MUNICIPAL OWNERSHIP BY EDMONTON MAYOR

(Continued from page 1)

I am told that the profits of the franchises disposed of by the city of New York to private persons and corporations would pay the entire cost of the administration of that city.

The city of Toronto has an agreement with the street railway company of that city, whereby the company pays to the city a percentage of its earnings. In 1905 the company pays to the city a percentage ing expenses, interests and fixed charges, $722,580.64. They paid to the city under this agreement for percentage of earnings, $292,706.72, a total of $1,015,287.36.

Does the citizen of Toronto ever stop to figure out that his street railway service costs him just $1,015,287.36 in excess of what it should cost him? And the company, judging from the literature in my possession, is very hopeful that these figures will be increased.

Disposal of Profits

One of the incidents of municipal ownership is the disposal of profits. In estimating the rates for the service of a utility municipally owned, while no profit is provided for a deficit is provided against, and a profit may result; what shall be done with it. In Edmonton, up to the end of last year we had a profit of some $20,000 on the operation of our electric light plant. We carried $10,000 to a reserve fund, to provide against a possible deficit this year, and paid $10,000 to capital and expenditure in new plant. It was contended with much vigor that this method conferred no benefit upon the light consumers of last year who produced the surplus, and who were in justice entitled to it. The weakness of the contention of the opponents to the arrangements lay in the fact that they had no proposal as to how it was reasonably possible to benefit last year's users and consumers with this surplus. I observe that the city of Glasgow carried a portion of thei surplus to reserve, but I am unable to learn what they did with the balance. A reduction of rates does not meet with the difficulty, though all things being equal, a reduction is certainly justified. It is perhaps a question of accounting, but I thought it might be of interest to those who had not anticipated so troublesome a difficulty as the disposal of a surplus under municipal ownership.

There are of course some objections urged against municipal ownership. The most vociferous objectors are the owners and dependents of private owned municipal utilities. They are persistent in their efforts, and ingenuous in their reasoning; no amount of argument could convince them, and indeed there is no particular reason in attempting to do so. I address myself to the "honest doubter." Two arguments are based on political interference. It is suggested, firstly, that by reason of political interference inefficient and incapable persons might be placed in charge of these utilities; and secondly, that the large staff of employees necessitated by municipal ownership might be politically controlled by the administration, and a dishonest and corrupt executive might hold office indefinitely. In short, that municipal ownership invites corruption. In answer to that, I offer the general proposition that the people are generally as well governed as they deserve to be, and I would point out, as I did a few moments ago, that a better class of men are attracted to such government by reason of the increased importance of the office, and of the magnitude of the work. It is also suggested that there may be what I call "honest inefficiency" in management, resulting in unsatisfactory service and perhaps increased cost. This is indeed a real objection and perhaps the only problem; I dealt with it when I took up th converse view under the idea of control. For the management of municipal utilities the best men must be got, they must be paid their price, they must be given a fairly free hand, and they must be expected to produce results.

The Real Danger

There is a real danger in municipal ownership, and that is that municipal enthusiasts will endeavor t reduce rates to demonstrate the soundness of their views and thereby create a deficit which will have to be met by increased taxation, with the possibility that then municipal ownership will be declared a failure. This is an incident of, but not an objection to municipal ownership.

I address you in this connection not as a theorist but as one having some knowledge of the facts. The city of Edmonton, which I represent, holds all its franchises; it operates its own telephones, waterworks, ligh and power plants, and is about to build a street railway. In the operation of our electric light plant, we had at the end of Dec. 31, 1405, a surplus of $20,873.71, which I have touched upon before, and our rates are from 9 to 12 cents per kilowatt hour, a rate which compares favorably with rates in any other city in Canada, and we shall do much better. In waterworks operation, which can never be expected to pay during the early years of installation, we had a deficit at the end of 1905, to that date, of $4,459.18. This deficit is not chargeable to general revenue and is being carried forward, ultimately to be wiped out by the increasing returns from the plant itself. It is our object, and it is our belief that we will ultimately supply water at the lowest possible cost and still have the plant pay its way.

We took over the old Edmonton District Telephone Co.'s plant in January, 1905, at a cost of $17,000. We had at the end of 1905 a surplus of $4,149.98 on operation, after writing off a 20 per cent. depreciation, amounting to $3,400. This large allowance for depreciation was due to the fact that the plant was an old one when purchased, and a new one was necessary. Our rates are $20 for domestic and $30 for business phones per annum. Next year we shall instal an automatic system of the latest type, and it is our hope and our belief that we shall be able to reduce these rates.

Edmonton is a municipal ownership city, and the fact that it is so is largely due to the faith, courage and energy of William Short, one of my predecessors in office. The whole idea is comparatively new, and we have had but a few years ex erience during years of unprecedented expansion which have been in themselves a severe trial and test. If the question be asked, "Is Edmonton satisfied with municipal ownership?" the answer must be that it is in view of the fact that next year we shall construct and operate as a municipal undertaking, a street railway service at an approximate cost of $162,000.

This is a great question, a most interesting subject for discussion, entirely too important to be dealt with in all its bearings in a paper of this nature, but I trust what I have said to you may awaken your interest and induce you to make enquiry and cause you very seriously to consider the wisdom of parting with any of your valuable franchises. In an age of gross materialism and increasing indifference to the responsibilities of public life, when vast combinations of capital subordinate all interests to their own, seeking only greater dividends and wider powers, it is very fitting that there should arise a great sentiment and great ideal significant of the youth, energy and magnificent promise of this Last West, having for its object the exercise of the true functions of government—the greatest good to the greatest number—and may I venture to hope, perhaps to predict, that with the growth of this ideal there will come its application to our national life, and a bigger, broader, and better spirit of national citizenship.

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