

was called attention to by Mr. Fisher, of Winnipeg, in the *DOMINION REVIEW* of December and January last, and is of vital importance to the whole country.

Municipalities and Water, Gas and Other Companies.

At the annual convention of the Canadian Electrical Association, at Niagara Falls, the President, Mr. John Yule, manager of the Guelph Light and Power Company, made a very moderate and sensible introductory address. Speaking specially of the lighting companies, he said the present agitation threatened the unjust wiping out of a large amount of capital, invested in lighting plants, often at the invitation of municipalities, who now sought to destroy the companies they had formerly encouraged, either by establishing municipal plants or admitting ruinous competition. The remedy he proposed was the enactment of a law combining the leading principles of the British and the Massachusetts laws. Under the former, corporations are not allowed to compete with private companies, but must purchase all established plants either by agreement or by arbitration, if they desire to run their own plant. Under the latter, a Board of Commissioners is appointed, who exercise general supervision over all the companies carrying on a business in the State, and to this Board all disputes as to reduction of rates, etc., must be referred for decision. Taking the case of our Toronto Consumers' Gas Company, as working under such a law as that proposed, and the circumstances arising that the principality of Toronto desired to run the gas lighting plant by its own officials, the course of the Board would be very clear. At any moment the officials of the Board would be in a position to state the exact amount of cash the members of the company had invested in the concern; and if the shareholders had received their stipulated 10 per cent. interest on that amount, that would be the sum the municipality would be compelled to pay to the company in order to buy them out and run the plant by its own officials. Under such a law, however, it is likely the same result would come about in Canada as in Britain, where, out of 1,383 gas undertakings only 65 were run by the municipalities themselves. For, were the Board of Commissioners at all honestly managed, there would be little inducement to take the management out of the hands of the private company. Taking Toronto again as an example. The Gas Company shareholders have invested \$1,750,000 in the plant as it stands at present; and as the financial saving could only amount to the difference between 10 per cent. on this sum and the rate the city would have to pay on the money to be raised to pay off the shareholders—say 5 per cent., \$37,000; if the company were honestly managed—which the Board of Commissioners would see to—it would possibly be preferable to let the Company continue, which they probably would be willing to do at a reduced guaranteed interest. The only question would be the much-debated point as to which would be the most satisfactory plan—for the corporation to run the plant, or a private company under corporation supervision. Whatever course, however, may be taken, in the mean time, in individual cases, no time should be lost in enacting such a law as would place all gas, water, electric and steam railways, telegraphs, telephones, and other monopolies established by act of parliament, under strict financial inspection and control; the general principle being undoubtedly a justifiable one—that wherever a government monopoly is granted to any company or special government protection accorded, the company's affairs should be carried on under official inspection as the necessary accompaniment. "No taxation without representation." "No protection or monopoly without inspection"