



S'SIDE CONGRÉGATION BUILDS NEW CHURCH

The People's Church on Arcona Street, Summerside is nearing completion after nearly seven months during which the men of the congregation banded together to construct a beautiful new church of which they can be exceedingly proud. The church is expected to be in use by the first of the year. Stanley Wells devotes his full time in ministering to the needs of the congregation.

Controversy Is Sparked By Hillcrest Gravel Order

SUMMERSIDE BUREAU OF THE GUARDIAN
"Who ordered the gravel for Hillcrest?"
That is a question that was not answered at a special meeting of Summerside Town Council Saturday night.
Councillor Llewellyn Rogers queried the street committee chairman Councillor Robert Dewar by asking "By whom and from whom was the gravel bought? What quantity? What price paid? And was it with your consent?"
Councillor Dewar stated he had been talking to Frank Gallant of Summerside who wanted to sell the town gravel as he had done last year. Councillor Dewar stated he replied that if he could meet the quality and the price, he would have no objection if council agreed. He called the mayor a "pussyfoot" and "now he has called me a liar as well", he continued. "He said that Councillor Morrison shouldn't be on the council," said Councillor Rogers and added "how long is this going on? If we can't hold council in a safe and proper manner, I want no part of it."
His worship asked Councillor Wood to withdraw his earlier remarks but again he refused.
Councillor Dewar then asked where Hillcrest got the authority to name their streets. Mayor Currie answered stating he had brought this matter to the attention of Hillcrest housing authorities and was awaiting a letter from them.
Councillor Dewar then returned to the gravel issue and said "I think I should admonish Councillor Arsenault and Town manager Brophy. I feel quite hurt that I wasn't consulted as to what was to be done to the streets."
MAYOR OBJECTS
Mayor Currie stated he also took objection with the way it was done as it should have been through Councillor Dewar. Councillor Dewar said he was doing everything he could to improve Hillcrest streets. Councillor Rogers stated they were just throwing money away by putting gravel on those streets this time of year.
Dewar said he didn't agree as it would make a good foundation for paving.
Councillor Rogers then injected "I still haven't learned who bought the gravel. I think it's time to tighten up some of these committees, so we'll know what's going on."
Mayor Currie said payment to the men who hauled the gravel has been held up and he wished to have the controversy cleared up so that the men could be paid.

ISLAND BRIEFS

CROCKETT FUNERAL—Funeral services for Mrs. Herbert B. Crockett were held Saturday afternoon at Trinity United Church in Summerside. Rev. C. R. Webber was the officiating clergyman. Pallbearers were William A. Currie, Harry Holman, Eric Woodside, Lorne MacFarlane, Donald Campbell and Ralph Silliphant. Interment was in the People's Cemetery.

LATE NOTICES
(Also see announcements in columns adjoining Classified Advertising Section.)

MORRISON—At Toronto on Friday, Dec. 4, 1959, Leonard J. Morrison, formerly of Grand River, at age 34 years. Forwarded from the Bonness Funeral Home Sunday afternoon to the home of his parents, Mr. and Mrs. Michael Morrison, Grand River. Funeral to be held on Wednesday, Dec. 9 to St. Patrick's Church for Requiem High Mass at 9 a. m. Interment in church cemetery.

PICKARD—At the P.E.I. Hospital on Saturday, Dec. 5, 1959, Mrs. George Pickard, West Royalty, in her 96th year. Remains resting at the MacLean Funeral Home from where the funeral will be held on Tuesday, December 8, service commencing at 2 p.m. Interment Highfield cemetery.

PETERS—Suddenly on Sunday, Dec. 6, 1959, Michael Kenneth, 10-months old son of Mr. and Mrs. W. B. Peters, 234 Fitzroy Street. His remains will rest at the Charlottetown Funeral Home from 3 o'clock this afternoon. Funeral will be held Tuesday afternoon at 2 o'clock. Burial will be in the Catholic cemetery.

CHISHOLM—At Prince County Hospital, Dec. 6th, 1959, John W. Chisholm formerly of Kensington, in his 82nd year. The remains are resting at Davison's Funeral Home from where the funeral will take place Wednesday morning. The remains will be moved to Indian River Church for Requiem High Mass at 9:30. Interment in the church cemetery.

S'side Sells
(Continued from page 1)
bers of the public utility board that our electric light and power operation needed overhauling. That considering our costs, we couldn't possibly be making the profits which we thought we were, and furthermore our rates should be lowered. Mr. Brophy, the town manager, who came with us at this time, and who has some practical experience in electric operation and administration undertook some investigation, accounting wise, and discovered there was much substance in the first conjuncture. Separation of expenses as between operating costs and capital costs had been by estimate of approximately 70 percent operation and 30 percent capital, instead of actual separate accounting.

INFLATED PROFIT
"Examination of some years showed the actual was in reverse of the estimates, consequently a large part of operational costs were capitalized and later formed part of bond issue requirements which resulted in showing an inflated profit. Therefore it was impossible to tell exactly how much the profits had been over the preceding years or the relation of our rates to the profits."
"Public utility rates are set by the various utility commissions to return approximately 7 1/2 per cent on invested capital."
"There had been so many entries and cross entries in our capital account and also because many of our records were lost through the fire, it was impossible to determine with any certainty the amount of our capital investment."
We were therefore, in the alarming position of not having a base on which to establish proper rates, not knowing what our actual profits were on rates in use and also of not having the records available to establish our capital account.
The remedying of all this was understandably beyond our scope and capacity. We therefore, under authority of council engaged the firm of engineering services Ltd., headed by John Kay, recognized as one of the foremost electrical engineers in the east, to determine our capital

investment, examine the operation of the plant and distribution of its energy and plan our rates in accordance with capital investment and required return.
Field work was started on June 10th 1957—a complete report on our capital structure was submitted to us on May 10th, 1958.
Following this a complete analysis of operation procedure including operation of plant, line crews, accounting procedure, complete analysis of revenue and expenditures was begun, because at the very beginning of this section of examination, it was discovered that we were not following the rate schedule that council had previously authorized.
"There being 133 specially privileged customers. We were accordingly, instructed by our consultant to put the rate schedule as passed by council into 100 percent effect so they could determine exactly what our income would be following our by-law."

RATES REVAMPED
All this led to the revamping of our town rates which took effect January 1, 1959. The rural rates were not alerted since they are regulated and controlled by the commission of public utilities.
"This dissection recalled the extraordinary high costs of servicing rural customers as against town customers due to excessive line loss and excessive cost of line maintenance due to limited numbers of line customers per mile with particular emphasis on winter costs."
This led us to a complete and separate analysis of rural and urban operations, which revealed that we were getting a return of 8.8 per cent on urban operations as against 4.36 per cent on rural, having in mind now that this 4.36 per cent included the more densely populated areas of St. Eleanors, and Summerside East to Read's Corner.
"If these are taken out it becomes very evident that our return would be extremely small on the balance of the lines, the lines which we propose to sell, particularly since those lines average only 8 customers to the mile including the village of Miscouche. Take Miscouche out and we have several areas of mile stretches without any customers, the lines of which must be maintained. Against this, the town pro-

S'side Will Purchase New Generating Unit
SUMMERSIDE BUREAU OF THE GUARDIAN
A new generating unit for the Summerside electric light plant has been authorized by the town council as the result of a resolution passed unanimously Saturday night at a special council meeting.
The unit, a 2,200 kilowatt generator with vapor phase cooling will be purchased from Ordenda Industrial Limited of Halifax.
Councillor W.E. MacCausland, chairman of the electric light committee, told council that the cost of the additional unit would be \$204,816 which was a considerably lower sum than that of the tender from Fairbanks-Morse.
He stated that the present capabilities of the town's plant was less than peak load and therefore electricity has to be purchased from Maritime Electric.
He added that the saving, when for new engine is installed over present operating costs will be \$35,000 to \$40,000 annually and he added it won't take too many years to write off the capital cost of the engine.
demands of our present town customers—approximately 13 percent—coupled with the further expected increase in housing, has taxed to the utmost our present installed engine capacity forcing us into the immediate purchase of a new diesel unit, which must be financed on an adverse bond market with the resultant heavy interest charge to the ratepayer with the resulting increase in the tax rate, or paid for in cash from the proceeds of the proposed sale of the rural lines augmented by monies already laid aside.
COSTS COMPARED
If we pay cash the required new unit will cost us approximately \$215,000 installed. If we are forced to finance it through capital expenditure, bond issue over a period of 20 years, the total cost goes up to \$43,000, just double.
"The yearly reduction of the debt plus interest would require \$18,000 per year to be added to our tax assessment or an increase of \$1.33 per thousand of every tax payer and the bulk to this increased assessment would be going to subsidize our rural operation, and further, it would be a complete waste because our rural customers will get a 20 to 25 percent decrease in rate as soon as we relinquish our lines to the new supplier."
"Further, we have been informed by the board of public utilities that if we retain the rural lines we will very soon be notified of a public hearing for the purpose of reducing our ex-

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ISLAND NEWS PAGE

The Guardian, Charlottetown, Mon., Dec. 7, 1959.

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Saving Seen By Line Sale

SUMMERSIDE—Chairman of the Summerside electric light committee, W. E. MacCausland during his report to council at a special meeting Saturday evening said that the advisability of selling a portion of the town owned rural lines had been concurred in by Engineering Services Ltd., Halifax, town electric consultants; L. W. Hacker, town electric superintendent; J. A. Brophy, town manager and the electric light committee.
A total of 61.8 miles of rural lines are to be sold to Maritime Electric who offered the town \$187,542 in a proposal sent to council dated Nov. 13.
Councillor MacCausland listed several benefits that will accrue to the town as a result of the sale, including an annual saving of over \$13,000 in interest alone. If the town had been forced to finance the new diesel engine on an adverse bond market.

per has a density of over 100 customers to the mile and the village of St. Eleanors 35.
Analysis further established that the annual cost of servicing a rural customer is \$38.46 against the cost of servicing a town customer at \$28.10, an increase as soon as we go outside our immediate area of over 35 percent. We can therefore include St. Eleanors, Summerside East and Sherbrooke areas considering their density of population and nearness to town at a comparable figure to our town costs, which will allow us to lower their existing rural rates, while at the same time the remainder of our rural customers will also receive a lowering in electric rates from their new supplier whose rates are already established at lower rates than those now existing from the town of Summerside.
"So this proposed sale will prove advantageous to all our rural customers. It will also prove advantageous to the ratepayers of the town of Summerside."
Due to the steadily increasing

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WEATHER
TORONTO (CP)—Temperatures issued by the weather office:
Min (Night) Max (Day)
Dawson -16 -6
Vancouver 32 41
Victoria 27 41
Edmonton 38 47
Calgary 39 51
Regina 25 36
Winnipeg 5 22
Toronto 43 45
Ottawa 32 39
Montreal 37 43
Quebec 31 36
Fredericton 35 39
Saint John 35 42
Halifax 33 40
Charlottetown 29 42
Sydney 27 41
Yarmouth 36 43
St. John's 29 32

HALIFAX (CP)—The weather office says a disturbance near Sable Island is slowly moving northward while another disturbance is beginning to intensify over Virginia. This second disturbance is expected to move near Quebec City by afternoon. Consequently, little relief from the damp weather is indicated for today. Temperatures however will remain well above the average for this time of year throughout the district.
Forecasts:
Nova Scotia, Prince Edward Island and New Brunswick: Intermittent rain and drizzle; very mild; easterly winds 20 shifting in the afternoon to southerly 30. Low-high at Halifax, Yarmouth

GETS SCROLL
A unique ceremony took place on Sunday, Dec. 6th, at St. Martin's Church, South Shore, when Edmond Handrahan, presented with an illuminated parchment scroll, conveying the Apostolic Blessing of Pope John XXIII. This rare honor came to Mr. Handrahan in recognition of more than 45 years as a member of St. Martin's choir. Very seldom do circumstances enable a person to use his voice in choir service for nearly half a century. After the presentation, Mr. Handrahan made a suitable acknowledgment of the honor conferred on him and the parish, and received the congratulations of his many friends.

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RADNOR—Short rounded collar with eyelets, fused, \$5.00.

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