

## Municipalization in Glasgow.

EVIDENCE OF LORD PROVOST CHISHOLM.

The following report of the evidence of Lord Provost Chisholm, on behalf of the Corporation of Glasgow, before the Joint Committee of both Houses of Parliament appointed to inquire into the subject of municipal trading, contains facts that will correct many mis-statements in regard to Glasgow, and which should be invaluable to the municipal reformer. The Earl of Crewe, chairman of the committee, presided.

The Lord Provost stated that, in addition to the ordinary municipal departments, such as police, health, parks, city improvements, and so on, the corporation had various non-rating enterprises, these being markets, water supply, gas supply, tramways, electric light, hydraulic power, and telephones over the city and area of the National Telephone Company. These enterprises were not undertaken for the purpose of trading, but simply in the interests of the citizens. The officials tried to make them pay, and they practically did so, but the profits were not applied to the reduction of the rates; they were applied to the improvement or the reduction of the price of the individual enterprise in each particular case. The rates were used for general municipal purposes.

With regard to water, the corporation had WATER. carried on the supply for forty years, to the great advantage of the city and the citizens, and they had been able to lay aside a large sinking fund and depreciation fund. The charge, which in 1855 was 1s. 2d per £1 in one part of the city and 1s. in another part, was now 5d. Outside the city area the price was 10d. per £1. He was satisfied that a company could not have carried out such an improvement in the supply.

Lord Crewe—Do you know any difference between gas and water supply?

The Lord Provost—Practically none. We GAS. regard the lighting of the city just as essentially a part of the duty of a municipality as the supply of clean water. When the corporation took over the gas undertaking in 1869 the price was 4s. 7d. per 1,000 feet, and now it was 2s. 2d. (52c.). He did not think a private company would do as well. He considered it was to the interest of the outsiders that the city should be allowed to supply them with gas.

With regard to the "tramways," the Lord STREET. Provost gave full details, claiming that the CARS. fares had been reduced and greater comfort given to passengers since the concern came into the hands of the corporation. The number of passengers had been doubled, over two and a-half millions being carried per week. For the year ending 31st May last the total number carried was 127,628,485, as compared with 54,000,000 for the last year in which the service was conducted by the company. When the extensions at present authorized were completed, they would be working 34 miles outside the boundary. The inhabitants outside were continually wanting extensions, and those extensions were undertaken for the mutual interest of the city and the suburbs. The corporations were looking forward to the continued prosperity and success of the tramways. They had been very successful financially, although they had to meet the competition of underground railways and subways. The electric system was expected to be completed next year in time for the exhibition in Glasgow. He was satisfied the corporation had done what a corporation could not do. The first aim of a company, within reasonable limits, was to make profits. The first aim of a corporation was the comfort and convenience of the citizens, and the provision at the same time of a reasonable amount for sinking fund and depreciation.

Lord Crewe—After making those allowances, are you prepared to carry people for cost price?

The Lord Provost—As nearly as possible. There is no disposition on the part of the corporation to apply a penny for the reduction of the rates. The corporation took the entire man-

agement, by arrangement with the local authorities, who had never seriously suggested anything like joint management.

With regard to electric light, the Lord PRO-ELECTRIC. vost stated that there were over 5,000 con-LIGHTING. sumers, and the capital expenditure in May, 1899, had been £388,599.

Lord Crewe—Do you think you have shown a reasonable enterprise in connection with your electric supply?

The Lord Provost—I think we might have gone ahead a little more vigorously at the beginning; but there are circumstances which, in my opinion, account for the delay. It was not taken up as a serious enterprise to be pushed, as it were, by a committee; but it was taken up as an adjunct to the gas supply, to be given as it was asked for. I think the corporation might have provided larger facilities at the very first.

Lord Crewe—You account for that by their taking more interest in their largely developed gas undertaking?

The Lord Provost—Yes, I think that was really the explanation; it was also a matter of caution, because it was a comparatively untried enterprise in 1890. Details

WATER. were then given regarding the supply of hy-POWER. draulic power, the loss upon which was met out of the ordinary water enterprise; and

also regarding the acquisition of a telephone licence. The Lord Provost thought this licence had been granted by the Postmaster-General rather because of the impotency of the corporation than because he was convinced on the general question of propriety of telephones. He TELE- would say that the telephone had practically PHONES. become a necessity of business life, and was a monopoly requiring the use of the streets.

He looked forward to a vast extension of the telephone system, and the corporation proposed having numerous call offices where the charge would be one penny.

Lord Crewe—Do you think you will be better able to carry it out than a trading corporation?

The Lord Provost—We have had many years of a trading company which either cannot or will not do it. Dealing with the question of the position of municipal employes as voters, the Lord Provost said there were 8,021 boys, girls and men working in the various departments of city employment, about

6,500 of whom were voters. The constitu-CIVIC. ency numbered 132,808, and the city con-OFFICIALS. tained 25 wards. There were always one or AS. two close contests, but he never knew of a

VOTERS. contest turning on the question of the position of civic employes. These men were not dismissed by the Town Council, but by the responsible head of the particular department, although they had an appeal to the committee. He did not think there was any real danger in the employment of so many men, because if there was, other workmen would be quick enough to see that any advantages the corporation employes were seeking to obtain would be at the expense of other workmen.

Lord Crewe—If you made a loss on those enterprises would you still say what you have said to-day?

The Lord Provost—If the corporation were carrying on any enterprise which showed a persistent loss it would be a serious argument against them being allowed to continue. I think the ratepayers would very quickly bring them to book. As to the increase of municipal debt, he might say that their experience in Glasgow was that that increase was nominal, the assets having increased in far larger proportion than the debt. It was a dangerous system for a corporation to apply profits to the relief of the general rates, and he would not be disposed to encourage it, because there was a risk NOT TO BE. in so doing of starving an enterprise for the USED TO. purpose of putting aside the profits for another REDUCE. purpose. He could imagine cases where they TAXATION. might be allowed to make a special contribution. Reverting to the subject of electric light, he admitted that the Corporation of Glasgow had been sluggish at the beginning, but they were making up for it now. He did not think there was any deduction as to municipal management to be drawn from his admission.