

trading and has published a standard work upon the matter. In dealing with the subject he has adopted the unbiased attitude of the scientist, and evinces no predisposition either to attack or to defend. His conclusions should therefore carry weight.

The question as to whether or not municipal trading has paid in Great Britain was first touched upon by Major Darwin. A Parliamentary return of 1902 gave the amount of capital involved in municipal trading in England as \$600,000,000, upon which a gross return of \$23,000,000 a year was earned, amounting to a little less than 4 p.c. But, according to law, not only had interest on all debts incurred to be paid, but a sinking fund must be provided, so that in the course of twenty or forty years these debts could be wiped out. The sinking fund and interest in 1902 amounted to \$21,000,000, so that only about \$2,000,000 was left as profits. Advocates of municipal trading might contend that as time went on the demands of interest and sinking fund would gradually decrease, so that these enterprises were making a slight profit, which would considerably increase in a few years. But Major Darwin pointed out that there were many other things on both sides of the question to be considered. At the time this return was published, a considerable portion of the original debts had been paid, amounting to about \$100,000,000, on which neither interest nor sinking fund had to be provided. Therefore, if interest and sinking fund had to be provided on the entire \$600,000,000, it would amount to more than \$22,000,000, making a small loss instead of a small profit. It seems clear therefore that any city considering the advisability of municipal ownership must anticipate that during twenty or forty years while it would be paying interest and sinking fund, there would be a small loss to be met by taxation. "That point," said Major Darwin, "is not seen at all clearly in England. If it were, I do not think there would be nearly so fervent a desire for municipal ownership."

And even where, in particular instances, municipal ventures have certainly proved profitable—as in the case of Manchester's street railways—the question may still arise as to whether the profit was greater or less than could have been made if the municipality had leased to a company. In considering the advisability of any municipal trading enterprise the question to be considered is manifestly whether the ultimate possible gain will compensate for the initial loss—and if it is probable that the direct initial loss is to be greater than the amount payable to the sinking fund, it is not worth while incurring such a loss, as it means raising the margin out of taxation. "It

really means," said Major Darwin, "that you are drawing money from the people and investing it in municipal enterprises, which will doubtless in the end earn some return for it, but that return might be obtained just as well if made in anything but municipal industries; and the return might just as well have been made by allowing the money to stay in the pockets of the people to invest for themselves."

After exhaustive study Major Darwin has concluded that the English cities are being taxed to the extent of one per cent. on the investment in municipal enterprises; so that the net result is a slight loss to the people of the country.

The argument that municipal ownership makes for greater economy of management than company ownership, was disposed of by the speaker's showing that there was a tendency for municipal councils to accede to extravagant demands of civic workers since the latter were not only employes but—as voters—were in a sense employers as well. It was further pointed out that a changing council elected along political lines is not likely to have the same business ability and stability as characterizes a board of directors of a business company. Then, too, there is no getting away from the danger of corruption—even in Great Britain. On the whole Major Darwin was forced to the conclusion that the engaging of municipalities in trading enterprises has tended, slightly at any rate, to decrease the value of municipal councils and to lower the moral tone of the public owing to the admixture of petty politics with purely business considerations. That these grave objections are to prove less weighty in Canada than in the Motherland is surely too much to hope. Still, it can scarcely be expected that the more extreme advocates of municipal ownership will admit the force of Major Darwin's findings. It may, however, be hoped that some consideration of them will be given by Canadian communities at present contemplating trading activities involving municipal capital and credit.



**To-day's Military Parade.** The turn out of the troops on Queen Victoria's Birthday, to assist at the unveiling of the monument to the Stratheona

Horse promises to be one of the most brilliant and imposing military spectacles seen in Montreal for some time. Both the troops and the citizens will take pride in commemorating Queen Victoria, and also in doing honour to the memory of the gallant Canadians who fell in South Africa. The monument itself is a splendid specimen of the sculptor's art and will be a great adornment to the city.