

### The Limits of Municipal Enterprise.

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The propriety of discussing this subject at the present time will scarcely be disputed. The corporation of Glasgow, successful in most of its undertakings hitherto, and a little intoxicated, perhaps, at finding itself so widely quoted for its "enterprise," seems to be in a humor to enter on any undertaking for which it finds, or imagines it finds, a mandate. In these circumstances, it is time to ask if there are no canons which should define the proper sphere of municipal action.

I shall assume that the citizens are neither socialists nor yet austere individualists; that they neither approve of any municipal action because it is a step towards putting everything under state control, nor condemn it because individual enterprise has previously done it. Whatever be the case with our councillors, it may safely be said that the majority of the citizens have no such prepossessions, and are willing to judge of any municipal undertaking on its merits.

What is a municipality? It is not an outside body acting for a class or classes of the citizens. It is an organism under the state, doing for a local area certain things which are appropriately delegated to it by the State, and its *raison d'être* is very much that of the state itself. Allowing for the essential weakness of representation by individuals irremovable during their office, and chosen by a majority of somewhat uninterested voters, a municipality is a committee of the citizens themselves taking common measures for their own well-being. Speaking generally, it resembles the Imperial Government, of which it is a microcosm, in that its function is not so much to do specific things as to provide the conditions under which the citizens may have the greatest amount of individual liberty to lead their own lives and pursue their own businesses. The state for instance, has its army and navy; the city has its police—the object of the one being protection from foreign invaders, of the other protection from ill-doers at home. But beyond this there are certain industries which are more or less conditions of life, and for which it is generally recognized that a government or municipality has special facilities. The state has its posts and telegraphs; the municipality has its gas and water. It is the proposal to extend the municipal industries which presents us with most of our problems.

#### MUNICIPAL INDUSTRIES.

What has particularly to be remembered is that these industries provide us with goods and services which the citizens otherwise would provide for themselves by individual enterprise. From this consideration it follows that in every such industry the municipality is bound to come into collision with private individuals, and is

bound to take account of a great many interests that are by no means easy to harmonize. The corporation here is in the position of a great manufacturer, with this difference, that while the private manufacturer has one, or at most, two interests to consult, the corporation has to consult four interests, which are not the less distinct that they may occupy, in various degree the body of one individual. A manufacturer is in business, as he says, to "make money," that is, to make a living for himself and those dependent on him. He may, at the same time, consciously set before him the idea of serving the public by purveying good things and cheap things, but, generally, this is done for him by the necessities of competition. If he does not make to suit the public, and charge prices which the public can pay, he will not "make money;" and, as Adam Smith said, "by pursuing his own interest he frequently promotes that of the society more effectually than when he intends to promote it." But a municipality, as a trustee and representative for the entire body of the citizens, has to consider, measure, and try to reconcile the interests of these four classes—consumers, ratepayers, rival producers and working classes.

To take these in order:

#### CLASSES AFFECTED—I. CONSUMERS.

(1) Consumers.—Perhaps in point of theory municipal industry should be confined to the provision of these goods and services where the circle of consumers is practically the whole body of the citizens. But there are innumerable industries answering to this description, which no one except a socialist ever thinks of asking the corporation to undertake, and we must find an additional feature to justify municipalization. That feature probably is monopoly. The provision of gas and water by municipalities, for instance, is generally unquestioned, and the reason is that perfectly free competition would involve the liberty to interfere with the streets, and so with the traffic, and so with the amenity of houses and shops in a way that we should now regard as intolerable. These industries, then, must either be in the hands of the central authorities or be given over, under restrictions, as monopolies.

On similar grounds the management of the tramways seems to meet this canon. The steady increase in the receipts shows that a car service has entered into the standard of comfort of even very poor people, and so the interest of consumers is pretty much coterminous with that of the community. And when it is argued that we might have had as cheap fares and as abundant a service from a private company, it is enough to reply that this is one of those industries which involve occasional disturbance of the streets, and so should be under the control of a body whose interest it is to secure a minimum of such disturbance.

But, in the case of telephones, the consumers are merely a class of the community—a class, too, which has not the claim of poverty at its back. It has been ingen-

iously argued that the telephone is not regarded as a universal good because of its high rent, and that a reduction of the annual charge to £6 or so would induce a great extension of its use. But rich people and business people do not make up the "community" of Glasgow, and it is hard to believe that the utmost facilities in the way of call-offices would ever bring the telephone within the reach of the working classes.

In the case of the provision of houses again, the want of coincidence between consumers and community is very evident. This is purely a class provision, and must be—as, indeed, it is—defended on quite other grounds.

From these considerations, however, we seem forced to admit that a municipality may be justified in taking over undertakings for which it has no natural advantage. For instance, in spite of the objection mentioned above, it is quite arguable that our corporation should take over the telephone service, not on the ground that it could do better for the consumer than the private company does, but for the reason that underground, or even overhead wires involve a control of the streets by outsiders whose interests are not so wide as those of the citizens.

(To be Continued.)

In England women may now be elected as councillors and chosen as aldermen. *The Municipal Journal* says: "In London we associate aldermen with the sordid side of municipal life, with feastings and ceremonies, processions and shows. The popular mind cannot conceive the portly form of an alderman—his figure rendered more ungainly by his cumbersome robes—interesting himself in such mundane things as drains, public baths, and street cleaning. Sometimes aldermen are not above taking an interest in such things as electric light—particularly when the interest goes into their own pockets; but no one can imagine an alderman becoming a useful working member of a council. The alderwoman will destroy our impressions of the City Alderman. She will continue to be useful when elevated to the aldermanship; she will have other interests than turtle soup, wine, and cigars, and will be altogether a more dignified personage than the alderman London now knows.

"While the House of Commons made women eligible as aldermen, it did not carry consistency further by leaving the position of mayor open to them. Few women would desire to occupy the mayoral chair, although some have been vice-chairman of Board of Guardians in London, but it is difficult to see how the position can be restricted to men. Women will vote and be elected on the new councils as citizens, not as women, and if in the conduct of our local elections we are to do away with the distinction of sex it will be difficult to limit the system.