

1874

TWENTY-SIXTH ANNUAL REPORT

DIRECTORS

Consumers' Gas Company of Toronto.

The Directors of the Consumers' Gas Company beg to lay before the Stockholders their Annual Report of the operations of the Company, together with the Financial Statements for the past year.

They have pleasure in stating that the new Gas-holder, Purifying-house, and other works in progress at the outbreak of the last annual meeting, have all been completed in a satisfactory manner, and that in addition a new Coke-shed and Storage-house have been erected.

The largely augmented business of the Company during the year has fully justified the Directors in making these additions to the manufacturing and storage capacity of the works.

The greatly increased consumption of gas rendered it also necessary to lay larger mains upon Parliament, Queen and Young Streets, where the pipes formerly in use were inadequate to supply the gas required, and for this purpose nearly two and a half miles have been laid at a considerable outlay.

A new contract has been entered into with the City Corporation, which, whilst affording greatly increased gas accommodation to the City, has been made on the most liberal terms possible, consistent with the interest of the Shareholders.

Principally to carry out the conditions of this Contract, 7,142 yards of pipe have been laid within the past few months, which, with that put down to replace the mains formerly in use in the streets referred to, makes in all 11,141 yards put down, being a larger quantity than was ever before laid by the Company during one year.

To meet the large expenditure incurred in carrying out these extensions and improvements, the Directors found it necessary to call in the \$100,000 balance of the last issue of Stock, in four quarterly instalments, commencing on July 1st, 1st, of which \$89,606.25 has already been paid.

The Debenture account has been reduced by \$2,000.

The old Gas Works, not being required for the purposes of the Company, have been disposed of to the late lessee for \$100,000, they assuming the payment of \$2,114.55 due to the Corporation on the Esplanade award, and the rent of 100 yards on the Walls and Gardens, and Water Lanes.

The Directors very deeply regret having to state that, in the month of July last, a number of charges against E. H. Rutherford Esquire, late President of this Company, respecting certain alleged dealings of his with the moneys of the Company, were laid before the Board, by three of the Clerks: whereupon a Committee of three of the Directors was appointed to investigate the same.

Within a few days afterwards, and before the Committee had entered upon its duties, Mr. Rutherford sent all the accounts, books, and papers in his possession on behalf of the Company, and tendered his resignation as President and Director, alleging that he was prepared with explanations of all the items contained in the charges.

The Board deemed it advisable that, with a view to the full investigation of the matter, the Committee should nevertheless proceed with the inquiry, and it accordingly held several meetings, Mr. Rutherford having notice thereof, and being present at some of them, and represented by Counsel at them all, when the evidence of a number of witnesses was taken, and a great deal of documentary evidence produced, all of which has been submitted by the Committee to the Board.

The Board have felt the grave responsibility imposed upon them in this matter; but in the performance of their duty, they feel bound to place the result of their deliberations before the Shareholders, however much they may regret the necessity for so doing, and however painful may be the conclusions to which they have been obliged to come.

It appeared that Mr. Rutherford had been in the habit of obtaining advances of the Company's moneys for his private purposes, keeping an account in the office of the Company, which advances sometimes amounted to considerable sums. This was done without the knowledge of any of the Directors, and was, in their opinion, most reprehensible.

It has also been established by the evidence that, since July, 1873, on several occasions, which the Board do not feel it necessary to particularise, Mr. Rutherford appropriated to his own use, without the knowledge of any of the Directors, moneys of the Company, sometimes of large amount; and by various other acts in connection with these transactions, has proved himself unworthy of the trust and confidence reposed in him by the Shareholders and Directors of the Company.

The Board accepted the resignation of Mr. Rutherford as President and Director, but the annual meeting being near at hand, did not consider it necessary to fill the vacancies.

The Board, whilst expressing their deep regret that the events which they have had to report should have occurred in connection with an officer of this Company holding so high a position as that of President, yet they have much satisfaction in assuring the shareholders that, so far as they have been able to ascertain, the Company has sustained no loss, Mr. Rutherford having returned, with interest, all the moneys of the shareholders improperly taken by him.

The Board cannot dismiss this subject without expressing their conviction that the action of Messrs. Pearson, Whittemore, and Stevens, the clerks above referred to, in undertaking, under very trying circumstances, the exposure of the late President's dealings, with the funds of this Company, and the judicious manner in which they assisted in prosecuting the inquiry, and collected the evidence in support of the charges laid by them before this Board, merit the entire approval of the Board, and entitle them to the thanks of the Stockholders of the Company.

The comparative statement of the Company's business for the past and preceding years stands as follows:

	Street Lamps.	Consumers.	Receipts for Gas.
For the year ending September 30th, 1874.....	990	2,292	\$160,906.86
..... 1873.....	710	2,050	157,124.80
Showing an increase of.....	280	242	\$23,772.06

The large increase shown by the above statement, and the fact that, notwithstanding an unusually large outlay for repairs and extensions, and the payment of an increased dividend, the net profit for the past year amounted to so considerable a sum, cannot but be satisfactory to the Stockholders.

JAMES AUSTIN,
Vice-President.

Toronto, October 20th, 1874.