

MUNICIPAL OWNERSHIP—THEORY AND PRACTICE,

(For the Review).

By CHARLES H. INGERSOLL.

The futility of government control of enterprises it does not own is every day demonstrated, and follows the general principle that control is inalienable from ownership; to permit ownership and deny control of property is a negation of rights involving utter impracticability.

It is but a capitulation and compromise—a wavering from the plain indication of correct theory.

Management would be handicapped and efficiency reduced through interference, with no corresponding gain to the public.

I therefore address myself to the proposition of Municipal Ownership, which to my mind presents itself in two phases, theoretical and practical, and as every practical matter must have a good theory behind it, a thorough questioning of the basic principles of public ownership is essential.

The purely practical side may be under various circumstances seriously questioned, and Municipal Ownership would in many cases seem quite impracticable unless approached from the standpoint of a correct theory.

Theoretically, *private* ownership of *public* utilities, is a sheer impossibility, and its toleration in this age is a commentary on our advancement. It seems to me that this is one of those self-evident things that people have persistently refused to see; it is one of the paradoxes—fully realized and demonstrated—and a saving feature is that we now have our eyes opened to the fruits of this policy, in corrupted municipal councils, imposition, and extortion from the corporations, inadequate or dishonest service, monstrosities in our public streets and works, future generations mortgaged, and stock watered and sold and resold to widows and orphans to satisfy the greed of frenzied financiers.

The question of Municipal Ownership attaches to what are known as public utilities, or services; going beyond this certainly takes us towards Socialism, and to the average mind going this far is dangerously near to that awe-inspiring scheme, which, of course, accounts for much of the popular bias against it.

That it is socialistic except in a most general sense, is readily disproven by pointing to existing public utilities, the right of municipal ownership of which no one questions; for example, schools, sewers, highways, police and fire protection, poor houses, jails, and a long list of public services.

So the indications are that whether socialistic or not, the term Public Utilities is a variable one which must be currently defined in the light of circumstances and conditions.

A usual and economically correct definition of Public Utilities is based upon whether the service is monopolistic or competitive, and if the former, it should be considered public, and therefore publicly operated, and if competitive it should remain in private hands.

This theory of public ownership is based on broad grounds of justice to all—the greatest good to the greatest number—by which is meant that to the people collectively is reserved that which they create and own, without to any degree affecting the rights of the humblest individual in what is private property.

This theory is so obviously correct, that so far as I can conceive, the only debatable questions are as to its application, or we may say, the selection of services for public ownership.

Continuing from the theoretical viewpoint, and accepting the monopolistic

test for assigning certain functions to public ownership, we have already adopted, generally, roads, sidewalks, sewers, water supply, and to quite an extent in this country, gas, electricity, heat, power, transportation, and some miscellaneous services; and discarding the monopoly test, there are numerous functions that are fixed public institutions, such as schools, parks, baths, poor houses and jails, libraries, museums and hospitals, cemeteries, etc., etc., some of which relatively are remote from universal public use.

All of which shows the extent to which we are actually committed by precedent and practice to municipal ownership.

We may, therefore, consider the theoretical side of the question disposed of, by summing up that Municipal Ownership is founded on right ethics of government; is applicable to all business of a public character, especially with reference to its monopolistic nature; has been in practice for ages, coincident with various other functions of government.

As to the practical side—and there may be more or less theory also in this—there can be no doubt that we are in the midst of a saturnalia of exploitation, because of our failure to recognize the correct relation of the public to its utilities—allowing them to be the basis of every imaginable scheme of finance and speculation.

Largely by reason of private ownership of public utilities our Municipal Governments have degenerated into political machines or adjuncts to the larger state and national machines, fully justifying some radical's opinion that "the government must own the railroads or the railroads will own the government."

In fact this whole question might well be boiled down to this proposition, that the public service corporations do in all practical matters relating to the services, substantially control our Municipal Governments.

Such a condition is easily accounted for—a City Council is the trustee of public property of enormous value; with hazy views both as to its being a public asset, and of its value as well, its members are, especially if of low average character, easy marks for the shrewd efforts of the corporations whose business it is to get such public franchises and sell or juggle with them in Wall Street.

The fault is ours in permitting this temptation, and in refusing to accept for our representatives the full responsibility for public business, and then compelling them to handle it properly.

We elect men to handle public affairs and then by implication or directly, instruct them to farm them out.

The argument that cites present political corruption, as a reason why we should not consider public ownership, is, I think, refuted by what I have just said—remove service corporation temptation and give your Council this important work to do (instead of the dickering with corporations) and then turn them out if they do not do it.

At least this may be said: if your public officials are corrupt they cannot sell you, your children, and your children's children out *perpetually*, as they are now doing daily; they can only do it piecemeal under Municipal Ownership by way of petty graft, such as padded pay rolls, commissions on purchases, etc., and this is easy to detect, and is an unpopular form of stealing.

The danger of placing increased voting influence in political hands is the most common argument against extension of Municipal Ownership, and while there is considerable force to this argument it seems to me much exaggerated.

Civil Service is giving us progressively less to fear from this source, and we are rapidly learning not to consider as inevitable the success of the machines backed by municipal employees.

And on their part, employees are enfranchising themselves by declaring their independence.

Ballot reforms assist in minimizing this defect.

But conceding it in its fullest measure, I would still say that the balance under the head of "Corruption" is largely in favor of public ownership; the influence on voters exists under present conditions almost as strongly as if the employees were public employees, through various forms of coercion and threats applied by the corporations.

Frequent change of administration and consequent disruption of management is also an oft heard objection, theoretically strong but actually weak, for I do not think sufficient parallels can be cited in support of it; present functions of our government do not suffer from this cause; changes are almost as infrequent in the executive management of our post office, fire and police departments as in private businesses, and the effects are no worse; a report made by the U. S. Superintendent of Water Works Plants will confirm these statements.

It is sometimes said that private enterprise is essential to the financing of the large undertakings involved in public services. Passing over the intricate, persistent and serious disorders due to current methods of financing, including the piling of watered stock on top of bonds, and the failures resulting, the "economies" practiced in the service, in order to pay dividends on water, etc., etc., it cannot be seriously contended that any combination of individuals have facilities for borrowing money equal to a Municipality having behind its bonds the whole assessable property of the town.

I think we all feel that the rank and file of service corporation employees are overworked and underpaid—particularly those with whom we come most in contact, the street car men.

While better treatment and increased pay might imply less economy, it would not be keenly felt by a service asked to pay interest only on actual investment. We all believe labor worthy of its hire, and want no "blood money" in our public administration.

The dangerous situation that has been produced by street railway strikes, traceable to private ownership, is in itself a sufficient argument for Municipal Ownership of street railways.

My idea is that the legal right of corporations in perpetual franchises, and in fact all franchises, are merely technical; they are based on no equity, justice or morality. The granting of perpetual franchises has been without warrant, and if the highest courts do not finally declare them invalid, an aroused public sentiment will in due course produce other laws and other courts that will do so.

Beyond this it is a matter of computation to ascertain the basis of acquisition of tangible property of the corporations, naturally without a dollar of allowance for capitalized future earnings, or for foresight in the securing of these valuable franchises from misguided or dishonest Councils.

The question of confiscation receives its own answer. I would only remark that the waiver of any restitution on the part of corporations of past profits, should be a complete offset, if any is needed; and the same argument applies to presumed innocent present owners of stock. People who buy stock should know the formula on which it was issued, and be at all times prepared for a wringing process if they find themselves confronted with the interest of the whole people.

One of the most forcible reasons for Municipal Ownership of water, lights, telephone, telegraph, and railway services, is the anomaly presented in our streets by the various installations of these plants.

They would logically be laid out and administered together; this is shown by the consolidation in many cases of service companies, and when it is carried to its logical conclusion, these plants will all be constructed and administered compositively along proper engineering lines, and by local governments.

Conduits now maintained separately by telephone, telegraph and lighting companies, at infinitely greater expense and less efficiency, and to the constant

destruction of our streets, will be consolidated, and, under proper plans and rules, operated together.

This physical condition is but a reflection of the chaos that prevails in our Council Chambers, and furnishes an interesting setting for numberless star-chamber hearings and patch-work ordinances.

A full, consistent and economical administration of these services would tend rapidly to universality of use; electric light, for example, would be generally used at six or eight cents a kilowatt, at which it could be easily supplied, whereas few care to indulge at fifteen or twenty cents, the prevailing price.

Public opinion is at last crying out against corporate greed, and beginning to see how it has been the victim of it; this is gratifying, and I give due credit to the limited franchise agitation for arousing public spirit; but the work will not be complete and the question will not be settled until it is settled right.

There is no logic in permitting fifty-year franchises in place of ninety-nine; and nowhere in the descending scale do they become logical. Only when we get to the point where the people receive every dollar that is their due, which is *all* of the profit of their own utilities, will the question be finally settled.

THE CHURCH AND SOCIAL RELATIONSHIPS.

(For the Review.)

By W. A. DOUGLASS, B. A.

What gravitation is to the universe, that religion is to humanity. As gravitation binds the universe in a cosmos, so moral law will some day bind humanity in the harmony of brotherhood.

Religion is the supremest of sciences, the loftiest of human considerations, the bond of universal harmony, the source of the highest inspiration, the crowning of goodness, the enthronement of love, and the harbinger of universal peace.

The correct method, therefore, of developing the religious spirit and of securing the triumph of its influences must ever be a question of the highest importance.

There is a twofold application of religious truth: First, it appeals to the individual to consecrate himself to the highest ideals; second, it lays down the principles for the government of the organization of society. What the brick is to the building, what the soldier is to the army, what the wheel is to the machine, that the individual is to society.

In our evangelistic efforts this dual application of religion is almost, if not wholly, ignored. All the efforts of evangelistic organizations are almost wholly concentrated on the individual. Again and again is proclaimed the doctrine, that, if every individual were right, then the whole of society would necessarily be right. The assumption is that the goodness of the parts insures the goodness of the whole. If, however, we ask a few questions respecting this assumption, we see at once its fallacious character.

What would we think of an architect who would assure us that the soundness of a building depended altogether on the soundness of the parts, and that the arrangement of these parts is a matter of no importance? What would we think of the general who would assert that the success of the army depended wholly on the valor of the individual soldiers, and that organization, strategy