

A resolution expressing the thanks of the Stockholders to the President and Vice-President for their efficient services during the year was moved by Mr. W. S. Lee, seconded by Mr. David McGee, and carried unanimously.

Mr. Henry Swan, in a few well-chosen and commendatory remarks, moved, seconded by Mr. R. W. Boyle, "That the thanks of the Stockholders are justly due to the General Manager and Secretary, and the other officers and employees of the Company, for the zeal and efficiency displayed by them in their several departments during the past year," which resolution was carried unanimously. The Manager expressed his gratitude to the Stockholders for the terms in which his services had been referred to, and spoke in the highest praise of the services rendered by the other officers and employees of the Company. He had at the last Annual Meeting entered so fully into the details of the business and prospects of the Company and had then so fully replied to the charges which had been brought against the Company, that he would not take up the time of the meeting by repeating himself; and the report just read had given a fair synopsis of the year's business. He read the following questions which the Directors had authorized him to submit to the well-known Chartered Accountants, Messrs. Clarkson & Cross, together with the answers received. The substantial correctness of the answers had been confirmed by Mr. Walter S. Lee, Manager of Western Canada Loan and Savings Company, and Mr. Andrew Rutherford, Manager of the Canada Landed and National Investment Company:

1 Q.—State, as the result of your investigations into the workings of the Company's business, which investment would produce the larger profit, that in the Company's own business, or in debentures, and what would the difference be?

A.—Capital employed in the works of the Company would yield at least one-half as much more than the same investment in municipal debentures.

2 Q.—Had the Company invested the whole instead of a portion of its Reserve Fund in debentures, as named in the Act of 1887, and to have enabled them to do this, had disposed of stock at the average price realized on stock sold since the passing of the Act in 1887 (77 per cent.), would it, or would it not have been more profitable to the Company, and what would the difference have amounted to?

A.—The Company would have lost in above period \$172,600 had all the Reserve been invested in debentures instead of in its own works.

3 Q.—As the Company is not compelled by the Act to reduce the price of gas until after the Reserve Fund has reached a certain percentage of the capital, is it not manifestly to the interest of the gas consumers that the profit should be greater instead of smaller?

A.—Clearly to the permanent advantage of both the consumers and Shareholders.

4 Q.—From your examination of the accounts, state whether or not the Company has availed itself, in all cases, of the right given to it by the Act, to carry 5 per cent. upon the value of the plant and buildings in use at the end of the year, to the credit of Plant and Buildings Renewal Fund each year, and if not, what additional sums might have been carried to this fund in accordance with the powers conferred by the Act? Had the Company credited the Renewal Fund with such additional amount, would not the Reserve Fund have been reduced to that extent?

A.—The Reserve Fund as it appears in the last published Annual Report, is \$140,122.46 more than it would have been had the Company availed itself of the statutory provisions regarding renewals.

We submit statements of data, methods and calculations setting forth the grounds upon which the above answers rest.

Signed: CLARKSON & CROSS, Chartered Accountants.

We have carefully examined and verified the data and calculations upon which the above answers rest, and have thoroughly satisfied ourselves of their substantial accuracy.

Signed: WALTER S. LEE, Managing Director Western Canada L. and S. Co.
A. RUTHERFORD, Manager Canada Landed and N. I. Co.

These answers, he considered, fully disposed of the charge that the course taken by the Directors had been inimical to the interests of the consumers. The Company had kept fully abreast with others in the introduction of improvements in manufacture and labor-saving devices, by which the cost of gas had been reduced and the quality improved. He did not look for any further improvements in the near future which would materially reduce the cost of gas, and therefore, in his opinion, the Company should go slowly in making further reductions in price—especially as the prices of gas were already lower than in any other city similarly circumstanced in America. He referred to the large amounts paid for taxes and gas and meter inspection and the proposed discontinuance, by the city, of some hundreds of street lamps. He spoke of the increase which had taken place in the consumption of gas for fuel purposes, and had every confidence that the increase would continue at a rapid ratio.