

1st. "Loss of earnings of the company between horse and electric power."

The horse car service on Yonge, King and Belt Lines, from the 1st January, 1892, to the 24th of June, 1892 earned ..... \$165,858.00  
and the electric service during the corresponding period of 1893 earned .... \$237,940.00  
making a difference of earnings under electric system of ..... \$72,092.00

Or over 40%.

2nd. "Increase of operating expenses caused by maintenance of double system."

The Company has built and equipped a power house and plant for electric power for the whole system, and is only using one half the electric power, and is working from six to seven hundred horses.

The last monthly statement shows the cost of electric power about \$7000, and the cost of horse power about \$10,000, and if the City had carried out its obligation the cost of the horse power would be saved, and the additional cost at the power house would consist of coal bill and coal shovellers' wages, which would only amount to a few hundred dollars a month. The Company is keeping an accurate record and will prove a claim for at least \$750 to \$1000 a day, and they would far rather earn and save the money by operating the electric system over the whole City.

The delay and vacillation at the City Hall has been harassing and vexatious to the Company and although it is unusual to give away the brief of the case to the other side, a short reference to one leaf of the overwhelming evidence of the Company against the City may convince some of the members of the Council that they should make a definite and decided change of methods of business at the City Hall.

We refer to the report of the City Treasurer, the City Engineer and the City Solicitor, on the comparative value of the tenders for the franchise dated June 17, 1891, and printed at page 533, and the following twelve pages of the minutes of the City Council of 1891. It is too long to be reprinted in full, but the citizens will remember that there were several tenders for the franchise on condition that the City would lend its credit to carry out the conditions, and these tenders were received in competition with our straight tender. For example, Miller Bros offered to pay four per cent. on \$800,000 for the estimated cost of permanent pavements on the track allowances, and the Committee required the City officials to report on the comparative value of all the tenders. It was, therefore, necessary for them to estimate the cost to the City of laying down the permanent pavement on the track allowances in conjunction with the change of tracks for the electric system, and the officials estimated the annual charges for interest and sinking fund for these permanent pavements to be laid down under the said obligation contained in the 11th Condition at \$1196.80 a mile per annum and reported on our tender by stating the estimated annual receipts from percentages on passenger traffic and from mileage payments, and deducting from this amount the annual charges payable by the City for the permanent pavements, namely, \$1196.80 a mile, and closed their report as follows:

"Annexed is a series of schedules in which we have endeavoured to exhibit is as clearly as possible with figures dealing with so many varied conditions, the results in synoptical form of our analysis of the tenders.

"Schedule 'A' shows the amount to be received by the City irrespective of any provision either for sinking fund for liquidating the debt, or acquiring the property at the end of the