

## Municipal Finance

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### PUBLIC UTILITIES—THEIR OWNERSHIP.

Under the heading of "Logic of Socialistic Newspapers on Public Utility Discussions," the Financial Times, of Montreal, publishes a short article in which it shows some irritation towards the Toronto press because of its sympathetic attitude towards public utilities being owned by the public. The article begins as follows:

"The Toronto News gives a fine example of the unthinking hostility towards corporate interests, which has characterized the entire Toronto Press for the past half decade, in its editorial discussion of the proposed increases in the Montreal Tramways fares."

The Financial Times is characteristically an advocate of private interests, but when it speaks of the Toronto News as a member of the "socialistic" press—as it does in the latter part of the article—it is to make one smile. Surely it cannot expect its own readers to accept as serious its condemnation of every man who takes any part in the administration of public utilities other than for private gain. If it does it has little confidence in the public spirit of Canadians. In the same issue appears a long article condemnatory of Sir Adam Beck and the administration of the London and Port Stanley railroad, proving to the satisfaction of the editor that the financial statement of this municipal undertaking is mere "camouflage" to cover the wickedness of those in control of the railroad. We need hardly tell our readers that the London and Port Stanley railroad is a well administered electric line of thirty miles from the City of London to Lake Huron owned by the citizens of London and run for their benefit and profit—not for private interests. The electricity required to run the line is bought from the Hydro Electric of Ontario, because it is cheap, as do so many of the municipalities in Ontario for the same reason. This irritates the private monopolists who instruct their press to try and prove that the cheap electricity of Ontario is supplied at a loss by the Hydro Commission, which in turn cooks its own financial statements. If one half the statements of this press were true the officials of the Ontario Government, who do all the auditing of the Hydro Electric Commission, must be one set of prize fools. As a matter of fact they are capable men who know their business; at least they are as capable as those who would criticize their passing the financial statements of the Ontario Hydro Electric Commission. The matter is that it is gall and wormwood to the too many private interests, who own public utilities, to see the biggest public utility in Canada owned and successfully administered by the public for its own benefit. It was Sir Adam Beck who showed the people of Ontario the way and consequently he is the bugabear who must be discredited by every means possible, but Sir Adam is too big a man to be hurt by the pin pricks of an interested portion of the press.

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But to return to the Montreal Tramway's question, the comments on which have raised the ire of our contemporary. This company for a long time has enjoyed the franchise of the running of tram cars along the streets of Montreal, and under separate charters it has the same privilege in the suburbs. Some time back the control of the stock was suddenly changed and the new men in charge immediately reorganized the company at an increased capitalization which considering the actual value of the assets was stupendous. The amount of actual cash put into the new company was comparatively small, the balance of the new stock being given to the promoters of the new organization. The stock thus secured and for which nothing was given only a lesson in the gentle art of manipulation is valued at many millions of dollars. One would have thought that the promoters would have been satisfied with such a killing, but no, they must need increase the value of their holdings by increased profits to the company, which could only be gotten by increased fares. So with that end in view they got two commissions appointed, the first to give a franchise for thirty-five years on very advantageous terms to the company, and the second commission to grant the company the privilege of collecting increased fares that for the next thirty years will assure

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