

THE GAS AND ELECTRIC LIGHT PROBLEM.

Some Suggestions As To Its Solution.

The Herald publishes an interview upon the gas and electric light question, wherein is suggested a basis of agreement between the city and the Montreal Light Heat & Power Company which is in effect an elaboration of the suggestion frequently made in THE CHRONICLE upon this subject. In its essential features the proposition is that the city and the company should enter into a limited partnership which would be in the interests alike of the company, of the citizens of Montreal generally, and of the gas and electric light consumers in particular. In discussing this important question, it is absolutely necessary to remember that all these three parties have rights and interests in the matter which are entitled to, and are morally and legally bound to get due consideration. It is also well to bear in mind that each of the parties is in a position to contribute something of value to the proposed partnership. The company needs fixity of tenure in its rights and privileges; freedom from wasteful competition; and freedom from the periodic expense in connection with legislation and otherwise at the end of each contract. These advantages the people of Montreal as tax-payers or as consumers are in a position to give. The consumers need substantial reductions in their bills for gas and electricity; and these the company can well give. The citizens of Montreal need and are entitled to get compensation for the valuable privileges and immunities they are able to confer upon or to confirm in the company. Nothing is to be gained by looking at the subject from the point of view of any one alone of the interests concerned.

It is proposed that the city shall share in all the company's profits after paying fixed charges and interest, and five per cent. dividend to the shareholders. It has been contended that it is impossible for the company to distinguish between profits made inside and outside the city; the experience, however, of other companies in the same business shows that to make the distinction is a matter of very simple bookkeeping. It is also suggested that the contract should provide for a fixed annual minimum payment by the company to the city of, say, \$200,000 for the first five years, increasing periodically. The disposal of the city's share of the profits would be left to be dealt with by civic authority, and may be applied to the reduction of prices for gas and electricity. With the distribution of the company's share of the profits the city, of course, would have nothing to do, it could be utilised at the discretion of the directors.

In order to arrive at a speedy solution of the long-vexed problem, it is suggested that a commission should be appointed, consisting of, say, three aldermen, one representative of the Board of Trade,

one of the Chambre de Commerce, and one appointed by the banks. The Commission would have power to negotiate with the company on behalf of the city, and while it would, of course, be impossible for the City Council to delegate to such a body its powers of legislation or of making contracts, the influence of the commission would be so great that in all probability any agreement at which it might arrive with the company would be promptly ratified by the Council. One great advantage of the plan proposed is that it would solve other important civic problems besides that of the gas and electric light. For instance, the suggested minimum contribution to the city of \$200,000 per annum, if for twenty years capitalised at four per cent. would have a present value of about \$2,700,000. This will illustrate the amount that the city could realize for immediate use, if such an arrangement were entered into, and which could be used to put our streets and sidewalks into proper condition, without adding to the city's debt.



NEW YORK'S FIRE-PROOF BUILDINGS.

Fire-proof Construction Causes Notable Reduction in Rates.

As a commentary upon the low rate of insurance on lofty office buildings, a prominent fire underwriter of New York is convinced that it will some day be an unburnable city.

To the New York Journal of Commerce this authority mentioned a building in the Wall Street district which carries the lowest rate possible under the schedules of the New York Fire Insurance Exchange. It is the Caledonian, in Pine street, and its net rate is only 5 cents per hundred dollars. The building has a cast iron frame, the members of which are protected by porous terra cotta and brick. It is twelve stories high.

A ten-story building in Broad street, not far from the New York Stock Exchange, has to pay twice as much or a net rate of 10 cents per hundred dollars, though it is two-stories lower than the Caledonian. Its metal frame is not protected by either terra cotta or brick, and that causes the difference in the rate. An official of the Fire Insurance Exchange says:

"I should estimate that fire-proof protection, that is terra cotta or brick, means a difference of fully 25 per cent. in the net rate of insurance on steel and iron buildings. Five cents is the lowest rate allowed in New York. More and more, modern buildings put up nowadays approach that minimum. Unquestionably this city is becoming safer from fire every day through the erection of buildings of protected iron and steel."

Another example of a very low rate due to modern fire-proofing methods is the Trinity build-