

THE GOVERNMENT OWNED TELEPHONES OF MANITOBA

WHEN the chair of political economy was established in the University of Toronto, some twenty years ago, confident predictions were made that it would be of great service in the examination of the economic conditions of Canada. Although the chair has been occupied by two brilliant scholars, W. J. Ashley and James Mavor, its contributions to Canadian economics have been few. Both Ashley and Mavor have done their best work in investigating the economic conditions of other countries. Professor Mavor's "Economic History of Russia," two ponderous but very readable volumes, brought fame to their author and the university of which he is a professor. This is pleasing. But in the meantime the economic history of Canada is unwritten, and there are many who regret that the learned professor went so far afield for material when there was so much undigested economic data at home.

All this by way of introducing the fact that Professor Mavor has recently written a very timely book on the government ownership of telephones in Manitoba. The book is from the press of Moffat, Yard & Company. Students of government ownership in Canada cannot afford to miss the coordination of facts and the conclusions contained in this book.

Most readers will remember that ten years ago the unfortunate Roblin Government committed itself to the policy of ownership and operation of telephones by the Province. Professor Mavor traces in an interesting way the beginnings of the policy:

"The chief spokesmen of the Government were the Premier and the Attorney-General. On September 5, 1906, the latter publicly declared that 'the Government will be able to accomplish a result that will cut the cost of the telephone in two.' In an interview published on December 10, the same official said: 'In the country the reduction will be one-half the existing rates.' On the same day the Premier said: 'It is simply a matter of those who use telephones paying for them, and also, only to pay half what the Bell people now charge.' Three or four days later the Premier said: 'We will more than cut the Bell figure in two'; and, speaking in Neepawa on December 20th, he said that by one year from that time 'they would be able to speak over a Government-owned long distance line from Neepawa to Winnipeg at less than half what is charged by the Bell Telephone Company at the present time.' These glib promises are typical of many others which the Government asked the voters of the Province to believe."

To secure popular support, the Government made a number of definite promises both before and after the acquisition of a public-owned telephone system, and these Professor Mavor reduces to three cardinal pledges, as follows:

"1. That the Bell rates would be greatly reduced, 'cut in two' being the term generally employed;

"2. That the entire cost of operating the service would be borne by the telephone users, i.e., that the system would be self-supporting;

"3. That the management of the system would be on a strictly commercial basis, absolutely free from political considerations or influence.

"In considering the history of the Government telephone enterprise, these pledges must constantly be borne in mind."

And then follow several interesting chapters fully authenticated, of the marvellous maladministration of the telephone utility in Manitoba:

"With the resignation of the Telephone Commissioners, the first phase of the history of the Manitoba Government telephone system comes to a close. The entire period was dominated by political influence and political considerations, more or less effectually concealed behind the

elaborate pretences and the fair words of the Government. The pledge of non-partisan commercial management was not kept. The Bell rates, far from being 'cut in two' as promised on so many occasions, were maintained intact for fifteen months, when the Government effected such slight reductions as might best redound to their political advantage. These unwarranted reductions, when combined with the political accounting methods employed by the Government, contributed largely to the disastrous failure to fulfill the promise that the service would be self-sustaining. Finally, finding themselves in jeopardy from the wrath aroused by the force of the contrast between promise and performance, the Government deliberately sacrificed their loyal servants that their own sins might go unpunished. After four years of public ownership a prosperous business was well along the road to ruin."

Three years after the Roblin Government had offered up its faithful commissioners as a sacrifice, in a vain endeavour to stay public wrath, it was compelled to make a declaration of political bankruptcy.

Crawford Norris had taken full advantage of the weakness of his opponent's record in telephone administration during the strenuous years in which he fought for power. But when power was obtained, as Liberal Premier, he promptly followed many of the vicious practices of his Conservative predecessor:

"Promises in regard to the telephone system were once again used to attract votes; and the Government made no effort to conceal the fact that they were ready to use the system for political advantage by instituting an expensive 'searching inquiry' which could serve no useful purpose. This attitude on the part

NEWFOUNDLAND HAS DONE WELL

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feats of derring-do these sons of a seafaring people would have performed, had they been placed in their proper element, serving on board the ships of "the King's Navee."

The Gallipoli campaign fizzled out—tragically enough—and the Newfoundlanders were sent to France. They arrived just in time to learn the ropes and take part in the initiatory stages of the Big Offensive in the Somme region.

The battalions sent into action in the neighbourhood of Beaumont-Hamel exhibited the utmost gallantry, but were virtually decimated, proving that the positions against which they were sent were almost impregnable to direct assaults. Less than a hundred of the twelve hundred who advanced that fatal First of July returned to their billets. The remainder lay out on the field, in shell holes or close up to the German barbed wire defences—sacrifices to the great cause they held dearer than life itself.

The wall of the bereaved was heard right around the shores of the Island, though the grief of Newfoundland was somewhat tempered by a message from the Commanding Officer, who declared that the Newfoundlanders had "done better than the best."

The Island has given freely of its manhood; it has also given freely and ungrudgingly of its resources. Every appeal for money for patriotic purposes has been readily responded to, and the total of these cash contributions is now close on one million dollars.

The movement to raise funds for the purchase of two aeroplanes for presentation to the British authorities demonstrated the spirit of the people in these matters. Sufficient funds were raised in a couple of weeks to provide

of the present Government clearly indicates that a change of political masters has not meant a change of political methods."

Very apparently the failure of Government ownership in Manitoba was due not to the fact that it was administered by a Conservative government. It is not a question of this party or that party. The reason for failure lies in the fact, established over and over again, that Canada and Canadian Provinces have far to progress before operation of complicated large labour-employing utilities can be successfully conducted by the elected or appointed representatives of the people.

Professor Mavor summarizes his conclusions in the last twelve paragraphs of the book. The nature of the summary may be gathered from these, the last two:

"The entire history of the Government telephone enterprise in Manitoba affords evidence of the most positive character against Government ownership. Practically all of the defects which have emerged elsewhere in the management of industries by State officials have made their appearance in the case of the Manitoba Telephones. The management has been ineconomical, the enterprise has been handicapped by political intrigue, the finances mingled as they have been with the general finances of the Province have been unsoundly administered from the beginning, and the obligations of the public have been enormously increased without adequate compensatory advantages.

"It is possible that only by repeated and costly failures such as the Manitoba Government Telephones, will the public realize that the proper function of Government is not the conduct of industries but the impartial inspection of them under intelligent laws adapted to the character and conditions of the community and the country."

BOOK NOTES

MARSHALL SAUNDERS has provided a charming volume for dog lovers and for young boys and girls—who ought to be dog lovers if they aren't—in his new volume "The Wandering Dog" (Messrs. Copp, Clark Co.). Those who read Beautiful Joe are usually of the opinion that it meant a great deal to them; it provided something they would not like to have missed out of their lives. The same might also be said of the Wandering Dog. He is a terrier who has travelled widely and finally foists himself upon a wealthy New Yorker. He tells in highly diverting language not only his own story but the story of his Master and his Mistress and several other delightful people. His comment on dogdom is keen and spicy.

UNDER the title, "The Beech Woods," six delightful essays on Spring, Summer, Autumn, Winter, Night and Morning have been brought together by the author, Mr. Duncan Armbrast, a young Canadian, now with the King's colors. It is pos-

(Concluded on page 27.)

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