none too secure. It is only when deficits occur in the conducts of these ventures, which have to be made up out of the rates, that the great majority of the public begin to realize the danger of indulging too extensively in speculative public ventures. This tendency of the public to over-municipalize has been largely contributory to the piling up of the enormous municipal debt of the Mother Country, which many competent authorities claim is today a menace to the whole fabric of municipal credit. Absolute unreliability of municipal accounts is another evil which is placed to the credit of over-municipalization. There is a strong tendency among municipal councils, when an undertaking falls behind financially, to cover up the fact in the accounts, instead of making up the deficiency out of rates, and thereby earning the disfavor of the ratepayers. So serious has this phase of the question become, that the outcome of the investigations of a joint committee of both Houses of Parliament into the whole question of municipal trading, is a report to Parliament recommending the establishment of a governmental system of audit of all municipal accounts.(1)

4. There are reasons why it is often wiser for a municipal corporation to drive a close and careful bargain with private companies to both create and conduct municipal enterprises under franchises which are the property of the ratepayers. If the bargain so made is carefully entered into, it is quite possible that the results of private business management would mean cheaper and more convenient services and larger monetary returns for both the proprietory ratepayers

(1) See Report Joint Committee both Houses of Parliament on Municipal Trading made on July 23, 1903.