in the average rate per station paid to us for exchange service.

As in previous years the faithful and efficient service of the heads of the several departments, and of our employees generally, has contributed largely to the success which has attended the Company's operations.

For the Board of Directors,

CHARLES F. CUTLER,  
*President,*

New York, February 21, 1900.

## AUDITORS' REPORT.

---

We, the undersigned, appointed by the Board of Directors of the New York and New Jersey Telephone Company to examine the accounts of the Treasurer of said Company to January 1, 1900, do hereby certify that we have this day examined said accounts, counted the cash on hand and verified the balances due from banks, and have to report that we find the same correct in every particular, the payments properly avouched, and the securities and cash on hand and in banks to agree with the statement of the Treasurer.

H. S. HYDE,  
CHAS. T. YOUNG,

Brooklyn, N. Y., February 20, 1900.

## EXCHANGES.

## LONG ISLAND DIVISION.

	Number of Stations.			Number of Stations.		
	Jan. 1, 1900.	Jan. 1, 1899.		Jan. 1, 1900.	Jan. 1, 1899.	
Amityville .....	29	25	Brought forward...	11,253	9,191	
Astoria .....	113	94	Jamaica .....	133	97	
Babylon .....	40	29	Lawrence.....	54	..	
Bath Beach.....	104	94	Newtown.....	103	65	
Bay Shore .....	28	19	Northport .....	53	65	
Brooklyn :			Oyster Bay .....	38	30	
Bay Ridge ....	} 10,152	} 8,329	Patchogue .....	42	49	
Bedford .....			Port Jefferson.....	37	..	
Borough Park .			Quogue .....	35	32	
Bushwick .....			Richmond Hill....	45	28	
East New York			Riverhead .....	27	24	
Flatbush .....			Rockville Centre..	60	45	
Greenpoint....			Roslyn .....	34	16	
Hamilton .....			Southampton .....	41	31	
Main .....						
Prospect .....						
South .....						
Williamsburgh.						
Coney Island .....	119	101	Barren Island.....	4	4	
Far Rockaway ....	109	87	Bellport .....	11	..	
Flushing .....	234	195	Brentwood .....	8	..	
Freeport .....	46	..	Centre Moriches..	11	12	
Glen Cove.....	47	45	Cold Spring H'rb'r	15	10	
Hammels.....	57	29	East Hampton....	2	..	
Hempstead .....	142	116	Great Neck.....	2	..	
Islip .....	33	28	Greenport .....	16	14	
Carried forward..	11,253	9,191	Hicksville .....	17	13	
			Huntington .....	19	16	
			Jericho.....	3	..	
			Massapequa .....	4	..	
			Port Washington .	3	..	
			Sag Harbor.....	23	18	
			Sayville.....	20	12	
			Sea Cliff.....	16	12	
			Shelter Island....	6	6	
			Smithtown .....	18	..	
			Southold.....	10	10	
			Total.....	12,163	9,800	

EXCHANGES.—Continued.

NEW JERSEY DIVISION.

	Number of Stations			Number of Stations	
	Jan. 1, 1900.	Jan. 1, 1899.		Jan. 1, 1900.	Jan. 1, 1899.
Arlington.....	30	22	Brought forward..	10,783	8,481
Asbury Park.....	200	166	Passaic.....	535	352
Atlantic Highlands	27	19	Paterson.....	1,509	1,229
Bayonne.....	180	147	Perth Amboy.....	230	159
Bernardsville.....	59	11	Plainfield.....	502	403
Bloomfield.....	606	422	Pompton Lakes... ..	26	20
Montclair.....			Rahway.....	116	69
Boonton.....	31	18	Red Bank.....	108	105
Cranford.....	52	..	Ridgewood.....	34	27
Dover.....	86	81	Rutherford.....	122	60
Elizabeth.....	831	674	Seabright.....	67	60
Englewood.....	184	170	Somerville.....	127	117
Freehold.....	35	29	South Amboy.....	29	13
Hackensack.....	218	146	South Orange.....	156	..
Hoboken.....	486	422	Staten Island.....	985	773
Jersey City.....	1,607	1,391	Summit.....	135	73
Bergen.....			Union.....	202	164
Lakewood.....	103	64	Westfield.....	67	63
Long Branch.....	248	188			
Madison.....	106	84			
Matawan.....	29	14			
Millburn.....	31	17			
Morristown.....	534	428			
New Brunswick....	330	297			
Newark.....	3,701	2,800			
Bowery.....					
Harrison.....					
Roseville.....	1,069	871			
Orange.....					
East Orange.....					
Carried forward..	10,783	8,481			

	1900	1899		
Basking Ridge..	7	..	} 177	97
Bound Brook....	20	5		
Caldwell.....	10	3		
Fort Hancock... .	4	6		
Fort Lee.....	7	8		
Jamesburg.....	12	10		
Locust Point....	2	2		
Manasquan.....	4	4		
Middletown....	4	4		
Mt. Arlington... .	15	10		
Netcong.....	7	5		
Oceanic.....	21	17		
Oradell.....	20	16		
Rockaway.....	21	..		
Ramseys.....	4	2		
South River....	8	5		
Whippany.....	11	..		
Total.....	15,910	12,265		

SUMMARY.

	L. I. Div.	N. J. Div.	Total.
Stations, Jan. 1, 1900.....	12,163	15,910	28,073
Stations, Jan. 1, 1899.....	9,800	12,265	22,065
Gain.....	2,363	3,645	6,008







NINETEENTH ANNUAL REPORT

OF

THE DIRECTORS

OF THE

New York & New Jersey Telephone Company

TO

THE STOCKHOLDERS.

---

JANUARY, 1902.

---

BROOKLYN

1902.



# The New York & New Jersey Telephone Company

---

PRESIDENT,

CHARLES F. CUTLER.

---

VICE-PRESIDENT,

W. D. SARGENT.

---

SECRETARY,

WALDRON HOPPINS.

---

TREASURER,

HENRY SANGER SNOW.

---

GENERAL MANAGER,

J. C. REILLY.

---

EXECUTIVE COMMITTEE,

CHARLES F. CUTLER, W. D. SARGENT,  
JOS. P. DAVIS.

---

DIRECTORS,

CHARLES F. CUTLER, . . .	NEW YORK, N. Y.
ALEXANDER CAMERON, . . .	BROOKLYN, N. Y.
JOS. P. DAVIS, . . . . .	NEW YORK, N. Y.
CHAS. A. NICHOLS, . . . . .	SPRINGFIELD, MASS.
HUGH KINNARD, . . . . .	NEWARK, N. J.
WILLIAM D. SARGENT, . . . . .	BROOKLYN, N. Y.
DAVID B. POWELL, . . . . .	BROOKLYN, N. Y.
GEORGE H. PRENTISS, . . . . .	NEW YORK, N. Y.
FELIX CAMPBELL, . . . . .	BROOKLYN, N. Y.
EDWARD J. HALL, . . . . .	NEW YORK, N. Y.
HENRY SANGER SNOW, . . . . .	BROOKLYN, N. Y.
ZENAS CRANE, . . . . .	DALTON, MASS.

# REPORT OF THE DIRECTORS

OF THE

## New York and New Jersey Telephone Company.

TO THE STOCKHOLDERS:

Your Board of Directors respectfully submits the following report of the business and affairs of the Company for the year ending December 31st, 1901:

### TREASURER'S STATEMENT.

#### OPERATION.

##### GROSS EARNINGS.

Exchange service, - - -	\$1,633,318.74	
Pay stations, - . . -	428,996.47	
Tolls, - - - -	1,162,278.65	
Leased lines and instruments,	20,643.01	
Real estate, - - - -	107,414.90	
Other sources, - - - -	23,781.12	
		<hr/>
		\$3,376,432.89

##### EXPENSES OF OPERATION.

General, - - - -	\$536,665.40	
Operating, - - - -	522,070.69	
Reconstruction and maintenance of plant, - -	997,828.14	
Royalties paid, - - - -	176,855.15	
Real estate expense, -	61,213.79	
		<hr/>
		\$2,294,633 17
Earnings over expense of operation, -		<hr/>
		\$1,081,799.72

FIXED CHARGES AND TAXES.

Interest, - - - -	\$71,486.12	
Taxes, - - - -	102,618.42	
		<u>174,104.54</u>
Net earnings applicable to dividends, - - - - - - -		\$907,695.18
Dividends paid, - - - - - - -		<u>616,285.50</u>
Surplus earnings, 1901, - - - -		\$291,409.68
Surplus, January 1, 1901, - - - -		<u>2,076,609.56</u>
Surplus, December 31, 1901, - - -		<u>\$2,368,019.24</u>

BALANCE SHEET.

ASSETS.

Plant, - - - - -	\$8,916,331.50	
Equipment, - - - -	1,292,325.04	
Real estate, - - - -	1,080,473.83	
Material and supplies, -	462,961.87	
Accounts receivable, - -	789,826.12	
Treasury stock, - -	165,600.00	
Stocks and bonds, - -	422,490.55	
Cash, - - - - -	857,028.88	
		<u>\$13,987,037.79</u>

LIABILITIES.

Capital stock, - - - -	\$9,540,600.00	
General mortgage bonds,	1,324,000.00	
Real estate mortgages, -	111,500.00	
Vouchers and accounts payable, - - - -	245,606.68	
Reserves, - - - -	162,936.87	
Dividend payable January 15, 1902, - - - -	234,375.00	
Surplus, December 31, 1901,	2,368,019.24	
		<u>\$13,987,037.79</u>

**COMPARISON.**

	1901.	1900.	Changes.
Gross Earnings	\$3,376,432.89	\$2,827,481.07	\$548,951.82 inc.
Operating Expenses,	2,294,633.17	2,018,603.24	276,029.93 inc.
Earnings over Expenses,	\$1,081,799.72	\$808,877.83	\$272,921.89 inc.
Fixed Charges, Taxes and Dividends,	790,390.04	665,381.12	125,008.92 inc.
	<u>\$291,409.68</u>	<u>\$143,496.71</u>	<u>\$147,912.97 inc.</u>

It is gratifying to note that while the increase of gross earnings over those of the previous year has been larger than ever before, there has not been a proportionate increase in the expense of operation, so that after deducting the increased dividend disbursement (\$125,635.50 above that of the previous year) on account of the enlargement of the capital stock, there still remained to carry to surplus account a sum more than double that carried forward a year ago. A proper allowance has been made for deterioration of plant, which allowance is included in the expense account.

On December 31, 1901, the Company was operating 42,130 telephone stations, a gain during the year of 6,954.

The earnings from the use of Pay Stations by the general public and from tolls for intercommunication between exchange areas were \$1,591,275.12, a sum nearly equaling the amount earned from exchange service.

The toll line system of the Company is being constantly extended with a view to ultimately reaching every village and hamlet in the territory. While the direct receipts at these smaller places are not at first of large amount, they show constant increase from year to year, and the fact that our system reaches the small as well as the larger places, encourages the public to depend upon that system generally for their means of communication, which tends to build up all branches of our business.

Several modifications of exchange rates have been put in force from time to time during the year, in each case effecting a reduction in the minimum rate charged to small users, and near the close of the year a complete revision of rate schedules was adopted effecting a considerable lowering of rates to all classes of subscribers. While each of these reductions necessarily diminishes the Company's profits from each individual station, the increase in the volume of business which it brings results in an increased profit, taking the business of the Company as a whole.

Looking back over a period of ten years, we find that the various modifications and reductions which have been made in the rate schedules, have resulted in reducing the average annual rate received under subscribers' contracts for exchange service by \$33.02 per station, during which period the number of stations operated has been increased from about 9,000 in 1891, to 42,130 at the end of 1901.

The management is giving constant study to this important question of exchange rates, and will undoubtedly recommend further modifications from time to time. It is their firm belief that ultimately the advantages of tele-

phone service should be brought within the reach of the most humble householder, and they will continue to work toward the accomplishment of this end at as early a date as due regard for the stockholders' interests will permit.

The new central office system has been installed at Elizabeth, N. J., during the year, and plans have now been completed for its installation at several other exchanges next in importance.

There has been expended in the enlargement of the Company's plant during the past year \$890,227.14, of which \$73,113.42 was for additional Real Estate.

The Real Estate investment of the Company on December 31, 1901, stood at \$1,080,473.83. It is now estimated that a further appropriation for Real Estate, approximating in amount \$450,000, will be required during the year 1902, a part of which will be expended in the enlargement of present buildings, and the balance for the acquirement of new property.

The largest single item in this estimate is for a new building of considerable size, to permanently house our Prospect Central Office in Brooklyn, and to afford accommodations for the working force employed in that part of the territory. New property is to be acquired and buildings erected at at least nine other points for the accommodation of exchanges of lesser importance, but where the business is growing so rapidly as to make it desirable they should be located in buildings owned by the Company.

The new capital stock sold to the stockholders in the early part of 1901 realized \$1,875,000. Of this there remained unexpended at the close of the year \$857,028.88.

This sum should meet the construction requirements of the Company up to some time in the autumn of 1902, at which time arrangements will need to be made for additional funds.

There has been little, if any, increase in the business of companies operating in competition with us in our territory. There have been no new installations of this character during the year, and those heretofore established have decreased rather than increased in importance.

Your Directors desire to express their full appreciation of the faithful and efficient services which have been rendered to the Company by its officers and employees directly in charge of the details of its business. Their ability and strict attention to their duties have contributed very largely to the success of the Company's operations.

For the Board of Directors,

CHARLES F. CUTLER,  
*President.*

NEW YORK, February 27, 1902.

## AUDITOR'S REPORT.

---

We, the undersigned, appointed by the Board of Directors of The New York and New Jersey Telephone Company to examine the accounts of the Treasurer of said Company to January 1, 1902, do hereby certify that we have this day examined said accounts, counted the cash on hand and verified the balances due from banks, and have to report that we find the same correct in every particular, the payments properly avouched, and the securities and cash on hand and in banks to agree with the statement of the Treasurer.

H. S. HYDE,  
CHAS. T. YOUNG.

BROOKLYN, N. Y., February 6, 1902.

EXCHANGES.

LONG ISLAND DIVISION.

	Number of Stations.			Number of Stations.	
	Jan. 1, 1902.	Jan. 1, 1901.		Jan. 1902.	Jan. 1, 1901.
Amityville .....	31	34	Brought forward..	17,728	14,564
Astoria .....	174	141	Islip .....	61	49
Babylon .....	65	50	Jamaica .....	203	173
Bath Beach .....	171	152	Lawrence .....	107	71
Bay Shore .....	68	41	Newtown .....	142	125
Brooklyn :			Northport .....	70	61
Bay Ridge....			Oyster Bay .....	70	55
Bedford .....			Patchogue ... ..	80	61
Borough Park.			Port Jefferson....	41	39
Bushwick.....			Port Washington.	32	9
East New York			Quogue .....	52	51
Flatbush .....	15,897	13,047	Richmond Hill...	126	86
Greenpoint ...			Riverhead .....	61	60
Hamilton.....			Rockville Centre.	82	70
Main.....			Roslyn .....	73	52
Prospect .....			Sayville .....	35	23
South .....			Sea Cliff.....	41	31
Williamsburg .			Sheepshead .....	49	..
Coney Island ....	141	163	Southampton.....	103	71
Far Rockaway ...	214	164			
Floral Park.....	28	...	Exchanges of less		
Flushing .....	334	289	than 25 stations	201	175
Freeport .....	66	60			
Garden City .....	74	60			
Glen Cove.....	99	72			
Great Neck.....	65	51			
Greenport .....	30	21			
Hammels .....	128	84			
Hempstead .....	114	109			
Huntington .....	29	26			
Carried forward ..	17,728	14,564	Total .....	19,357	15,826

## NEW YORK AND NEW JERSEY

## EXCHANGES.—Continued.

## NEW JERSEY DIVISION.

	Number of Stations.			Number of Stations.		
	Jan. 1, 1902.	Jan. 1, 1901.		Jan. 1, 1902.	Jan. 1, 1901.	
Arlington .....	59	42	Brought forward..	18,183	15,395	
Asbury Park .....	267	226	Perth Amboy ....	276	258	
Atlantic Highlands	38	35	Plainfield .....	668	604	
Bayonne .....	268	221	Pompton Lakes ..	30	28	
Belleville .....	34	26	Rahway .....	137	139	
Bernardsville .....	98	83	Red Bank .....	162	124	
Bloomfield .....	160	116	Ridgewood .....	80	37	
Boonton .....	39	36	Rockaway .....	48	32	
Bound Brook .....	32	25	Rutherford .....	223	193	
Cranford .....	62	58	Seabright.....	88	84	
Dover .....	123	99	Somerville .....	135	139	
East Orange .....	793	640	South Amboy....	50	48	
Elizabeth .....	1,085	1,003	South Orange ....	290	219	
Englewood .....	320	246	South River.....	40	30	
Freehold .....	63	43	Spring Lake .....	51	22	
Hackensack .....	386	322	Staten Island ....	1,307	1,164	
Hoboken.....	769	662	Summit.....	235	191	
Jersey City.....	2,215	1,906	Union.....	338	270	
Bergen.....			West End.....	96	66	
Lakewood .....	165	128	Westfield .....	87	80	
Long Branch .....	287	257				
Madison .....	137	123	Exchanges of less			
Matawan .....	64	43	than 25 stations	249	227	
Metuchen .....	47	50				
Millburn .....	91	68				
Montclair .....	817	639				
Morristown .....	668	611				
Newark.....	5,265	4,434				
Bowery .....						
Harrison.....						
Roseville .....						
New Brunswick...	436	398				
Orange .....	771	665				
Passaic .....	802	641				
Paterson .....	1,822	1,549				
Carried forward..	18,183	15,395	Total.....	22,773	19,350	

## TELEPHONE COMPANY.

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## SUMMARY.

	L. I. Div.	N. J. Div.	Total.
Stations, Jan. 1, 1902.....	19,357	22,773	42,130
Stations, Jan. 1, 1901.....	15,826	19,350	35,176
Gain.....	<u>3,531</u>	<u>3,423</u>	<u>6,954</u>







TWENTIETH ANNUAL REPORT

OF

THE DIRECTORS

OF THE

New York & New Jersey Telephone Company

TO

THE STOCKHOLDERS.

---

JANUARY, 1903.

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COMPLIMENTS OF THE

TREASURER

81 WILLOUGHBY STREET  
BROOKLYN, N. Y.

COMMITTEE OF THE  
TREASURER

IN WASHINGTON  
D.C.

TWENTIETH ANNUAL REPORT

OF

THE DIRECTORS

OF THE

New York & New Jersey Telephone Company

TO

THE STOCKHOLDERS.

---

JANUARY, 1903.

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BROOKLYN,  
1903.

EAGLE PRESS, BROOKLYN NEW YORK

# The New York & New Jersey Telephone Company

---

PRESIDENT,  
CHARLES F. CUTLER.

---

VICE-PRESIDENT,  
W. D. SARGENT.

---

SECRETARY,  
WALDRON HOPPINS.

---

TREASURER,  
HENRY SANGER SNOW.

---

GENERAL MANAGER,  
J. C. REILLY.

---

EXECUTIVE COMMITTEE,  
CHARLES F. CUTLER, W. D. SARGENT,  
JOS. P. DAVIS.

---

DIRECTORS,  
CHARLES F. CUTLER, . . . . NEW YORK, N. Y.  
ALEXANDER CAMERON, . . . . BROOKLYN, N. Y.  
JOS. P. DAVIS, . . . . NEW YORK, N. Y.  
CHAS. A. NICHOLS, . . . . SPRINGFIELD, MASS.  
HUGH KINNARD, . . . . NEWARK, N. J.  
WILLIAM D. SARGENT, . . . . BROOKLYN, N. Y.  
DAVID B. POWELL, . . . . BROOKLYN, N. Y.  
GEORGE H. PRENTISS, . . . . NEW YORK, N. Y.  
EDWARD J. HALL, . . . . NEW YORK, N. Y.  
HENRY SANGER SNOW, . . . . BROOKLYN, N. Y.  
ZENAS CRANE, . . . . DALTON, MASS.  
U. N. BETHELL, . . . . NEW YORK, N. Y.

# REPORT OF THE DIRECTORS

OF

## The New York and New Jersey Telephone Company.

TO THE STOCKHOLDERS:

The following Treasurer's statement exhibits the result of the year's operation of the Company and its financial condition December 31st, 1902:

### TREASURER'S STATEMENT.

#### OPERATION.

##### GROSS EARNINGS.

Exchange service, - - -	\$1,903,706.89
Pay stations, - - -	490,294.29
Tolls, - - - - -	1,365,853.94
Leased lines and instruments,	23,630.81
Real estate, - - - -	113,414.84
Other sources, - - - -	65,696.29
	<hr/>
	\$3,962,597.06

##### EXPENSES OF OPERATION.

General, - - - - -	\$646,240.37
Operating, - - - - -	594,729.93
Reconstruction and main- tenance of plant, - - -	1,330,172.23
Royalties paid, - - - -	181,616.25
Real estate expense, - - -	70,698.77
	<hr/>
	\$2,823,457.55
Earnings over expense of operation, - - -	\$1,139,139.51

FIXED CHARGES AND TAXES.

Interest, - - - -	\$70,349.94	
Taxes, - - - -	96,000.00	
		<u>\$166,349.94</u>
Net earnings applicable to dividends, -		972,789.57
Dividends paid, - - - -		707,627.50
		<u>\$265,162.07</u>
Surplus earnings, 1902, - - - -		2,368,019.24
Surplus, January 1, 1902, - - - -		<u>2,368,019.24</u>
Surplus, December 31, 1902, - - - -		\$2,633,181.31

BALANCE SHEET.

ASSETS.

Plant, - - - -	\$10,259,062.21	
Equipment, - - - -	1,672,096.58	
Real estate, - - - -	1,319,759.06	
Material and supplies, - - - -	522,592.75	
Accounts receivable, - - - -	1,009,806.59	
*Stock subscriptions, - - - -	1,069,900.00	
Stocks and bonds, - - - -	432,820.55	
Treasury stock, - - - -	165,600.00	
Cash and deposits, - - - -	1,141,154.48	
		<u>\$17,592,792.22</u>

LIABILITIES.

Capital stock, - - - -	\$12,665,600.00	
General mortgage bonds, - - - -	1,304,000.00	
Real estate mortgages, - - - -	111,500.00	
Vouchers and accounts payable, - - - -	431,329.75	
Reserves, - - - -	161,428.66	
Dividend payable January 15, 1903, - - - -	285,752.50	
Surplus, December 31, 1902, - - - -	2,633,181.31	
		<u>\$17,592,792.22</u>

\* Stock subscribed for, to be issued in 1903.

## COMPARISON.

	1902.	1901.	Changes.
Gross			
Earnings,	\$3,962,597.06	\$3,376,432.89	\$586,164.17 inc.
Expenses of Opera- tion and Mainte- nance,	2,823,457.55	2,294,633.17	528,824.38 inc.
Earnings over Ex- penses,	\$1,139,139.51	\$1,081,799.72	\$57,339.79 inc.
Fixed Charges, Taxes and Dividends,	\$873,977.44	\$790,390.04	\$83,617.40 inc.
	<u>\$265,162.07</u>	<u>\$291,409.68</u>	<u>\$26,277.61 dec.</u>

The early part of the year 1902 was a season of unusually destructive storms, which for a considerable period seriously crippled all overhead telegraph and telephone lines in the territory operated by your Company, and entailed heavy expenditures for repairs and replacement of destroyed plant.

The disastrous conflagration which swept over the business section of the City of Paterson, N. J., on February 9th, was followed on March 2d by an overflow of the Passaic River, which completely flooded the lower part of the city, causing loss of life and great damage to property.

Fortunately your Company's valuable building, lately completed, was situated outside the devastated district, but a considerable amount of the plant in the streets was destroyed or seriously damaged, causing some interruption to service of local subscribers.

On the night of February 21st the territory was visited by the most destructive sleet storm in the history of the Company.

The overhead lines of your Company, as well as those

of the telegraph, electric light, and trolley systems, were almost completely prostrated. In the larger nearby cities the damage was much lessened by the predominance of underground lines, but the southern part of New Jersey and the middle section of Long Island were completely cut off from telephone communication for a period of from four to six weeks.

While every effort was being put forth to secure an early restoration of the crippled plant, substantially our whole force of linemen left our service without a moment's previous notice, and without any intimation of dissatisfaction on their part. This added greatly to the difficulty and delay in the restoration of service, and to some extent increased the cost of the work. The actual cost of repairing and rebuilding the prostrated lines was \$267,505.05, and the loss of revenue through the interruption of service is estimated at about \$100,000. The entire cost of repairs has been charged against the earnings of the year, which fact will account for the large increase in the maintenance account over former years, as shown in the Treasurer's statement. Under normal conditions the net earnings of the year 1902 should have been at least \$365,000 above the amount shown.

The increase in number of stations served would probably have been considerably larger, as canvassing for new business was necessarily suspended during the time in which the service was interrupted.

The last previous sleet storm which seriously affected our business occurred in 1891, in which year, it will be recalled, we were forced to encroach upon our surplus account to pay our usual dividend rate.

Through the use of the underground trunk line leading from Jersey City to Newark your Company was enabled to furnish to its patrons uninterrupted communication between New York, Brooklyn, Jersey City and Newark during the time when other lines were disabled.

During the summer an experimental installation of the Pupin invention, the exclusive control of which was lately acquired by the American Bell Telephone Company, was made upon this line with most encouraging results.

The trunk line conduit has now been extended from Newark to Elizabeth, and further large extensions have been planned reaching Passaic and Paterson in New Jersey, and east to Jamaica in the Long Island division.

In cooperation with the New York Telephone Company, comprehensive plans have been worked out by which all the suburban points within a radius of twenty miles of New York will be connected through underground cables, thus protecting the entire suburban toll service against interruption through unfavorable weather conditions. Prior to the Pupin invention it has not been possible to communicate successfully through underground cables of such length.

The above mentioned plans contemplate the equipment of all central offices within this radius with the common battery switchboard of similar type to that now in use at the larger exchange centres. It is hoped that the principal part of the above work can be completed during 1903.

Upon its completion, improved and uniform operating methods will be adopted by which it is expected that trunk connections between New York and the suburban cities within the above area can be established with the same promptness and efficiency as now characterizes the local service in the best equipped exchanges.

This important improvement should have the effect of largely increasing the use of the trunk lines.

An addition to the territory operated by your Company was made by the purchase of the plant and business of the Hudson River Telephone Company in Sussex

County, N. J., and a transference from the American Bell Telephone Company of the license contract to your company.

While the telephone business of this County is not at present of great importance, it covers quite an extensive area, and we believe it can be developed in connection with our adjoining territory so as to become of value in the future.

By authority of your Board of Directors under date of September 25th, 1902, \$3,125,000 par value of new capital stock was offered to the stockholders at par. The entire offering was promptly taken up and about two-thirds of the amount was issued and paid for on November 1st.

The amount thus paid to the Compaay was \$2,055,100, leaving \$1,069,900 par value, to be issued during 1903. As will be seen by the Treasurer's Statement, the amount of Cash and Deposits on December 31st, 1902, was \$1,141,154.48. We enter the year 1903 therefore with a provision of \$2,211,054.48 for construction purposes. This with the anticipated surplus earnings should about meet the construction requirements of the year.

The bonded indebtedness of the Company was reduced by \$20,000 during the year through the regular operations of the Sinking Fund.

Among the important improvements completed in 1902 was the conversion of the exchange plant in Elizabeth, N. J., from overhead to a complete underground system. This work was commenced some two years earlier, but its completion had been delayed through franchise difficulties.

With the improved plant, we are enabled to render much more efficient service to our subscribers. The extension of the underground trunk cables to Elizabeth, elsewhere referred to, should impart a new impetus to the growth of our business at this point.

The Company's central offices at the Hamilton and South exchanges in Brooklyn have been enlarged, a new building completed at East New York, and the improved central office apparatus installed at each of the above exchanges.

New buildings are under construction for exchanges at Prospect and Bay Ridge, Brooklyn, and Brick Church, N. J., at which point it is proposed to consolidate the business of Orange and East Orange heretofore operated separately. This building will also furnish headquarters for the different departments engaged in construction and maintenance work in that vicinity.

Sites have been purchased upon which buildings are to be commenced during 1903 for central offices at Greenpoint and Flatbush, Brooklyn, Tompkinsville, S. I., and Long Branch, N. J. Enlargement of the Jersey City building has been found necessary, and is now under way.

There was invested by the Company during 1902 in

Extension of Plant and Equipment.....	\$1,712,502	25
Real Estate .....	239,285	23

Of the amount invested in plant, \$821,561.25 was expended in extension of the underground conduit and cable system.

Estimates for 1903 contemplate the expenditure of about \$600,000 in Real Estate; \$450,000 in improved Central Office apparatus; and \$1,347,000 in underground conduit and cable extension.

Regarding competition, it may be said that while the few unimportant systems heretofore established still keep up a struggling existence, there are no evidences of new life or further development. In fact, on the whole, there are less stations connected to those systems than at the date of our last report.

The death of Mr. Felix Campbell, a Director of the Company, occurred in November. At a special meeting of the Board of Directors, held for the purpose, the following resolutions were adopted:

*Resolved*, That in the death of the Hon. Felix Campbell this Board has lost a valued member and a wise counsellor. For a period of nearly ten years he brought to the deliberations of this Board an excellent judgment and recognized ability, combined with a wide experience in financial and business life.

*Resolved*, That we sympathize deeply with his bereaved family in their great loss, and with his associates in commercial, civic and national life, amongst whom he achieved a distinguished success.

*Resolved*, That these resolutions be engrossed in the minutes of transactions of this Board, and that the Secretary transmit a copy thereof to the family of Mr. Campbell.

This report will not be complete without a tribute to the employees who remained faithful to the Company during the trying times caused by the unprecedented storm in February, followed by several weeks of most severe weather. The strike and desertion of a large proportion

of our men made the situation extremely difficult. The highest praise is due to employees who worked cheerfully through all these difficulties, and enabled us to clear up the trouble and educate a new force of men.

For the Board of Directors,

CHARLES F. CUTLER,

*President.*

NEW YORK, February 25, 1903.

## AUDITORS' REPORT.

---

We, the undersigned, appointed by the Board of Directors of The New York and New Jersey Telephone Company to examine the accounts of the Treasurer of said Company to January 1, 1903, do hereby certify that we have this day examined said accounts, counted the cash on hand and verified the balances due from banks, and have to report that we find the same correct in every particular, the payments properly avouched, and the securities and cash on hand and in banks to agree with the statement of the Treasurer.

H. S. HYDE,  
CHAS. T. YOUNG.

BROOKLYN, N. Y., February 17, 1903.

## EXCHANGES.

## LONG ISLAND DIVISION.

	Number of Stations.			Number of Stations.	
	Jan. 1, 1903.	Jan. 1, 1902.		Jan. 1, 1903.	Jan. 1, 1902.
Amityville .....	44	31	Huntington .....	48	29
Astoria .....	209	174	Islip .....	79	61
Babylon .....	102	65	Jamaica .....	244	203
Bath Beach .....	206	171	Lawrence .....	153	107
Bay Shore .....	98	68	Newtown ....	186	142
Brooklyn :			Northport. ....	76	70
Bay Ridge ...			Oyster Bay.....	91	70
Bedford .....			Patchogue.....	84	80
Borough Park.			Port Jefferson....	44	41
Bushwick ....			Port Washington.	52	32
East New York			Quogue ....	69	52
Flatbush.....	20,478	15,897	Richmond Hill...	175	126
Greenpoint ..			Riverhead .....	63	61
Hamilton ....			Rockville Centre.	123	82
Main .....			Roslyn .....	114	73
Prospect.....			Sayville .....	45	35
South .....			Sea Cliff.....	52	41
Williamsburg.)			Sheepshead .....	78	49
Coney Island ....	190	141	Southampton ....	141	103
Far Rockaway....	293	214			
Floral Park .....	36	28			
Flushing .....	437	334			
Freeport.....	117	66	Smaller Exchanges	259	201
Garden City .....	87	74			
Glen Cove.....	134	99			
Great Neck .....	77	65			
Greenport .....	39	30			
Hammels .....	154	128			
Hempstead .....	149	114	Total .....	25,026	19,357

EXCHANGES—*Continued.*

## NEW JERSEY DIVISION.

	Number of Stations.			Number of Stations,	
	Jan. 1, 1903.	Jan. 1, 1902.		Jan. 1, 1903.	Jan. 1, 1902.
Allenhurst .....	75	..	Newark .....	} 5,977	} 5,082
Arlington .....	81	59	Bowery .....		
Asbury Park.....	336	267	Roseville.....		
Atlantic Highlands	47	38	New Brunswick ..	535	436
Bayonne.....	395	268	Orange.....	908	771
Belleville .....	46	34	Passaic.....	1,036	802
Bernardsville ....	117	98	Paterson .....	2,258	1,822
Bloomfield .....	184	160	Perth Amboy ....	289	276
Boonton . . . . .	99	39	Plainfield .....	872	668
Bound Brook.....	49	32	Pompton Lakes ..	35	30
Cranford .....	108	62	Rahway .....	171	137
Dover .....	159	123	Red Bank .....	195	162
East Orange.....	952	793	Ridgewood .....	128	80
Elizabeth.. .....	1,128	1,085	Rockaway .....	63	48
Englewood .....	398	320	Roselle.....	81	..
Freehold .....	100	63	Rutherford .....	309	223
Hackensack .....	483	386	Seabright.....	125	88
Harrison .....	200	183	Somerville .....	151	135
Hoboken .....	955	769	South Amboy....	45	50
Jersey City .... }	2,667	2,215	South Orange....	345	290
Bergen .....			South River.....	64	40
Lakewood .....	197	165	Spring Lake.....	101	51
Long Branch.....	363	287	Staten Island.....	1,451	1,307
Madison.....	152	137	Summit.....	333	235
Matawan .....	78	64	Union .....	409	338
Metuchen .....	59	47	West End....	208	96
Millburn .....	120	91	Westfield .....	159	87
Montclair .....	1,046	817	Smaller Exchanges	432	249
Morristown .....	727	668			
Newton . . . . .	157	..	Total .....	28,158	22,773

16 THE NEW YORK AND NEW JERSEY TELEPHONE COMPANY.

SUMMARY.

	L. I. Div.	N. J. Div.	Total.
Stations, Jan. 1, 1903 .....	25,026	28,158	53,184
Stations, Jan. 1, 1902 .....	19,357	22,773	42,130
	<u>5,669</u>	<u>5,385</u>	<u>11,054</u>
Gain .....	5,669	5,385	11,054

TWENTY-SECOND ANNUAL REPORT  
OF  
THE DIRECTORS  
OF  
THE NEW YORK & NEW JERSEY TELEPHONE COMPANY  
TO  
THE STOCKHOLDERS

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FOR THE YEAR ENDED DECEMBER 31, 1904.

The New York & New Jersey Telephone Company

CHARLES F. CUTLER

C. N. BETHELL

WILLIAM D. SARGENT

WALDRON HOPKINS

HENRY WALTER SNOW

J. R. KELLY

CHARLES F. CUTLER  
WILLIAM D. SARGENT

C. N. BETHELL

# The New York & New Jersey Telephone Company

CHAIRMAN,

CHARLES F. CUTLER.

PRESIDENT,

U. N. BETHELL.

VICE-PRESIDENT,

WILLIAM D. SARGENT.

SECRETARY,

WALDRON HOPPINS.

TREASURER,

HENRY SANGER SNOW.

GENERAL MANAGER,

J. C. REILLY.

EXECUTIVE COMMITTEE,

CHARLES F. CUTLER, WILLIAM D. SARGENT,  
JOS. P. DAVIS, FREDERICK P. FISH,  
U. N. BETHELL.

DIRECTORS.

CHARLES F. CUTLER, . . . . NEW YORK, N. Y.  
ALEXANDER CAMERON, . . . . BROOKLYN, N. Y.  
JOS. P. DAVIS, . . . . NEW YORK, N. Y.  
CHARLES A. NICHOLS, . . . . SPRINGFIELD, MASS.  
HUGH KINNARD, . . . . NEWARK, N. J.  
WILLIAM D. SARGENT, . . . . BROOKLYN, N. Y.  
GEORGE H. PRENTISS, . . . . NEW YORK, N. Y.  
EDWARD J. HALL, . . . . NEW YORK, N. Y.  
HENRY SANGER SNOW, . . . . BROOKLYN, N. Y.  
ZENAS CRANE, . . . . DALTON, MASS.  
U. N. BETHELL, . . . . NEW YORK, N. Y.  
FREDERICK P. FISH, . . . . BOSTON, MASS.  
JOHN W. GRIGGS, . . . . PATERSON, N. J.  
THEODORE F. MILLER, . . . . BROOKLYN, N. Y.  
JAMES JOURDAN, . . . . BROOKLYN, N. Y.  
WM. C. COURTNEY, . . . . BROOKLYN, N. Y.  
WALDRON HOPPINS, . . . . BROOKLYN, N. Y.  
WILLIAM BERRI, . . . . BROOKLYN, N. Y.

# REPORT OF THE DIRECTORS

OF

## The New York and New Jersey Telephone Company.

TO THE STOCKHOLDERS:

The following statement exhibits the result of the year's operation of the Company and its financial condition December 31st, 1904:

### OPERATION.

#### GROSS EARNINGS.

Exchange service, - - -	\$2,601,023.70	
Pay stations, - - -	703,017.47	
Tolls, - - - - -	1,820,279.58	
Leased lines and instruments,	24,651.86	
Real estate, - - -	161,067.74	
Other sources, - - -	83,668.41	
		<hr/>
		\$5,393,708.76

#### EXPENSES OF OPERATION.

General, - - - - -	\$844,575.90	
Traffic, - - - - -	923,412.49	
Maintenance and recon- struction, - - - - -	1,601,793.30	
Instrument rental, - - -	250,680.67	
Real estate, - - - - -	108,872.99	
		<hr/>
		\$3,729,335.35
Earnings over expense of operation, - - -		<hr/>
		\$1,664,373.41

FIXED CHARGES AND TAXES.

Interest, - - - - -	\$66,422.04	
Taxes, - - - - -	121,000.00	
		<u>\$187,422.04</u>
Net earnings applicable to dividends, -	\$1,476,951.37	
Dividends paid, - - - - -	962,088.50	
		<u>\$514,862.87</u>
Surplus earnings, 1904, - - - - -	\$514,862.87	
Surplus, January 1, 1904, - - - - -	3,071,099.06	
		<u>\$3,585,961.93</u>
Surplus, December 31, 1904, - - - - -	\$3,585,961.93	

COMPARISON.

	1904	1903.	Changes.
Gross			
Earnings, \$5,393,708.76	\$4,741,343.90	\$652,364.86 inc.	
Expenses of Operation and Main- tenance,	<u>3,729,335.35</u>	<u>3,269,996.38</u>	<u>459,338.97 inc.</u>
Earnings over Ex- penses,	\$1,664,373.41	\$1,471,347.52	\$193,025.89 inc.
Fixed Charges, Taxes and Dividends,	<u>\$1,149,510.54</u>	<u>\$1,033,429.77</u>	<u>\$116,080.77 inc.</u>
Surplus, -	\$514,862.87	\$437,917.75	\$76,945.12 inc.

**BALANCE SHEET.**

## ASSETS.

Plant, - - - - -	\$12,314,898.49
Equipment, - - - - -	2,525,052.03
Real estate, - - - - -	1,742,005.99
Material and supplies, - - - - -	602,943.16
Accounts receivable, - - - - -	805,428.96
Stocks and bonds, - - - - -	445,640.55
Treasury stock, - - - - -	147,500.00
Cash and deposits, - - - - -	1,297,508.49
	\$19,880,977.67

## LIABILITIES.

Capital stock, - - - - -	\$13,917,600.00
General mortgage bonds, - - - - -	1,268,000.00
Real estate mortgages, - - - - -	67,500.00
Vouchers and accounts payable, - - - - -	365,545.41
Reserves, - - - - -	332,117.83
Dividend payable January 16, 1905, - - - - -	344,252.50
Surplus, December 31, 1904, - - - - -	3,585,961.93
	\$19,880,977.67

The results of the year's operations, as above set forth, show a gratifying increase in both gross and net earnings of your Company, while the expenses of conducting the business have not been unduly enlarged. The Company has been particularly fortunate in having escaped severe storms. The weather conditions throughout the year were favorable to our operations, and unusual outlays for repairs were thus fortunately avoided.

Under date of January 26, 1904, your Directors offered to the Stockholders at par \$1,252,000 of treasury stock, which was duly subscribed and paid for during the year.

Under the operation of the sinking fund, the amount

of the Company's general mortgage bonds outstanding was reduced \$18,000, leaving the amount of outstanding bonds at the close of the year \$1,268,000. There have been purchased for the sinking fund and cancelled since the issuance of the general mortgage in 1900, \$232,000 of the bonds secured by it.

The expenditures for extension of plant and new construction during the year were as follows:

Real estate, - - - - -	\$82,717.90
Equipment, - - - - -	478,394.46
Telephone lines, - - - - -	783,444.20
Making a total amount charged to con-	
struction of - - - - -	<u>\$1,344,556.56</u>

The large outlays for construction and maintenance during the past few years, with the general extension of your Company's underground system, both in the important cities and towns of its territory and on the main trunk lines running out of the City of New York, have, we believe, placed the plant in a very sound and permanent condition. The extended use of the Pupin coil, together with the improved common battery switchboards, which have now been widely installed in our important exchanges, have resulted in a substantial improvement in the quality of service which your Company is able to render.

Five new buildings, of fireproof construction, for the use of important exchanges, have been completed and occupied during the year. Chief among these is the large six-story building known as the Prospect Central Office in Brooklyn, in which have been placed the equipment for the Prospect District, the Long Island trunk switchboard and the general force of the Long Island Division. Sites have been secured also and work commenced on four other buildings, to be located at West Brighton, S. I., and at

Montclair, Newark and Morristown, N. J. These buildings will be completed during the year, and work will be commenced upon several additional properties.

By reason of the density of population, and extent, variety and importance of the business and industrial interests in your territory, the demands of the public for our service are constantly increasing. Extensive studies for the enlargement of the Company's business, with plans for the requisite facilities to keep pace with its rapid growth, and thus to meet all reasonable demands of the public, are constantly under consideration and in process of execution.

From the nature of your business, your Company can hardly hope to be entirely free from rate agitation, but we believe that as the character of our service and the necessary expense of its maintenance shall be more fully appreciated by the public who use it, the reasonableness of our charges will be apparent. From time to time, your Directors have authorized modifications and reductions of rates to meet the constantly changing conditions, and it will continue to be our policy to adjust our rates from time to time so that they shall always be upon a fair and reasonable basis. On October 1, 1904, a general revision of toll rates, involving substantial reductions, was put in effect throughout the territory. The increase in toll line traffic following these reductions indicates the popular favor with which they were received.

Your Company has met with no opposition of moment in its territory during the past year. At two points, where opposition offices had been established, these have been closed and service abandoned; and, although one or two small enterprises have sprung up in our territory during the year, they have not interfered with the development of your Company's business, nor do they appear to command any appreciable support in the localities where they exist.

On September 1, 1904, under an agreement effected with the Delaware and Atlantic Telegraph and Telephone Company, your Company assumed control of a portion of the territory formerly operated by that company in Ocean County, N. J., but which was naturally tributary to our lines. At the same time we transferred to the Delaware and Atlantic Company a small portion of territory theretofore operated by us in Middlesex County, N. J., where the business was naturally appurtenant to the lines of that company.

An inspection of the statistics of exchanges and subscribers' stations attached to this report shows that the rate of increase in stations has been well maintained during the past year. The total gain in stations was 13,760, or something more than 20%.

During the year, the office of Chairman of the Board of Directors was created, and some other changes were made in the plan of organization of the Company, looking to a more efficient arrangement of its force, in order to properly care for its complex and rapidly growing business.

In the month of September, occurred the death of Mr. David B. Powell, for many years a faithful and efficient member of the Board of Directors of your Company. At a meeting of the Board, held shortly thereafter, the following resolutions were unanimously adopted:

RESOLVED, That in the death of Mr. David B. Powell this Board has lost a member whose high character and sterling qualities of heart and mind his associates have always held in the highest esteem.

For more than fourteen years Mr. Powell has been an active member of this Board, ever showing a keen interest in the affairs of the Company, and on all occasions giving counsel and advice of the highest value.

RESOLVED, That we tender our deep sympathy to Mr. Powell's family in their bereavement, and that, in common with his other friends and associates, we bear tribute to his genial nature and his capacity for large affairs, which was so signally marked by integrity and worthy purpose.

RESOLVED, That these resolutions be spread upon the minutes of this Board, and that the Secretary transmit a copy thereof to the family of Mr. Powell.

Your Directors desire to express again their appreciation of the loyal co-operation of the employes of the Company, the intelligent discharge of whose duties has contributed very greatly to the successful result of the year's operations.

By Order of the Board of Directors,

U. N. BETHELL,  
President.

CHAS. F. CUTLER,  
Chairman.

Brooklyn, N. Y., February 15, 1905.

## AUDITORS' REPORT.

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We, the undersigned, appointed by the Board of Directors of The New York and New Jersey Telephone Company to examine the accounts of the Treasurer of said Company to January 1, 1905, do hereby certify that we have this day examined said accounts, counted the cash on hand and verified the balances due from banks, and have to report that we find the same correct in every particular, the payments properly avouched, and the securities and cash on hand and in banks to agree with the statement of the Treasurer.

H. S. HYDE,  
CHAS. T. YOUNG.

BROOKLYN, N. Y., February 14, 1905.

## EXCHANGES.

## LONG ISLAND DIVISION.

	Number of Stations.			Number of Stations.	
	Jan. 1, 1904.	Jan. 1, 1905.		Jan. 1, 1904.	Jan. 1, 1905.
Amityville .....	53	75	Greenport .....	40	87
Astoria .....	253	287	Hammels .....	183	202
Babylon .....	123	143	Hempstead .....	324	368
Bath Beach .....	262	339	Hicksville .... .	45	66
Bay Shore .....	113	141	Huntington.....	67	102
Bellport .....	28	30	Islip .....	93	106
Blue Point.....	31	48	Jamaica .....	399	504
Brooklyn:			Lawrence .....	197	201
Bay Ridge ...			Mattituck .....	35	41
Bedford .....			Newtown.....	242	271
Bushwick .....			Northport .....	93	111
East New York			Oyster Bay .....	112	131
Flatbush .....			Patchogue .....	108	164
Greenpoint ...	26,222	31,816	Port Jefferson....	55	95
Hamilton .....			Port Washington ..	71	76
Main .....			Queens .....	27	29
Prospect .....			Quogue .....	95	114
South .....			Richmond Hill....	279	362
Williamsburg..			Riverhead .....	81	99
Cold Spring Harbor	38	45	Rockville Centre ..	268	432
Coney Island.....	219	287	Roslyn .....	156	185
Cutchogue .....	39	82	Sayville .....	52	71
East Hampton ....	54	66	Sea Cliff.....	74	84
Far Rockaway.....	312	330	Sheepshead .....	100	125
Floral Park .....	41	46	Smithtown.....	29	34
Flushing .....	555	674	Southampton.....	149	159
Freeport .....	255	322			
Garden City .....	102	126	Smaller Exchanges.	112	135
Glen Cove .....	186	220			
Great Neck.....	99	113	Total.....	32,471	39,544

EXCHANGES—*Continued.*

NEW JERSEY DIVISION.

	Number of Stations.			Number of Stations.	
	Jan. 1, 1904.	Jan. 1, 1905.		Jan. 1, 1904.	Jan. 1, 1905.
Allendale.....	13	28	Millburn.....	124	147
Allenhurst.....	72	72	Montclair.....	1,169	1,410
Arlington.....	104	141	Morristown.....	860	932
Asbury Park.....	371	439	Netcong.....	24	26
Atlantic Highlands	63	70	Newark.....	7,134	8,712
Bayonne.....	483	552	Roseville.....		
Belmar.....	62	69	New Brunswick..	793	832
Belleville.....	50	78	Newton.....	175	177
Bernardsville.....	135	161	Nutley.....	64	88
Bloomfield.....	287	353	Oceanic.....	26	29
Boonton.....	120	127	Orange.....	2,146	2,740
Bound Brook.....	75	64	East Orange...		
Caldwell.....	68	78	Passaic.....	1,165	1,272
Chatham.....	46	45	Paterson.....	2,664	3,076
Closter.....	34	34	Perth Amboy....	513	585
Cranford.....	164	192	Plainfield.....	1,095	1,288
Dover.....	197	224	Pompton Lakes..	38	57
Elizabeth.....	1,331	1,534	Pt. Pleasant.....	....	47
Englewood.....	458	566	Rahway.....	218	272
Freehold.....	152	168	Ramseys.....	11	27
Hackensack.....	589	697	Red Bank.....	245	297
Harrison.....	220	284	Ridgewood.....	183	232
Hasbrouck Heights	26	37	Rockaway.....	62	69
Hoboken.....	1,222	1,386	Roselle.....	107	129
Jamesburg.....	36	31	Rutherford.....	360	437
Jersey City.....	3,345	4,308	Sea Bright.....	124	127
Bergen.....			Somerville.....	184	214
Lakewood.....	242	253	South Amboy....	70	76
Long Branch....	387	418	South Orange....	378	427
Madison.....	174	188	South River.....	77	85
Matawan.....	83	86	Spring Lake.....	120	127
Metuchen.....	73	98	Staten Island ...	1,589	2,004

EXCHANGES—NEW JERSEY DIVISION—*Continued.*

	Number of Stations.			Number of Stations.	
	Jan. 1, 1904.	Jan. 1, 1905.		Jan. 1, 1904.	Jan. 1, 1905.
Summit .....	400	433	Whippany .....	28	29
Tom's River .....	...	57	Woodbridge .....	72	87
Union.....	513	616	Smaller Exchanges	274	335
West End .....	197	207			
Westfield .....	209	294	Total .....	34,093	40,780

## SUMMARY.

	L. I. Div.	N. J. Div.	Total.
Stations, Jan. 1, 1905.....	39,544	40,780	80,324
Stations, Jan. 1, 1904.....	32,471	34,093	66,564
Gain.....	7,073	6,687	13,760

Other than "exchange" stations, omitted from previous annual reports, are included in the foregoing figures.





TWENTY-THIRD ANNUAL REPORT

OF

THE DIRECTORS

OF

THE NEW YORK & NEW JERSEY TELEPHONE COMPANY

TO

THE STOCKHOLDERS

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FOR THE YEAR ENDED DECEMBER 31, 1905

EAGLE PRESS, BROOKLYN-NEW YORK



# REPORT OF THE DIRECTORS

OF

## The New York and New Jersey Telephone Company.

TO THE STOCKHOLDERS:

The following statement exhibits the result of the year's operation of the Company and its financial condition December 31st, 1905:

### OPERATION.

#### GROSS EARNINGS.

Exchange service, - - -	\$2,961,699.98
Pay stations, - - -	836,231.09
Tolls, - - - - -	2,117,188.18
Leased lines and instruments,	27,769.99
Real estate, - - - -	207,895.99
Other sources, - - -	66,502.95
	<hr/>
	\$6,217,288.18

#### EXPENSES OF OPERATION.

General, - - - - -	\$1,097,862.81
Traffic, - - - - -	1,070,056.42
Maintenance and recon- struction, - - - -	1,977,086.62
Instrument rental, - - -	289,137.27
Real estate, - - - - -	141,701.68
	<hr/>
	\$4,575,844.80
Earnings over expense of operation, . .	\$1,641,443.38

FIXED CHARGES AND TAXES.

Interest, - - - - -	\$62,617.58	
Taxes, - - - - -	132,809 81	
		<u>\$195,427.39</u>
Net earnings applicable to dividends,		\$1,446,015.99
Dividends paid, - - - - -		<u>1,034,149 50</u>
Surplus earnings, 1905, - - - - -		\$411,866.49
Surplus, January 1, 1905, - - - - -		<u>3,585,961.93</u>
Surplus, December 31, 1905, - - - - -		\$3,997,828.42

COMPARISON.

	1905.	1904.	Changes.
Gross			
Earnings, \$6,217,288.18	\$6,217,288.18	\$5,393,708.76	\$823,579.42 inc.
Expenses of Operation and Main- tenance,	<u>4,575,844.80</u>	<u>3,729,335.35</u>	<u>846,509.45 inc.</u>
Earnings over Ex- penses,	\$1,641,443.38	\$1,664,373.41	\$22,930.03 dec.
Fixed Charges, Taxes and Dividends,	<u>\$1,229,576.89</u>	<u>\$1,149,510.54</u>	<u>\$80,066.35 inc.</u>
Surplus, -	\$411,866.49	\$514,862.87	\$102,996.38 dec.

**BALANCE SHEET.**

## ASSETS.

Plant, - - - - -	\$14,028,989.05
Equipment, - - - - -	3,374,542.62
Real estate, - - - - -	2,205,773.75
Material and supplies, - - - - -	773,133.93
Accounts receivable, - - - - -	988,436.19
*Stock subscription - - - - -	632,700.00
Stocks and bonds, - - - - -	445,640.55
Treasury stock, - - - - -	148,600.00
Cash and deposits, - - - - -	1,587,632.81
	\$24,185,448.90

## LIABILITIES.

Capital stock, - - - - -	\$17,360,000.00
General mortgage bonds, - - - - -	1,250,000.00
Vouchers and accounts payable, - - - - -	596,614.32
Reserves, - - - - -	566,511.16
Dividend payable January 15, 1906, - - - - -	414,495.00
Surplus, December 31, 1905, - - - - -	3,997,828.42
	\$24,185,448.90

The foregoing results of the year's operations show a considerable increase in the gross earnings of the Company, though the amount passed to surplus is not as large, proportionately, as in previous years. The Company has been very successful during the year in increasing the number of its subscribers, but owing to the reductions in rates referred to below, the earnings have not been so large relatively as heretofore.

By reference to the statistics of exchanges and subscri-

\*Stock subscribed for to be issued in 1906.

bers' stations at the end of this report, it will be seen that the rate of increase has been very gratifying, exceeding any previous increase in the history of the Company. The total gain in stations was 31,725, being nearly 40%.

It is felt by your management that future growth will be very rapid, and that large capital outlays will be necessary to provide required facilities.

At a special meeting of the stockholders held October 25th, 1905, the authorized capital stock of your Company was increased from \$15,000,000 to \$50,000,000, and on October 27th, 1905, the Board of Directors authorized the offer to stockholders of \$3,442,525 of the new stock at par, being 25% increase upon the stock outstanding. This new stock was fully subscribed for, and its issuance brings the registered stock of your Company up to \$17,360,000, of which amount, \$148,600 is held in the Treasury.

The operations of the sinking fund created for the reduction of the Company's general mortgage bonds of 1890, has resulted in the purchase and cancellation during the year of \$18,000 of these bonds, making the bonds outstanding at the close of the year \$1,250,000, a total reduction of \$250,000 from the original amount of this loan.

The expenditures for extension of plant and real estate during the year were as follows:

Real Estate,	-	-	-	-	-	-	-	-	\$463,767.76
Equipment,	-	-	-	-	-	-	-	-	849,490.59
Telephone Lines,	-	-	-	-	-	-	-	-	1,714,090.56
Making a total amount charged to construction of	-	-	-	-	-	-	-	-	\$3,027,348.91

During the year the rates for service in the Boroughs of Brooklyn, Queens, and Richmond, the cities of Jersey City, Newark, and Hoboken and other places were revised, involving a substantial reduction in the charges for many classes of service; the toll rates between various points were also

revised and reduced. These reductions have stimulated the business and served to popularize the service, and it is believed that further results in that direction will follow.

During the year substantial fire-proof buildings were erected in Newark, Montclair, Morristown, and West Brighton, in which new and improved switchboards have been installed, and are now in operation.

New buildings are under way in Hoboken, Passaic and Jamaica and other smaller towns, and sites have been secured for the erection of additional buildings at Newark, Plainfield and Flushing during the coming year.

In order to eliminate the objectionable features of poles and overhead wires on the streets and avenues of the larger cities and towns, special distribution requiring no such poles, has been installed on a large scale, and during the coming year further extension of the plant in this way is contemplated.

This report should not close without an expression of appreciation on the part of your Board of the diligent and loyal efforts of the employes of the Company, to whom credit is due for their share in the year's progress.

By Order of the Board of Directors,

U. N. BETHELL,  
President.

CHAS. F. CUTLER,  
Chairman.

Brooklyn, N. Y., February 15, 1906.

## AUDITORS' REPORT.

---

We, the undersigned, appointed by the Board of Directors of The New York and New Jersey Telephone Company to examine the accounts of the Treasurer of said Company to January 1, 1906, do hereby certify that we have this day examined said accounts, counted the cash on hand and verified the balances due from banks, and have to report that we find the same correct in every particular, the payments properly avouched, and the securities and cash on hand and in banks to agree with the statement of the Treasurer.

H. S. HYDE,  
CHAS. T. YOUNG.

BROOKLYN, N. Y., February 14, 1906.

## EXCHANGES.

## LONG ISLAND DIVISION.

	Number of Stations.			Number of Stations.	
	Jan. 1, 1905.	Jan. 1, 1906.		Jan. 1, 1905.	Jan. 1, 1906.
Amityville .....	75	93	Great Neck.....	113	164
Astoria .....	287	426	Greenport .....	87	117
Babylon .....	143	173	Hammels .....	202	287
Bath Beach .....	339	506	Hempstead .....	368	509
Bay Shore .....	141	165	Hicksville .... .	66	66
Bellport .....	30	35	Huntington.....	102	187
Blue Point.....	48	66	Islip .....	106	119
Brooklyn:			Jamaica .....	504	1,009
Bay Ridge ...			Lawrence .....	201	276
Bedford .....			Mattituck .....	41	70
Bushwick .....			Newtown .....	271	436
East New York			Northport .....	111	152
Flatbush.....	31,816	44,934	Oyster Bay .....	131	150
Greenpoint ...			Patchogue .....	164	314
Hamilton .....			Port Jefferson....	95	139
Main .....			Port Washington ..	76	115
Prospect .....			Queens.....	29	28
South .....			Quogue .....	114	155
Williamsburg..			Richmond Hill....	362	620
Centre Moriches...			24	61	Riverhead .....
Cold Spring Harbor	45	58	Rockville Centre ..	432	575
Coney Island.....	287	774	Roslyn .....	185	224
Cutchogue .....	82	112	Sayville .....	71	98
East Hampton ....	66	66	Sea Cliff.....	84	102
Far Rockaway.....	330	492	Sheepshead Bay...	125	199
Farmingdale .....		34	Shelter Island.....	15	26
Floral Park .....	46	55	Smithtown.....	34	41
Flushing .....	674	950	Southampton.....	159	207
Freeport .....	322	467	Smaller Exchanges.	96	116
Garden City .....	126	166			
Glen Cove .... .	220	264	Total.....	39,544	56,610

EXCHANGES—*Continued.*

## NEW JERSEY DIVISION.

	Number of Stations.			Number of Stations.	
	Jan. 1, 1905.	Jan. 1, 1906.		Jan. 1, 1905.	Jan. 1, 1906.
Allendale.....	28	31	Madison .....	188	242
Allenhurst.....	72	122	Matawan .....	86	136
Arlington.....	141	202	Metuchen.....	98	134
Asbury Park....	439	629	Millburn .....	147	204
Atlantic Highlands	70	99	Monmouth Beach.	20	31
Bayonne.....	552	888	Montclair.....	} 1,763	2,438
Belleville.....	78	86	Bloomfield....		
Belmar.....	69	82	Morristown .....	932	1,178
Bernardsville....	161	192	Mt. Arlington....	23	29
Boonton.....	127	158	Netcong.....	26	40
Bound Brook....	64	89	Newark.....	} 8,712	12,025
Caldwell.....	78	111	Branch Brook..		
Chatham.....	45	58	New Foundland..	...	49
Chester.....	...	36	New Brunswick..	832	1,019
Closter.....	34	43	Newton.....	177	182
Cranford.....	192	269	Nutley.....	88	147
Dover.....	224	311	Oceanic.....	29	42
Elizabeth.....	1,534	1,969	Orange.....	} 2,740	3,984
Englewood.....	566	708	East Orange...		
Fort Lee.....	24	30	Passaic .....	1,272	1,537
Freehold.....	168	274	Paterson.....	3,076	4,060
Hackensack.....	697	901	Peapack .....	22	29
Harrison.....	284	367	Perth Amboy....	585	822
Hasbrouck Heights	37	73	Plainfield .....	1,288	1,642
Holmdel .....	12	51	Pompton Lakes...	57	96
Hoboken .....	1,386	1,879	Pt. Pleasant.....	47	89
Jamesburg.....	31	49	Rahway.....	272	400
Jersey City.....	} 4,308	5,678	Ramseys... ..	27	41
Bergen .....					
Lakewood.....	253	337	Red Bank.....	297	382
Linden .....	20	26	Ridgewood.....	232	310
Long Branch....	418	501	Rockaway .....	69	71
			Roselle.....	129	164

EXCHANGES—NEW JERSEY DIVISION—*Continued.*

	Number of Stations.			Number of Stations.	
	Jan. 1, 1905.	Jan. 1, 1906.		Jan. 1, 1905.	Jan. 1, 1906.
Rutherford.....	437	561	Tom's River .....	57	74
Sea Bright.....	127	153	Union.....	616	800
Shark River .....	...	35	West End .....	207	287
Somerville.....	214	272	Westfield .....	294	454
South Amboy ..	76	118	West Milford ....	...	27
South Orange ...	427	595	Westwood.....	16	40
South River.....	85	102	Whippany .....	29	47
Spring Lake .....	127	182	Woodbridge .....	87	111
Succasunna .....	13	58	Smaller Exchanges	185	275
Staten Island ....	2,004	2,866			
Summit .....	433	610	Total .....	40,780	55,439

## SUMMARY.

	L. I. Div.	N. J. Div.	Total
Stations, Jan. 1, 1906.....	56,610	55,439	112,049
Stations, Jan. 1, 1905.....	39,544	40,780	80,324
Gain.....	17,066	14,659	31,725

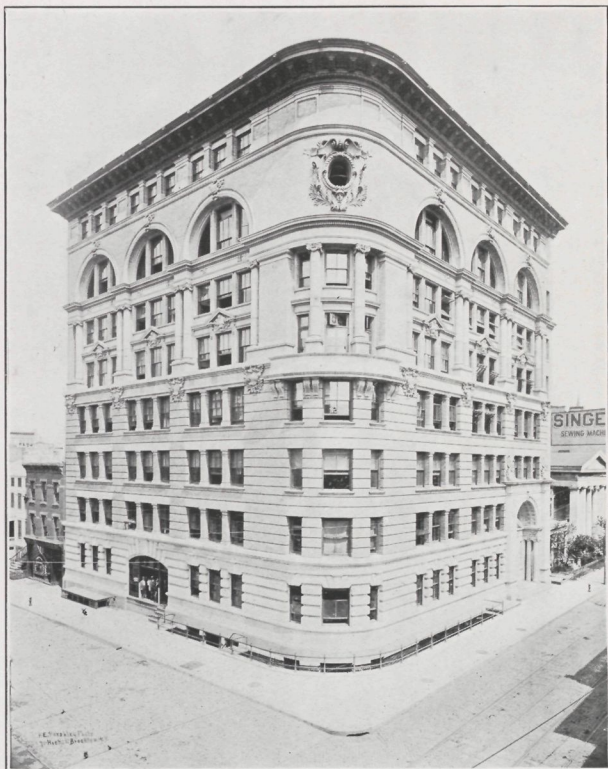
The New York and New Jersey  
Telephone Company

TWENTY - FOURTH  
ANNUAL REPORT  
OF  
THE BOARD OF DIRECTORS  
TO  
THE STOCKHOLDERS

For the Year Ended December Thirty-First  
Nineteen Hundred and Six







GENERAL OFFICE BUILDING  
THE NEW YORK AND NEW JERSEY TELEPHONE COMPANY  
81 WILLOUGHBY STREET, BROOKLYN

The lot on which this building stands is 107' 7" x 100'. The Company also owns an adjacent plot, 107' 5" x 100', the entire property reaching from Lawrence Street to Bridge Street, with a frontage on Willoughby Street of 215 feet, and a uniform depth of 100 feet.

# THE NEW YORK AND NEW JERSEY TELEPHONE COMPANY

## BOARD OF DIRECTORS

CHARLES F. CUTLER,	Morristown, N. J.
ALEXANDER CAMERON,	Brooklyn, N. Y.
JOSEPH P. DAVIS,	New York, N. Y.
CHARLES A. NICHOLS,	Springfield, Mass.
HUGH KINNARD,	Newark, N. J.
WILLIAM D. SARGENT,	Brooklyn, N. Y.
GEORGE H. PRENTISS,	Brooklyn, N. Y.
EDWARD J. HALL,	Morristown, N. J.
HENRY SANGER SNOW,	Brooklyn, N. Y.
ZENAS CRANE,	Dalton, Mass.
U. N. BETHELL,	Montclair, N. J.
FREDERICK P. FISH,	Boston, Mass.
JOHN W. GRIGGS,	Paterson, N. J.
THEODORE F. MILLER,	Brooklyn, N. Y.
JAMES JOURDAN,	Brooklyn, N. Y.
WILLIAM C. COURTNEY,	Brooklyn, N. Y.
WILLIAM BERRI,	Brooklyn, N. Y.
JOHN C. REILLY,	Brooklyn, N. Y.

## OFFICERS

CHARLES F. CUTLER, Chairman.  
U. N. BETHELL, President.  
W. D. SARGENT, First Vice President.  
J. C. REILLY, Second Vice President.  
WALDRON HOPPINS, Secretary.  
H. S. SNOW, Treasurer.  
H. F. THURBER, General Manager.  
J. J. CARTY, Chief Engineer.  
J. L. HAMAR, Auditor.  
ALEXANDER CAMERON, Counsel.

# THE NEW YORK AND NEW JERSEY TELEPHONE COMPANY

TO THE STOCKHOLDERS:

The results of your Company's operations during the year 1906, and its financial condition at the end of the year, are shown in the following statements:

## (1). STATION STATEMENT, 1906

	In State of New York	In State of New Jersey	Total
In Service Jan. 1, 1906,	59,476	52,573	112,049
Net Gain, 1906,	10,120	9,273	19,393
In Service Dec. 31, 1906,	69,596	61,846	131,442
Percentage of Gain,	17.	18.	17.3

## (2). COMPARISON BETWEEN 1905 AND 1906

	1905	1906	Changes
Gross Earnings,	\$6,217,288.18	\$7,447,146.92	\$1,229,858.74 Inc.
Expenses,	4,708,654.61	5,659,653.60	950,998.99 "
Net Earnings,	1,508,633.57	1,787,493.32	278,859.75 "
Interest Charges,	62,617.58	86,629.29	24,011.71 "
Dividends, 7%,	1,034,149.50	1,272,797.00	238,647.50 "
Total Deductions,	1,096,767.08	1,359,426.29	262,659.21 "
Surplus for Year,	411,866.49	428,067.03	16,200.54 "

(3). DETAIL OF EARNINGS AND EXPENSES, 1906

EARNINGS

Exchange Service,	\$3,549,697.30	
Pay Stations,	881,221.52	
Toll Service,	2,650,969.41	
Leased Lines and Instruments,	33,719.70	
Real Estate,	232,579.27	
Other Sources,	98,959.72	
	<hr/>	\$7,447,146.92

OPERATING EXPENSES

General Expense and Taxes,	\$852,960.84	
Procuring and Handling Traffic,	1,934,905.22	
Maintenance and Reconstruction,	2,357,086.35	
Instrument Rentals,	346,606.21	
Real Estate Expenses,	168,094.98	
	<hr/>	\$5,659,653.60

Earnings over Operating Expenses,	1,787,493.32
Interest Charges,	86,629.29
Dividends declared,	1,272,797.00
Total Interest Charges and Divi- dends,	1,359,426.29
Surplus for the Year,	428,067.03
Surplus January 1st, 1906,	3,997,828.42
Surplus December 31st, 1906,	4,425,895.45

(4). BALANCE SHEET, DECEMBER 31, 1906

ASSETS

Telephone Lines,	\$17,401,131.94
Equipment,	4,821,094.78
Real Estate,	2,683,719.41
Material and Supplies,	1,605,281.02
Accounts Receivable,	1,359,181.66
Stocks and Bonds,	530,000.00
Treasury Stock,	150,500.00
Cash and Deposits,	257,577.79
Total,	<hr/> \$28,808,486.60

LIABILITIES

Capital Stock,	\$19,081,000.00
Surplus,	4,425,895.45
General Mortgage Bonds,	1,233,000.00
Bills Payable,	2,050,000.00
Accounts Payable,	905,673.04
Reserve for January Dividends,	473,262.50
Other Reserves,	639,655.61
Total,	<hr/> \$28,808,486.60

(5.) ADDITIONS TO CONSTRUCTION ACCOUNT, 1906

Real Estate,	\$477,945.66
Underground Plant,	2,058,305.22
Aerial Plant,	1,313,837.67
Equipment,	1,446,552.16
Total,	<hr/> \$5,296,640.71

## GENERAL REMARKS

### CAPITAL STOCK AND BONDS

FROM the issue of stock at par the Treasury received during 1906, from the 1905 offering \$632,225, and from the 1906 offering \$1,719,100, a total of \$2,351,325. The 1906 offering was limited to ten per cent. of the then outstanding stock. The proceeds from these sales being insufficient to provide for the large additions made to the property and plant during the year, the additional funds required were raised by loans upon the Company's notes. The outstanding bills payable at the close of the year amounted to \$2,050,000. To pay these loans and provide for 1907 construction, the Board of Directors in December, 1906, authorized an offer to stockholders of new stock at par to the amount of 33 1-3 per cent. of the then outstanding stock, or \$6,310,166.66.\*

Dividends were declared during the year at the rate of 1½ per cent. quarterly, with an extra dividend of 1 per cent. at the end of the year, making the annual rate 7 per cent. The Board of Directors has decided that hereafter, earnings permitting, dividends shall be declared at the same annual rate of 7 per cent., but at 1 3-4 per cent. quarterly instead of as heretofore, so as to distribute the total annual dividend payments evenly throughout the year.

The operations of the Sinking Fund resulted in the redemption during the year of \$17,000 of the Company's general

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\*The right to subscribe under this offer expired January 31, 1907.

The entire issue was taken excepting some fractional shares aggregating less than 60 shares; which remain in the Treasury.

mortgage bonds, leaving an outstanding Bonded Debt at the end of the year of \$1,233,000.

The outstanding stock and bonds of the Company are represented by property at a fair and legitimate valuation; franchises, or rights granted by the public for the use of the public highways, have not been capitalized. Ample provision in reserves and surplus has been made for extraordinary depreciation and contingencies.

### RATES AND GROWTH IN STATIONS

The Company's policy has been to establish service charges which, while enabling its stockholders to obtain a proper return upon their investment, would also from the standpoint of its patrons in the various communities within its territory be reasonable and fair. In carrying out this policy the Company has reduced and modified its charges from time to time as rapidly and as fully as was warranted by the results obtained. Substantial reductions and modifications were made in 1906. The changes made, while largely reducing the earnings from business in hand at the time they became effective, attracted a large amount of new business, the net result being an increased volume of business at a less percentage of profit per unit of business transacted, and a further popularization of the service.

As a result of frequent and systematic reductions, the average earnings per station have decreased during the past ten years approximately 50 per cent. Although a little more than one-half of the total decrease was made during the first five years of the period, the average has declined in every year, the decline being fairly uniform throughout the entire period.

During the same period there was a remarkable increase in the number of stations, as shown by the following table:

At end of Year	Stations in Service	Gain during Two Years	Percentage of Gain.
1896	14,333		
1898	22,065	7,732	53.94
1900	35,176	13,111	59.42
1902	53,184	18,008	51.19
1904	80,324	27,140	51.03
1906	131,442	51,118	63.64

The total gain for the ten years was 117,109 stations, or about 817 per cent.

## TERRITORY AND PLANT

The territory operated by the Company is, as a telephone field, one of the most important in the world. It embraces all of Long Island and Staten Island, including three of the five boroughs of New York City, and all that part of New Jersey, which is directly tributary to New York City.\* It covers about 4,500 square miles, and contains a population estimated at the present time at 3,600,000. The industrial and commercial importance of this territory, though already great, will be vastly enhanced by the tremendous development in population and wealth which will surely follow the completion of the comprehensive transportation plans contemplated and now in course of construction within its limits. This development will create demands for telephone service which can be met only by a telephone system built on broad lines in a most substantial manner. The general plans under which extensions of the Company's plant are made have been prepared with the prospective conditions in view. The Company

\* A map of the territory is appended to this report.

will be required to make large and continuous additions to its investment as the industrial and commercial development proceeds.

In the larger centers, especially where the principal lines are underground, the Company has acquired real estate and constructed buildings for use in the operation of its system. Of the buildings now occupied by the Company, thirty-three are owned by it, twenty-five of which are modern fire-proof structures especially adapted to the peculiar needs of the business. Fourteen of these fire-proof buildings are on Long Island and Staten Island, while eleven of them are in New Jersey—two in Newark, two in Jersey City, and one each in Paterson, Passaic, Montclair, Orange, Hoboken, Elizabeth and Morristown. At the end of the year three other fire-proof buildings were in course of construction and nearing completion. As shown elsewhere in this report, \$477,945.66 were added to the Real Estate investment account during 1906; the total of such investment at the end of the year was \$2,683,719.41.

In twenty-two of the principal cities served by the Company the central office and station equipment is of the standard common battery type, the most modern known to the art, and in all respects the best for handling the complex and voluminous traffic which passes over the Company's lines. This type of equipment has been so generally installed that more than sixty-six per cent. of the stations in the entire territory are served from common battery offices. Several other offices were at the close of the year in course of conversion to the common battery system of working. There was expended during the year for central office equipment \$731,115.82, and for station equipment \$715,436.34.

Great additions were made to the line plant during the year, particularly to the underground conduit and cable systems.

The new investment of aerial plant was \$1,313,837.67, and for underground plant \$2,058,305.22. Not only has the Company constructed extensive underground conduit systems in the larger places in which it operates, such as Brooklyn, Jamaica, Newark, Jersey City, Hoboken, Paterson, Passaic, Elizabeth, Montclair, the Oranges, Long Branch and Asbury Park, but it has also followed this form of construction in many other parts of its territory, having at the end of the year no less than fifty-six underground networks in various cities. The principal city systems are also connected with each other by underground interurban systems. In Long Island underground lines extend from the Brooklyn exchange area to Coney Island, to Far Rockaway (except for a few miles), to Flushing, to Jamaica, and to and beyond Hempstead within a few miles of Babylon. In New Jersey, the cities of Newark, Jersey City, Bayonne, Paterson, Passaic, the Oranges, Montclair, Bloomfield, Rahway, Perth Amboy and New Brunswick are connected together by means of a general system of underground conduits and cables. The exchange centers on Staten Island are also connected by underground and submarine cables to the general system of underground trunk lines in New Jersey. Indeed, over 100,000 of the total number of stations operated, or more than seventy-five per cent. of the whole, are in centers which are joined together by an underground trunk line system.

A very considerable part of the traffic passing over the trunk lines of your Company is destined to or received from points in the territory of the New York Telephone Company. The extensive underground systems of your Company are connected directly by underground and submarine cables to the very comprehensive underground systems of the New

York Telephone Company. The combined systems of the two Companies form by far the largest underground telephone plant in the world.

Thus, a very large proportion of the line plant of the Company is on a permanent and stable basis, and a large and important part of its service, including that to and from New York, is guaranteed against interruption by storms. This extensive development in underground trunk lines has been made possible by the use of "loading coils," the remarkable invention of Prof. M. I. Pupin. Your Company has the exclusive right to the use of this invention within its territory.

#### ARRANGEMENT WITH N. Y. TELEPHONE CO.

The operations of your Company and of the New York Telephone Company are necessarily so closely related that in many respects the systems of the two Companies may be viewed as one.

The extent and rapid growth during recent years of the two systems are shown in the following table:

#### NEW YORK & NEW JERSEY TELEPHONE COMPANY AND NEW YORK TELEPHONE COMPANY

At end of Year	Telephones in Service and under Contract	Net gain in Telephones during the Year
1902	167,792	42,414
1903	210,981	43,189
1904	255,993	45,012
1905	321,890	65,897
1906	389,000	67,110

Because of the exceedingly close commercial relations and the resulting large telephone traffic between the various sections of the territories of the two Companies, uniformity in methods of construction and operation in both territories has become essential to the maintenance of an efficient service. To secure such uniformity and economies in administration, an arrangement was made in the early part of 1906 with the New York Telephone Company under which the construction and operation of the plants of both Companies have been entrusted to a staff of officers serving the Companies jointly. The results already obtained from this arrangement have demonstrated its advantage to both Companies and the public which they serve, while future benefits will doubtless far exceed those of the past.

At the close of the year there were 7,538 officers and employees in the service of your Company. The Board of Directors desires to express its appreciation of the skill and energy displayed by the officers and employees, and record its recognition of a commendable spirit of fidelity and loyalty which has been manifest throughout the force, in all grades, during the year.

### COMPETITION

The Companies operating plants in competition with your Company have made no apparent progress during the year, and your Company's development has not been appreciably affected by their operations.

In connection with an application for a franchise to operate a second telephone system in New York City, the Board of Estimate and Apportionment of New York invited a proposal from your Company and the New York Telephone Company. In response to this invitation, the Companies jointly proposed

to the City that, so long as no other public telephone system was established in the City, and no other telephone franchises granted, they would:

(1) Pay to the City annually, to be charged against revenue as a part of operating expenses,

During the 1st five years at \$116,000 per year.

During the 2nd five years at \$122,000 per year.

During the 3rd five years at \$134,000 per year.

During the 4th five years at \$152,000 per year.

During the 5th five years at \$176,000 per year.

During each year thereafter at \$200,000 per year.

(2) Furnish such telephone facilities and service within the City as the City might desire for its official use at fifty per cent. reduction from the schedule rates.

(3) File with the City Comptroller annually a verified report, audited and certified if desired by public accountants acceptable to or designated by the Comptroller, showing, as to their telephone systems: total investment, gross earnings, expenses and net earnings, the various items to be shown under proper classifications and in a form to be agreed upon.

(4) Adjust their rates from time to time to limit their net earnings to approximately ten per cent. on the actual investment of capital, after caring for depreciation.

The proposal is still pending before the Board of Estimate and Apportionment of New York City.

## AUDITING COMMITTEE

The Committee appointed by the Board of Directors to examine and audit the accounts of the Treasurer was composed of Mr. H. S. Hyde, of Springfield, Mass., and Mr. Chas. T. Young, of Brooklyn, New York. The report of the auditing committee is appended hereto.

By order of the Board of Directors.

CHAS. F. CUTLER,

Chairman.

U. N. BETHELL,

President.

Brooklyn, N. Y., February 9th, 1907.

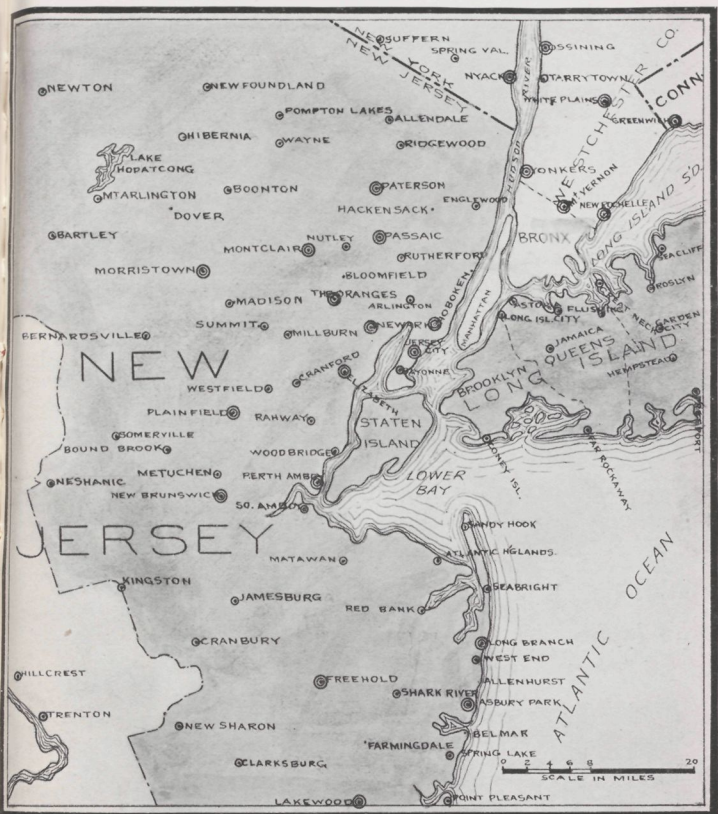
## AUDITORS' REPORT

We, the undersigned, appointed by the Board of Directors of The New York and New Jersey Telephone Company to examine the accounts of the Treasurer of said Company to January 1, 1907, do hereby certify that we have this day examined said accounts, counted the cash on hand and verified the balances due from banks, and have to report that we find the same correct in every particular, the payments properly avouched, and the securities and cash on hand and in banks to agree with the statement of the Treasurer.

H. S. HYDE,  
CHAS. T. YOUNG.

Brooklyn, N. Y., February 6th, 1907.

Map showing part of territory operated by  
**THE NEW YORK AND NEW JERSEY TELEPHONE COMPANY**



NOTE:—The entire territory operated includes all of Long Island, Staten Island, and the New Jersey counties of Bergen, Essex, Hudson, Middlesex, Monmouth, Morris, Passaic, Somerset, Sussex and Union, and the township of Lakewood in Ocean county.



The New York and New Jersey  
Telephone Company

T W E N T Y - F I F T H  
A N N U A L R E P O R T  
O F  
T H E B O A R D O F D I R E C T O R S  
T O  
T H E S T O C K H O L D E R S

For the Year Nineteen Hundred and Seven



THE NEW YORK AND NEW JERSEY  
TELEPHONE COMPANY

BOARD OF DIRECTORS

THEODORE N. VAIL, <i>Chairman</i>	Boston, Mass.
ALEXANDER CAMERON	Brooklyn, N. Y.
CHARLES A. NICHOLS	Springfield, Mass.
HUGH KINNARD	Newark, N. J.
WILLIAM D. SARGENT	Brooklyn, N. Y.
GEORGE H. PRENTISS	Brooklyn, N. Y.
EDWARD J. HALL	Morristown, N. J.
ZENAS CRANE	Dalton, Mass.
U. N. BETHELL	Montclair, N. J.
JOHN W. GRIGGS	Paterson, N. J.
THEODORE F. MILLER	Brooklyn, N. Y.
JAMES JOURDAN	Brooklyn, N. Y.
WILLIAM C. COURTNEY	Brooklyn, N. Y.
WILLIAM BERRI	Brooklyn, N. Y.
JOHN C. REILLY	Brooklyn, N. Y.
WALDRON HOPPINS	Brooklyn, N. Y.
GEORGE BARCLAY MOFFAT	New York, N. Y.

OFFICERS

U. N. BETHELL, President
W. D. SARGENT, First Vice President
J. C. REILLY, Second Vice President
WALDRON HOPPINS, Secretary
E. A. GURNEE, Acting Treasurer
H. F. THURBER, General Manager
J. L. HAMAR, Auditor
ALEXANDER CAMERON, Counsel

THE NEW YORK AND NEW JERSEY  
TELEPHONE COMPANY

TO THE STOCKHOLDERS:

The results of your Company's operations during the year 1907, and its financial condition at the end of the year, are shown in the following statements:

(1). STATION STATEMENT, 1907

	IN STATE OF NEW YORK	IN STATE OF NEW JERSEY	TOTAL
In Service Jan. 1, 1907	69,596	61,846	131,442
Net Gain, 1907	10,072	7,558	17,630
In Service Dec. 31, 1907	79,668	69,404	149,072
Percentage of gain	14.47	12.22	13.41

(2). COMPARISON BETWEEN 1906 AND 1907

	1906	1907	Changes	
Gross Earnings	\$7,447,146.92	\$8,807,093.32	\$1,359,946.40	Inc.
Expenses	<u>5,659,653.60</u>	<u>6,578,143.20</u>	<u>918,489.60</u>	"
Net Earnings	<u>1,787,493.32</u>	<u>2,228,950.12</u>	<u>441,456.80</u>	"
Interest Charges	86,629.29	90,209.58	3,580.29	"
Dividends, 7%	<u>1,272,797.00</u>	<u>1,687,311.50</u>	<u>414,514.50</u>	"
Total Deductions	<u>1,359,426.29</u>	<u>1,777,521.08</u>	<u>418,094.79</u>	"
Surplus for year	428,067.03	451,429.04	23,362.01	"

(3). DETAIL OF EARNINGS AND EXPENSES, 1907

EARNINGS

Exchange Service	\$4,288,535.94	
Pay Stations	921,394.10	
Toll Service	3,079,619.51	
Leased Lines and Instruments	37,167.80	
Real Estate	298,679.12	
Other Sources	181,696.85	
	<hr/>	\$8,807,093.32

OPERATING EXPENSES

General Expense and Taxes	\$673,480.20	
Procuring and Handling Traffic	2,528,814.77	
Maintenance and Reconstruction	2,799,325.57	
Instrument Rentals	402,171.13	
Real Estate Expenses	174,351.53	
	<hr/>	\$6,578,143.20

Earnings over Operating Expenses	<hr/>	2,228,950.12
Interest Charges		90,209.58
Dividends declared		<hr/> 1,687,311.50
Total Interest and Dividends		<hr/> 1,777,521.08
Surplus for the Year		451,429.04
Surplus January 1st, 1907		<hr/> 4,425,895.45
Surplus December 31st, 1907		4,877,324.49

THE NEW YORK AND NEW JERSEY TELEPHONE COMPANY

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(4). BALANCE SHEET, DECEMBER 31, 1907

ASSETS	
Telephone Lines	\$20,231,951.99
Equipment	6,600,416.11
Real Estate	2,980,432.46
Material and Supplies	1,462,165.34
Accounts Receivable	1,367,481.47
Stocks and Bonds	450,000.00
Treasury Stock	156,100.00
Cash and Deposits	450,491.31
	<hr/>
Total	\$33,699,038.68

LIABILITIES	
Capital Stock	\$25,391,100.00
Surplus	4,877,324.49
General Mortgage Bonds	1,215,000.00
Bills Payable	475,000.00
Accounts Payable	889,293.49
Reserve for January Dividends	441,612.50
Other Reserves	409,708.20
	<hr/>
Total	\$33,699,038.68

(5). ADDITIONS TO CONSTRUCTION ACCOUNT, 1907

Real Estate	\$296,713.05
Underground Plant	2,235,765.59
Aerial Plant	595,054.46
Equipment	1,779,321.33
	<hr/>
Total	\$4,906,854.43

GENERAL REMARKS

The trial balance for December 31, 1907, compared with that for December 31, 1906, as set forth in last year's report, shows the following changes:

ASSETS:

Real Estate	\$296,713.05	Increase
Telephone Lines	2,830,820.05	Increase
Equipment	1,779,321.33	Increase
Plant	<u>4,906,854.43</u>	Increase
Supplies	143,115.68	Decrease
Accounts Receivable	8,299.81	Increase
Cash	<u>192,913.52</u>	Increase
Current Assets	<u>58,097.65</u>	Increase
Stocks and Bonds	<u>80,000.00</u>	Decrease
Treasury Stock	<u>5,600.00</u>	Increase
All Assets	4,890,552.08	Increase

LIABILITIES:

Capital Stock	6,310,100.00	Increase
Surplus	<u>451,429.04</u>	Increase
	<u>6,761,529.04</u>	Increase
Bonded Debt	18,000.00	Decrease
Bills Payable	1,575,000.00	Decrease
Accounts Payable	16,379.55	Decrease
Reserve for Dividends	31,650.00	Decrease
Other Reserves	<u>229,947.41</u>	Decrease
	<u>1,870,976.96</u>	Decrease
All Liabilities	\$4,890,552.08	Increase

The Treasury received during the year from stock issued at par \$6,304,500. Of this amount \$1,575,000 was used to retire Bills Payable previously issued to raise construction funds, and the remainder was devoted to extending and enlarging the Company's plant. Bills payable were reduced, as shown, to \$475,000. Through the operation of the Sinking Fund, the Bonded Debt was reduced \$18,000, standing at the close of the year at \$1,215,000.

The decrease in the amount of the reserve for dividends was due to the fact that although in both years the rate was 7 per cent. per annum, in 1906 dividends were declared at  $1\frac{1}{2}$  per cent. quarterly, with 1 per cent. extra in December, and in 1907 at  $1\frac{3}{4}$  per cent. quarterly. Thus the Reserve December 31, 1906, included  $1\frac{1}{2}$  per cent. regular, plus 1 per cent. extra on the stock then outstanding. All other changes shown were due to the ordinary operations of the Company, and in the judgment of your Board the comparison as a whole presents a most favorable showing.

The results of the Company's operations, as shown in the statement of Earnings and Expenses are also gratifying. The increase in net earnings over the previous year was not obtained by inadequate care of the plant, or a reduction in the efficiency of the service. The plant was thoroughly maintained and kept in excellent condition. The per cent. of Maintenance to the average value of lines and equipment was practically the same as in the previous year, being 11.4 per cent. in 1907 and 11.8 per cent. in 1906. The traffic, both exchange and toll, was handled at the usual high standard of efficiency demanded by the important interests served. As shown by comprehensive service tests and by the records of "troubles" and of communications received from subscribers there was a marked improvement in the service over the previous year.

THE NEW YORK AND NEW JERSEY TELEPHONE COMPANY

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The gain in stations during the first six months of the year was 9,929, and during the last six months, 7,701. The increase in the earning power during the first six months was \$311,522.44 and during the last six months, \$465,216.80. These figures are very significant, indicating, as they do, a healthy increase in traffic and a better character of business obtained during the latter part of the year, notwithstanding the decreased gain in new stations due to the general commercial and financial conditions. At the end of the year your Company and the New York Telephone Company in their joint systems were together serving 417,123 stations.

The additions to the plant were of the most substantial character. In the purchase of real estate and the erection and enlargement of buildings, there was expended \$296,713.05. The outlay for lines and equipment was as follows:

Underground Conduits	\$555,588.09
Underground Cables	1,680,177.50
Aerial Plant	595,054.46
Central Office Apparatus	958,274.89
Station Equipment	821,046.44
Total	<hr/> \$4,610,141.38

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On May 18, 1907, the Company sustained a severe loss in the death of Mr. Charles F. Cutler, Chairman of the Board of Directors. Mr. Cutler was the dominating spirit in the organization of the Company in 1883, and thenceforth to the date of his death was always active and untiring in his efforts to add to its stability and strength as a great commercial enterprise. His high character, rare attainments and straightforward methods won the esteem and affection of all of his associates and subordinates.

His death was keenly felt as a personal loss, not only by the several members of the Board, with whom he had been so long associated, but also by a very large number of men and women in all branches of the service.

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During the year Mr. Frederick P. Fish and Mr. Joseph P. Davis resigned as members of the Board. To fill the vacancies caused by these resignations and Mr. Cutler's death, Mr. Theodore N. Vail, Mr. Waldron Hoppins and Mr. George Barclay Moffat were elected Directors, and Mr. Vail was elected to the Chairmanship of the Board.

This year completes your Company's record for a quarter of a century. A tabular statement for the period—1883-1907—containing information which it is believed will be of interest to the Stockholders, is appended hereto.

By order of the Board of Directors.

U. N. BETHELL,  
*President.*

Brooklyn, N. Y., February 21, 1908.

# THE NEW YORK AND NEW JERSEY TELEPHONE COMPANY

## STATEMENT 1883-1907

End of Year	Outstanding Capital Stock	Gross Earnings	Expenses, Interest, and Taxes	Net Earnings Applicable to Dividends	DIVIDENDS PAID		Year's Surplus after Dividends	Surplus to Date	Number of Subscribers' Stations
					Rate	Amount			
1883	\$2,400,000	\$306,899	\$178,360	\$128,539	3%	\$ 72,000	\$56,539	\$56,539	3,673
1884	2,400,000	313,346	179,670	133,676	4½%	108,000	25,676	82,215	4,323
1885	2,400,000	383,400	221,964	161,436	4½%	108,000	53,436	135,651	5,012
1886	2,400,000	441,577	255,810	185,767	6%	144,000	41,767	177,418	5,730
1887	2,400,000	520,579	333,064	187,515	6%	144,000	43,515	220,933	6,384
1888	2,400,000	597,459	397,264	200,195	6%	144,000	56,195	277,128	6,705
1889	2,400,000	673,817	432,246	241,571	6%	144,000	97,571	374,699	7,842
1890	2,535,000	848,927	572,588	276,339	6%	150,075	126,264	500,963	8,691
1891	2,535,000	871,187	807,927	63,260	6%	152,100	*88,840	412,123	9,044
1892	2,535,000	1,035,470	752,923	282,547	6%	152,100	130,447	542,570	9,418
1893	2,535,000	1,183,832	816,457	367,375	6%	152,100	215,275	757,845	9,671
1894	3,000,000	1,252,509	907,595	344,914	7%	190,190	154,724	837,569	10,102
1895	3,100,000	1,405,882	961,779	444,103	7%	215,125	228,978	1,066,548	11,883
1896	3,723,100	1,554,585	1,184,123	370,462	7%	253,363	117,099	1,183,647	14,333
1897	4,191,100	1,963,545	1,346,125	617,420	7%	272,420	345,000	1,528,647	18,093
1898	4,662,400	2,058,477	1,561,159	497,318	7%	315,622	181,696	1,710,343	22,065
1899	6,000,000	2,381,369	1,759,749	621,620	7%	398,850	222,770	1,933,113	28,073
1900	7,500,000	2,827,481	2,193,334	634,147	7%	490,650	143,497	2,076,610	35,176
1901	9,375,000	3,376,433	2,468,738	907,695	7%	616,286	291,409	2,368,019	42,130
1902	11,430,100	3,962,597	2,989,808	972,789	7%	707,627	265,162	2,633,181	53,184
1903	12,520,000	4,741,344	3,451,211	1,290,133	7%	852,215	437,918	3,071,099	64,808
1904	13,770,100	5,393,709	3,916,758	1,476,951	7%	962,088	514,863	3,585,962	80,324
1905	16,578,700	6,217,288	4,771,272	1,446,016	7%	1,034,150	411,866	3,997,828	112,049
1906	18,930,500	7,447,147	5,746,283	1,700,864	7%	1,272,797	428,067	4,425,895	131,442
1907	25,235,000	8,807,093	6,668,353	2,138,740	7%	1,687,311	451,429	4,877,324	149,072

\*Deficit

HOLTON PRINTING CO.,  
99 MYRTLE AVENUE,  
BROOKLYN, N. Y.

The New York and New Jersey  
Telephone Company

T W E N T Y - S I X T H  
A N N U A L R E P O R T  
O F  
T H E B O A R D O F D I R E C T O R S  
T O  
T H E S T O C K H O L D E R S

For the Year Nineteen Hundred and Eight



## THE NEW YORK AND NEW JERSEY TELEPHONE COMPANY

### BOARD OF DIRECTORS

THEODORE N. VAIL, <i>Chairman</i>	Boston, Mass.
ALEXANDER CAMERON	Brooklyn, N. Y.
CHARLES A. NICHOLS	Springfield, Mass.
HUGH KINNARD	Newark, N. J.
WILLIAM D. SARGENT	Brooklyn, N. Y.
GEORGE H. PRENTISS	Brooklyn, N. Y.
EDWARD J. HALL	Morristown, N. J.
ZENAS CRANE	Dalton, Mass.
U. N. BETHELL	Montclair, N. J.
JOHN W. GRIGGS	Paterson, N. J.
THEODORE F. MILLER	Brooklyn, N. Y.
JAMES JOURDAN	Brooklyn, N. Y.
WILLIAM C. COURTNEY	Brooklyn, N. Y.
WILLIAM BERRI	Brooklyn, N. Y.
JOHN C. REILLY	Brooklyn, N. Y.
GEORGE BARCLAY MOFFAT	New York, N. Y.
H. F. THURBER	Brooklyn, N. Y.
J. H. CAHILL	New York, N. Y.

### OFFICERS

U. N. BETHELL, President
W. D. SARGENT, First Vice-President
H. F. THURBER, Vice-Pres. and Gen. Manager
J. H. CAHILL, Vice-Pres. and Gen. Counsel
WALDRON HOPPINS, Secretary
FORD HUNTINGTON, Treasurer
WALTER BROWN, Auditor

THE NEW YORK AND NEW JERSEY  
TELEPHONE COMPANY

TO THE STOCKHOLDERS:

By order of your Board of Directors I submit their report for the fiscal year ending December 31, 1908. The following statements show the results of operations during the year, and the financial condition at its close:

(1). STATION STATEMENT, 1908.

	IN STATE OF NEW YORK.	IN STATE OF NEW JERSEY.	TOTAL.
In Service Jan. 1, 1908,	79,668	69,404	149,072
Net Gain, 1908,	3,434	5,139	8,573
In Service, Dec. 31, 1908,	83,102	74,543	157,645
Percentage of Gain	4.31	7.40	5.75

(2). COMPARISON BETWEEN 1907 AND 1908.

	1907.	1908.	Increase.
Gross Earnings,	\$8,807,093.32	\$9,269,407.02	\$462,313.70
Expenses,	6,578,143.20	6,706,460.17	128,316.97
Net Earnings,	<u>\$2,228,950.12</u>	<u>\$2,562,946.85</u>	<u>\$333,996.73</u>
Interest Charges,	\$90,209.58	\$162,909.45	\$72,699.87
Dividends (7%),	1,687,311.50	1,766,275.00	78,963.50
Total Deductions,	<u>\$1,777,521.08</u>	<u>\$1,929,184.45</u>	<u>\$151,663.37</u>
Surplus for Year,	\$451,429.04	\$633,762.40	\$182,333.36

(3). DETAIL OF EARNINGS AND EXPENSES, 1908.

EARNINGS.

Exchange Service,	\$4,635,331.12	
Pay Stations,	938,252.21	
Toll Service,	3,131,794.26	
Leased Lines and Instruments,	45,261.85	
Real Estate,	330,415.58	
Other Sources,	188,352.00	
	<hr/>	\$9,269,407.02

OPERATING EXPENSES.

General Expense and Taxes,	\$797,139.34	
Procuring and Handling Traffic,	2,637,337.14	
Maintenance and Reconstruction,	2,689,356.35	
Instrument Rentals,	384,746.48	
Real Estate Expenses,	197,880.86	
	<hr/>	\$6,706,460.17
Earnings over Operating Expenses,		<hr/> \$2,562,946.85
Interest Charges		\$162,909.45
Dividends Declared,		<hr/> 1,766,275.00
Total Interest and Dividends,		<hr/> \$1,929,184.45
Surplus for the Year,		<hr/> \$633,762.40
Surplus, January 1, 1908,	\$4,877,324.49	
Less Sundry Adjustments,	44,728.24	
	<hr/>	\$4,832,596.25
Surplus, December 31, 1908,		<hr/> \$5,466,358.65

THE NEW YORK AND NEW JERSEY TELEPHONE COMPANY

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(4). ADDITIONS TO CONSTRUCTION ACCOUNT.

Real Estate,	\$246,334.04
Underground Conduits,	236,166.94
Underground Cables,	478,552.33
Aerial Plant,	530,314.53
Central Office Apparatus,	453,447.54
Station Equipment,	238,956.14
Construction in Process,	87,898.40
Total,	\$2,271,669.92

(5). BALANCE SHEET, DECEMBER 31, 1908.

ASSETS.

Telephone Lines,	\$21,526,958.19
Equipment,	7,330,745.79
Real Estate,	3,226,766.50
Material and Supplies,	918,682.23
Accounts Receivable,	1,824,980.59
Stocks and Bonds,	474,440.00
Cash,	717,376.94
Total,	\$36,019,950.24

LIABILITIES.

Capital Stock,	\$25,235,000.00
Capital Stock Installments,	20,450.00
Surplus,	5,466,358.65
General Mortgage Bonds,	1,195,000.00
Bills Payable,	2,000,000.00
Accounts Payable,	629,400.18
Reserve for January Dividend,	441,612.50
Other Reserves,	1,032,128.91
Total,	\$36,019,950.24

## GENERAL COMMENT.

The percentage of gain in stations during the year was 5.75, while in the previous year it was 13.41. On the other hand, the additions to Real Estate, Construction and Equipment accounts in 1908, amounted to \$2,271,669.92, and in 1907 to \$4,906,854.43.

To accomplish, during the year, a net gain of 8,573 stations in service, 31,159 stations were connected and 22,586 were disconnected. The percentage of disconnections to stations in service was 14.7 in 1908 against 15.2 in 1907.

Owing to the commercial depression prevailing through a large part of the year, a considerable number of low rate stations were given up, while, as in the previous year, the stations taken on were, as a whole, of a much better class than those given up. The year's increase in gross earnings was \$462,313.70 and in net earnings \$333,996.73.

Comparing the trial balance for December 31, 1908, with that for December 31, 1907, as set forth in last year's report, condensing the same, and using round numbers, changes will be noted, as follows:

ASSETS.		INCREASE.	DECREASE.
Real Estate, Lines and Equipment,		\$2,271,670	
Material and Supplies,			\$543,480
Accounts Receivable,		457,500	
Stocks and Bonds,		24,440	
Cash,		266,880	
		<hr/>	
All Assets,		\$2,477,010	

THE NEW YORK AND NEW JERSEY TELEPHONE COMPANY

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LIABILITIES.

	INCREASE.	DECREASE.
Capital Stock Installments,	\$20,450	
Bonded Debt,		\$20,000
Bills and Accounts Payable,	1,265,110	
Surplus and Reserves,	1,211,450	
	<hr/>	
All Liabilities,	\$2,477,010	

The increase in the plant accounts was due to ordinary extensions and additions to provide facilities for meeting the demands of the public for our service, and necessary improvements. Modern fire-proof buildings were completed during the year at Bath Beach and Far Rockaway, in Long Island, and at Union and Newark, in New Jersey. The building in Newark was erected to house the "Waverly" exchange. The opening of this exchange was necessary to better serve a large section of the city and to relieve the principal or "Market" office.

Modern common battery central office and station equipment was substituted for magneto equipment at Far Rockaway, Coney Island, Freeport and Newtown, in Long Island, and at Ridgewood and Summit, in New Jersey.

By using, in the work of the year, material and supplies previously accumulated, a substantial reduction in the supply account was effected. The increase in accounts receivable was chiefly due to a change in accounting methods, the new practice being to carry earnings billed in advance to Accounts Receivable and to enter a proper reserve on the liability side of the sheet. The slight change in Capital Stock Account was due to payments made by stockholders prior to December 31,

1908, on account of stock subscriptions under the offering of November 25, 1908. On that date \$5,047,000.00 (50,470 shares) of the unissued capital stock of the Company was offered to Stockholders at par in proportion to their holdings on December 1, 1908, the object of the offering being to retire notes issued for construction funds and to provide for further necessary additions to construction accounts, and the right to subscribe thereunder expiring January 16, 1909.\*

A comparison of the statement showing this year's operating expenses in detail, with that for the previous year, shows an increase of about \$250,000.00 in the item of General Expense and Taxes. Of this amount over \$148,000.00 was due to increased taxation and over \$100,000.00 to a strengthening of the reserve for uncollectible accounts.

Maintenance and Reconstruction decreased approximately \$75,000.00, due to the fact that reconstruction work, incident to construction undertakings, was not so heavy as in the previous year. The plant was thoroughly maintained and kept at the usual high point of efficiency.

In previous reports mention has been made of the joint operating organization serving your Company and the New York Telephone Company. The very close business and social relations existing between the respective territories of the two Companies, and the large and important through traffic passing over joint lines has made uniform methods and a comprehensive organization of the operating forces indispensable. The joint organization has been extended, strengthened and improved during the past year, with the result that the work accomplished has been more efficient, and, it is believed, more

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\*\$5,007,500.00, or 99.2% of the amount offered was subscribed.

satisfactory to the public than was possible when the two systems were operated separately. Particularly has the method of handling interurban traffic between principal points undergone a marked change. This important branch of our traffic is now handled almost, if not quite, as expeditiously and efficiently as local traffic. The number of stations served by your Company and the New York Telephone Company at the end of the year was 441,576, an increase during the year of 24,453.

The organization of the Commercial and Accounting Departments has also been considerably improved. To bring the Company in closer touch with its patrons, local business offices have been established throughout the territory, at which all questions affecting the service and individual accounts of customers are dealt with. The aim of the organization, so far as it is possible to accomplish it, is to satisfy the Company's customers in all matters. Dealing with local matters locally is of great assistance in the attainment of that end. Another important effort in this direction made during the year with gratifying results, was the publication in newspapers and periodicals of a series of advertisements describing the plant, explaining the methods of operation, and, in general, the purposes and policies of the Company. It is felt that such publicity is the best safeguard that a company serving the public can have against misunderstandings, unfair criticisms and unreasonable attacks.

The Board of Directors desires to give expression to its appreciation of the loyalty, fidelity and efficiency displayed during the year by the officers and employees in all branches of the service. The number of employees December 31, 1908, was: Male, 3,295; Female, 2,778; Total, 6,073.

THE NEW YORK AND NEW JERSEY TELEPHONE COMPANY

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A statistical statement, covering the period from 1883 to 1908, inclusive, is appended hereto.

By order of the Board of Directors.

U. N. BETHELL, *President.*

BROOKLYN, N. Y., January 28, 1909.

COLUMBIA  
UNIVERSITY  
LIBRARY

# THE NEW YORK AND NEW JERSEY TELEPHONE COMPANY

## STATEMENT 1883-1908

End of Year	Outstanding Capital Stock	Gross Earnings	Expenses, Interest, and Taxes	Net Earnings Applicable to Dividends	DIVIDENDS PAID		Year's Surplus after Dividends	Surplus to Date	No. of Subscribers' Stations
					Rate	Amount			
1883	\$2,400,000	\$306,899	\$178,360	\$128,539	3%	\$ 72,000	\$56,539	\$56,539	3,673
1884	2,400,000	313,346	179,670	133,676	4½%	108,000	25,676	82,215	4,323
1885	2,400,000	383,400	221,964	161,436	4½%	108,000	53,436	135,651	5,012
1886	2,400,000	441,577	255,810	185,767	6%	144,000	41,767	177,418	5,730
1887	2,400,000	520,579	333,064	187,515	6%	144,000	43,515	220,933	6,384
1888	2,400,000	597,459	397,264	200,195	6%	144,000	56,195	277,128	6,705
1889	2,400,000	673,817	432,246	241,571	6%	144,000	97,571	374,699	7,842
1890	2,535,000	848,927	572,588	276,339	6%	150,075	126,264	500,963	8,691
1891	2,535,000	871,187	807,927	63,260	6%	152,100	*88,840	412,123	9,044
1892	2,535,000	1,035,470	752,923	282,547	6%	152,100	130,447	542,570	9,418
1893	2,535,000	1,183,832	816,457	367,375	6%	152,100	215,275	757,845	9,671
1894	3,000,000	1,252,509	967,595	344,914	7%	190,190	154,724	837,569	10,102
1895	3,100,000	1,405,882	961,779	444,103	7%	215,125	228,978	1,066,548	11,883
1896	3,723,100	1,554,585	1,184,123	370,462	7%	253,363	117,099	1,183,647	14,333
1897	4,191,100	1,963,545	1,346,125	617,420	7%	272,420	345,000	1,528,647	18,093
1898	4,662,400	2,058,477	1,561,159	497,318	7%	315,622	181,696	1,710,343	22,065
1899	6,000,000	2,381,369	1,759,749	621,620	7%	398,850	222,770	1,933,113	28,073
1900	7,500,000	2,827,481	2,193,334	634,147	7%	490,650	143,497	2,076,610	35,176
1901	9,375,000	3,376,433	2,468,738	907,695	7%	616,286	291,409	2,368,019	42,130
1902	11,430,100	3,962,597	2,989,808	972,789	7%	707,627	265,162	2,633,181	53,184
1903	12,520,000	4,741,344	3,451,211	1,290,133	7%	852,215	437,918	3,071,099	64,808
1904	13,770,100	5,393,709	3,916,758	1,476,951	7%	962,088	514,863	3,585,962	80,324
1905	16,578,700	6,217,288	4,771,272	1,446,016	7%	1,034,150	411,866	3,997,828	112,049
1906	18,930,500	7,447,147	5,746,283	1,700,864	7%	1,272,797	428,067	4,425,895	131,442
1907	25,235,000	8,807,093	6,668,353	2,138,740	7%	1,687,311	451,429	4,877,324	149,072
1908	25,235,000	9,269,407	6,869,370	2,400,037	7%	1,766,275	633,762	5,466,358	157,645

\*Deficit.