

Public ownership and conduct of essential franchises has been tested in many forms and by various municipalities under almost all conditions. In some it has been sufficiently successful to justify the acceptance of the general principle; in others it has failed, sometimes partially, sometimes utterly. It is not the principle of municipal ownership that is weak, it is the application of that principle to the conduct of services under publicly-owned franchises. The weakness of the application lies in the fact that, under present commercial conditions, an undertaking operated in the interest of the ratepayers must be subject to the same rigid business methods as are applied to private enterprises, in order to secure any measure of success.

In no country, perhaps, has the application of this principle been tested upon so extensive a scale as in Great Britain. In the cities of England and Scotland are to be found probably its greatest successes as well as its most dismal failures. It is in the hope that a short study of the more matured experience of municipal corporations in the Mother Country in dealing with this question, may be of interest and value to students of municipal economy in Canada, that these pages are written.

The question whether a municipality should create and conduct such public services cannot be decided upon any question of principle. It is simply a matter of business and public expediency. What the public has a right to expect is that it should get the greatest possible return from the capital invested in what is essentially a business enterprise owned, established and conducted for the ratepayers. It does not always follow, however, that the greatest possible return can