

by pointing to practice that the strongest arguments are made.

Brockville, Ont., had lately to face the problem of making up (all in a lump, so to say) a serious depreciation in its municipal light plant. For a time, rate-payers were furnished with reports of nominal profits, and rested easy. Heavy users of light congratulated themselves that gas and electric light rates were greatly reduced under the municipal regime; and neither they nor the citizens at large appeared to bother their heads as to whether the town could afford to do business on such a basis. And now the old story transpires,—an overlooking of the necessity for constant and liberal allowance on account of plant depreciation. Thus years of supposed success are now seen to have actually brought serious deficits. Brockville apologists blame final non-success upon the circumstance that the plant was not new, but an old one taken over from a private company. This, surely, is a begging of the question. The fact remains, as a daily contemporary puts it, that the people who patronized the plant were being supplied at less than cost, and now the people who did not patronize it are expected to come forward and cheerfully make up the loss due to this fact.

It may be said—and truthfully—that corporations also have made mistakes in allowing too little for depreciation of plant. The reply is twofold: (1) that, in practice, the error is exceptional with companies, but almost the general rule with municipalities, and (2) that when a mistake is so made by a corporation its shareholders, not the tax-payers as a body, suffer.

To be sure, it cannot be said that municipal undertakings are never soundly and successfully conducted—but very, very frequently as time passes apparent success turns to final failure. It is to Great Britain that Canadian advocates of municipal ownership have been accustomed to look for their shining examples. But it is scarcely necessary to say that the past two or three years have brought radical revision of the average English tax-payer's faith in municipal undertakings. That Socialism breeds pauperism can scarcely be doubted. Mr. J. S. Oxley, general inspector for London of the British Local Government Board, says that wherever the Socialist element is strongest, there the pauper percentage is greatest. And thus he accounts for the fact that while not long ago, the percentage of pauperism was lower in London than in the remainder of the Kingdom, to-day it is considerably larger.

Of Poplar, for example, which sends William Crooks, the Socialist, to the London County Council, Mr. Oxley says: "One is forced to the conclusions that the pauperism of Poplar has been largely brought about by the policy of the guar-

dians; that they are responsible for the large number of people that have become a charge on the rates during the past few years; and that their methods have had the effect of educating the people to look to the Poor Laws immediately they feel the pinch of unemployment, instead of using every endeavour to find work."

Mr. W. G. Towler, secretary of the London Municipal Society, has recently summed up the situation with regard to the "municipalization of local public services" in his book on Socialism in Local Government. The growth of municipal undertakings, reproductive (*i.e.*, commercial) and unproductive, is shown by the increase of municipal debts in England and Wales from £164,879,000 in 1884 to £482,983,000 in 1906.

In the matter of prices for service rendered, municipal ownership has admittedly brought reductions, but as Mr. Towler points out, consumers may be paying in the form of rates a part of the cost of some branches of service. As to efficiency and quality of service, it is to be remembered that since the municipalities do not yet have the field to themselves, they feel in some degree the stimulus of competition. This stimulus, however, would be removed if municipalization should ever triumph in all parts of the field. Even as things stand, there is "evidence of unsound business methods, lax administration, and somewhat more actual corruption than is usually supposed to exist. Most serious of all are the holding out of bribes to municipal laborers, and some deterioration in the character and ability of municipal councillors." Upon all these subjects—as upon the financial aspects of municipalization—Mr. Towler says there is great need of further investigation by some competent authority. For ten years past, he charges, the effort to secure such investigation has met the "desperate and successful resistance" of the municipal traders. Certainly, until such inquiry is held, the financial results of municipal trading cannot be precisely determined; but the lurking of such inquiry is significant.

Information enough seems available, however, to indicate "that municipal accounting is inadequate, that accounts are not uniform, and that the returns do not show the true financial position of the undertakings."

The Return of 1903, the most complete available, shows a small surplus (£378,000) upon all municipal industries; but Mr. Towler is very likely right when he maintains that this surplus would disappear if certain expenses paid out of rates had been included, if a sufficient allowance had been made for depreciation, and finally, if rents or taxes that might have been received from private companies had been taken into account.

Mr. Towler's alternative policy to municipaliza-