

It was apparent to your committee, from the single statement of the pecuniary loss entailed upon these companies for the present year, by the withdrawal of subscribers, that a reduction in the rate of subscriptions of 1900 subscribers to even ninety dollars (\$90) per instrument, would result in a very considerable deficit during the present year.

It was urged that a lower rate of charge would bring more subscribers and produce a greater net revenue. This result the Telephone Companies have denied and have said with some reason, that it might be properly supposed, that they would be glad to charge any rate which would in fact produce increased profit from an increased number of subscribers. But the measure proposed would not produce that effect, but would, on the contrary, not only deprive them of all profit, but would cause serious loss.

Statement of the gross earnings and expenses of the Chesapeake and Potomac Telephone Company, and of the Chesapeake and Potomac Telephone Company of Baltimore city, in the year 1891:

<i>Earnings.</i>		
Baltimore,		\$241,035 00
Frederick,		7,855 82
Cumberland,		7,025 23
Hagerstown,		4,380 39
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<i>Expenses.</i>		\$260,296 44
In Baltimore (which do not include the cost of constructing conduits or overhead wires in said city),	\$198,800 54	
In Frederick,	8,854 17	
“ Cumberland,	7,067 96	
“ Hagerstown,	4,991 92	\$219,714 59
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Net Revenue in Maryland,		\$40,581 85
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Profit in Baltimore,		\$42,234 46
Loss in Frederick,	\$998 35	
“ “ Cumberland,	42 73	
“ “ Hagerstown,	611 53	1,652 61
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Balance,		\$40,581 85