

THE MUNICIPALIZATION OF PUBLIC UTILITIES.

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U. C. M. CONVENTION—Continued.

TUESDAY JULY 27th., at 2 p.m.

On the re-opening of the Convention the Chairman informed the meeting of the unavoidable absence of Dr. L. A. Herdt who had however forwarded his paper "The Municipalization of Public Utilities" which was thereupon read by Mr. W. D. Lighthall, K.C., as follows:

"Public Utilities stand face to face today with the greatest crisis in their history.

In very few cases, profits under the new scale of wages and with the old rates for service may still be sufficient, but a large increase in the cost of labor and the cost of material and supplies has placed upon the public utilities in Canada and in the United States a burden which it cannot properly be asked to bear.

In the larger number of cases it is unable to bear it. Public Utility Service is a necessity in small and large cities. We could no more do without light, power and transportation, than we could do without bread. A public utility as its name implies is designed to render the amount of service which the public needs in the commodity or necessity which it supplies.

The Public Utilities of Canada and the United States and particularly the Street Railway Companies are clamouring for financial relief through increased rates and fares. The business does not pay. The great industry of transportation is staggering under the burden of increased cost of labor and material. Capital cannot be drawn to it and capital is required to finance betterments and extensions. The whole structure of the franchise relationship between the public utilities and the various communities has broken under the strain of increases in cost of labor, material and supplies.

A public utility, within a given urban community is naturally a monopoly and its operation should be such as to secure to the people the best public utility service that is practicable, but the full cost of this service must in the long run be borne by the public.

If this service is given by a private company, this cost must be made up through the rates.

If the service is secured by municipal operation, the cost must be made up through the rates, special assessments or through subsidies from taxation.

Whether the public shall decide to operate the public utilities themselves through the Municipal authorities, whether it assumes control over these, or allows them to remain in the hands of private investors, the price at which their products are sold must be sufficient to operate the plants and give a sufficient return on the money invested in the enterprise, that is, the rates or fares must cover (1) operating costs and maintenance (2) interest on money invested—whether this money is that of private investors or that of the municipality.

The question of the wisdom or policy of private or municipal ownership and management must be solved in each instance with reference to the problem as to under which policy will the public receive the greatest economic benefit, that is which policy will bring to the public the best return for the money it will pay out for the service.

Can municipal or governmental bodies meet the test of operating large public utility enterprises as successfully as it can be done through private initiative? It has done so in certain instances to my knowledge. The most prominent example of a public utility successful under

municipal ownership is that of the Winnipeg Light & Power Department—controlling and operating a vast hydro-electric enterprise, supplying light, heat and power to the citizens of Winnipeg at very cheap rates—but the success of this enterprise has been mainly due to the fact of the City having developed at low cost a water power of large potentiality, and again that the whole enterprise was placed under the management of a trained business man and expert engineer without interference by the municipal body.

I am firmly of the opinion that at the present time, each separate case of public utility operation in the City has aspects peculiar to itself and it is impossible to solve all questions by some simple rule or formula.

The public requires and desires to be protected against unreasonable rates—it also desires to see speculative profits eliminated from the financing of public utilities—that is all.

If the public was convinced that the government, whatever it may be, is fitted to undertake and carry out the management of all municipal affairs including public utilities, it will probably ask that this be done; but the large and important problem involved in the economic development and operation of light and power plants, urban, suburban and interurban railways require men of ability, trained and fitted to handle such problems and whose tenure of service and standing is free from political influence.

Municipal ownership is urged by many as a panacea against the large increase of rates and fares which the public utilities have had to charge for their services. The public is under the impression that street railway enterprise particularly is operated solely for the benefit of the investors, that it is an usurper of the streets and that the business is conducted solely in the hope of securing profit and awarding loss to its owners.

Let me say that there is not one street railway property in Canada, today, that is operating at a profit, and that the speculative element, both in Canada and the United States is a thing of the past.

The whole complex financial structure of the public utilities, in Canada, is on the verge of collapse.

I am firmly of the opinion that the best service which can be given to a community is by private ownership, with private management under regulation and control, with such regulation and control as will assure to the public fair and reasonable treatment in all matters of service, rates and safety. Regulation that will encourage and reward those supplying the energy, enterprise and capital without which the highest development of public utilities is impossible.

In referring to the subject matter of the paper, Mr. Lighthall dwelt upon Dr. Herdt's particular experience with the Montreal Tramways Commission in the close supervision of its work. Mr. Herdt had objected to the title given his paper, viz, "The Municipalization of Public Utilities", but principally on the ground that municipalization was contrary to the ideas of the body which he represented. In this Mayor Clarke of Edmonton might not agree, but the Union of Canadian Municipalities was not lending its support to either side of the question. Mr. Lighthall ventured to say that municipalization was absolutely necessary in some cases, but impossible in others.

It was moved by Mayor Thurber, seconded by Mr. Garceau, and resolved that the Convention offer a vote of thanks to Dr. Herdt for his contribution on this subject.

"LATEST IDEAS RESPECTING PUBLIC HEALTH."

HON. W. F. ROBERTS, M.D., Minister of Health, New Brunswick.

Hon. W. F. Roberts, M.D., Minister of Public Health, New Brunswick, in presenting his paper on "Latest Ideas Respecting Public Health," stated that New Brunswick highly appreciated the honor extended to him of addressing the Convention, representing as it did the municipal circles of the whole Dominion. The loss the world had sustained of seven million men between the ages of 18 and 35, the very cream of the universe in brain and muscle, all would explain the prime importance of a department devoted to the conservation of the public health. Coincident with the last year of the war an epidemic of influenza had made further tremendous inroads upon the population, but there were still other plagues more devastating than the war and the influenza epidemic together and it was these that his Public Health depart-

ment were called upon to fight continuously in New Brunswick.

I would not like to undertake a list of the "latest" things in Public Health, for if I did, it might easily happen that I had omitted the very latest. This, indeed, would be probable, as new methods and enlargements of scope are almost, now, of everyday occurrence. This is because a change, almost revolutionary in its nature has come over the Western world relative to the importance of conserving the public health. This change is not so much a matter of method, as of scope. The methods formerly used are, mainly, those of today. Vaccination, quarantine, nuisance removal, the maintenance of food purity, plumbing, drainage and disposal of sewage, and other time honored services are still with us and are worked out, mainly on old principles. But our horizon has widened. The word "pre-