ELECTRICAL DISTRIBUTION FOR TORONTO.

On Friday of last week Toronto's Board of Control met in conference with the representatives of the Toronto Electric Light Company. The spokesman for the company, Mr. E. F. B. Johnston, K.C., presented three plans alternative to the proposed civic scheme of establishing a competitive electrical distribution plant at a cost to the ratepayers of $2,500,000 or over. Briefly, the three offers were as follows:

1. An arrangement similar to that which has given satisfaction in connection with the Consumers' Gas Company; a fixed dividend of 8 p.c. surplus to go to reducing the rates, city to be represented on the directorate.

2. City to buy $1,000,000 of new stock at par, and be represented by three out of ten directors, with the first offer as to reduction in rates applying. Company's stock would then amount to $5,000,000, with bonds of $1,000,000.

3. City to buy plant at a price based on its present earning power, and continue the contract with the Electrical Development Company, which supplies the power to the Toronto Electric Light Company.

That the Board of Control should have announced a flat recommendation against the above offers is somewhat surprising. Even the most "yellow" exponent of the municipal plan was apparently impressed, against its will, with the attractiveness which such business-like offers would likely possess for the controllers—and announced through its columns in shrieking type that the board had basely capitulated to the company without even waiting for detailed consideration. Had such immediate decision been made, the board would, of course, have been censurable—but some blame on the other hand is likely to attach for what is apparently an equally hasty decision to throw the proposals aside. It is to be hoped that in advising that a by-law be submitted for the construction of a competing distribution plant, the Board of Control is not absolutely abandoning all further negotiations with the company.

Quite possibly there are details in the company's proposals that require modifying from the city's view-point—but when so advantageous an offer is made at the outset, continued negotiations could surely be hoped to bring about a working agreement that would obviate the expense and waste of duplication and competition—entailing a loss of which, in some way or other, the public must ultimately bear the brunt.

One objection to the company's offer as it stands, with a possibly satisfactory modification of it, is referred to by The Globe. It is to the effect that the placing of the city in the same position as in the case of the Consumers' Gas Company cannot of itself secure cheap light and power, so long as the city has no assurance as to what rates the Electrical Development Company will in years to come charge the Electric Light Company for power transmitted from Niagara. For the immediate future there is, it holds, no difficulty—since it is now generally considered that the Electric Light Company, purchasing on meter readings as it does, has a rate of not more than half that offered to the city by the Beck scheme. If it is uncertainty as to the future wholesale price of power that has caused the Board of Control to advise the rejection of the Electric Light Company's offer, The Globe maintains that negotiations should have been continued and a supplementary offer from the Electrical Development Company called for.

One other feature of the offers as they stand The Globe dissents from, as follows:

"There is one word of caution needed, however. The object of the present movement is cheaper light and power—the utilization, in short, of the great natural advantage that Toronto possesses as an industrial centre because of its proximity to Niagara Falls. The very essence of any agreement must be the limitation of dividends either to the city as a partner in the enterprise or to the private stockholder. Mr. Johnston holds out a tempting prospect of an 8 p.c. dividend on an investment by the city of a million dollars at par. The Globe does not like this feature of the proposal. Let the dividends on the existing stock be limited to 8 p.c., and let the city supply whatever new capital is necessary at 5 p.c. The city can borrow at 4 p.c., and the profit of $10,000 a year is ample for contingencies. To invest a million of public money in the plant and draw $80,000 yearly on it means taking $30,000 a year unnecessarily from the users of electric light and applying it to the reduction of taxes."

Possibly the average ratepayer will not altogether agree with The Globe in this particular—and yet it is not improbable that just such an average ratepayer is often to be found in favour of operating an out-and-out municipal distribution plant—though the latter can cheapen power and light only (if, indeed, at all) by saddling the community of which he is part with a heavy initial expenditure and the prospect of a trading loss. Towards the making good of any such loss the non-user of light and power would be called upon as a ratepayer to contribute. This point should not be overlooked by Toronto ratepayers when they come to vote upon the proposed by-law—especially as it would seem that the service obtained from a $2,500,000 plant may not cover the city thoroughly—thus further limiting the number of those who can possibly profit as users of low-priced light or power.

THE EXCELSIOR LIFE COMPANY has issued a special commemoration number of its well printed publication, the Excelsior Record, which chronicles the enthusiastic doings of the agency convention that celebrated the completion of the company's new head office building in Toronto.