

it is thus not clear that the municipality has any advantage over the privately organized joint stock company.

(b.) The management by municipalities of departments of public service, if it is efficient, is not likely to cost less, and is rather likely to cost more than a similar service otherwise rendered.

In most municipal enterprises, even perhaps in the longest established and best of them, there is a disposition on the one hand to pay relatively high wages to the manual laborers and relatively low salaries to the managers. The results are apt to be inefficient management and excess in the number of employees; the high wages and exceptional conditions of employment attracting many who would otherwise seek employment elsewhere.

The municipal enterprise thus becomes saddled with costs for service to which joint stock management is not open.

Inquiry into municipal enterprises has in every case confirmed the general inference that municipal management is more expensive than private. The higher wages offered by advocates of municipal ownership must be represented by higher cost to the tax payers.

6. I have hitherto considered municipal ownership and operation of public services without discriminating between them.

There are many cases in which municipal ownership with private operation is preferable to any other form. Nevertheless many of the considerations which apply to municipal operation apply also to municipal ownership. The political features are apt to be alike in both cases.

Some of the financial features are also alike, but legal conditions may be such as to make ownership by the municipality or the State a great advantage in preventing disputes as to the use of streets.

Ownership, however, implies responsibility. If we have the ownership vested in one body and the executive