

CITY LIGHTING.

ADDRESS BY FREDERICK F. INGRAM, COMMISSIONER OF PUBLIC LIGHTING,
DETROIT, AT ANNUAL MEETING OF THE LEAGUE OF MICHIGAN MU-
NICIPALITIES, ADRIAN, MICHIGAN, JUNE 17, 1903.

The supplying of light from central stations by distributing conductors radiating over the territory supplied, is a public service that involves the use of public property and requires the exercise of public functions.

The community itself may perform this communal service or give to a private company the right to do so, clothing it with certain special and exclusive privileges and the necessary authority to exercise them. In other words, grant to a private corporation use of public property and the authority to exploit the public for private profit.

Electric lighting from central stations is now clearly recognized by the general public as a monopolistic industry not subject to the laws of competition. We hear no more about its abuses being righted in time by competition. Everywhere and always, pretended competition results in combination and increased charges for the service much greater than the naturally increased cost of same that results from duplication of plants and lines.

Neither do we now hear from intelligent opponents of municipal ownership the query once so common, why not have municipal butcher shops, municipal groceries, etc. The butcher or grocer does not require special privileges and has none. Monopolies would be equally as objectionable in those lines. Extortion, incivility or incapacity in such competitive businesses meet swift and certain punishment, while good will and gain is dependent upon ability, industry and fair dealing.

The burden of proof is upon those who insist that public property shall be used by a privileged few for private profit. Naturally, public property should be used for public purposes and be controlled by the people through officials accountable to them for their public acts.

The building up of a privileged class by alienating community rights, concentrating such rights into the hands of a few, is unAmerican. It is a revival of similar practices that for a time prevailed in the colonial days, until condemned along with involuntary servitude, public lotteries and other public evils imposed upon the struggling colonists by Charles the second and his profligate favorites, in their effort to replace the growing democracy with an aristocratic system. It was "A sort of Renaissance of feudalism," as the Rev. Edward Everett Hale expresses it.

The reactionary movement was stoutly resisted, franchises of every kind carefully guarded, communal interests sacredly treasured and public utilities operated for public profit, the exceptions being few and usually taken back after a brief experience with a private corporation.

Thus over a century had elapsed, when New York City granted the then political boss, Aaron Burr, a franchise for supplying water. Finally in 1811 steam as a motive power came into use in transportation, and the beginning of the present era of private monopoly domination over public utilities, may be said to have begun with the 25 year exclusive franchise granted Robert Fulton and Wm. Cutting for a steam ferry between New York and Brooklyn. Simultaneously corruption in New York City politics and complaints and petitions regarding such public services as had fallen into the hands of private corporations also began, and the end is not yet.

For many years and previous to the advent of private corporations as the grantees of franchises, no direct taxes were levied in New York City. The fees from ferries, rents, fishing rights, etc., were ample in lieu thereof. When

in 1684 money was needed to defend New York City, 200 pounds was raised by mortgaging the ferry for three years.

What I believe was the first direct tax levied, was a tax on vacant lots. The ordinance stating "That as many large and spacious lots lay vacant and unimproved, being held in reserve by parties for their pleasure or profit who would not build thereon, that a yearly tax be imposed upon the owners of all lots which should remain unimproved."

Thus did our ancestors tax forstallers for the same reason as we now tax dogs—to get rid of them.

It appears the first franchise granted a private corporation in New England was for building a bridge between Boston and Charlestown, charters for other bridges, turnpikes, etc., followed until the conditions became unbearable to such a democracy as was New England in those days, a wave of reform swept the colonies, ordinances were passed abolishing such private control of public utilities, the law establishing a lottery for the benefit of Harvard College was repealed, followed by the extinction of the system of legal white slavery then in vogue, the victims being known as bond servants and probationers.

I have delved into ancient history to illuminate two points,—The first is; that, to adopt municipal ownership for any public utility is not new or radical. It is simply following in the footsteps of our forefathers whose wisdom has been verified during the intervening years by the injustice and corruption that have resulted from reversing the policy and granting to private corporations, powers and privileges that belong to communities. As the late Gov. Pingree once said, "The corporations are responsible for nearly all the thieving and boodling from which our cities suffer."

My second point is; A glance at the past shows that so soon as a community is convinced that a certain policy is best, that policy will be adopted.

Public ownership and control was resumed when private monopoly became unbearable, lotteries were suppressed when their evils were seen, slavery abolished when its degradation was felt.

Should municipalities return to first principles and retain in their own hands the administration of municipal functions and, more specifically, should public lighting be done by public officials or private corporations?

We were told in Detroit, that the corporations controlled the sale of the material and the machinery, which could not be bought by a city plant or if at all at such extortionate prices as to make the cost of lights from a public plant unbearable to the tax payers.

Detroit's public plant has now lighted the city eight years. The 1st year the cost was less than the lowest price ever secured from a private company or ever offered by a private company.

The lowest contract price was \$128.87, the lowest contract price offered was \$102.20 per 2,000 C. P. arc light per year on a 10 years contract.

The cost from the public plant the 1st year was \$100.50. It has steadily declined since to \$63.82 last year, adding depreciation, lost taxes and interest on the investment to cash cost.

This is my sixth year on the lighting commission, and I can say, speaking from that experience, that the dangers and obstacles alleged to beset such a municipal undertaking and that are portrayed with such energy by those interested in concealing the real cost of electric lights, are mere fancies. We have not felt them or seen them.

The city will have gained in ten years operation more than the entire value of the plant (at least \$800,000) as a clear profit over what its lights would have cost on the lowest ten years bid from a private company.

Under the ten years contract the cost to the city would have been \$2,414,-785.14 while from the city plant the total outlay for plant and operation, add-

ing lost taxes, will not exceed \$2,250,000 (actual figures are given to 1903, 1903 and 1904 are based on average increase of lamps and cost of preceding years). The benefits are not alone to the tax payer, for we give the union scale of wages and run on the 8 hour day. Also, once a year, every employee of the Commission gets a ten days vacation at full pay.

We were told that a public plant could not give decent service, because it would be run by city politicians.

The number of lamp hours reported out the last year of contract lighting was 86,426 while last year under municipal lighting with 50 per cent. more burning it was but 6,825.

The average city politician like the average man in any employment, holds his position by serving his master. If public utilities are in private hands, private interests are served. These private interests then run the politicians. The politicians can never run them.

The lessened cost and improved service alone, vindicate Detroit's experiment in municipal ownership; they are not, however, the most important results. Removing this public utility from private exploitation has shown our citizens that natural monopolies are harmless in the hands of their natural owners, the community, but demoralizing and corrupting in civic affairs if surrendered to private corporations.

At the "National Convention upon Municipal Ownership and Public Franchises" last February, in New York City, I heard much about private operation and public control, from the representatives of the franchise holding corporations and others.

The old argument that cities can't operate a lighting plant or can't make it pay, is no longer listened to when hundreds of cities are doing it and are making it pay.

Commissioner of Labor, Carroll D. Wright's report of four years ago, has data from 952 plants, 320 of which are municipally owned. It shows that the average cost is less from the municipal than from the private plants.

Edw. M. Shepard, Counsel for the Rapid Transit Commission of New York, explained to us the plan recently adopted in that city, the city owning the property and leasing to a private corporation.

Boiled down it amounts to this: The city gives the private companies the funds, as well as the franchise and depends upon the Rapid Transit Commission to enforce a series of requirements regarding the size of the cars, how they are to be run, etc. The company failing to meet the requirements, the commission may take legal action, the grievance in the meantime to continue, while the litigants are chasing the action from court to court for a generation or so.

Why are these corporations now so anxious to be controlled? Is it because their experience with municipalities teaches them that they are beyond control? Where has control, however earnestly sought, been effective?

The quality and quantity of light is frequently a subject of dispute between a city and a contracting company. If the current is cut or a light is out the saving goes to the city from a public plant. In contract lighting it goes to the contractor unless there is an accurate account made of the reduced output.

Many stations make a practice of lowering the amperage at or about midnight. This results in a saving in fuel and carbons and is generally considered good economy. Does the city under contract lighting always benefit by this economy.

It is difficult for the city to secure definite and indisputable evidence as to the facts in disputes between a city and contracting company, regarding the wattage of the lights furnished.

For example, recently two Michigan cities, Saginaw and Rochester, lighted under contract, made the claim that the lights were under the quality called for.

The claim was disputed by the contracting companies. The contract called for a 2000 C. P. arc .450 watts at the lamp terminals. Careful tests by experts hired for the purpose by the city, who connected watt meters to the circuits without the companies knowledge, found the average of 12 readings in one case to be 340 watts, a little over 75 per cent. of what was contracted for, the average of 13 readings in the other showed 400 watts, 80 per cent. of what was contracted for, the contract price was rebated for the 25 per cent. shortage, but not for the 11 per cent.

A city must have an accurate record of the light furnished at all times as a basis for enforcement of contract—this necessitates the employment of a competent city electrician not affiliated with the public utility companies. He should be provided with an office and one wire of each circuit connected with a recording watt meter therein. This will show the time of starting, shutting down and current supplied.

In closing I wish to say : The farming out of public functions may have an excuse in Turkey and the more despotic Oriental countries, but it is contrary to the spirit of our democratic institutions.

If our government is not to be democratic—a government by the people, placing public utilities in its hands does not establish public ownership. It might be machine ownership, class ownership. A coterie of machine politicians would be as undesirable if direct owners as are the private companies. Small choice for the people in owners, if it must be between machine bosses and the private corporations that control the machine bosses.

As Professor Parsons has said, "Public ownership of the government is essential to any real public ownership of anything else."

The public in order to control the government must themselves by direct methods nominate their officials ; the people must also secure to themselves their natural right to veto measures and to propose measures—the initiative and referendum.

Not until then will officers reflect the aspirations and desires of the people.



THE MOVEMENT IN DENMARK.

LETTER FROM S. BERTHELSEN, OF HONG, DENMARK, PRESIDENT OF DANISH
HENRY GEORGE LEAGUE.

(Letter written to be read at Jefferson Dinner of Manhattan Single Tax Club, arrived just one day late.)

(Translated for the Review by Grace Isabel Colbron.)

To The Manhattan Single Tax Club of New York :

As President of the Danish Henry George League, I have the honor of sending our brotherly greetings to our comrades in faith of the Manhattan Single Tax Club on the occasion of its celebration in honor of the great Democrat, Thomas Jefferson.

The Danish Henry George League was founded the 2nd of March, 1902. But as far back as 1889 we find the first Danish-Norwegian "Association for Social Reform," which had the taxing of land values on its programme, and which did much in speeches and writings for the propaganda of Henry George's teachings in Denmark, Norway and Sweden. But the movement could not at that time gain any practical importance for the public life of these countries, owing to peculiar political conditions, which, in Denmark at least, were most unfavorable for the discussion of questions of practical political economy. It