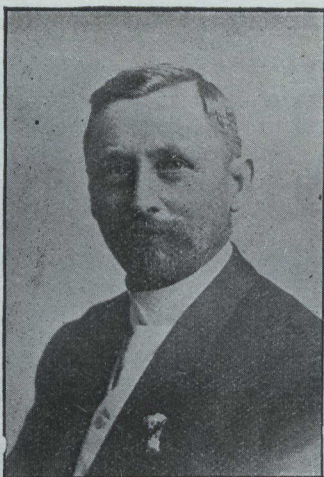


A paper followed on Public Utilities by R. T. MacIlreith, K.C., which was read in his absence.

Public Utilities and their Regulation



R. T. MACILREITH, K.C.,

Ex-President Union of Canadian Municipalities, Member of the Nova Scotia Public Utilities Commission, Ex-President Union of N. S. Municipalities, Ex-Mayor of Halifax, N.S.

"Property does become clothed with a public interest when used in a manner to make it of public consequence and effect to the community at large. When, therefore, one devotes his property to a use in which the public has an interest, he, in effect, grants to the public an interest in the use, and must submit to be controlled by the public for the common good, to the extent of the interest he has thus created. He may withdraw his grant by discontinuing the use, but as long as he maintains the use, he must submit to the control."—Chief Justice Hale.

At the request of the Executive Committee of your Union I promised to write a short paper on Public Utilities and their regulation, and have now the pleasure of implementing my promise by giving expression to a few thoughts on this subject which occur to me and which I trust may be of some interest to your gathering.

Since my promise to write this paper I have been appointed as a member of the Nova Scotia Board of Public Utilities Commission, and therefore it is necessary that what I have to say must be of a very general character.

Some seven years ago, at a meeting of the Union of Canadian Municipalities, I introduced a resolution which was adopted by the Convention, by which the Union placed itself on record as favoring private ownership and operation of Public Utilities under the regulation of independent commissions, as being in the best interest of the public, as opposed to municipal ownership and operation. That resolution, at the time, represented my own view of the matter and subsequent reading and study of the question has only served to strengthen the conviction that private ownership and operation, with proper regulation, is in the best interest of the community.

From its very nature the operation of a Public Utility, both from the standpoint of the public and of the Utility Corporation, must be monopoly. Operation by two or more companies means additional poles, wires, tracks, or pipe mains in the streets, and while competition may for a brief time mean lower rates, such lower rates means a poorer service until finally one, or all, of the corporations is forced to the wall, or the weaker

company is merged into the stronger with inconvenience to the community and loss to the investor.

But to most people the words "corporation" and "monopoly" signify the necessity of girding on armour for immediate warfare in order to obtain even a semblance of public rights. Therefore at the outset it behooves the Public Utility Corporation to show to the community within whose bounds it operates, by actions, not promises, that a good service at reasonable cost is furnished and that sufficient capital is provided from time to time, to expand or extend the service as the fair claims of the community for such expansion or extension arise. By acting thus, the natural prejudice of the public against the Corporation ought to be very largely removed and fair treatment be accorded the corporation by the community evidenced by a willingness to pay a fair and reasonable price for the service accorded.

If these ideal relations could be established, there would be no need for regulations, but perhaps, while not possible of absolute establishment, they can be approached nearly, and the necessity of recourse to the regulating body rendered unnecessary in most cases.

The right of the State to set up bodies to regulate Public Utility companies is undoubted, and the duties and powers of such bodies are, of course, contained in the Acts of the Legislature creating such utility boards. After such a board has been created, the fear of the public for the monopoly largely vanishes. Under all Utility Commission Acts, it is the duty of the Board to see that the corporation renders good service at a fair cost, allowing the legitimate investor a fair return for the money he has invested.

In the case of our own Province, the Acts relating to the Utilities Board, its constitution, powers, and duties are available to you all, and hence it becomes unnecessary for me to refer to it here, further than to say that the mode of making an application to the Commission, whether on behalf of the public or the corporation, for the redress of grievances, is most simple, the purpose of the Act being that justice, devoid of technical objection, is to be administered.

Mr. Doane explained that Mr. MacIlreith had been appointed a member of the Public Utilities' Commission after he had promised to give the paper. He proposed a vote of thanks to Mr. MacIlreith and Mr. Winfield for their papers, which covered the subject and fully prove both points of view. Carried.

Mr. Thomas P. Anderson, Ex-Secretary Publicity Bureau, Boston, Mass., read a paper on

The Tourist Trade in Nova Scotia

pointing out how many writers had described the Maritime Provinces, from Longfellow in "Evangeline," to the newspaper men and lecturers of today. It was pointed out that good hotels are necessary to attract tourists, and that good advertizing brings results. In the New England States, it is estimated that tourists annually spend \$75,000,000. Just as the mountain hotels in New England are being praised as winter resorts, so might the Maritime Provinces also attract travellers in the same season. Good roads, too, are a necessity today when so many tourists prefer automobiles to railways. The speaker quoted a letter from Mr. Masters, of the Dominion Atlantic Railway, as to necessities for developing the tourist business: 1. Ships with greater stateroom capacities; 2. good hotels at Digby and Halifax, N.S.; and 3. development of "Summer Homes."

A public meeting was held in the evening, when a paper was read on

(To be continued)