

1876

# TWENTY-EIGHTH ANNUAL REPORT

OF THE

DIRECTORS

OF THE

## CONSUMERS' GAS COMPANY

OF TORONTO.

The Directors beg leave to present to the Stockholders their Annual Report, with the accompanying Financial Statements for the year ending the 30th September, 1876.

1. They are gratified in being able to state that notwithstanding the general depression which has prevailed during the past year, the business of the Company has not decreased.

2. The Debtless debt has been still further reduced by the payment of \$4000.

3. 19,836 yards of main pipes, and 10,698 yards of service pipes have been laid during the past year, 345 late services have been put in, and 411 new street lamps erected.

4. The Purifying House has been enlarged, two new purifiers have been erected, and the works are in the highest state of efficiency and order, and do great credit to the Superintendent.

5. The premises on Toronto Street having for some time past proved inadequate to the requirements of the office, the public and workmen, and for the storage of the materials required for the use of the latter, advantage was taken of an opportunity which presented itself during the year of purchasing the Old Registry Office premises to the North, wherein a capacious and handsome building is being erected for the use of the Company, this, with the old premises will afford ample accommodation for many years to come; and as the times have been especially favorable for building purposes, the Directors have been enabled to erect the new building at comparatively small cost. A portion of the new building has been leased on favorable terms, and the remainder, together with that portion of the old premises not immediately required for the purposes of the Company, will no doubt readily find tenants at prices to yield a good return upon the outlay.

6. The Dividend of 10 per cent. per annum has been maintained, but it has been found necessary to write off from the accumulated profits, the sum of \$50,000 for depreciation of plant and material, especially in view of the great downfall which has taken place in the price of iron, nothing having been taken off under the head of depreciation for the past four years.

7. The Directors have always been desirous of reducing the price of Gas to Consumers, whenever it could with safety be done, having regard to the interests of the Stockholders, who are prohibited by the Act of Incorporation from receiving more than 10 per cent. per annum upon the par value of their Stock, and the great majority of whom having purchased at large premiums, derive, as it is, but a very inadequate return for their capital employed. As it is therefore the first and especial duty of the Directors to protect the interests of those who have embarked their means in this enterprise, it is not unreasonable that before they reduce the price of Gas, they should take care that the Stockholders are placed beyond the possibility of loss by depreciation or otherwise, and when this is accomplished, it will be their pleasing duty to consider the interests of consumers.

The Directors are strengthened in this view by the practice of all mutual institutions, whose aim it is to build up a suitable nest or fund to fall back upon, as emergencies arise; and in their judgment a Gas Company carrying on an *ad hoc* *business*, forms no exception to the rule.

As the amount represented by the surplus profits of this Company is not an available cash rest, but is represented mainly by works and necessary stock in trade, always liable to depreciation, it is all the more necessary that it should be sufficient to meet every contingency.

8. The public for some time past has been indirectly benefitting by the extremely reduced rate at which the Corporation is supplied with Gas—a rate much lower than is paid by the Corporation of the neighbouring City of Buffalo, which has three competitive Gas Companies, and where coal can be had down cheaper than here. By comparing rates, it will be found that those charged by some 200 or 300 Gas Companies on this Continent (looking to the published statements), are mostly all in excess of that charged by this Company, even taking into account some of the largest American cities, where the consumption is enormous—competition sharp—and coal lower.

9. The Directors have alluded to this subject to dispel an erroneous idea that the rate charged by this Company is excessive, especially in connection with the recent downfall in the prices of *domestic* coal, the fact being that coal from which gas is manufactured, and which is always contracted for, in bulk in the Spring of the year, is not of the kind in which a reduction has taken place, and even if it were so, the Company's supply was purchased many months before a reduction in any class of coal had even been contemplated.

The following is a comparative statement of the Company's business for the past, as compared with the preceding year:

	Street Lamps.	Consumers.	Gas Receipts.
For the year ending 30th September, 1876,.....	1,362	2,626	\$218,923 27
" " " " 1875,.....	1,151	2,508	197,539 93
Increase .....	411	118	\$20,883 36

In conclusion, the Directors have great pleasure in testifying to the efficient state of the office under the able management of the Secretary, and the thanks of the Shareholders are justly due to all the officers of the Company for the very satisfactory manner in which one and all have discharged their duties to the Company.

All which is respectfully submitted.

J. AUSTIN,  
President.