

# CITY BILL AIMED AT CONFISCATION OF POWER CO PROPERTY BEFORE MUNICIPALITIES COMMITTEE

Many Appear in Opposition to City Bill—Mayor, City Commissioners Appear in Favor of Document—Heated Arguments Heard During Controversy.

(Official Report)  
Production, April 11.—The Corporation Committee met this morning, Mr. Robinson in chair. Two bills were presented for consideration. The bill to incorporate the St. John and County of St. John Power Company was reported with slight amendments.

The committee took up consideration of the bill respecting the New Brunswick Power Company and the city of St. John. P. R. Taylor, K., appeared on behalf of the Power Company in opposition to the bill. He gave a sketch of the history of the company since its incorporation. The company was to serve the city of St. John and deliver water power. Rights were acquired on the Lepreau and Musquash rivers and large sums were spent in 1911 on the company's works. The city of St. John, the Legislature approving of the transfer and ratifying it. Various bond issues were made and because of increased operating costs, due to the war, it became necessary to apply for increased rates to make both ends meet. The company came to the Legislature, which appointed a commission which made a thorough investigation into the company's affairs. The Legislature fixed the rate base at \$3,100,000, and the rate at each amount as would return the company eight per cent, or \$248,000 per year, with one per cent extra for extension. It could not have been the intention of the government to take away those rates when the hydro policy was decided upon. Shareholders and bondholders bought bonds and shares of the company through some of the best houses in America, but have been getting only an intermittent return on their investment. Two dividends were passed last year, \$35,000 being paid. On second preference stock the company was in arrears twelve quarterly dividends.

He said \$100,000 was paid last year to the City of St. John in taxes, rates, etc., about three times what the investment got. The company had been investigated and re-investigated each year since 1916, and surely the shareholders had a right to expect protection and a return on their investment. It was generally acknowledged that the company had been efficiently and economically managed. This bill was aimed at nothing but the destruction of the company and the taking of its property without paying for it. There was not a single honest thought in the bill from its first line to its last. Confiscation was what was aimed at. The first section, said Mr. Taylor, seeks to give the city the right to enter into competition with the company in the City and County of St. John and in the Parish of Rothesay. It could be noticed that no power was sought to give a service in the direction of Wexford, a well developed section in which the company did not operate. Competition with the company was to be authorized by this bill in the profitable end of its business. The street railway and the gas production were unprofitable, but no mention of them was made. It evidently was the aim of the city, by means of the two million dollar investment of the province, to make power and light rates so low that the company could not compete. The bill was clearly drawn and cleaned things up thoroughly as it went. Leaving the company with the departments which it must operate at a loss, the city was to compete with current furnished by the provincial investment. The City of St. John was economical. It did not use its own money.

The second section provides that the city be given power to sell out the company's property. Of course, no one else would want to buy the city, which would get the property for nothing. Here was another instance of economy. The city was to hit the company over the head with a club, furnished by the provincial hydro development, and then go through its pockets as it lay helpless.

Mr. Scully requested Mr. Taylor to state what was included in the payment of \$100,000 a year to the city. Mr. Taylor explained the arrangement by which taxes were paid on street railway and money paid for snow removal and for the foundation of the streets on which tracks were laid. He also touched upon the agreement made by the former government that the street railway was to be exempt from taxes for a period of twenty years in return for assistance in the building of the bridge at the Reversing Falls. In spite of that agreement the city had come in with a bill to tax the company.

Mr. Hayes—"That was a surreptitious agreement. The city did not know about it."

Mr. Taylor—"Well, the city of St. John generally knows what is going on."

Mr. Taylor said that \$107,000 was paid by the company to city, province and Dominion, the city getting almost 100 per cent. The company had made an offer to distribute Musquash current without profit and would be ready to refer the matter of rates to an independent commission. Engineers employed by the city had reported in favor of the distribution by the company.

A competent committee of citizens, some of whom were certainly not friendly to the company, had reported that the company could distribute at 6.32 and the city at 6.55 with their calculation of the cost of the city distribution system at least fifty per cent, more than it should be.

Mr. Taylor said there had been no special offer, but the matter had been discussed and the company's attitude was well known by all concerned.

Mr. Taylor said that he would and the company would agree to guarantee the maximum charges from the present rate of \$248,000 to \$310,000.

Opponents. In order to have the property stolen it would first be necessary to corrupt the Public Utilities Commission to force the company to furnish services not required, and then to convince the Supreme Court that the order was just. The object of the second section was simply the carrying out of an order which might be made by the Utilities Commission.

It would be only after the Utilities Commission was convinced that the company should furnish some service that the city could take the property. To confiscate it would be necessary to get an order from the Public Utilities Commission and the company must disregard that order before the provisions of the act would take effect.

To Hon. Mr. Veniot, Mr. Harrison said the city had confidence in the Utilities Commission. It was asked that that Commission decide what the company should do and if the company should flout the order the city was to be permitted to carry on the service.

To Mr. Taylor, Mr. Harrison said that the provisions of the Ontario Railway Act applied to all public utilities of Ontario. There was a railway and managing board for the proper enforcement of an order and taking possession of a railway, Quebec and Alberta, also, had similar powers and he could refer to an act passed by the New Brunswick Legislature in 1919. The city was seeking to carry out the order of the Public Utilities Commission in defiance of the act.

The present bill gave no powers unless the company did not obey a public utility order. It was necessary for the good of public services that there should be power to enforce such order. The security holders would not be injured, except in the event of the company refusing to carry out the order of the Public Utilities Commission. Such legislation would be in the interest of any city with a public utility.

There had been similar legislation in the province, the first section of the City of St. John was asking for the same privilege which was extended to every other municipality. He proposed an amendment that the city could appoint any person to operate the company instead of the commissioner of public safety. He was willing that the part concerning the sale of the property be entirely cut out. He was also willing that any lien should be a lien on that property ranking after the bond.

Mayor Schofield said he endorsed what had been said by Mr. Harrison. There was no idea of confiscation, but an intention to protect the citizens of St. John. A fine of \$500 could not take the place of service. His own opinion had been that it was impracticable to build another distribution line. The current should be taken from the hydro commission and distributed through the company for two years' time as a test. At the end of that time a plebiscite could be held.

Commissioner Frink said the city had been laboring under the opinion that it had no right to sell power and light. The first section of the bill was to eliminate the doubt. Mr. Taylor said that in other provinces no power was given under public utilities acts to charge losses to the victim. Fines had been up to the victim. The present Public Utilities Act was sufficient. Competition would mean confiscation. Commissioner Bullock said anybody in a legitimate business must take chances. The city wanted a chance to use the hydro power and it had not received justice at the hands of the company. Public opinion in St. John was in favor of civic distribution.

Commissioner Frink said the only way to settle the matter would be by the city taking over the property, public or not, at the company's price. Mr. Hayes said the trouble started when the company increased its capitalization from \$2,700,000 to \$5,000,000 over night. The city ought to have the power asked under the act.

Mr. Scully said the citizens wanted

James MacMurray said he represented the Eastern Securities Company and objected to the bill. Much stock had been sold on the understanding that the rate base was \$3,100,000. Many of the investors had been widows. The present bill meant confiscation and it would practically every dollar put in the company. Its enactment would destroy confidence in the legislation passed by the House.

To Commissioner Frink, Mr. MacMurray said he was opposed to the city distributing hydro current. The company was giving a satisfactory service, and if the city wanted its property it could buy it at a fair value.

Howard B. Robinson said he appeared as a director of the New Brunswick Power Company in opposition to the bill. The principle of regulation of public utilities was generally recognized, but such regulation should carry with it protection for those utilities. As far as he could see the city of St. John was suffering from hydrophobia. It had gone a little bit crazy. He knew men otherwise fairly decent fellows who would like to see the New Brunswick Power Company.

Hon. Mr. Foster—"What caused this madness?"

Mr. Robinson said the company had been caused by the terrifically increased prices caused by the war and had been compelled to come to the legislature and secure new rates. Since that time the attacks on the company had never ceased, and it was constantly being targeted for abuse. Money had been invested in the company in good faith and the company had been trying to operate in good faith.

To Hon. Mr. Foster he said the company had an exclusive right to sell gas, but he wished someone would take it away from them. The company also had an exclusive right to operate a street railway on certain streets, but did not have an exclusive franchise for lights.

S. H. E. Burr, Woodstock, was heard in opposition to the bill.

Dr. Curran said the question was whether the city should be compelled to vote confidence in the company. Mr. Taylor said that it was not a question of confidence. The Public Utilities Commission had the power of supervision and the people could appeal to the commission. It was purely a question of principle and of whether the legislature was willing to allow the city to confiscate or not.

W. H. Harrison, acting city solicitor, St. John, in support of the bill, said there could be no objection to lack of advertising, for word had gone through the country, and all possible arguments against the bill had been presented before the commission. He could not recognize the bill by the description given by the



the privilege of using hydro electric current. If the act were passed with the proposed amendments he did not see what harm would come to the company. The Legislature should not refuse this privilege to St. John. The committee then went into private session and adjourned until 2:45 o'clock.

## DANES BURY BODY OF AMERICAN SOLDIER

All Honors Paid to Unknown in Copenhagen.

Copenhagen, April 11.—The body of an American soldier of Danish parentage, which was recently exhumed in France, was reinterred in Copenhagen today in the presence of officials of the American legation and consulate, Danish war office officials, British military officers and large numbers of the people of the city.

An American flag was draped about the coffin, which was carried to the grave by American doughboys of Danish parentage. A plumed helmet sent by the American Club in Copenhagen.

## Weeds And Insects Cause Tremendous Damage To Crops

Soil Survey Report of Manitoba Says \$32,000,000 Damage Done Annually.

Winnipeg, Man., April 11.—Weeds, insects and rust do \$32,000,000 worth of damage to Manitoba crops annually, according to the soil survey report prepared by Prof. John Bracken, of the Agricultural College, at the request of the provincial government. Stem rust has caused an average annual loss of more than 5,000,000 bushels of wheat in the province each year since 1916, the report states, and at a conservative estimate the lowered production through insect depredations amounts to \$7,000,000 a year, while in 1921 alone, the western wheat stem saw fly reduced the yield of wheat in Manitoba by 5,555,000 bushels. Great stress is laid on the need for

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## C. P. R. CONSTABLE SHOT AND KILLED

Moore Jaw, Sask., April 9.—Canadian Pacific Railway Constable A. E. Tenney was shot and instantly killed early Saturday by one of three men detected in the act of robbing a car in the yards.

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## C. P. R. TRAIN SERVICE.

On Good Friday, April 14, local train leaving city at 7:30 a. m. (Atlantic time) will make all suburban stops to Wexford. Same train returning at night due in city at 10:05 will make similar stops between Wexford and city.

## Feeling Drowsy, Eh?

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## MILBURN'S HEART AND NERVE PILLS

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Mr. Frank Leslie, 11 Terrace Hill, St. Bonifort, Ont., writes—"I had been troubled with palpitation of the heart for a number of years, and by spells it would bother me a lot. The doctor told me, it would cost me no medicine if I did not cut out tobacco. When I would get a spell my heart would pound, and I would break out in a perspiration, and get so weak I would have to sit right down and quit my work; also in the night I would wake up and my heart would be going, I should say, about 100 beats a minute. About three years ago I got a box of Milburn's Heart and Nerve Pills, took them, and found that they did the job. I am feeling fine and have gained over 20 pounds in weight."

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