

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 date 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.

Principal 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 11,114 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, 1874, 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 \$10,000, they assuming the payment of \$2,114.55 due to the Corporation on the Esplanade award, and the rent payable on the Walls and Gardens, and Water Lots.

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 then claimed 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 refunded, 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 Simpson, 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	157,124.86
Showing an increase of.....	280	242	\$23,782.00

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.

Realized by the Consumers' Gas Company of Toronto, in Twelve Months, from
October 1st, 1873, to October 1st, 1874.

Toronto, October 23rd, 1874.

W. B. PHILLIPS

Appendix

Mammals

BALANCE SHEET

Of the Consumers' Gas Company of Toronto, October 1st. 1874.

1874.	ASSETS.	s	c	1874.	LIABILITIES.	s	c
Oct. 1.	To Works General outlay.....	563,149	95	Oct. 1.	By Debentures.....	32,000	00
	" Bank of Toronto, Collection Acct.....	1,469	00		" Dividends unpaid.....	1,201	39
	" Cash.....	234	22		" Sundry Accts. owing.....	23,121	25
	" Coal.....	71,184	32		" Balance carried down.....	675,386	78
	" Lot and Building, Toronto St.....	10,767	96				
	" Kelton Bros. owing.....	6,000	00				
	" Repairs.....	3,000	00				
	" Gas Accts. owing.....	28,380	00				
	" Bank of Toronto, Dividend Acct.....	291	80				
	" Stock unpaid, G. issue.....	10,393	75				
	" Oxide of Iron and Lime.....	571	59				
	" Dominion Bank, Dividend.....	8,936	41				
	" Tools.....	4,784	77				
	" Sundry Accts. owing.....	4,573	00				
	" Dominion Bank, Dividend Acct.....	1,281	46				
		712,009	33			712,009	33

To Balance brought down, viz.

12,000 Shares Stock.....\$600,000 00

To profit as per Statement.....75,386 78

----- \$675,386 78

We the undersigned have made the usual examination of the Books and Accounts of the Company, for the year ending the 30th September, 1874, and beg to report them satisfactory and correct.

Toronto, October 23rd, 1874.

Signed,

J. W. BRENT,)
W. B. PHIPPS,) AUDITORS.

H. THOMPSON,
Manager.

Consumers' Gas Company.

Toronto, October 26th, 1874.

At the Annual General Meeting of the Stockholders, held this day, present, the Vice-President, Messrs. W. Cantlra, W. Gosseburn, Hon. W. McMaster, Judge Duggan, F. C. Gilmer, Dr. L. W. Smith, J. T. Smith, A. Lepper, J. H. Mead, J. Eastwood, E. Doel, W. H. Doel, P. D. George, W. Spruce, R. Stewart, T. Hollowell, J. L. Clarke, Thos. H. Lee, J. Crowther, E. B. Osler, Jas. Leslie, Dr. McPherson, W. B. Phillips, W. S. Lee, L. B. McPherson, Very Rev. Dean Grosell, W. H. Stanton, S. O. Wood, R. H. Trotter, A. F. McLeod, Jr., L. Buckin, Dr. Biddell, Rev. J. Doel, J. Cawthra, J. J. Eay, S. Platt, A. McDonnell, Hon. S. Richards, R. Gilmer, Clarkson Jones, Jas. Broome, E. Candler, J. O'Malley, J. D. Elliott, &c.

Moved by W. S. Lee, Esq., seconded by Dr. L. W. Smith.

That the Vice-President do take the chair. *Carried.*

The Vice-President then read the Annual Report of the Stockholders, and the Manager read the working statement and balance sheet.

Moved by the Vice-President, seconded by W. S. Lee, Esq.

That the Twenty-sixth Annual Report, now submitted, be adopted, and that the same, together with the detailed statement read thereon, be printed, and a copy thereof forwarded to each Stockholder. *Carried.*

Moved by W. H. Doel, Esq., seconded by W. H. Doel, Esq.

That the thanks of the Stockholders are eminently due and are hereby tendered to the Vice-President and Directors of the Company for their services during the past year. *Carried.*

Moved by W. S. Lee, Esq., seconded by W. H. Doel, Esq.

That the thanks of the Stockholders are due and are hereby tendered to Messrs. W. H. Pearson, F. B. Whittemore, and H. Stevens. Clerks in the Office—for the straightforward and able manner, in which they exposed, and satisfactorily proved, the dishonest transactions of Mr. E. H. Rutherford, and thereby procured the return to the Company of a large sum of money, and caused the removal of Mr. Rutherford from the Board of Directors, thereby avoiding the possibility of any further loss from the same source and that as a mark of appreciation of the service rendered by them to the Company, the sum of \$500 be paid to Mr. Pearson, \$300 to Mr. Whittemore, and \$200 to Mr. Stevens. *Carried.*

Moved by Samuel Platt, Esq., seconded by James Crowther, Esq.

That the poll be now opened for the election of Directors for the ensuing year, and close at three o'clock, p.m., and if five minutes elapse without a vote, the poll be declared closed; and that Messrs. W. S. Lee and E. B. Osler be appointed Scrutinizers, and that the sum of Five Dollars each be paid them for their services. *Carried.*

Moved by Hon. W. McMaster, seconded by W. Cantlra, Esq.

That in future, the President's remuneration be \$1000 per annum, and that each of the other Directors, including the Vice-President, be paid \$50 for every meeting they may attend. *Carried.*

At the close of the Poll, the Scrutinizers judged in the following Report:

We the undersigned Scrutinizers, appointed at the Annual General Meeting of the Stockholders of the Consumers' Gas Company of Toronto, on Monday, the 28th day of October, 1874, declare the following elected Directors for the ensuing year:

Hon. W. McMaster,	Jas Austin, Esquire.	J. H. Mead, Esquire.
Wm. Cantlra, Esquire,	J. Eastwood, "	Judge Duggan,
Laratt W. Smith, "	Saml. Platt, "	J. T. Smith, Esquire.
Wm. Gosseburn, "	Thos. H. Lee, "	A. Lepper, "

(Signed)

W. S. LEE,
E. B. OSLER,) Scrutinizers.

Toronto, October 26th, 1874.

Moved by S. Platt, Esq., seconded by A. Lepper, Esq.

That the Chairman do leave the Chair, and that John Eastwood, Esq., do take the same. *Carried.*

Moved by J. H. Mead, Esq., seconded by J. T. Smith, Esq.

That the thanks of the meeting are due to Jas. Austin, Esq., for his able and impartial conduct in the Chair. *Carried.*

Consumers' Gas Company.

Toronto, October 26th, 1874.

At a special meeting of the Board of Directors, held this day, present, Messrs. James Austin, W. Cantlra, L. W. Smith, W. Gosseburn, Hon. W. McMaster, J. Eastwood, S. Platt, J. H. Mead, Judge Duggan, J. T. Smith, A. Lepper, and Thos. H. Lee.

Moved by J. H. Mead, Esq., seconded by A. Lepper, Esq.

That James Austin, Esq., be elected President for the current year. *Carried.*

Moved by Hon. W. McMaster, seconded by W. Cantlra, Esq.

That L. W. Smith, Esq., be elected Vice-President for the current year. *Carried.*