

BARGAIN-DETACHED RESIDENCE. In the annex, containing 12 rooms, hot water heating, built three years; lot 50 x 124; have been asking \$10,000; big cut for immediate sale; owner leaving the city. H. H. Williams & Co.

Senate Reading Room. January-2012. SENATE P O

# The Toronto World

OFFICES TO RENT. In Excelsior Life Building, Victoria Street. F. J. SMITH & CO. 61 Victoria Street.

PROBS: Moderate variable winds; fine and mild.

SIXTEEN PAGES-SATURDAY MORNING NOVEMBER 23 1907-SIXTEEN PAGES

27TH YEAR

## CITIZENS—WILL YOU GIVE \$1,000,000 TO SEE THREE MEN ON A BOARD?

### BUY MILLION OF STOCK AND BE A THREE-TENTHS PARTNER. LIGHT CO.'S BOLD PROPOSALS

Three Alternative Propositions Submitted to the Board of Control in Secret Conference, at Which E. F. B. Johnston's Fervid Pleadings

#### FAVORABLY IMPRESS CONTROLLERS

It Means Desertion of Beck Power Policy and Absolutely No Stipulation For Reduced Price For Power.

According to a statement issued by the Toronto Electric Light Co., the following alternative propositions were suggested yesterday to the city, by the representing directors of the Toronto Electric Light Company as "a possible solution of present difficulties, and to prevent a wasteful and unnecessary duplication of plant, and to settle the matter on fair terms for all parties." The statement follows:

FIRST—An arrangement between the company and the city, based on the general features of the agreement made some years ago between the city and the Consumers' Gas Co. This proposition has been found to work advantageously for consumers as well as for the city at large, and no objection has ever been raised to it in the press or elsewhere.

SECOND—An agreement whereby the company would issue \$1,000,000 of capital stock at par to the city, to be paid up as may be arranged, within the next few years. The city to have a representation on the board of three in a board of ten.

This proposition is even more advantageous to the city, inasmuch as: (a) The \$1,000,000 of stock, being issued at par, would give a present direct profit to the city, and when the present financial stringency is relieved, and the stock goes back to its normal rate, it would mean a profit of from \$500,000 to \$1,000,000 on the amount invested by the city.

(b) The city could borrow at 4 or 5 per cent., and as it would receive dividends at current rate (whatever that may be, say 8 to 10 per cent.), would secure to the city a net yearly profit of from \$30,000 to \$50,000.

(c) The company and the city being partners, there would be harmonious working, and as a result, aided by the natural increase in population, there would be increased profits.

(d) In accordance with the basis of the present city agreement with the Gas Co., all profits over an agreed rate of dividend (after providing for necessary renewals, improvements and reserves) would be applied to the reduction of charges to consumers.

(e) This proposition amounts to a partial public ownership, and gives to the city the advantage of an established and successful business, not only self-supporting, but also profitable, as above shown, from the start.

(f) The large representation of the city on the directorate would secure full information by the city as to the business and the operation of the company.

THIRD—A sale to the city of the plant and assets of the company at a price based upon its present earning power.

The following official account of the conference was furnished the press by Stenographer Thos. Bengough, thru the courtesy of the Toronto Electric Light Co.:

In Mayor Coatsworth's office yesterday afternoon a conference was held with the Electric Light Company, represented by Sir Henry M. Pellatt, president; W. D. Matthews, director; P. J. Wright, manager; E. F. B. Johnston, K.C., counsel for the company; Henry O'Brien, the company's solicitor, on the one side, and the mayor, Controllers Hubbard, Hocken and Harrison, J. S. Fullerton, K.C., counsel, and W. C. Chisholm, solicitor for the city, with Mr. Rust, engineer, on the other.

SIR HENRY PELLATT, in introduction, said that whatever was for the benefit of one of the parties in conference must be directly or indirectly of benefit to the other. It was just to the company to put themselves on absolute record as being ready to confer with the city. They had always been willing to treat with the city officials in a proper way. There seemed to be an idea that the company had been charging exorbitant rates and holding up the city and others generally. He was sure that when comparisons would be made as to light and power prices such an accusation would be disproved. At the last meeting of the company he had put himself on record for a reduction of price as soon as the machinery could be put in proper running order, and the change made from steam to hydraulic power in connection with the transmission from Niagara Falls. The submission of the proposed bylaw, whether it carried or not, made no difference to the company's position; they would work on the principle of reduction in any case. The company had some 300 shareholders, and the directors felt themselves in the position of trustees for the large interests involved.

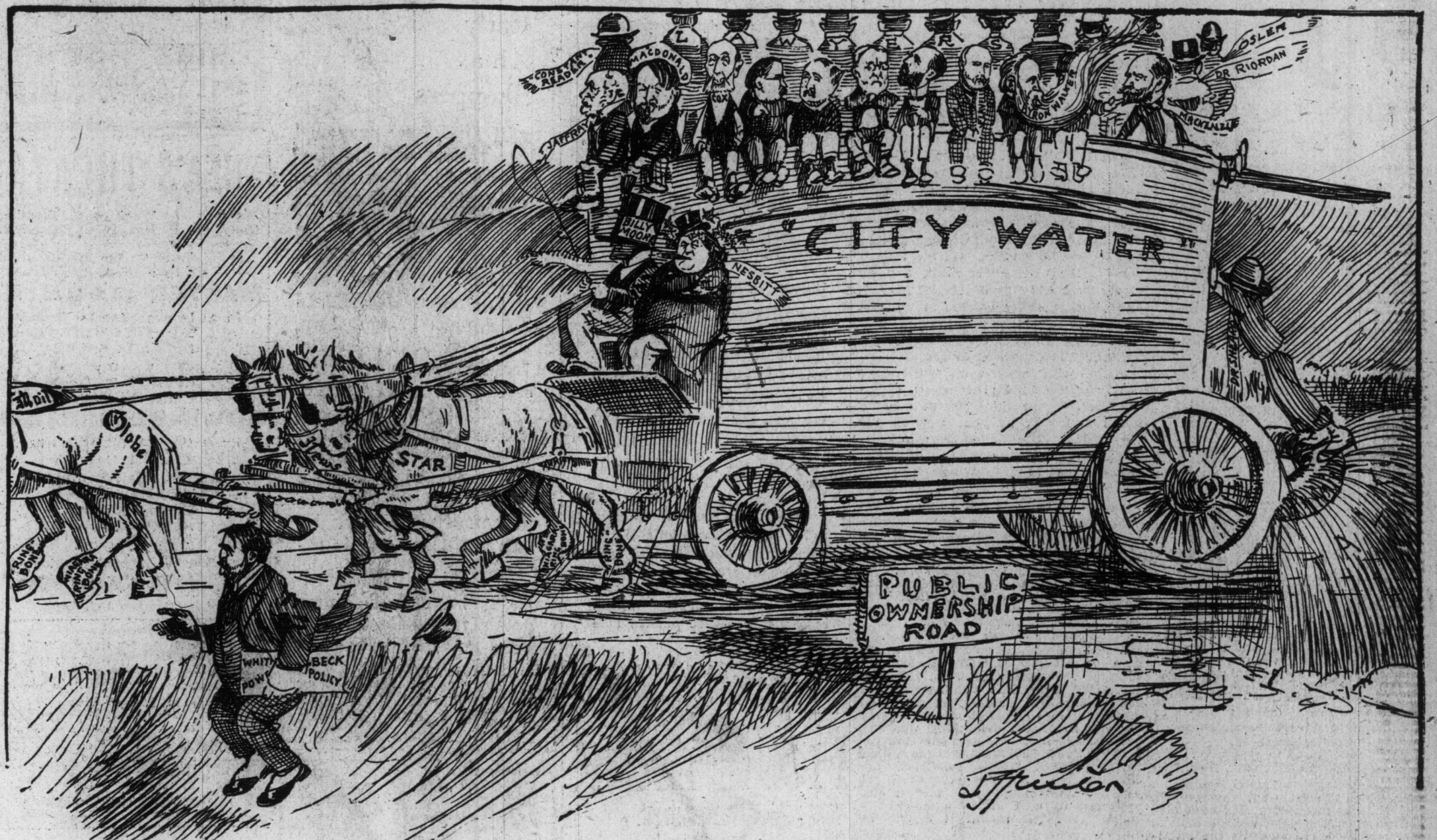
W. D. MATTHEWS made a few remarks in explanation of the position of the company.

The Three Propositions. E. F. B. JOHNSTON, K.C., outlined three propositions, which had been discussed by representatives of the company. The matter is one in which there must necessarily be mutual concessions. He spoke not only as counsel for the company, but as representing a large number of important shareholders.

The first proposition was that an arrangement might be made between the city and the company similar to that made with the Gas Company, which had evidently been satisfactory, as he had heard no complaints in regard to that matter. The second proposition was one, which he could conscientiously submit, believing it to be in the interests of all parties concerned. Briefly, it is this: The company has \$4,000,000 of stock, all taken up, and \$1,900,000 of bonds. It is an 8 per cent. stock, with of course a reserve for contingencies from year to year. In the ordinary market the stock was selling at 150, which would represent an investment yielding 5 per cent. At present, when all stocks have absolutely gone to pieces, it is still selling at 155. The proposal is, to offer the city \$1,000,000 of new stock at par. This would mean that the citizens of Toronto would receive practically as a gift, even as the stock stands to-day, the sum of \$250,000. When the stock rose to 160, as stability returned in the market, the citizens would receive a premium of \$50,000, in assets for the million dollars invested.

City as a Shareholder. In other words, the city would be treated exactly as present shareholders of the company. The proposition means that by an investment of a million dollars to extend the plant, the city would reap this large benefit.

Continued on Page 7.



Mr. Whitney: They tried to run me down.

### COMPARE THE TWO!

On the Whitney-Beck plan, involving an expenditure of not more than \$2,500,000, borrowed at 4 per cent. (\$100,000 a year or less), the city gets:

Public ownership forever and absolute control of its own electrical supply. The citizens get electrical energy at cost price, for every purpose—manufacturing, street lighting, house, shop and factory lighting.

If they accepted any one of the schemes offered them yesterday, they'd have to pay \$1,000,000 for a minority share and a minority representation (something absolutely worthless in a joint-stock company), no control, and high rates, for "big profits" can only be made out of high prices for power. The tempting "big profits" are based on sweating \$3 out of the citizen and giving the private company \$2 and the city \$1.

If they made a deal like the Gas Company deal, the city would be euchered again. If the city bought out the company on a basis of estimated profits, it would be at least asked to pay \$4,000,000 cash and to assume \$2,000,000 more of bonds, and get a plant much inferior to the new one under the Beck bylaw.

And they'd also get a rich and powerful company that would be working day and night to sew up the city into a new deal, to bedevil the city administration, and that would, as it has done in the past, break any solemn agreement it made.

## PROPOSAL CITY IS ASKED TO ACCEPT SLAUGHTERS CHEAP POWER PROJECT

Controllers Overwhelmed With Argument to Prove What a Bargain Toronto Will Get, and Threatened With a Bogey of Perpetual Franchise and a Fight in the Legislature—An Analysis of the Offer Discloses the "Gold Brick."

Mayor Coatsworth and two of the controllers emerged from the conference with the Toronto Electric Light Company yesterday afternoon, suffering from hypnosis. This was the most charitable explanation that could be given of their views of the preposterous proposals presented for the consideration of the city. Controller Ward is absent from the city, and Controller Harrison, who went home immediately at the close of the conference, said he saw no reason why the by-law should not be submitted. The other is so barefaced a proposition that it is difficult to understand how men like Sir Henry Pellatt or W. D. Matthews of the Dominion Bank could expect to be taken seriously.

Nothing but a very desperate desire to raise \$1,000,000 extra capital in an easy way, with the hope, not entirely unjustified as the event shows, that

the city representatives would be foolish enough to swallow the absurd proposal, could have induced these old financial birds to take such a flight. Cheap Power Abandoned. Controller Hubbard actually declared the proposals meant better terms than they had anticipated. Not a word was said about cheap power. This issue was lost sight of in the film-film visions of city stock soaring in a bull market. Suppose it did soar, the city could not preserve the inestimable advantages of these men on the Electric Light Company's board, and also sell out at the top of the market. Either one argument or the other is farcical. The city could borrow at 4 or 5 per cent., it was argued, the Electric Light Company presumably being able to get such favorable terms or any, and for this little obligation, the city would get a premium of three or four per cent. The dividend might even be raised to 10 per cent., and the city would get half that. At the same time the company's shareholders would receive full dividends on \$5,000,000.

The mayor was quite sanguine about the effect on the cost of electric light and power. He had heard from an expert that power under the government commission would cost 115 per

H.P. He had heard from another expert that after ten years he knew less of the subject than when he started. He appeared inclined to favor the expert who figured against the power commission. And he also thought that these men on the Electric Light Company's board, if they were united, could get anything they wanted. Such great faith is touching in the light of the mayor's two years as the city executive. The mayor will probably reflect on the effect on the Electric Light Company's stock of a new issue of \$1,000,000.

What it Means. There are at present \$4,000,000 stock and \$1,000,000 bonds to pay dividends upon. Another \$1,000,000 would make \$5,000,000, upon which it is proposed to pay 8 or 10 per cent. before any reduction takes place in the price of power. The gift of \$250,000, of which Mr. Johnston speaks, is just as likely to vanish into thin air as the margins between 160 and 125 that some speculators who were once as confident as Mayor Coatsworth put up.

Mayor Coatsworth was hypnotized. Continued on Page 7.

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## WOULD MEAN A BETRAYAL OF THE NIAGARA POWER SCHEME

If Toronto Deserts, Plans of Western Union Will Be Seriously Affected.

"Our duty is to Toronto. Our duty does not lie outside Toronto. We have made no bargains with other municipalities. I would be very sorry if any action we might be compelled to take would affect the others, but without desiring to offend them, I think we must consider ourselves first."

—MAYOR COATSWORTH. "The city council on Monday will be asked to support the Beck power policy or the Toronto Electric Light Co."

—HENRY O'BRIEN, K.C.

GUELPH, Nov. 22.—(Special).—Ald. Lyon, secretary of the Union of Western Ontario Municipalities, organized to promote the cheap power propaganda, when given the details to-night of the proposition made to Toronto, and informed of Mayor Coatsworth's declaration of his duty to Toronto, said:

"If Toronto accepts that proposition it would be a betrayal of the rest of the municipalities in the union. We have worked together hand in hand to realize the Beck power policy. Mayor Coatsworth is a member of our executive."

"To desert us now would leave us in a very awkward shape."

"It would take away a very large contribution to the plan and a very large consumer of power, and would seriously imperil our plans."

WINTER FORECASTS. Gardeners working in Reservoir Park say we are to have an open winter. The squirrels, they observe, are neglectful of their food supply, leaving the acorns along the fences and other places instead of storing them in tree trunks as is customary with a hard winter ahead.

On the Rouge River flats near Highland Creek, a heavy winter is predicted by the muskrats building numerous huts or domes in which to live in and store their food during the extreme weather.

Where is John J. Ward? Controller John Ward is a great public ownership man, but was not at that secret meeting, yesterday. Where is John and when will he be back? He is needed badly on the job.

SOME FAMOUS NAMES. The attention of the Saturday hat-buyer is called to the two dullest American and English felt hats. The former is the celebrated Stetson flexible felt, which is recognized as the premier hat of this continent. The finest English hat is that of the renowned hatter Henry Heath, for whom Dineens are the sole Canadian agents. The best and newest blocks of all the leading makers can be had in the Dineens specials at \$2.50 and \$3. Saturday is a men's hat day, and Dineens, Yonge and Temperance-streets, will be open till 10 o'clock to-night.

### Let's Have a Big Meeting.

Let the citizens get up a big public meeting in Massey Hall right away and give the mayor and controllers an opportunity of explaining their shifting policy on the power question. That's the best way to clear the air and to force them to submit the money bylaw to the people.

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We can save you offering. Come in to

heavy, even dark skins, long, regular \$55.00 \$45.00 \$29.95 \$65.00 \$47.50 \$200.00 \$11.00 \$13.50 and \$15.00 \$18.00 and \$20.00 \$3.00 and \$3.50 \$3.00

equally well-known assortment of latest fall or young men, \$2.00 portions of brim and black, maple, brown or \$2.00 and \$2.50

self-price Saturday: ed styles, patent colt, and heavy oak-bark would be \$5.00, on \$2.50

first-class service of his approval on other lined, double blucher top boots