

"The whole foundation of municipal ownership is based upon the assumption that inexperienced hired employees of a city who have not a dollar at risk, and in many cases have been given the position as a reward for helping some political aspirant to office, can and will run the plant and manage the business more successfully than the members of a private corporation, notwithstanding the latter may have nearly all their property invested in the enterprise, and a failure means ruin to them. Is it not reasonable to suppose that men under such conditions will give closer attention to business and investigate every branch and detail of its work? It is a well-established axiom that the more a man has at risk the closer attention he gives to details.

"It is well-known that municipal ownership is purely and simply a political move to secure votes for some aspirant for office, and that it is used for this purpose regardless of any other question. Parties have publicly announced that they are using it as a plank upon which to stand while they gather in the votes.

"It has become a well-established principle with both parties that civic government is the lawful spoil of the victorious party. It is for the purpose of getting the votes of the laboring class that lower rates of taxation, with shorter hours and higher wages, are promised, but these are forgotten as soon as the election is passed, as was shown in Detroit and other places.

"When the advocates of municipal ownership find themselves unable to disprove the facts disclosed under municipal management in this country, they immediately fall back upon Glasgow and the wonders achieved there by municipal ownership. The conditions are not the same in Glasgow as they are found in the United States. The government is entirely different, and the political situation that exists in this country is not found there. Wages there are less than half those paid in this country. Conductors on street cars are paid 93 cents per day for the first year, and \$1.04 the third year, while conductors on street cars in New York are paid \$2 the first year and \$2.25 after that. The average wages for the railroad men in Glasgow are 78 cents per day, while in New York they are \$1.88. Here we have a difference of more than 100 per cent. in wages alone.

"Anyone who has travelled over the street railroads in Glasgow knows perfectly well that the whole equipment and accommodations are antiquated and behind the day, while the service furnished there would not be tolerated in any city in the United States. We are also told that the profits or revenue from the street railway in Glasgow is so large that it pays all the expenses of the government, while in fact the roads are not operated for the purpose of producing a revenue to meet current expenses of the municipality. Instead of there being no taxes in Glasgow, they are more burdensome than in this country. Rents are taxed 12½c. on every dollar that a man pays, and the owner of the property has to pay the same amount of tax. Besides this, license taxes are levied. You pay a tax for every servant you employ in the house, also on every horse or carriage; in fact, you cannot turn round without running against the tax collector."

What would become of electric light, telephone, street railway and gas plants, if these undertakings were in the hands of municipal authorities? Would improvements in these enterprises be encouraged or would they remain at a standstill? The whole question seems to me too simple for elaborate discussion. A municipality should not be allowed to tax its citizens for its own benefit, but for the benefit of the whole and not of the few. Administration of justice, the protection of life and property, the police and fire departments, and civic affairs generally, such as the maintenance of roads and sanitary conditions, are things in which all the citizens are interested, and for which all should be called upon to bear their proportionate share of cost. We might go so far as to include water, as this commodity is needed by every person, rich as well as poor, for fire protection and sanitary purposes. It comes therefore fitly under municipal control, and at this stage I might say that if a private company were furnishing the water that is being furnished to-day to the City of Montreal, the citizens would

rise up in arms. Would they accept unfiltered St. Lawrence or Ottawa River water for domestic use, receiving as it does the drainage of the towns between Toronto or Ottawa and Montreal, and at a price fully twice as high as it would be were it under private control? My answer is, No.

The waterworks plant is undoubtedly operating at a considerable profit, and the city as a whole it is to be hoped is benefiting financially. On the contrary, were we to take the case of gas or electric light, if it is operated at a profit then the users of the light are paying that profit. If it is run at a loss then the municipality is carrying on a business which is not profitable, to the detriment of the taxpayers who are not using light.

That there are many honest supporters of municipal ownership who have been deceived by the highly-colored but false reports from cities that are experimenting with this question, is undeniable. It is only natural to suppose that municipalities after having made large investments in municipal enterprises should endeavor to justify what they have done. They certainly will be reluctant in throwing the limelight on their errors in acts and conclusions. On the contrary, the tendency will be to suppress the bad and give prominence to the good, which is only to be expected, and this important question really gets serious consideration from owners of property only when the situation becomes acute or puts the taxpayers on the defensive.

The following analogy is taken from "Municipal Ownership":

"Aesop's fable of the fox and his lost tail here finds excellent application. The wily old fellow wished company in his misery, and, we recall, urged all the other foxes to cut off their tails. He gave as many favorable reasons as a proud possessor of a municipal plant can offer a sister municipality in urging her to do likewise. But the assembled foxes remembered that the loss of a tail is easily accomplished; that the troublesome thing is to get it back again. Municipal, like private, funds may be spent at any time—they take flight easily—with less ease one again gets possession of them."

Governments, federal, provincial, or civic, are instituted for the purpose of protection, not production. It would be just as reasonable for either of these bodies to enter any pursuit, such as bakers, grocers, saloon-keepers, or the insurance business, as it is for them to enter the field of public utilities, and

"Just as sure as a nation becomes a commercial producer, competing against its own citizens, just as sure will the seeds of its own disintegration be sown. There is no finality to municipal enterprise."

The character of a public service is to be judged as much by the extent of the service as by its cost. In other words, it is better to serve double the area and number of inhabitants at a given cost, than it is to serve one-half that number at half the cost.

Recent public reports of Glasgow, Edinburgh, Manchester, Leeds, and Birmingham, show that they are operating a smaller number of lamps than Chicago alone, and very few more than Boston, while the combined population is a million more than Chicago and fully five times that of Boston. If you take Glasgow, Hull, Brighton, Portsmouth, and Swansea, you will find that on December 31st, 1905, the number of municipal telephones was less than 20,000, while the number of private telephones was over 40,000. In 1905 the increase in municipally-operated telephones was 12.05 per cent., and in private telephones 92 per cent.

#### Exclusive Franchises.

Exclusive franchises are not popular, but the best service at the lowest cost can only be secured in gas, electricity, telephones, or street railways, by one company having exclusive control within given limits. But in such cases, in order to protect the public, exclusive franchises should only be given under some sort of public control.

Mr. Allen R. Foote, Commissioner of the Ohio Board of Commerce, is quoted as follows: