

drifting into socialism unconsciously. Measures are being adopted by leaders and parties who do not call themselves socialists, which really are socialism on the instalment plan.

What are the tendencies which are said to make for socialism? They are, the rapid growth of state and municipal ownership, the regulation by the state of that part of industry which it has not yet taken over, the supertaxing of the rich and the supercoddling of the poor. Every time a western town starts a municipal street railway, or a Lloyd George proposes an Unemployment Insurance Act or "raids some hen-roosts," or a Canadian province insists on a maximum of hours, or a minimum of sanitation in industry, the step is hailed alike by many who fear and many who hope, as another advance toward socialism. Are these hopes and fears justified?

Take first government ownership. Its growth has been striking, but its extent and its significance are commonly exaggerated. Its growth has been confined to a limited and specific field. An occasional town has opened a municipal bakery, an occasional state monopolizes the manufacture of matches, with results which throw a good deal of light on state methods, but at least ninety-five per cent. of the productive industrial operations of our governments fall within the bounds of the natural monopolies of transport, communication, and transmission of water, light, heat and power. They are operations which require special and exclusive privileges in the use of the streets, surface or underground, or in the grant of expropriation powers; some are of special importance to public health or national safety; they are relatively simple in operation, staple in demand, stable in revenue; in all, competition is wasteful and transitory, because from the nature of the service both competitors must try to cover the whole ground, with costly duplication of plant.

Neither the success nor the extension of public ownership in this field warrants the deduction that it is either feasible or inevitable in the region still reserved to private initiative. In the latter field no exclusive privileges are sought, the business is highly complex, the changes in method frequent, the market fluctuating and requiring assiduous nursing and here, finally, competition involves only to a slight degree covering the same ground. Even in the former field, public regulation may well share the field with public ownership. The day of unregulated private control of public utilities is gone, but the possibilities of private operation under the supervision of commissions freed from court technicalities are only beginning to be realized.