

MONTREAL SECTION

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MONTREAL LIGHTING QUESTION.

Light, Power and Heat Company Alone in the Field— How the Robert Syndicate Backed Out—Street Railway's Freight Traffic.

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Montreal, October 15th.

The curtain has risen upon another act of the farce of the Montreal electric lighting franchises. Previously it appeared that after years of fighting the Power Company was opposed by a competitor which had obtained access to the streets, had obtained a franchise at lower terms than the Power Company was willing to accept, and which, unlike all previous competitors, was unable to in any way amalgamate with the Power Company. Montrealers thought that at last they had been for all time delivered from the power of a lighting monopoly. The true situation is now revealed, and they stand face to face with a worse situation than before.

The street lighting contract with the Montreal Light, Heat and Power Company expires at the end of the present year, and the only company which can supply this light is the Power Company. There is now no alternative, nor is there any reason to suppose that any serious rival to the company will appear for many years to come. The company is now receiving \$60 per light per annum for street lighting, and it proposes to raise this price to \$75 per annum. It informs the city that if the contract is not arranged for in good time the lights will be turned off and the streets left in darkness at the sound of the New Year's bells. The wonder is that the company does not ask for more. The previous contract was for considerably more than the price now asked, and the company never had the city so completely at its mercy as it has now. The city may feel itself well treated if the company lets it off on as good terms as those asked.

Responsibility of the Voters.

Montrealers are asking who is to blame for the situation. They are generally told that they themselves are, inasmuch as they have the vote and should exercise it to place in power aldermen with the necessary ability and willingness to carry out the will of the voter and place the city in the position of control. An answer more useful to monopoly was never invented.

The affairs of the Power Company have been constantly before the attention of Montrealers for many years past. The organization of the Lachine Power Company, its opposition to the Montreal Light, Heat and Power Company, the modification of its declaration that it would not sell out to that company and its eventual sale, thus removing the only real opponent the Power Company ever had, are occurrences mainly of the last decade. The Power Company itself had only recently been formed of the previously existing lighting companies. This amalgamation, together with the addition of the Lachine Company, removed all effective competition, and gave the opportunity for the injection of profuse quantities of water into the stock of the consolidation. As to the making of the present lighting contract, the Power Company had tendered at around \$90, or very little reduction on the previous contract. Another tender was put in at less than \$60. The Power Company revised its tender to \$60 and got the contract.

Other Offer Has Been Accepted.

Some few years ago the agitation for the renewal of that contract began. Opposition developed from several sources, the most serious of which was the Robert Syndicate. This syndicate obtained a lease on the Beauharnois Canal power, into which lease the Dominion Government introduced a provision, making it impossible for the holders to amalgamate with any other company, or combine with them in the matter of rates.

The efforts of the council to give the contract to the Power Company, despite the expressed opposition of a considerable portion of aldermen and the manifest opposition of the citizens, was frustrated at Quebec by a clause making it illegal for franchises of this nature to be made for periods of over ten years without the consent of the people. This first step towards the assumption of practical control of their affairs by the people made of no account the twenty-year offer of the council to the company.

The Robert Syndicate was apparently making good headway against the Power Company, about the close of 1907. It

received its first blow when the Power Company took out an injunction, the effect of which was to deprive it of the chance of getting the street lighting contract. In May last, the Robert offer for the supply of electricity for lighting and industrial purposes to citizens was accepted, and a few months ago the contract came up for signature. For some reason, Mayor Payette was not ready to sign. Later the contract was signed by the acting mayor during the mayor's absence, and everyone supposed the matter was definitely settled. Now it turns out that the Robert Syndicate itself refuses the terms of the offer and will not add its signature.

It would be interesting to learn the inside history of the affair.

Explanation of Withdrawal.

Meantime, a few quotations from the explanation of the Robert Syndicate's reasons for refusing signature are worth quoting:—"We had anticipated that the knowledge that by our tender we were offering to supply light and power upon terms very considerably lower than those which the citizens are at present paying, that we subjected ourselves to having even these rates reduced by the Railway Commissioners, and that the conditions of the Beauharnois Canal lease were such that the company was compelled to be for all time a competitor of other companies in Montreal, would have disposed of deal with it in a liberal spirit." The letter goes on to point out that it would take two years to develop the necessary power and install the systems, and as the contract was for but ten years, only eight would be left. Under the circumstances, it would be supposed that the council would insert provisions whereby the company might continue to do business after the period mentioned, instead of which, express care was taken to point out that the company would have no rights at all at the end of the period. The company would also not have power to enter other municipalities having contracts at present.

The discussion following the reading of the letter before the council this week showed the lines of division. It is accepted here that the Syndicate, after being permitted to reach the threshold of victory, was annihilated by the injunction of the Power Company, and by the introduction of conditions in the contract which made it impossible to finance the undertaking. The result has been distinctly favorable to the under of the Power Company; and it will now be interesting to watch the negotiations between the council and the company towards the renewal of the street lighting contract.

Offers Share of Illegal Profits.

The Montreal Street Railway has sent the city a cheque for \$241,067, representing the percentages due the city of the earnings of the railway for the year ending September 1st last. A peculiar point was raised by the Finance Committee respecting the cheque, the amount embracing a proportion of the receipts for the carriage of freight. As matters stand, the company has no right to carry freight, although it is agitating to obtain this right. The Finance Committee decided to accept the cheque under reservation awaiting the opinion of the city attorneys as to whether the acceptance of a proportion of the receipts on the carriage of freight committed the city in any way upon the point of the company's right to carry freight.

The total gross receipts from passengers carried on the railway for the period mentioned amounted to \$3,568,464. From this the company deducted \$473,455 for collections on lines outside the city. To the remainder, is added sundry receipts, such as \$11,240 from advertisements, \$21,265 from rentals from other companies, and \$17,783 from freight carried, making a total of \$3,146,447 upon which percentages were paid.

The existence of a considerable difference of opinion between the directors of the Mexican Power Company, which was referred to in these columns a week ago, is amply confirmed by the attitude of Mr. C. H. Cahan, K.C., attorney of the company and one of its directors. Asked if the Power Company could finance itself, he said:—"There is not the slightest doubt that the Power Company can obtain independently of the Tramways Company all the funds it reasonably requires." Mr. Cahan then entered into detail concerning the prospects of the company, the net earnings of which would be over \$200,000 in gold in November. He depicted a most prosperous future for the company. He depicted a necessary to lease the Power Company to the Tramways Company in order that the financial condition be improved and the present rate of dividends be maintained, he replied:—"That question is so absurd that it needs no answer."