

not unreasonable to expect them to manage the city finances and the administration of the public utilities with the same skill and interest which they throw into their private affairs. If one glances at the names of members of the Town Councils of Glasgow or Birmingham, for example, one finds those of leading business men in both cities.

This is the reason that the people have been willing to entrust them with large enterprises. The tradition of personal honesty which for many years has attached itself to the councils of the larger cities, the definite exclusion of general party politics, the disinterested character of the members (except so far as public reputation is concerned—they are not paid as in the United States and Canada), and the practically complete absence of patronage (so far as the councillors are concerned) combine to make possible the extension of municipal activities into fields that could not without grave risks be occupied by municipalities, either in the United States or in Canada, under present conditions.

5. In the present state of municipal and company accounting it is impossible, and in any conceivable state of accounting, it would be difficult to make precise comparisons between the cost to the public of municipal and joint stock supply of public services.

It is therefore not surprising to have the most divergent inferences from the available data. We are driven to estimate the probabilities rather than the actual state of the case.

(a.) If a municipality is in a position to borrow money at a lower rate than a joint stock company, it is because its tangible property affords a relatively more ample security than the property of the joint stock company. The risk to the lender is less in one case than in the other; but the risk of the enterprise is the same. The borrower, in one case the joint stock company, is obliged