MUNICIPAL OWNERSHIP.

The tendency of this generation to draw conclusions from economic, social and political experiments before time has been given to develope their possible phases, has been illustrated repeatedly. Impatience is the note of the times. The entrance of municipalities into the sphere of mercantile enterprise as producers and purveyors of gas and electric light; as owners and operators of street railways; and as, in Norway, the sole venders of alcoholic beverages, has resulted in socialistic experiments of deep interest to students of economic questions. The public has been led to anticipate from their movements a deliverance from dependance upon private capital for certain conveniencies and necessities, by which freedom their cost would be materially reduced and other advantages realized. As these experiments are becoming more and more mature they are developing features that depreciate their value Municipal ownership of street railways is losing its charm, as extended experience demonstrates that it has serious drawbacks which offset its alleged economy. When the ratepayers and public at large regard the street railway system as their property they are found to assert proprietary rights to an extent that handicaps the management. Hence, while fares are lower for municipally owned street cars, taxes are higher, because of a portion of the running expenses having to be charged on the the rates. This also has been the case with municipalities that owned and operated lighting plants. The services have been found unsatisfactory; the dealing with municipal officials has proved very unpopular; the bringing the service up to local needs in an expanding locality has been found too tedious; so that municipal ownership of lighting plants is becoming a discredited system. As to the monopoly of the liquor traffic by municipalities, which exists in Norway and Sweden, and which is strenuously advocated here, it is so utterly antagonistic to the social habits of the people of this country, and is so objectionable to both sides in the liquor trade controversy, that municipal saloons may be regarded as not likely ever to become a live question in Canada.

Municipal ownership of mercantile enterprises is open to several grave objections. It is inadvisable for an organized community, such as a municipality, to extend its operations outside its natural sphere more than is absolutely necessary for the full exercise of its functions and responsibilities as a governing body, a body charged with the protection of the people, the maintenance of law and order within its bounds, and the enforcement of sanitary laws essential to public health. In discharging those duties a municipal body serves the interests of every dweller therein, of every age and every class; it does for them what they cannot do for themselves individually, or, by any narrower form of government, or organization. Those services justify the devolution upon a municipal body of powers over the actions of its constituents, the people at large, that would otherwise be arbitrary and intolerable. One of the highest services of a municipal government is the administration of a city or town in such a way as leaves capital, enterprise, industry, all free to exert their respective powers in developing the material well-being of the community. If, however, a municipal body trenches upon the mercantile sphere, if it becomes a competitor with capital, or engages in business, industrial enterprises, it, to that extent, abandons its own natural sphere and undertakes duties and responsibilities that are not in accord with the interests of all whom it represents.

If a municipality engages in an enterprise within the competence of local capital it is very likely to drive that capital to outside fields of enterprise.

It has been realized, what might have been foreseen, that municipal trading enterprises do not keep so closely in touch with public needs, or with the march of improvements, as those sustained by private capital and controlled directly by its owners. A municipal Committee cannot be expected to have the energy, stimulus, or the business capacity of those who administer a private enterprise in which they each personally have a large, direct, pecuniary interest. Aldermen, however able, however public spirited, cannot watch over the management of a municipal enterprise with the close scrutiny that is usually given by a Board of Directors in control of a private enterprise. Nor is a municipal committee as able to act promptly in emergencies, nor is it as amenable to public opinion, or the opinion of the patrons of a public enterprise, as those whose capital therein is at stake. The advantage of economy in working is wholly on the side of private enterprise, though this has been obscured by some municipalities charging some part of the actual working expenses of a municipal trading enterprise to other departments.

Thus a municipality operating a gas supply plant has been known to charge the cost of street openings to lay gas mains, as well as of laying gas services to consumers, to the roads department, other expenses properly chargeable to the gas service, have also been charged to departments having no direct connection with the gas supply business. By this cooking of the accounts the real cost to the citizens of the gas service has been concealed. The loss of income arising from the deprivation of the taxes payable by private