Counsel Appointment Entails Heated Debate

Auditor Sterling's Hydro Report Resented by Mayor

Red Tape Hinders Home Smith's Humber Project

MAYOR SCORES AUDITOR FOR REPORT ON HYDRO

City Auditor Sterling Says Civic Hydro-Electric System is Over-staffed and That Business Is Conducted on Improper Lines — Mayor Geary Gives an Emphatic Denial.

City Auditor Sterling's report on the business methods of the civic hydro-electric system, the long anticipated, arrived like a bolt from the blue yesterday. In fact, the severity of its tone evoked a severe retort on the part of the mayor, who considers Mr. Sterling's remarks as almost wholly unwarranted.

The latter has discovered that the system is not conducting its business along proper lines; that the detail is too exacting; that there are too many men for the job, and that the current is purchased on the wrong basis, namely, the peak load.

Mayor Takes Issue.

Mayor Geary, in taking issue with the auditor, stated in a counter report, denies that the criticisms are just, and censures their author for making them. "This is wrong," he writes. "The system has been built up under expert advice, and, as a matter of fact, as the best known system and is especially adapted to this class of undertaking. It is the same, for instance, as is followed by the General Electric Company of Chicago, built up after years of experience. The auditor, in the face of this, and with quite limited opportunities for investigating the matter, is not in a position to criticize as he has."

Offices Not Crowded.

As to the question of too large a staff, the mayor said in part: "There is not one man who is not wanted. The commission finds it necessary, in order to run the business properly, to use every care, for instance, to get the exact cost unit, and to take care accurately and expeditiously of all the bookkeeping. The comptroller, far from agreeing with the auditor, emphatically disagrees with him in these two statements, and the commission, knowing the business thoroly, agrees with the comptroller."

With regard to the manner of purchase of current, the mayor adds: "The auditor, tho quite beyond his instructions, criticizes the methods of purchase of current on what is termed the peak load. His opinion is set up against that of the Hydro-Electric Power Commission of Ontario, who, after full enquiry, decided to purchase their current on what the auditor call the peak load system, and on that same plan they sell it. The suggestion of the auditor implies the use of the argument which the opponents of the hydro bylaws used so freely during the fight to pass these bylaws."

Auditor's Report in Part.

After going over previous audits made, and explanations of certain figures, the auditor stated:

There is no doubt but that some portion of it may be properly chargeable to capital, but I do not think the whole amount should be thus dealt with.

Coming to the period of the six months ending June 30, 1912, my audit has not gone into the work of this term in detail, and in view of the fact mentioned above that my work, were I to do so, would only be duplicating that already done by the commission's auditor, and involve additional expense to that already incurred by the commission, I have thought it advisable, until further directed, to confine myself to a general review of the figures for the six months, and await your further instructions.

An approximate statement of revenue, etc., has been made up for the six months under review, and whilst several important items of account are used—no entries for which yet appear on the books of the commission—the amounts so dealt with are close enough to my own estimates that they may be accepted for the purpose of arriving at a close estimate of the position of affairs at the close of the period.

Expenses and Revenue.

During this period operating expenses and revenue have been dealt with separately from those expenses properly chargeable against construction, and dealing with these figures, they may be summarized as follows:

Operating expenses (6 months to 30th June, 1912):

Wages, material, etc.	$212,374 35
Current, etc.	76,522 51
Carried to credit of depreciation reserve	35,027 16
Accrued sinking fund (half-year)	21,274 28
Interest on bonds and advances (one-half charged to revenue).	36,305 92
	$382,804 22
Earnings	297,162 51
Deficit for half-year ending 30th year	$85,642 31

To be added to this, however, an amount is brought into account for sinking fund charges. For the half year preceding no amount had been provided to meet the previous accrued requirements on this item, and an amount has been written into the balance sheet to cover this, amounting to $50,888.07, which added to the deficit on the working account makes a total of $136,530.38 for the half year to be carried forward against future earnings. In addition there remains the item of $36,305.92, the other half of the interest account, which, as it is not dealt with in the revenue account, will fall to be a further charge against the capital expenditure. I am not in favor of this being done as I do not think the capital account should now be further burdened with interest charges, but that such items should be directly charged in the revenue account and treated as a part of the deficit to be provided for out of future earnings. Dealing with these figures in this way, the present position would be

Total charge to 31st December, 1911, as above	$2,610,995 00
Cash from city from 31st December, 1911, to 30th June, 1912.	715,000 00
Interest credited to Commission	72,611 84
Total charge s to 30th June, 1912	$3,398,606 84
Summary—	
Deficit to 31st December, 1911, carried to capital expenditure	$147,803 35
Deficit to 30th June, 1912	85,642 31
Accrued sinking fund at 30th June unprovided for	50,888 07
Proportion of interest charged to capital	36,305 92
Net shortage to 30th June, 1912	$320,639 65
Outstanding liabilities—	
Unadjusted items in City Treasurer's account	$16,795 62
Shortage, stores account	113,477 40
Provincial Hydro Commission	248,245 31
	$378,518 83

A comparison of the principal income accounts for the six months ending Dec. 31st, 1911, and 30th June, 1912, respectively, is as follows:

	1911. 31st, Dec.,	1912. 30th June,
Commercial lighting	$57,104 78	$68,562 75
Commercial power	9,277 33	24,574 29
Municipal building light	835 65	293 34
Municipal power	4,313 00	54,984 05
Municipal street lighting	75,893 90	120,058 59
Meter rents	33 00	130 00
	$147,251 06	$268,313 03
Sundry credit items	3,542 56	28,849 48
	$150,793 62	$297,162 51

Included in the sundry credit item amount—the six months ending June 30, 1912—is an item, "stores charges" $20,557.85. This accrues from an overhead percentage added to cost of goods and materials used to cover cost of handling, etc. This is not in any sense a "profit" or "income" item, but is merely an offset to a debit entry on the other side of the account, and in bookkeeping entry would come off both sides.

I do not consider that it is my duty to criticize the policy of the commission, but I desire to say from an accounting point of view that the system of

Accounting Is Overdone.

and smothered in detail. I desire also to say that in my opinion, considering the volume of business and the nature of it at present on the books of the commission, it has been and is over-staffed. Were these two matters taken hold of and reforms instituted, considerable savings in expenses accounts could be effected. I understand the comptroller recently appointed has in view economies in these directions, and if so he should be given a free hand.

There remains the matter of fixed charges, and taking it as probable that the capital expenditures will have reached a point by the close of the year to call for the full amount of the bylaws passed for the perposes of the commission, viz., $4,950,000, the fixed charges required, which will have to be met out of the earnings, in addition to operating expenses, will be:

For sinking fund	$ 70,725.00
For interest	198,000.00
	$268,725.00

Whilst they may not be subjects which come directly within the scope of my audit, in closing, there are two matters to which I desire to draw your attention, as I think they are worthy of serious consideration in connection with the successful working out of this scheme, viz., in the matter of financing, why the annual cost of the undertaking should be loaded with the burden, not only of "renewal and depreciation funds," but also with "sinking funds." The matter is one which, in my judgment, so seriously affects the successful working out of this and similar projects, that I venture to bring it to your notice. The other point is the question of the purchase of current on what is termed the "peak load." I am aware that producers of electrical energy favor this method. I can only say that from what practical business connection I have had with it, I have felt that an improved system was needed, if the business were to be placed on a satisfactory basis, and on this account only, I refer to the matter.

WANT HOSPITAL WITH OPEN DOORS

Trades & Labor Council and Fraternal Societies Urge That Time is Ripe for a Municipal Hospital, and That Old General Be Used for Such Purposes.

Urging that the city should maintain a hospital with an open door policy regarding the attendance of doctors, with no compulsory regulations regarding clinics, a large deputation from the different fraternal societies and from the Trades and Labor Council waited upon the city council yesterday afternoon. After presenting their case they were assured by Acting Mayor Church that the board of control would deal with the matter shortly.

Fraternal Societies

A. W. Adams, representing, as he said, fraternal societies in Toronto with a total membership of 50,000, urged that the time was now ripe for a municipal hospital, and he suggested that the old General Hospital be used for the purpose. The rates charged and the conditions imposed by the other hospitals were, he said, such as inflicted a hardship on poor people. He suggested that the institution should be governed by a board of trustees, of which five members should be appointed by the board of control and one apiece by the amalgamated fraternal societies, one from the Associated Charities, one from the Trades and Labor Council and one from the board of trade.

James Simpson Speaks.

According to James Simpson this was the psychological moment to establish a municipal hospital. The city, he said, had shown that it could operate one in the Isolation Hospital. The minimum fee of $7 a week and the regulation regarding clinics were not fair to the poor people, he said, who because of their lack of means were compelled to provide instruction for students.

William Banks, sr., and W. Benson were other speakers who advocated the venture.

Ward Seven

The meeting of the Ward Seven Ratepayers' Association, which was to have been held last night, has been postponed until next Monday evening, in the Clendenan avenue school. This will take the form of another citizens' mass meeting.

St. John's A.Y.P.A. opened the season last night with a social in the parish house. An excellent musical program was given, and the evening was spent in games and amusements. The president, Mr. Thos. Bloor, occupied the chair.

The Keele street firemen received two calls last night. The first, at 5.20 p.m., was a false alarm, rung in from the Wilkinson Plow Company's box at Wiltshire and Edran streets. The second, at 8.45, was to the Union Stock Yards, where a spark from a passing locomotive had fired a pile of shavings. The damage was slight.

The death occurred yesterday of Mrs. Mary Hurl of 755 Indian road, in her 66th year. Interment takes place this afternoon in Mount Pleasant Cemetery.

Foster Switches

"I have investigated the Humber Valley boulevard proposition since it was last before the council, with the result that I have changed my mind, and as that locality will soon be a part of the city, I move that council reconsider it."

Controller Foster.

72% OF TAXES ARE COLLECTED

Returns Are Largest Received at This Stage in Twenty Years, When Amount Due is Considered.

According to City Treasurer Coady's returns, which were submitted to the city council yesterday, there has been $5,322,783, or 72 per cent. of Toronto's taxes collected up to date, out of the $7,369,013 collectible this year. The returns are the largest at this stage of the collections received in 20 years, when the amount due is taken into consideration. The report read as follows:

"I have the honor to forward herewith my second return of taxes paid for 1912, showing the result of the collection payable on the 10th ult. The total amount of taxes collectible for the year is $7,369,013, and the two instalments, including the local improvement rates, due to date, amount to $5,268,551, and the total payments to date amount to $5,322,783, or 72.23 per cent. of the whole levy for the year, leaving $2,046,230, or 27.77 per cent., to be collected with the last instalment. It will be gratifying to the council to learn that, taking into consideration the amount due, the present return represents the largest payment at this stage of the collection for over twenty years.

"The total amount of the levy for 1912 is $956,454 more than that of 1911, and the amount paid in to date, $5,322,783, is $680,143, or nearly 15 per cent., more than the payment received at the corresponding period of last year.

"In order that the result of the present collection may be readily compared with the former payment, the particular items of taxation embraced in the above figures, and shown in my report on the payment of the first instalment, are repeated as follows:

"General: 1st instalment, general taxes, payable July 25, $2,267,679; 2nd instalment, general taxes, payable Sept. 10, $1,985,902; school rates, payable Nov. 11, $2,096,479."

According to a statement supplied by City Treasurer Coady the city council were informed yesterday afternoon that the different civic departments had spent $5,032,921 out of a total available of $6,996,837. Overdrafts amounting to $48,292 have been incurred, leaving $1,963,916 as the net amount available to complete the year's work.

'HANDS OFF' REPLY TURKEY GIVES TO POWERS

Porte Intends to Carry Out Reforms in Macedonia in Its Own Way—"Criminal Outrages by Agitators" Have Prevented Progress Thus Far.

CONSTANTINOPLE, Oct. 14.—(Can. Press.)—In its reply to the powers today, declining to allow any foreign intervention in the matter of reforms in Macedonia, the Turkish Government contends that one of the chief causes which have hindered the various attempts to ameliorate the internal situation in the Macedonia provinces is the state of insecurity brought about by "criminal outrages of all kinds committed by agitators."

Turkey's reply, which was handed to the Austro-Hungarian ambassador, thanks the European powers for their friendly interest, but declares that Turkey is determined to carry out the reforms without interference.

It protests that the Porte has been actuated by the same humanitarian and peaceful intentions as the powers. It hints that many stipulations of the Berlin treaty have been put into execution not in accordance with the letter or the spirit which dictated them and that the Ottoman interests have been previously injured. It reiterates that the Rumelian reform scheme of 1880 would have been scrupulously applied as soon as it was passed by the Turkish Parliament.

Finally the reply declares that it would be unjust to infer from former negligences and evasions, which were more or less systematic and inherent in another regime, that the constitutional empire today would not be capable of breaking away definitely from the errors of the past and seeking only to apply measures compatible with the well-understood interests of the country and the peoples themselves.

TEACHERS MUST NOT USE LONG DISTANCE

No More Calls Will Be Charged to the Board of Education—Proposal to Cut School Time is Killed — Night School Teachers Refused a Raise in Salary.

Dr. Noble's revolutionary proposal to cure the overcrowding trouble by cutting the school time of the first two classes in half was killed by the finance committee yesterday afternoon.

Trouble is brewing for school teachers who want "long distance" and have the telephone call charged up to the board of education. The Bell Telephone Co. will be notified to refuse long distance calls from school phones, and a vigorous circular censuring the teachers was ordered sent out by the secretary.

Superintendent Bishop stated that the $30,000 voted towards the new 29 school building on Williamson road, Kew Beach, would suffice for this year's work, on the $160,000 29-room school. The superintendent said that the overcrowding at the Kew and Balmy Beach Schools rendered the erection of the proposed school an urgent matter.

School Taxes.

Dr. Noble's resolution respecting the payment of school taxes was sent to the board's solicitor for an opinion. The resolution read: "That this board memorialize the local legislature to have the Assessment Act so altered that the owner and not the tenant shall determine whether the taxes shall be paid for the support of public schools or of separate schools."

A letter from the night school teachers, asking for a higher rate of pay, was given a sharp turn down

Chairman Brown said the teachers applied for the extra work well knowing the requirements, and after receiving the appointments grumbled at the amount of work it entailed. He was inclined to favor a return to the former system of employing college students for the night classes.

Macadam Sidewalk Better Than Bricks

Ratepayers' on Front Street, Protest Against the Changing of Boulevard to Brick.

W. C. Chisholm, K.C., representing a number of ratepayers on Front street, between John and Bathurst streets, protested to the city council yesterday afternoon that there was no necessity to substitute a brick block pavement for the present macadam on the northern section of the thorofare. The present pavement was laid 10 years ago, he declared, and if a little money were spent on repairing it, there would be no necessity for a new road, particularly because the traffic in the future would be lighter than in the past. The railways on the south side of the street were, he claimed, the chief agitators, yet they paid nothing toward the cost. After a number of other speakers, both for and against the improvement, had been heard, the council finally deferred action.

Trowern Resents Plumbers' Bylaw

Backed by Large Deputation, Protests Against Use of Iron Pipes for Drains.

"Gentlemen, we simply ask you not to put us out of business without giving us some reason. If that bylaw is carried we will absolutely be put out of business."

E. M. Trowern, secretary of the Retail Merchants' Association, made the above appeal to the city council yesterday afternoon when, with a large deputation, he appeared to protest against the clause in the new plumbers' bylaw which required that cast-iron drain pipes should be used in the future instead of the usual tile pipes. The bylaw in this respect was defective, he said, and no arguments had been offered to show why the change should be made. It would result, he said, in putting the local tile pipe out of business.

When the council dealt with the matter it was referred back for further consideration.

Harrington Extended.

The city council yesterday passed a bylaw providing for the extension of Harrington avenue westerly to Christie street and authorizing the city engineer and other officials to enter upon and use the necessary lands.

An Anonymous Letter

Controller McCarthy requested information from the city council yesterday as to who was responsible for distributing anonymous letters to the aldermen, giving a number of reasons why the Humber Valley boulevard scheme should be rejected. It was learned that the letters had been laid upon Ald. Wanless' desk and that alderman had forwarded them to the city clerk's department, from whence they were delivered. Nothing further than this could be learned.

C.P.R. STRONGER IN LONDON.

LONDON, Oct. 12.—(Can. Press.)—Owing to the unusual conditions and the heavy dealings on the stock exchange there was a pronounced improvement in prices on the street this evening. Canadian Pacific closed at 269.

"Cannot Legally Deal With Humber Valley Bylaw."-Geary

Much Red Tape Holds Up Scheme to Expropriate Watson & Kennedy Properties—Controller Foster Switches and Now Supports the Projects, and Considers It as City Property.

That the city council cannot legally deal for a third time this year with the bylaw to expropriate the Watson-Kennedy properties in the Humber Valley was the ruling of Mayor Geary at the meeting of the city council last night. The expropriation must be carried out in order to conform to the agreement with R. Home Smith regarding the Humber Valley Park and Boulevard scheme. Controller Church, however, moved that the board of control bring in a bylaw at the next meeting in order to repeal the conflicting clauses in the manual. The motion carried by a vote of 17 to 6, and thus the matter will be dealt with two weeks hence.

Foster Switches.

The bylaw was introduced by Controller Church, and Alderman McBride was on his feet, immediately protesting that the reintroduction of the matter was illegal. Mayor Geary sustained his protest and claimed that the question could not be dealt with according to the manual unless one of the members who voted against it last time would move to reconsider it. Controller Foster then came forward with the necessary motion.

The latter controller stated that he had investigated the proposal since it was last before council with the result that he had quite changed his mind on the matter. The Humber Valley, he said, would ultimately be a part of the city, and hence the city should look upon the matter from their own standpoint.

Ald. Rowland claimed that he always did favor the scheme, but he voted against it because he did not like R. Home Smith's attitude to the city before the private bills committee of the legislature.

McBride Obdurate.

Consistent with his former protests, Ald. McBride again condemned the whole agreement which, he said, would only cost the city a lot of money and would in reality be of no use. The city, he said, had no idea of the ultimate cost of the project and hitherto, when the question was up for discussion the council had not even been in possession of the facts. The alderman was reminded that the council were due at supper and he consented to drop the discussion on condition that he should be given the floor when the city council was resumed.

When the council resumed their places Ald. McBride rose to a point of order. He claimed that the discussion was out of order since the question had already been definitely dealt with twice this year. His point was sustained by City Solicitor Johnston and the mayor.

Quite a Discussion.

A spirited discussion then followed as to whether the council could legally suspend the rules in this instance. Mayor Geary held that it could not, but a motion by Controller Church paved the way for the opening of the discussion at the next meeting.

Civic Guild Favorable

Fred Risk, secretary of the civic guild, presented letters from the same organizations asking that the council take steps to expropriate the Kennedy and Watson properties in the Humber Valley in order to conform with the boulevard agreement with R. Home Smith.

ROBBINS AFTER WAGE OFFICER

Introduces Bylaw to Make New Office Subservient to the Board of Control.

Ald. Robbins introduced his bylaw to amend the bylaw relating to the appointment of a fair wage officer, so as to provide that the said officer shall be appointed by and report directly to the board of control.

The present fair wage officer, he said, was merely a law student in the office of the city solicitor and knew nothing of the conditions of labor. He was under obligations to do his regular work and then he could devote the remainder of his time to his additional duties, for which he was paid a salary of $500 a year. A fair wage officer of this sort was absolutely of no value to the labor men.

Controller Church agreed with this contention. It was merely making a farce of the position, he said. The controller urged that a labor man be put in the position who understood labor conditions and wages and who would have the confidence of the working men of the city.

After a lengthy discussion the bylaw was defeated by 11 to 10.

GRANT TO HOSPITAL.

Controller Church introduced a bylaw authorizing the city treasurer to grant $250,000 to the Hospital for Sick Children. The bylaw was given two readings and will be submitted to the ratepayers next January in order to get their decision before giving it a third reading.

TERAULAY ST. 86 FEET WIDE

Civic Guild Protests Against Proposal to Extend the Street at Present Width.

Representing the Toronto Improvement Conference, R. J. Dilworth, treasurer of the Civic Guild, appeared before the council yesterday and protested against the proposal to extend Teraulay street at a width of only 66 feet. He submitted letters from the board of trade, the Canadian Manufacters' Association, the Toronto Civic Guild, High Park Ratepayers' Association, South Parkdale Ratepayers' Association, the Oasington Ratepayers' Association, the College Heights Ratepayers' Association, Ward 2 Business Men's Association and the Riverdale Business Men's Association, all of which strongly advocated an 86-foot thorofare.

Speaking on behalf of the Civic Guild Mr. Dilworth pointed out that when 66 foot streets were laid out street cars and motors were unknown. The problem to-day, he said, was a larger one and the old width of streets was quite inadequate to carry the traffic of to-day. He urged that the matter be allowed to stand unless the council were prepared to carry out the project at a width of 86 feet.

Ward 3 Appeals All Withdrawn

Assessment Commissioner Thinks Merchants See Reasonableness of Assessment.

Some of the appeals of greater import coming from merchants in Ward 3 have been withdrawn, according to an announcement made by Assessment Commissioner Forman.

"Their withdrawals at least show that they regard the assessment as a reasonable one," he declares. "I intend to take the whole question up with my staff, but of course I knew that before I went west the increased assessments in Ward 3 were to be made. We all knew that drastic action was necessary in view of the enhanced values on Yonge street. We think we can vindicate our assessment and we are not alarmed as we believe it to be justified under the circumstances."

The city cannot back out of the Davidson deal on Bloor street at this juncture. Its only recourse is to pay the arbitrator's fee and take the property. The reason is said to be a peculiar one. When the bylaw to expropriate the Davidson property was passed, it included other lands further west, which are necessary to the widening of the street. In the High Park neighborhood, a little widening and grading has already been done, and for this purpose the city has entered on the other lands in question. Having entered upon these lands mentioned in the bylaw, it must take all that is mentioned therein, including the Davidson parcel.

The present condition of affairs has evolved itself out of a project to widen Bloor street to Dundas, and sooner than pay the price laid down by Arbitrator Drayton, Assessment Commissioner Forman would close the deal.

It is expected that Mr. Caskey, secretary of the Laymen's Missionary Movement in Canada, will occupy his new and expensive home in Alexandra Gardens at an early date.

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