## The Chronicle

## Insurance and Finance

ESTABLISHED 1881. PUBLISHED EVERY FRIDAY.

R. WILSON-SMITH, Proprietor.
GUARDIAN BUILDING, MONTREAL.

Annual Subscription, \$2.00. Single Copy, 10 cents.

MONTREAL, PRIDAY, FEDRUARY 22, 1907.

## MUNICIPAL OWNERSHIP.

That a city's water supply and sewerage system should be under public control is now accepted almost as a civic axiom. But it is another matter to state just what is the proper range for municipal undertakings in general. No one but an ardent collectivist or extreme individualist is likely to have any exact opinion to offer. And no position between their extremes seems altogether logical. Thus it is that practical rather than theoretical considerations must continue to rule.

With the beginning of the year a wave of municipal socialism swept over Western Ontario. Town after town seemed carried in Toronto's wake in the movement towards municipally distributed Niagara power. Undoubtedly there is much in the proposition that appeals to the civic imagination. At any rate it influenced a majority of the rate payers to choose the prospect of cheaper light and power-available at most for but a section of the community-in preference to improved sewers and better water supplies. Already in one Ontario city, an unlooked for result has occurred from the rejection of a much needed water by-law. Some of the fire companies have notified their agencies to lessen risks, and there is talk also of considerably increasing rates.

Whether or not the power by-law is per se desirable, it seems certain that the municipal enthusiasm evoked by it has in more than one case led to an overlooking of the most immediate civic duties and needs. Frequently where there has been apparent success in certain municipal undertakings, investigation has shown that it was obtained at the expense of more important civic interests. It seems not unreasonable, therefore, that there were those who opposed the recent Toronto power by-law as being against the interests of the citizens as a whole. Toronto will practically become a contractor for a minimum amount of power that must be paid for whether disposed of or not. There is also the establishing of a large

distribution plant. Estimates as to the total cost and the entailed price of power vary most widely. This much seems certain—that if the undertaking should fail to prove profitable the tax payers in general must bear the brunt of failure.

Until recently the idea of public ownership had obtained small hold in Canada. Perhaps it was that so young a country offered abundance of opportunity for individual action and progress. Possibly it is now an evidence of the rapidity of the country's growth of late, that the present interest in the idea has come to our municipalities at an earlier stage in economic progress than it relatively came to the cities of Great Britain and the United States. It is a little less than ten years ago that Boston rushed whole-heartedly into varied municipal undertakings. No American city went so thoroughly into the movement, and few old-world cities have gone much further. And the statements as to profits and savings!-glowing scarcely suffices to describe them. But somehow, despite statistics, there was a growing burden upon tax-payers that became finally intolerable. Expert accountants got to work on the various departments' books and the fancied profits when put to tests of common-sense arithmetic vanished absolutely. Right or wrong in theory, Boston has had enough of miscellaneous municipal undertakings.

Of even more interest has been the experience of British municipalities during the past few years. Exponents of public ownership are not now able, as for a time they seemed to be, to make unchallenged references to the success of municipal undertakings in the old land. It was in March, 1802, that the Progressive Party carried London it its County Council elections-and immediately a most advanced municipal ownership programme was entered upon. In a recent issue of the North American Review, Ernest E. Williams gives informing details of the practical results that have since followed. Previous to the establishing of the County Council, the Metropolitan Board of Works was the central body in control of London's affairs. In 1888, the last year of its labours, its expenditures for salaries, office expenses and so forth were less than £40,000. Fifteen years later the County Council's corresponding annual expenditure was £285,000. Other outlays increased enormously until under the Progressive regime the debt more than doubled, standing in 1906, at £36,000,000. Of course, London has grown, but scarcely enough to warrant such expenditures.

The profits of London's municipal tramways are stated by the Review writer to be apparent, but by no means actual. When a new tramway is to be started the County Council induces the particular Borough Council concerned to pay a third of the