

The Toronto World.

SIXTEEN PAGES—SATURDAY MORNING DECEMBER 12 1908—SIXTEEN PAGES

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WHITNEY POINTS MAY OUT OF AN IMPOSSIBLE SITUATION

Says System of Government is Elastic Enough to Deal With Such Difficulties as Impasse Created By Ry. Board Decision.

Under no circumstances can any outside authority be allowed to assume control of the streets of the city—or indeed of any city—Premier Whitney.

Premier Whitney was asked by the newspaper men yesterday if he would express his views of the situation created by the judgment of the railway and municipal board between the Toronto Street Railway and the city. He made the following statement:

"The judgment of the railway and municipal board is a devolution of a matter quite clear. It is a definite and clear-cut decision and in that respect is very satisfactory. It is also to be assumed that it is a correct exposition of the law in the case."

"I am glad to observe that, with one exception, the newspapers are dealing with the situation in a common-sense way."

"The effect of the judgment is to make the situation an impossible one."

"UNDER NO CIRCUMSTANCES CAN ANY OUTSIDE AUTHORITY BE ALLOWED TO ASSUME CONTROL OF THE STREETS OF THE CITY—OR INDEED OF ANY CITY."

"Our system of government is elastic enough to deal with any difficulties which may arise in the way, and that without doing injustice to any person or interest."

"I am glad to observe that, with one exception, the newspapers are dealing with the situation in a common-sense way."

"The effect of the judgment is to make the situation an impossible one."

It seems clear, however, that the creation of an impasse makes the settlement of the matter imperative. The necessity implies the means, and those who are familiar with the points of view will have no difficulty in arriving at the conclusion that he sees how the case can be properly handled, and with satisfaction to all parties.

To the Legislature.

City Solicitor Chisholm says that the only way in which the city could take over the street railway franchise before expiration of the agreement would be by going to the legislature and asking for an act terminating the contract. Should the city seek to gain control by securing a majority of the stock, permission to buy could have to be obtained from the legislature.

JOHN A. FERGUSON DEAD.

Prominent Barrister and Mason Succumbed to Pneumonia.

John A. Ferguson of 5 Withrow-avenue, the well-known barrister, died yesterday afternoon of pneumonia, having only been ill since last Sunday morning. He was a son of Col. C. T. R. Ferguson, M.P. for South Simcoe, and grandson of Col. Ogilvie R. Gowan.

Deceased was a graduate of Toronto University and of Osgoode Hall, a Conservative in politics and master of Coronation Lodge, A. F. & A. M. He had been in the hospital for several weeks, and died at his residence on Thursday night.

He leaves a widow and four children, while the surviving sisters are Mrs. Dr. Burgess and Mrs. Benj. Somers of Toronto, Mrs. Rev. Steward Acheson, Mrs. Irwin and Mrs. Harrison of Neepawa, Man. A brother, Andrew Ferguson of Wolsely, Man., also survives.

The funeral will be held from his residence on Tuesday afternoon.

NICER THAN DANCING.

Editor World: Is Bob Fleming a Methodist? I am; mother brought us all up Methodists and we cannot dance, but we ride in the street cars at 8 o'clock and oh, my, it is nice. I was cuddled by two young men the other day and when a rude snorter caused a scene, one boy plucked me on the leg and the other hugged me and said "Don't be afraid." It is nice to dance and I like it better than dancing and I wasn't introduced either. I do like the crowded cars—it is nice to be squeezed and hugged by strangers and I think the old maid like it, but my brothers say it is a disgrace. But surely Bob knows. Alice.

JUST TIME TO GET A HAT.

Dineen's at Yonge and Temperance Sts. Will Be Open Till 10 To-Night.

Many gentlemen like to buy their hats on Saturday, and Dineen's recognize this after half a century's knowledge of their wants. The hat that is in vogue is always a Dineen's hat, where the newest shapes for old and young and the same of quality is to be found. Dineen's are sole Canadian agents for Dunlop's New York hats, and for the famous Henry Heath London hats. The Dineen special felts at the blocks of the most fashionable makers call at Yonge and Temperance-streets.

No Sunday Theatres.

Chief of Police Campeau announced to-night that if the larger theatres of Montreal open their doors next Sunday for picture shows and vaudeville programs criminal action will be taken against them under city laws.

Three of the Sparrow theatres are advertised to cater to the public on Sundays.

Taking Over the Street Cars by the City.

What is the real value of Toronto Railway stock to the stockholders, assuming that the company retains its franchise until 1921 and that the road is run with a single eye to their interest? What is it worth to-day to the City of Toronto? There are those who stand aghast at the city paying par for \$8,000,000 of stock, "mainly water"; others scout at the notion that this stock could be acquired at so low a price. What, then, are the assets and liabilities of the Toronto Railway Company?

It is easier to enumerate, than it is to appraise, the assets of this company; the dispute is not so much about the facts as it is about the inferences to be drawn from them. In 1890 the City of Toronto took over the Toronto Street Railway Company under an award by arbitrators which appraised the assets—the tangible assets—at \$1,453,788. This included 69 miles of track constructed and ten or eleven miles in course of construction; 1372 horses, 560 cars and other vehicles; and valuable parcels of real estate throughout the city, including the properties on Front and Frederick, on Front, George and the Esplanade, on King and St. Lawrence, on Scollard-street, on Yorkville-avenue, on Yonge-street between Davenport and Belmont-roads, and some leasehold interests.

In 1891 the city sold all this property to William Mackenzie and associates, who organized the Toronto Railway Company. The purchase price agreed upon was \$1,453,788. This amount the company paid in cash, except \$600,000 of debentures of the old company which it assumed. These do not mature until 1914.

Since 1891 the company has increased its mileage from 69 miles to 114 miles; it has electrified the system; old cars have been replaced with new, and a large car shop has been established. The electrification of its system has been the one big item of investment always insisted upon by the Toronto Railway Company. This greatly added to the efficiency of the road by increasing traffic and reducing the cost of operation. To meet the cost of these improvements and extensions, the company, under its agreement with the city and by legislation, obtained authority to issue bonds and debentures "not to exceed \$35,000 for each mile of street railway constructed or under contract for construction." As a matter of fact, the mortgage debt of the road to date (including the old debentures for \$600,000) is \$3,613,373. The whole cost of the system, as it stands to-day, including the purchase price, can be accounted for by the sale of bonds and \$2,000,000 raised from time to time by the sale of stock. The company is capitalized at \$8,000,000 and is earning dividends upon this amount; but \$6,000,000 of this is "water."

The company has liabilities, in the shape of bonds and stocks, aggregating \$11,613,373. The old debentures (\$600,000) will be paid off in 1914. The bonds are to be taken up, 5 per cent, each year during the last ten years of the franchise. In 1921, when the company faces judgment day, there will be outstanding \$1,500,000 in bonds and \$8,000,000 in stock. What assets will there be to meet them? The franchise, the big asset of the company, will return to the city, without compensation to the company. What the city will have to pay for, will be the tangible assets; very much the same assets, with extensions and betterments, which it sold to the company in 1891. The terms of the act are explicit:

In determining such value the rights and privileges granted by the said agreement and the revenue, profits and dividends being or likely to be derived from the enterprise are not to be taken into consideration, but the arbitrators are to consider only the actual value of the actual and tangible property, plant, equipment and works connected with and necessary to the operation of the railway.

It is hard to forecast what the award would be, thus limited. It is unlikely that it can exceed \$5,000,000. To let the stockholders out at par, the railway company by 1921 must have accumulated a rest fund of nearly \$5,000,000.

The earning energy of this corporation is dynamic. In 1898, its gross earnings were \$1,210,618; in 1907, they had increased to \$3,511,197. In 1898, the number of passengers carried was 28,710,388; in 1907 it was 85,574,788. In 1898, the net earnings were \$631,760; in 1907, they were \$1,617,961. The company has on hand a reserve amounting to over two and one-quarter million of dollars. The stock is quoted on the exchange at 107, and while its value is no doubt inflated by the conviction that in some way the company will get an extension or renewal of its franchise, still it is not impossible for the company, properly managed, to actually pay par value to its stockholders in 1921.

But where is this money to come from? It must be collected from the people who ride upon the cars, from the men, women and children of Toronto. Can anyone doubt that the city, which, as a mere sleeping partner, drew \$419,609 out of this enterprise in the year 1907, could not so operate it, as sole owner, as to pay for the plant out of the profits? Would it not be good business to buy up this \$8,000,000 of stock by issuing bonds at 4 per cent? It is merely begging the question to say that the city can buy the whole plant for a less sum in 1921. Suppose we can buy it for \$5,000,000 less; if we buy it now, cannot the city clear a profit of \$5,000,000 by 1921?

A more difficult objection, from another standpoint, is this: "Can the stockholders be induced to part with their stock to the city at par?" There are reasons why we believe that this question can be answered in the affirmative. The stock, to say the least, is speculative, and the stockholders can only hope for par in 1921 in case the men in control are loyal to them to the exclusion of all selfish considerations. Many bargains, like the one they made with the Electric Development Company, will not bring this about. Moreover, the stockholders must realize that their refusal to sell will drive the city to apply for leave to recover the franchise.

The City of Toronto should at once obtain the authority to purchase and take steps to acquire the capital stock of the Toronto Railway Company. This will result, we admit, in a big profit for some gentlemen who hold its stock. But the present conditions are serious, and this remedy, we submit, is available and complete.

Templeman to Stay Will Sit in Senate

OTTAWA, Dec. 11.—(Special.)—The government has no intention at present of dropping Hon. William Templeman, and it is understood that one of the British Columbia senators, of whom there are now three, will make way for the minister of inland revenue, who will thus return to the senate, whence he came when he was given the portfolio.

There has been some talk of giving Ralph Smith of Vancouver the portfolio, but this does not meet with favor in ministerial circles.

L. D. Taylor, proprietor of The Vancouver World, announced he will be a candidate for the majority.

Tray of Diamonds Scooped by Thief

MONTREAL, Dec. 11.—(Special.)—A nifty burglar smashed a plate glass window at 8 o'clock this evening in the jewelry store at G. A. Turcot, on Notre Dame-street, near the city hall, and got away with \$2180 worth of diamonds under the very eye of the proprietor.

This part of Notre Dame-street is quiet at night, and the burglar chose his time. Smashing the thick glass, he covered the occupant of the store with his revolver and grabbed up the tray of diamond jewelry. Mr. Turcot was powerless to interfere.

While running off the robber dropped a box of earrings valued at \$700 which were found in the snow.



"MOVE ON!"

AN ORDER THAT MUST BE OBEYED.

WINDSOR GROUP FOR BECK POWER

Bylaw Will Be Prepared for Submission to People at January Elections.

WINDSOR, Dec. 11.—(Special.)—A conference of the municipalities of the southwestern peninsula was held here this afternoon to hear Hon. Adam Beck, chairman of the hydro-electric commission, explain the government's Niagara power scheme. One or more representatives were present from Windsor, Walkerville, Sandwich, Amherstburg, Essex, Kingsville, Leamington, Wheatley, Tilbury, Chatham, Blenheim, Ridgeway and Bothwell.

Mayor Wigie was chairman, and introduced Mr. Beck. With Windsor included and taking 5000 horsepower, an estimate was given at \$44,900 per horsepower.

It was decided to establish transformers near Chatham, Windsor and Essex to supply the municipalities in this group.

Chief Engineer Sothman and Solicitor Lobbs also addressed the gathering and Mr. Beck's views were explained.

A resolution was passed that it was advisable for the municipalities in this district to take advantage of the scheme, and Solicitor Lobbs will remain over to-morrow to assist in preparing bylaws for the municipal councils. Most of them will present the scheme to the ratepayers at the January elections.

To-night the Windsor Council entertained Hon. Adam Beck and delegates to a banquet at the British American Hotel.

January 20 Federal Parliament Meets

OTTAWA, Dec. 11.—(Special.)—Wednesday, the 20, was declared by the cabinet council to-day as the date for the opening of the first session of the eleventh Canadian Parliament.

Ministers had hoped to call the house together a week earlier, but it was considered inadvisable to bring the members to Ottawa on Jan. 13 with a possibility of the new wing not being in readiness.

On the opening day a Speaker will be selected and on the following day the speech from the throne will be read. It will be Friday, Jan. 23, before the debate on the address is proceeded with.

Charles MacNeil, who for four years has been Deputy Speaker, is almost certain to be elected to the Speakership.

C.N.R. TO BUILD TO GOWGANDA

Wants Running Rights Arrangement With Govt. Road—Waits on Officials.

The Canadian Northern Railway is prepared to extend its line from Sudbury to Sellwood, on to Gowganda, the new silver field, if a measure of co-operation can be arranged with the Temiskaming and Northern Ontario Railway.

This important statement was made to the World last night at the offices of the Canadian Northern Railway by Secretary W. H. Moore of that system, and following upon a conference between Vice-President D. D. Mann and a deputation of Sudbury gentlemen.

The Canadian Northern executive is reluctant to make an invasion of the territory of another road, but prepared to extend along certain lines of co-operation which have been proposed.

The proposal is that the C.N.R. complete their line from Sudbury to Gowganda, which would provide a direct service of about 14 hours to Toronto. The C.N.R. is built and in operation to Sellwood, some 20 miles north of Sudbury, on which is located the famous Hutton iron range.

From Sellwood the line is under construction to Burwash, 20 miles further north. This leaves only 30 miles of projected line to connect Gowganda direct with the capital of Ontario.

Meanwhile the T. & N. O. has been surveyed from Chatham to Sudbury and the commission has had a line thru this district and the Gowganda country to Sudbury for some time past.

The Canadian Northern stands ready to give the government line access from Chatham to Chatham to Sudbury in return for running rights over the government system between those points.

"We will be glad to work with the government in any plan which will form a fair basis of co-operation," said Mr. Moore.

During the afternoon a deputation waited upon the vice-president and secretary of the company, (comprised ex-Mayor O'Connor, James Purvis, president of the board of trade, Councilor Frazer, Stephen Ferny town clerk, J. F. Black, Wm. McVilly and A. B. Gordon, all of Sudbury.)

These gentlemen impressed the officials with the necessity of the extension to Gowganda and of a plan by which the T. & N. O. could secure running rights over this line to Sudbury. This they pointed out, provide a direct line to the smelter at Copper Cliff, where a speciality will be made of the treatment of silver ores.

The same deputation earlier in the day saw Premier Whitney and Hon. De Raume to secure the co-operation of the government in building a winter road into the Gowganda District.

It was stated that the C. N. R. authorities were willing to assist in the construction of such a trail from their own mines terminal. The government has undertaken the construction of a road from the T. & N. O. Railway to Elk Lake, a distance of 25 miles, at the rate of \$75 a mile. The deputation were satisfied with their reception and expect to have the road constructed.

NO DISSOLUTION SAYS ASQUITH

Government Will Meet Parliament Again With Program Which Will Not Be Colorless.

LONDON, Dec. 11.—The government's determination that there shall be no immediate dissolution of parliament, but that the ministers will meet parliament at its next session with an important program, of which the budget will be a leading feature, was announced by Premier Asquith at a banquet given him at the National Liberal Club to-night by two hundred members of his party.

The occasion had been anticipated with great interest as affording Mr. Asquith an opportunity to explain his legislation in the face of the rejection by the house of lords of the Liberals' bill.

In a speech justifying the legislative work, the Liberals already had accomplished, Mr. Asquith invited the party to treat the veto of the house of lords as the dominating issue in politics, but he declined to dissolve parliament, he declared, at the dictation and caprice of the upper chamber. To admit such a claim on the part of an irresponsible chamber, the premier said, would be immeasurably absurd, as it would render the Liberal government subject, session after session, to a series of general elections.

The government would, therefore, choose its own time for dissolution, with regard to the next session of parliament, Mr. Asquith said he was unable at this stage to specify the details of the program that would be put forward, but he declared it would not be a colorless assortment of non-contentious measures. The chief work would be concerned with the budget and the weighty domestic issues therein involved, and on it the government would stand or fall, or, at any rate, be judged. It would raise again in its most acute form, the premier concluded, the great controversy of free trade versus protection.

BAIRNS' BANQUET STOCKING

Massey Hall, 3 p.m., Christmas.

SEE HOW IT FILLS UP.

The Next Sat. Wed., Dec. 16.

Am't. previously acknowledged.

J. Curry Co., brokers	122.85
E. B. Oster	10.00
Thomson Bros., contractors	5.00
Albert Bros.	5.00
Ryrie Bros.	5.00
Mail Job Printing Co.	5.00
Jas. P. Langley, P.C.A.	5.00
T. Uppal	5.00
James Grand (Grand & Toy)	5.00
H. E. Sam	5.00
Ed. Sam	5.00
A. E. Oster	5.00
Sir W. R. Meredith	5.00
Hon. Justice P. O'Leary	5.00
John Cairnes, Peterboro.	2.00
mgr. Dominion Bank	2.00
James Kerr Osborne	2.00
E. Oliver	2.00
Ed. Sam	2.00
J. P. Hetherington	1.50
Mrs. H. J. P.	1.00
Mrs. C. C. Dalton	2.00
I. L. J.	1.00
	\$217.35

Thanks on behalf of the Bairns. There is more to follow—But please DO NOT DELAY. Send your "good cheer" to The World office, or to 257 Yonge-street. J. M. WILKINSON.

GOWGANDA CITY NEXT MINING CENTRE

Many Business Men Await Completion of Sleigh Road to Get Stocks and Supplies to New Silver Camp.

A new mining city is about to spring into existence somewhere about the centre of the west shore on Lake Gowganda.

With the new city will arise opportunities for the merchants, professional men, assayers, surveyors, mining engineers and laborers who have the courage to grasp the chances which its early evolution will afford.

This is not a prophecy. It is simply one of the things that follow inevitably the discovery of rich minerals in any part of the world.

The tented hamlet at Elk Lake has in one year become a substantial settlement in which the business and social life of a mining country converges—a busy little metropolis in its own sphere of activity.

Gowganda City will be next. It will take shape before the snows of winter melt under the rays of the sun of springtime if the government sleigh road from Elk to Gowganda ever reaches the point to which it is being directed thru the forests with exacting slowness. To my knowledge two supply merchants, a hardware dealer, a barber, two restaurant men, two assistants and two lawyers are waiting to invade the field the day that the road is finished.

The government will avoid the mistake made at Cobalt, when the future could not have been easily discerned, by sending a member of the department of lands and mines to Gowganda with a competent engineer to select a site with regard to the sanitary necessities of a centre of considerable population.

Gowganda can have pure water for domestic uses and for sewage disposal. She can utilize one of the sun's natural lakes on the ridge, which will waterworks with the economical pressure of gravitation. A large lake, like Gowganda, can dissipate the sewage. Nature had done her best in distributing little lakes where they can be used for steam, heating and domestic purposes.

The government site of lots at Gowganda will prove one of the most ventures in real estate, and the province at large will benefit.

I repeat again, and upon the personal knowledge of the silver discoverer at Gowganda, that this camp has in the 120 days of its lustrous babyhood showings which make a great rush and the creation of a mining city inevitable.

Show Veins of Gowganda.

Perhaps some description of the show discoveries of Gowganda will serve to indicate the basis of this conclusion. As a basis of comparison, I was guided by a judgment based on the showings at Cobalt, of which the Lawson and La Rose are the most interesting veins. The Lawson and La Rose surface veins are, roughly, five or six inches wide, and their white surfaces of practically pure silver may be easily followed for some distance. Such showings quickly attracted the attention of the whole mining world.

At Gowganda there are four veins which do not fully appear on the surface. Celebrated Cobalt veins referred to, but they are so rich as to justify and suggest comparison.

On the Mann-Ryan claim, which was recently sold for \$200,000, there are a number of veins, but the one which most compels admiration can be followed for a hundred feet down the face of a bluff, losing itself in the dip at the bottom. This vein is about two and one-half inches wide, and looks like a long ribbon of almost pure silver, which becomes burnished with the blow of a pick or a sick. The neck of the vein is about the size of a pencil.

Just south of the cabin on the Reeves-Doble property, there is a phenomenal discovery. At the base of a bluff silver, practically pure, protrudes in a great rough over two inches wide, and with a rough edge which resembles the flame in a grate congealed. The vein can be traced up the hillside, and every five or six feet the silver crops out in its rough purity. The vein has been uncovered for 100 feet, and the reason to believe that it cannot be traced with the same results for hundreds of feet beyond.

Mr. Reeves went out to locate a slab for a stove oven. He found what he wanted, and in welding his pick to work it loose he struck a splendid lead of silver.

William Gordon and Al Boyd, the former a Scotchman, and the latter from Toronto, have one of the show discoveries of the camp. They had prospected in Montana with indifferent success, and came north with the show to Cobalt. They were among the first to arrive during the early September stampede to Gowganda. On Sept. 2 they staked the property, and they are now doing development work.

As Mr. Boyd put it when The World visited his little log and canvas cabin: "They were coming in in swarms, and on our heels the day we arrived and staked this property."

These gentlemen have a pay streak showing about eight or ten feet along the surface and averaging two inches in width. The ore is somewhat heavier

Continued on Page 14.

Drowned in Swimming Bath.

MONTREAL, Dec. 11.—(Special.)—A. M. Dufresne, a French Canadian who kept hotels in Pekin and Tientsin for some years past, and has been here on a holiday visiting relatives, was drowned to-day while swimming in the Laurentian baths, East Craig-street, his failure coming on while in the water.

1908
FRIDAY, DEC. 11
College \$9.85
Eng-... \$7.00
Llama... \$8.75
Nicer than dancing... \$2.39
Socks... \$1.00
of the upon... \$2.35
\$3.00
\$11.50