

Moved and seconded that to give effect to my notice of motion of the 1st instant, the following letter be addressed to the Montreal Tramways Company:—

MONTREAL TRAMWAYS COMPANY,
CITY.

Gentlemen,

For the purpose of settling the various questions of transportation that have been discussed between your Company and the City for some time past, a proposition was submitted to our Board on March 25th, 1915, proposing a settlement of all the difficulties based on certain principles, and to wave or leave discussion of all details until we were agreed on the broad principles on which its final settlement could be based.

The proposition referred to is as follows:—

Whereas, the proposal to afford an extension of the Tramways' franchise is one of the most important questions in the interests of the City of Montreal and all the citizens;

Whereas, this question has already been discussed on several occasions by the City Council, the Board of Control, during the past several years;

Whereas, all these discussions have only attained a secondary purpose without bringing out the essential basis on which an enterprise of this great importance should be considered;

Whereas, the City, as proprietor of its streets and of the concessions pertaining thereto, has the absolute right to exploit these concessions for the benefit of the City and its citizens;

Whereas, in a tramways' contract, the City supplies the streets, the travelling public, and the development which increases from year to year the amount of receipts for general transportation;

Whereas, the grantee (the Company) of a tramways' enterprise only supplies on his side the tracks, the rolling stock and other material, and as the cost of these supplies attains to but a small fraction in comparison with what is granted by the City;

Whereas, the foregoing conclusions establish clearly that the City has the right to the greater part of these returns;

Whereas, in a concession of this nature, the City, in order to prevent a burden, should preserve the absolute right to demand the extension of lines and the improvement of service required and necessary for the increasing population and to fix the tariff of transport and price of tickets;

Whereas, in the present case, which concerns us, the Company has already certain acquired rights in our municipal territory which must be respected and appreciated at their just value;

Whereas, certain franchises granted to the Tramways Company by the City of Montreal end in 1922, and certain other franchises granted by the surrounding municipalities, are extended for long periods which should be appreciated on their merits;

Whereas, the discussion of a project of this nature cannot be of any practical utility without the fundamental conditions having first been settled;

Whereas, in any contract to be made, the City should have the right of a sufficient service, and that the grantee should be protected against loss of capital and should have the right of a reasonable return on his investment, I propose, seconded by Comptroller Ainey, that the following proposition be submitted to the Montreal Tramways Company as being the just and equitable basis on which the details of a new franchise may be based:—

1° That the Tramways Company receive a percentage on the amount of its investment on the said enterprise, such as shall be established by an evaluation of its physical assets, the rate of this percentage should be fixed by mutual agreement between the City and the Company, and should be more or less of an amount according to the measure of the risk of the enterprise, and may also be supplemented or varied according to the amount of surplus earnings which may be allowed to the Company;