

Book Reviews

Monopoly's Moment, The Organization and Regulation of Canadian Utilities, 1830-1930, by Christopher Armstrong and H. V. Nelles. Philadelphia: Temple University Press, 1986. Pp. 393.

This is a pleasure to read: well written, theoretically informed, frequently amusing, and always informative.

Canadian utilities are, as the authors note at the beginning, "institutional mammoths." They have played a key role in Canadian development, as well as important roles outside Canada. Not least, utilities have been the "cause" for that quintessential Canadian institution, the "crown corporation." Reminded that larger cities than any in Canada in the 1860s had managed to survive without utilities while a servant class did the communicating and travelling, the authors bring home the message of just how much North American life has been structured by these transportation, communications, and power systems.

The relations between private companies and political bodies are central to this history, and Armstrong and Nelles have detailed the initial development of competitive companies and monopoly buyers; the growth of monopolies and the struggles of civic governments against or on behalf of them; the introduction of regulatory procedures, and the public take-overs.

The method is examination of documents: private correspondence, newspaper accounts, municipal council meeting minutes, and patent laws among them. The pleasure in reading the result is due partly to the lack of dogmatism: the authors are "eager to expose the structural context of events," but also "stress the importance of chance, choice, will, and frequently error and ignorance in the shaping of institutions. Determinism is more obvious in retrospect."

The narrative begins with the technical innovations and business practices of entrepreneurs. The pre-twentieth-century history is one of fiercely competitive inventors who were *par excellence* also entrepreneurs, showmen, and politicians. For a reader who has always thought of Edison as an

inventor, the story of his showmanship is enlightening. The early companies did not always succeed, and some of them obtained municipal contracts only to lose money.

By the end of the century, the utilities were becoming monopolies, but stressed here is the struggle of competitive companies. Monopolies, say the authors, are made, not born. The process took different routes in different regions, influenced by demographics, personalities, the acumen of city councils, and the agility of company managers. Once in place, the monopolies became the focus of collective grievances and gave rise to civic populism. Part III documents the attempts to curb monopoly power, and the machinations of the monopolists against popular discontent.

As so repetitively occurs in the history of capitalism, what is regarded as a violation of free enterprise at one stage becomes a necessity for its survival at another. Prior to 1914, the companies resisted government intervention on ideological (but, of course, more practical) grounds. Three years later, battered by falling revenues, many of them sought renegotiation of their contracts with municipal governments. Various regions, structurally diverse in their class composition, political style, demographic conditions, and industrial base, took different routes out of this. The decentralized government structure in Canada obstructed any uniform solution. Public ownership, co-operatives, regulatory bodies, shields for the companies: all forms were tried somewhere. Hybrid forms developed as well: combinations of crown corporations and private enterprise, combinations that became characteristic of the developing Canadian economy.

In most provinces regulation took the form of a Public Utilities Commission; B.C. was the exception. The political manoeuvres of the B.C. Electric Railway company in the clashes of 1917 over regulation are detailed, including the company's behaviour toward labour leading (intentionally, by implication) to a street railwaymen's strike. Over the next half dozen years, BCER campaigned for a federal charter, lobbied the provincial government against a Public Utilities Commission, and struck a deal with the Vancouver city council to renegotiate its contract. Its political work paid off: no Utilities Commission was established in B.C. The material here is essential information in any history of British Columbia, and is all the more interesting when seen in the context of contrasting as well as similar actions elsewhere.

A good book, then: certainly worth reading just for the fun of it, and worth detailed study for any B.C. historian.