

MUNICIPAL OWNERSHIP

(Continued from page 8.)

ly, although there were more complaints upon this score against companies than municipalities, of construction of extensions, and the extent to which the entire area of supply was served and appliances carried in stock for sale or rent.

The character and equipment of the plants investigated is discussed. Mr. Maithe summarizes the result of his branch of the examination, saying it appears that one of the company stations is more modern and efficient than any one maintained by a municipality; but it is also true that two of the companies are more backward and have a more antiquated equipment than any municipality. Upon the whole, the municipal undertakings seem to be as modern as those belonging to the companies, but not so well located or arranged, and perhaps not quite as efficient.

General Comment by Mr. Maithe.
In concluding his review of the reports of the experts, Mr. Maithe says:

"The opponents of municipal activity have frequently tried to care the British voter and to prejudice him against the operation of public utilities by local authorities by citing the large increase in total indebtedness within the last fifty years, as compared with the decrease of the national debt. They have pointed out that the local debt has more than trebled in the twenty-five years from 1875 to 1900, and that the amount of local debt per £100 of stable value of property has doubled in the same period, while the national debt has decreased almost 18 per cent.

"Over 40 per cent of the local debt is for water, gas and electricity works, tramways, harbor improvements, wharves, cemeteries, baths, workmen's dwellings, etc. In every one of these cases the debt is represented by physical assets. Besides, there are parks, street improvements, schoolhouses, almshouses, bridges and many other investments which are now being used for public purposes and by which the present citizens are being benefited. That does the national debt represent? To a certain extent public works of present use and value, but principally war expenditures to guarantee success in case of war.

"Further, debt for productive undertakings, such as gas works, electricity supply and tramways, has a quite different character from debt for schools, parks, prisons, etc. The latter do not produce a financial return, however necessary and valuable they may be. They may be even more important than electricity works, but the mere fact that they are not self-supporting places them in a distinct class. The debt is a burden upon the taxpayer, for he must pay the interest thereon as well as the cost of maintenance. But in the case of the three public utilities here considered, it has been thoroughly demonstrated that the interest and fixed charges are paid by users or consumers and that in no instance has the taxpayer been called upon to make up any deficiency, except possibly temporarily, and then it has been repaid at a later time.

"But this is not all. It has been definitely shown not only that the debt is not a burden upon the taxpayer, but that the taxpayer gets a financial benefit from municipal operation, and therefore from the very debt which is claimed to be a burden upon him. It is not evidence, but it is suggestive, that the local rates (tax rates) were lower for every group of towns when there was municipal operation of gas, electricity, or trams than where companies were operating.

British Gas Service.
Mr. Edgar and Mr. Clark open their comments on the British gas situation by pointing out that the private companies supply gas at a lower price than do the municipalities, thus, the relatively small cities of Newcastle and Sheffield get cheaper gas from private companies than do the larger cities of Manchester, Birmingham or Glasgow. The difference in cost per ton of coal does not explain this difference in the selling price of gas, according to the reviewers, who find that the greater efficiency in management and in energy in selling the by-products has much to do with the lower prices. The service given the consumer by the private companies is declared to be superior to that given by the municipalities, although it is pointed out that the investigation of the candle power of the light supplied was incomplete in the municipal plants because of the decline of the authorities to permit the experts to make full examination.

"The whole question of the quality of the product of the municipalities is in doubt," say the reviewers. "The members of the Commission and the experts who are familiar with gas and photometry see no escape from the conclusion that the above facts show that the service of the municipalities is not what it is claimed, that the municipalities are unwilling to have the actual quality of their service determined by independent and competent authorities, and that the gas supplied by private companies is much superior in candle power to that supplied by municipalities.

"The apparent indifference to illuminating value on the part of municipalities is the more remarkable when we consider the relatively small additional cost of an added candle power. Their failure to make the best reasonably possible gas for their consumers is consistent with their failure to give their consumers the facilities and attention that are afforded by the companies. We are not discussing questions of candle power versus price. It is no part of our duty to determine whether a company or municipality is wise to lower the illuminating value of its product, that it may sell at a lower price."

Financial.
Considering the general gas service, from a financial standpoint and with a view also to the character of the service given and the maintenance of plants, Mr. Edgar and Mr. Clark declare in favor of the private companies. They find that apparently the citizens of municipalities operating gas plants are not seriously concerned with the operation; do not regard the operation of the gas plant as a matter of general interest, and do not take that interest in it which is advanced as one of the arguments in favor of municipal ownership and operation. The lack of interest in municipal plants indicates a general indifference on the part of the public to a condition that they tolerate because they know not how to remedy.

"On a superficial view," continue the reviewers, "the fact that municipal undertakings contribute some of their earnings to the city treasury, and thus aid in reducing the tax rate, seems an advantage gained by that method of operation. Leaving aside the question of injustice involved by a system of relieving the taxpayer at the expense of the gas consumer, let us examine, in the municipal plants investigated, what would have been the effect if the companies' prices had prevailed.

"Glasgow cannot enter into this comparison, because that city has been, for many years, prohibited by Act of Parliament from applying any of the profits from its gas undertaking to the common good. London is omitted because of its widely different conditions.

"In the year covered by this investigation, if, in the city of Birmingham, the Newcastle price of gas had prevailed, the consumers would have been £262,600 better off; if the Sheffield price had prevailed, the Birmingham gas consumers would have saved £350,900. The amount paid by the Birmingham gas undertaking into the common good was £69,813. So it seems that this city is playing a losing game with its municipal plant; it is muling its gas consumers from £250,000 to £350,000 a year in order that it may help out the municipal treasury with a paltry £70,000.

"In the case of the Manchester, if the Newcastle price had prevailed, the gas consumers would have saved £47,500; at Sheffield's price they would have saved £111,300. The amount contributed to the city treasury by the gas business was £60,000.

"In the case of Leicester, at Newcastle's price had obtained they would have saved £90,500. The amount contributed by the gas business to the common good was £43,466.

Electric Lighting.
The examination of the electric lighting systems of Great Britain, both municipal and private, shows, according to Mr. Edgar and Mr. Clark, that municipalities in England, though said to be much better governed than are those in the United States, are by no means as well adapted for commercial operation of an electric lighting plant as are private companies controlled by men of average honesty and ability whose training and initiative are given fully scope. "It appears," they add, "that so far as the prices charged are concerned the system of municipal ownership and operation of electric undertakings in England has given its advocates no reason for feeling ashamed or elated, but that so far as extending the benefits of electric light and power and so far as progressiveness in developing the industry so as to give the best possible service are concerned, it has shown itself to be entirely outclassed by the system of private operation."

General Comment by Mr. Edgar and Mr. Clark.
Messrs. Edgar and Clark in closing

their review summarize their opinions as follows:
"The efforts of the National Civic Federation have resulted in a Commission of Americans, whose first interest in this investigation, as in all else, is to do what they may to preserve and continue the American idea and American institutions, believing that the high state of civilization and of prosperity in America justify the American idea and the American method, and place the burden of proof heavily upon those who would say another idea and another method would result in improvement in the condition of the people.

"Believing this to be the thought and intent of the membership of the Commission and of the Committee subordinate to it, we still believe that there are ills in the American body politic that may be remedied or cured. We believe that the remedy should be applied and the cure effected without any unnecessary departure from the American idea and the American system. We believe that the framework upon which may be built purity of administration and the highest possible good of the citizens is in existence with us, and that it is not necessary, in the effort to cure the ills from which the body politic may be suffering, to destroy that body. We submit that, living in a land where peace and prosperity are the common lot, we must be very cautious of change. This does not mean that where abuses are found to exist they should not be promptly and mercilessly eradicated, but it does mean that changes in system should be undertaken only after conclusive proof that such changes will result in bettering the condition of the individual. We had better bear the relatively few ills we have than subject ourselves to unknown conditions that may bring in their train greater ills of which we do not know.

"Our investigation has determined with certainty many heretofore mooted questions. It indicates the probably correct answers to other mooted questions. Where the facts are clear and the conclusions evident our task has been to summarize and indicate. Where there is remaining uncertainty as to facts, and conclusions are not evident, we have made an effort to determine the probabilities. This has resulted in arguments based on such facts as our investigators have recorded, and on our own experience as operators and observers.

"We believe no intelligent reader of the voluminous record of the Commission's work will fail to conclude that it clearly proves municipal ownership to be productive of many and serious ills, with little or no compensating good.

"The writers of these chapters, agreeing we believe with the other members of the Committee of Twenty-one, that public service companies should reasonably be regulated and afforded the protection that comes with regulation, and appreciating that the committee was not appointed or constituted to consider methods of regulation, nevertheless desire to record their opinion, that some form of regulation of private companies should be adopted in each of the United States. What that form should be this Commission is not prepared, by any investigation or any study it has made, to suggest.

"Finally, we who stand in opposition to municipal ownership, speaking, we believe, for all individualists, arraign the arrogance of many of its advocates in assuming that they exclusively occupy the field of reform in dealing with the problems concerned, and that they are the sole promoters of measures of economic improvement in municipal affairs. We assert that the opponents of municipal ownership and operation, firm and consistent supporters of justice, are the class seeking the public welfare intelligently and in accordance with American principles. On this point we do not yield to any body of men. We seek, as a first principle, to insure to every man his own. In doing so, and in endeavoring to protect the public against oppression and error, we find it our duty to demonstrate the errors in the schemes of municipalizers and Socialists and to warn against the oppression that they threaten. We are resisting efforts to put burdens on the backs of the American people. We cannot and will not remain silent while the attempt is made to thrust costly and impracticable projects upon customers of the public service corporations and upon the public at large. We know the truth will out. We are confident that ultimately the American people must appreciate at their value the unsoundness of the arguments of the municipal socialists. We shall aid in hastening the day when our fellow citizens will know through discussion what the public of London have been taught by bitter experience. London has awakened to the perils of municipalization, as is evidenced by its verdict in the recent borough and county elections. In that great city the municipalizers have led their fellow citizens astray, and their dupes, find-

ing it out, have administered to their false guides an overwhelming rebuke.

"We individualists are not seeking to lead the people in strange paths; our aim is to keep them in the paths they have heretofore trod; paths well known, along which the American people have marched to heights of prosperity and civic development not known heretofore to the civilized world. Along these paths have been stumbling blocks. Our opponents are endeavoring to persuade us the sole responsibility for these stumbling blocks rests upon the public service system, to be remedied only by a change of system. This we deny. We are patiently studying the ways of justice; municipalizers advocate experimenting, at enormous cost, with public funds, with the principles of liberty and with the institutions of our country. In this we stoutly refuse to take part. We are conservatives in believing that it is better to adhere to old and tried methods based on our accepted national principles; but radicals in the determination to discover and to sternly rebuke and rectify any injustice which may have been developed by the present system. As it has always been the function and duty of government to insure that individuals shall deal justly with their fellows, it is now the function and duty of government to protect the governed against injustice on the part of these associations of individuals working under the name of public service corporations. Any government that is too feeble or corrupt to control with justice the conduct of a public service corporation, has little prospect of being able itself to supply such public service with efficiency and justice. Our duty is to elect to office men who have the intelligence and integrity to govern efficiently, honestly and justly; men who can and will curb the unjust aggressiveness of the individual, or of the voluntary association of individuals, and who can and will compel each to bear its share of the burdens of government, and give in price, service and otherwise a proper consideration for special privileges enjoyed. Our nation is what she is industrially and commercially and in world politics because of the American character, developed by the most absolute individualism, and because of the American corporation, developed under a government that governed but did not trade. Our duty is to conserve the human agencies that have made our country what it

is—the adventurous individual and voluntary association—but not to let them be our masters. This is the confession of faith of the anti-municipalizer—the anti-socialist."

First Baptist.—D. W. Thurston, pastor. 10 a. m., Sunday school, Alva Doll, superintendent. 11 a. m., sermon, "The Secret of a Happy

Life." 7 p. m., Young People's service, Claude Stutman, leader. 8 p. m., sermon, "Assured Peace." Special music by the choir, under direction of Prof. Geo. Ayre. Prayer meeting on Thursday evening at 8 p. m., subject, "The Seventh or First Day." Everybody, especially strangers, are invited to all services. Come and we will do thee good."

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