

Here are the facts. The Tory party was in power in Manitoba. With a certain torystic instinct, it "stood in" with the Interests. A popular reaction against torysm had begun in Canada as in the United States, which expressed itself concretely in opposition to monopoly of public utilities. To meet this threatening wave of public sentiment the Tory ministry of Manitoba came out for public ownership of telephones, promising a system with better service at half the cost of the Bell system. It actually began construction, but just at this point the trick was played. Whether or not the Tory ministry were a party to that trick consciously, or were only buncoed, is not now important. The Bell company worked off the trick all the same. It began with negotiations for the sale of its own plant to the Province. After due delay, enlivened with propositions and counter-propositions largely featured in the newspapers in evidence of the progressiveness of the Tory reactionaries, the Bell system was unloaded upon the government. This was done at a *secret session* of the Tory cabinet and without legislative ratification. The price was \$3,200,000—just about *one million dollars more* than the system could have been duplicated for anew, and probably a full *million and a half more than the system as it stood was worth*. This excessive capitalization has made rich pickings for the Bell stockholders and been a heavy burden upon the operation of the system by the government. Nevertheless, the Tory ministry concealed the burden for a time. They made a reduction in rates, more apparent than real, and yet reported each year a "splendid surplus." By transferring this from telephone purposes to general purposes, they further crippled the telephone system. Only a year ago the transferred "surplus" was \$110,000. At that time the Tory ministry predicted a "surplus" for the present year of \$300,000, but before they could transfer it their house of cards collapsed. The chairman of the Telephone Commission announced that the deficit for operation in Winnipeg last year was \$75,000, and that it would be the same this year unless rates were increased by April 1st. There were then no "splendid surpluses" in the telephone fund to draw upon, the general fund having got such as there had been; and the excessive price paid the Bell concern was inexorable in its demands for interest on a million or a million and a half of watered capital. With an interest account running from 30 per cent to 50 per cent higher than it would have been but for the secret deal between the Tories and the Bells, and with all surpluses promptly transferred from telephone account to general account, it is not remarkable that there should be a deficit.

But does this show "flat failure" of public ownership?



In the same city of Winnipeg where the municipal telephone system is so "flat" a "failure"—though managed by the identical man who managed the same system for the Bell company before they unloaded it upon the public for double its value—there is another public utility, electric power*; and this proved so great a success that local sentiment is unwavering for public ownership and operation of public utilities. Under private ownership and operation the rate for electric light was, at the lowest, 10 cents per kilowatt hour; under municipal ownership and operation it is 3 cents, and as low as 1 cent under contracts for heating and cooking. The plant for this public utility, costing about the same to construct that the telephone plant cost on purchase from the Bell company, is of the first class and there is no water in the price. It was constructed within the estimate, can supply power in almost unlimited quantities, and is selling it at the prices set forth in the original prospectus upon which the people voted at a referendum four years ago. The lighting bills in Winnipeg have consequently been cut enormously. But there was in that case no secret bargain with any public utility company. Whenever a public utility publicly owned and operated is exploited as a failure, it is reasonably certain that the "failure," if not a lie out of whole cloth, has been caused by the crooked hand of some public utility company. In the Manitoba telephone case all the facts at all indicating "failure" are traceable directly to the secret bargain between a Tory cabinet and a Bell telephone company.



Death of Edward Homer Bailey.

The Johnstown Democrat, first among the daily representatives of democratic Democracy in American journalism, lost one of its editors in the death last Friday of Edward Homer Bailey; and Warren Worth Bailey, the editor-in-chief, loses in this death of his brother a most efficient and sympathetic associate. For nearly twenty years these two men, both indoctrinated in the political philosophy and inspired with the moral enthusiasms of Henry George, have made the Johnstown Democrat a civic power in Pennsylvania and a welcome newspaper in a vastly broader field. While Warren Worth Bailey lives, the Democrat cannot fall in prestige or react in principle; but the death of

*See The Public of January 26, 1912, page 78.

Edward Homer Bailey is a distinct loss, no less to the paper than to the community in which he has made a high mark of citizenship. One little pamphlet of his has carried his name over the world. It was only a tract, "How to Get Rich Without Working," but it is familiar to many whom its apparently sordid title has turned from greedy and grasping ambitions to thoughts of love for their fellow men. In English it circulates in the United States, Great Britain, Canada and Australasia; in Spanish, it has readers in South America and Spain; it is now in process of Chinese translation for circulation in that oldest of empires and youngest of republics. "A simple and convincing story of the workings of a bad system," as the Johnstown Democrat truly calls it, this little book alone is a worthy monument to the memory of a man who proved well his right to live.



THE SOUTH'S PROBLEM.

The race question at the South is one of extraordinary difficulty. With twenty-five millions of people living together under legal equality, but separated socially into two classes who never intermarry, is presented a problem unique and baffling. How shall the sixteen millions of white people deal with the eight millions of Negroes possessed of civil, political and industrial rights and duties?

Representative Negroes have spoken for their race. We have heard from the Southern Democrat and the Northern Republican, and they do not seem to be very far apart in their conclusions. They appear to agree that the relations of the races must be determined finally, by and for the whites of the South.

I venture at this time to present the view of a Northern Democrat. Perhaps I have more than the average reason to speak, because, although of Northern parentage, I was born and bred to the south of West Virginia.



Certainly the relations between the races are not on the way to a happy solution. I presume that Senator Tillman never tried to put himself in the place of his black fellow citizen—never asked himself what he ought to have done, or what he would have done, had he been born a Negro.

To my mind both the Republican and the Democratic writers upon this topic have abandoned the Jeffersonian doctrine of equality of

rights. The Republican has done so, because that has been the trend of his party for a generation; the Democrat, because he has made the Negro an exception to the rule which guides his political life.

The Democrats of the South excuse their inconsistency by pointing to the bad results of Negro government during the "reconstruction" period, and assert that the Negro vote is still unintelligent and dangerous.

As to the abuses of the "carpet-bag" regime, how could it have been otherwise? With the mass of the voters and their legislators ignorant, inexperienced, and corrupted by a bad leadership, what else than folly and extravagance were to be expected?

Moreover, they found ready made for their use, fashioned by generations of white voters and legislators, a set of election machinery which no constituency in the United States, however cultivated, has been able to manipulate to its own satisfaction.



When the Democrats were last in power at Washington, Tom L. Johnson, then a Democratic Representative from Ohio, introduced a bill which would have enabled voters, whether educated or ignorant, black or white, to choose a House of Representatives well qualified in all respects for the duties of legislation. The form of proportional representation proposed by Mr. Johnson is known as the "free list" system, applied originally in Geneva, Switzerland. The first section of the Act was as follows:

The members of the House of Representatives shall be voted for at large in their respective States.

The remaining sections of the measure provided that each party in a State should be represented in Congress in proportion to the total number of votes cast for its candidates, and those receiving the highest number of votes were the ones elected. For illustration: Any party winning half the votes in a State would have half the delegation in Congress, made up of the candidates of that party getting the largest number of votes.

In nearly every Southern State this law would have given some representation to a party or parties other than the Democratic, and probably would have resulted in the election to Congress of a few Negroes. This expectation may account for the fact that neither Mr. Johnson's bill, nor another bill for proportional representation proposed in the 52nd Congress, was reported from committee.