

Now as to the charge that the Company has an unnecessarily large reserve fund, and is piling up money to the disregard of the interests of the gas consumers. In the first place, by the Act of 1887, the Company is authorized to have a reserve fund amounting to 50 per cent. of the paid up capital, and no one should complain of the Company claiming its rights, especially in view of what has just been said regarding the source from which the reserve has largely been made up, and its investment. To make this plainer:

The total amount of reserve is.....	\$825,625 06
Derived from premium on stock.....	538,349 19
Derived from profits of the Company.....	\$287,275 87

or less than 17 per cent. on the capital. Surely no one can reasonably claim that \$287,275.87 is an excessive accumulation, after 47 years of business, considering that from the beginning, the dividends have been limited to 40 per cent., that only 8 per cent. was paid for a number of years, and that, as shown, the dividends on all new stock issued since 1887, have been practically reduced to about 8½ per cent.

The subject of making further reductions in price, is really a matter for the consideration of the Directors; but I may be permitted to say, that in my opinion, it would be a grave mistake to be coerced into making further reductions, by the random statements and baseless charges of a newspaper, or to make any reduction which the prospects and circumstances of the Company do not warrant. It is an easy thing to lower the price, but a difficult one to raise it. Already, as has been shown, the gas consumers have been treated fairly, indeed most liberally, by the Company. No one can dispute this, in view of the facts which I have given.

The most improved apparatus has been adopted, and, as far as can be ascertained, in no other place in America are better results obtained than in Toronto. As much effort has been put forth, in the adoption of improvements, and in making the gas at the lowest possible cost, as if the increased profits went into the pockets of the Stockholders, in the shape of increased dividends, instead of in the reduction of the price of gas.

It will be seen from the statement, that after the payment of dividends and interest, and the deduction of \$50,000 for depreciation of plant (a very moderate deduction), but \$47,344.82 remained to be carried to the reserve fund, that the cost of repairs and renewals amounted to \$68,872.74, or more than \$20,000 over the balance of profit that the amount to the credit of the plant and buildings renewal fund is \$21,547.02 less than it was October 1, 1893, and that the increase in the reserve fund is solely from premiums on stock. I draw the attention of the Stockholders to this, to show the need that exists for observing caution before making further reductions in price, which I am sure every Director is desirous of effecting whenever the circumstances of the Company will warrant them in doing so.

On motion of Mr. G. R. R. Cockburn, seconded by Mr. W. S. Lee, Messrs. W. E. Sampson and Thomas McCracken were unanimously appointed auditors for the ensuing year.

Mr. Robert Gilmore and Mr. W. S. Lee were appointed scrutineers, and reported the following gentlemen unanimously re-elected Directors for the ensuing year:—Samuel Alcorn, James Austin, M. Baldwin, G. S. C. Bethune, Henry Cawthra, Geo. R. R. Cockburn, M.A., M.P.; I. C. Gilmore, Geo. Gooderham, James Scott, Sir Frank Smith, L. W. Smith, D.C.L., Q.C.; and Thos. R. Wood.

At a Board Meeting held subsequently, James Austin, Esq., was unanimously re-elected President, and L. W. Smith, Esq., D.C.L., Q.C.; Vice-President for the ensuing year.