

Ottawa Electric Railway Proposes Service at Cost.

F. D. Burpee, Superintendent, Ottawa Electric Ry., wrote the mayor of Ottawa, Jan. 21, asking that the city board of control at first opportunity take up the consideration of a service at cost arrangement as a solution of the electric railway problems. He pointed out that with the certainty that the city will not renew the franchise on its expiry in 1923, the company could not be expected to spend money in providing extensions of the service. In connection with this matter, Mr. Burpee issued the following statement Jan. 2:—

"Operating a street railway today, particularly on a 5c fare, is no bed of roses, and most companies are eager enough to have municipalities buy them out. The costs of operation increase directly with the volume of business done, and the price of every item that makes up the costs of operation has nearly doubled since before the war, but the revenue is definitely controlled by the rate of fare. Service at cost contracts are not obstructive to municipal ownership. In fact the most of those in force provide that the city can take over the railway at any time on giving a year's notice. This clause makes such a contract a stepping stone towards municipal ownership. Ottawa Electric Railway shareholders are not averse to municipal ownership, and if the city desires to purchase in 1923, will do everything possible to facilitate the transfer of the property.

"The normal increase of business which halted during the war, has resumed, and we feel sure that this increase of business will continue. Next year it will be still more difficult to handle, and increasingly so from year to year till the end of the franchise. We are making daily use of our entire plant, and we cannot help but realize that from now on the general efficiency of our plant will be affected, but the demand for constant use will steadily increase. We admit that we cannot adequately serve the Ottawa public today, but we are doing our level best and placing every available car where it will serve the greatest number of people. The mayor stated yesterday that there seemed no good reason why the company should not make the necessary extensions and additions to its assets, as there was apparently little risk that there would be a fall in prices between now and 1923, when the city, under its agreement, is bound to pay for everything the railway has at that time. We have no cash reserves to make such purchases. Our reserves are already invested in cars, power house machinery, barns, etc. As a very large amount would be required to make any material improvement in the system, the shareholders certainly do not intend to try and raise that large amount on a franchise of three years, even if it were possible to do so, which is extremely doubtful. The mayor also stated that any valuation taken today must necessarily be higher than anything we have ever known and that no one can tell how it will compare with future values. Is it not also positive that future values may be considerably higher than they are today, and this may be the case in 1923? Certainly there are no indications of falling prices. Many of the best economists in the world are of the opinion that the present standard of values is a permanent one, and that we

cannot expect ever to return to the old state of things that existed before the war.

"To put a service at cost contract into effect requires a valuation of the property to decide what return shall be made to the owners of it. It makes no difference whether the company is capitalized at one million or ten million, the value is based on what the company actually owns, not on stock certificates. Such a valuation is exactly the same as that called for by our franchise at its expiration in 1923. Why not take such a valuation now, and if prices are expected to change, provide that any time the city decides to take over the property, another valuation should be made? The mayor infers that a service at cost contract will tend to extravagant operation. One of the fundamental principles of such contracts is that all expenditures are absolutely fixed by an independent commission appointed by the public. If the company spends more money on operation than the commission has allowed the excess must be paid out of a guarantee fund which the company is called upon to maintain at all times out of the pockets of the shareholders. Some of these contracts add an extra spur to economical operation by permitting the company and its employees to share to some extent in any surplus that may accrue over and above the costs of operation.

"The promoters of this company were the pioneer electric railway men of Canada, and they naturally have more than a financial interest in the electric railway here. We have our critics, as all public utility concerns have, but it is generally admitted that in the past the city has been well served by its street railway. We are anxious to preserve that good opinion. To relieve a situation that it is clear to us will become a very difficult one in the near future, we have suggested service at cost as an immediate remedy, and have asked the city government to look carefully into it. It is being successfully operated today in a number of cities on this continent to the evident satisfaction of the riding public. We are ready to make a definite proposition after a discussion with the city's representatives, but at present suggest that the general idea of the plan be looked into, and that the fullest publicity be given to the whole question."

Toronto Railway's Snow Removal Appeal.

The Judicial Committee of the Imperial Privy Council has dismissed the Toronto Railway Co.'s appeal against the city's claim for removing snow from the streets, where it had been deposited by the company, after removal from its tracks. The specific claim was for \$14,000 for clearing snow in 1914. A London dispatch giving a summary of the judgment, states that the correspondence between the company and the city, particularly in 1914-15, showed acute difference between the parties on the subject of snow removal. The company claimed that it had the right to deposit the snow in the same places as used by the city. Local courts decided that the company's claim was untenable, and stated the company's duty in the mat-

ter. Later proceedings before the Ontario Railway and Municipal Board had the same result and the board's orders on the subject were not complied with. The judgment states that the board was practically helpless to enforce its order in this regard, as by the statutes there is nothing expressed or implied, which would give it power to penalize the company for a breach of contract. The judgment considered it the company's duty not to deposit snow on a street without having first obtained permission of the city engineers and there appeared to be no doubt that the company did so, thereby committing a breach of its statutory duty. Therefore the city is quite within its rights in seeing to the streets being cleared, and the expense so incurred, so far as applicable of the removal of improper deposits by the company, is one which the company is under obligation to pay.

The Hydro Electric Power Commission of Ontario's Electric Railway Projects.

Toronto Eastern Ry.—The City of Toronto and all the other municipalities concerned in the project for the purchase of the Toronto Eastern Ry. from the Canadian National Railways, and its completion with terminals in Toronto at a cost of \$8,360,794 have passed bylaws approving the agreement, and authorizing the issue of debentures for their several proportions of the cost. The City of Toronto vote on Jan. 1, carried the bylaw by 22,351 to 4,333, and York Township, voting Jan. 17, carried it by 252 votes to 10. Following is a list of the municipalities and the amounts of debentures authorized:

Township of York.....	\$ 381,587
Township of Scarborough.....	892,686
Township of Pickering.....	482,050
Township of Whitby.....	280,304
Township of East Whitby.....	299,943
Township of Darlington.....	429,680
Town of Whitby.....	277,955
Town of Oshawa.....	711,894
Town of Bowmanville.....	216,030
City of Toronto.....	4,328,665
	\$8,360,794

Hamilton-Galt-Elmira-Guelph Line—

Ten of the 17 municipalities interested in the project for the construction of an electric railway from Hamilton to Galt, Elmira and Guelph, voted at the municipal elections early in January on bylaws to raise their several proportions of the total of \$6,530,659, which the line and its terminals in Hamilton are estimated to cost. Eight of the municipalities gave majorities for the bylaws, and in only one case, West Flamboro, was it defeated. Following is a list of the municipalities, the amount of debentures authorized to be issued, and the number of votes for and against where the voting has already taken place:—

		For	Against
Ancaster Tp.....	\$ 174,080	425	247
Flamboro West Tp.....	82,734	131	225
Beverley Tp.....	241,464	323	183
Dumfries North Tp.....	157,817	80	65
Dundas Town.....	168,942	319	82
Waterloo Town.....	379,487	439	53
Hamilton City.....	607,173	5,577	1,742
Galt City.....	1,318,031	1,029	73
Kitchener City.....	1,053,080	1,174	407
Guelph City.....	855,239	1,099	248
Waterloo Tp.....	557,973	385	211
Woolwich Tp.....	283,687	234	27
Puslinch Tp.....	38,543
Guelph Tp.....	92,549
Elmira Village.....	91,484	271	2
Preston Town.....	281,615	317	153
Hespeler Town.....	146,761
Total.....	\$6,530,659		