

a lion's share. And yet, when their meager food has been bought (a dollar a week or thereabouts for each person), and "after the rent is paid," they have little left. It takes all they earn to keep body and soul together. And the biggest item is the landlord's exaction; not for houses, but for the land on which the houses stand. Is the extortion only accidental, or is it an inevitable feature of our boasted civilization?

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## PUBLIC OR PRIVATE OPERATION OF PUBLIC FUNCTIONS.

Among the criticisms which William J. Bryan's declarations for government ownership of railroads have brought out, none are more urgently pressed than the objection that public management of public work is never as well performed as private management. The most extraordinary instance of this criticism was made recently in a speech at Memphis by Secretary Shaw of the Treasury department. Mr. Shaw's criticism was extraordinary because he cited in support of his contention the fact of the inferiority of his own department under his own management.

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Mr. Shaw did indeed argue, not that he and his department are culpably inefficient, but that the "inherent nature of public service" prevents the efficient and economic accomplishment of public work. Yet he cited in proof of this the erection of the postoffice building in Chicago, which was done under the management of his own department and which, as he said, occupied nearly ten years more for its completion than private enterprise would have required. This citation spoils his criticism, for it calls for an inquiry into the management of the critic's own department. To infer that the cause of the inexcusable delay in the case of the Chicago postoffice building lies in "the inherent nature of public service" is to make a long jump to conclusions. It would be such a very long jump that no one would make it unless he were more anxious to come to a favorite conclusion than to come to a right one.

For Secretary Shaw's department is not the only one in the Federal government which manages public work. It is important, therefore, to make a comparison; and one such comparison was made by Senator Newlands in 1905 in a speech on the law for the reclamation of arid lands. Contrasting the Interior department, which manages that work, with Secretary Shaw's department, which manages the construction of public build-

ings, Senator Newlands said, as may be seen by reference to the Congressional Record of December 16, 1905:

The irrigation committees of the Senate and House visited the various projects during the last summer, and we had opportunity of observing the quickness and extent of the work, and we were amazed at the progress that had been made in the short space of three years.

At the same session of Congress a bill was passed for the construction of a postoffice building, to cost fifty or sixty thousand dollars, in the city of Reno, Nev. That building is not yet constructed—the foundations are not yet laid; and yet the reclamation service has during the intervening period expended over \$2,000,000 in reclamation work in Nevada; has diverted the Truckee river, a stream of floods during certain seasons of the year, a distance of 30 miles by a new river over into the Carson Valley; has constructed dams and locks and all the hydraulic machinery that was necessary to make that enterprise effective, and the water is now being turned out upon the soil.

This contrast would indicate less inefficiency in the "inherent nature of public service" than in the "inherent nature" of Mr. Shaw and his supervising architect.

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But there is really a deeper reason, which will appear upon a consideration of all the facts.

About half of the three years referred to by Senator Newlands was occupied by the extensive surveys and investigations needed to determine the feasibility and cost of the project. The extensive construction referred to by Senator Newlands had occupied only about a year and a half.

In addition to this, the reclamation service has made surveys and investigations of nearly 100 projects in the arid region, has determined the feasibility of about 30 of them, and begun construction on 24. Approximately half a million acres will be placed under irrigation by next spring, and this area will be nearly doubled in another year.

To accomplish all this work, it was necessary to organize the entire service around the nucleus of about a dozen engineers, and this has been accomplished in the space of a little over four years. As a piece of government work this organization is the marvel of foreign and American engineers for the rapidity and efficiency with which it has been accomplished.

Though it is the aim to do this work mainly by contract, it has been found very difficult to do so on account of the immense amount of railroad and other construction work in progress in the West. The department was compelled, therefore, to enter extensively upon construction work without

the intervention of contractors. In several cases large contracts had been let and the contractors have failed. In the case of the Gunnison tunnel, for instance, the contractor accomplished little except to involve himself in bankruptcy and to furnish an illustration of how the work should not be done. The government is now pushing that work by the direct employment of labor. And in this way it is performing the work with speed and efficiency, making what is believed to be the world's record in rapidity of driving a large tunnel.

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That explains the superiority of the Interior department's construction work over the work of the Treasury department. The work of the former, done by the government's own employes, is economically and efficiently done; that of the latter, done by contract, is so uneconomically and inefficiently done that Mr. Shaw parades it as evidence of the "inherent incapacity" of government to perform its own functions. The whole question raises the issue, not of public or private management of public work, but of performance directly by government employes or indirectly by contractors.

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That public work by contract, as compared with public work by public employes, is uneconomical and inefficient, is proved not only by contrasting Secretary Shaw's illustration of the construction of the Chicago postoffice, which was done by contract, with the reclamation work of the Interior department, which is done direct, but also by work in various other kinds of public service.

In Chicago, for instance, the department of public works is equipped with a mechanical bureau for doing city work, which has now grown to considerable dimensions. This bureau does its work not only more economically, more promptly and better than city work let out by contract is done, but better than the same kind of work is done in private establishments.

A similar experience has been had by the Chicago school board, which also has a mechanical department where work is done directly by city employes. As the school board also lets out much of its work by contract, a comparison with the work done directly is possible, and this comparison is altogether to the disadvantage of contract work.

That the general, as well as local governments, can accomplish results with speed and efficiency, is proved by the Post Office department, and that it can do this without the intervention of contractors is proved by the Interior department.

If the railways were owned and operated under a department where the controlling head felt himself responsible for efficient and economical service, and believed that by proper administration this was to be accomplished, it undoubtedly would be; but if it were placed under a department head who believes that the "inherent nature of public service" absolutely prevents efficiency, the results would probably be comparable with the Chicago public building.

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Secretary Shaw says there are over 20,000 employes in the Treasury department, but that if this were a private enterprise "every whit as much work could be accomplished with a reduction of one third in number and one fourth in salary of those remaining." If that is the case, no one but the head of that department is responsible. Other departments have shown that such inefficiency as this in public business is unnecessary, and it may be of interest in this connection to observe that as a violator of the civil service rules in their letter and spirit the Treasury department has the worst reputation of any department in Washington.

It may be admitted that the postal service is not as efficient or economical as it should be, but this is due mainly to the lobbies of the railroad, telegraph and express companies, who by their influence secure exorbitant rentals for mail cars, prevent the extension of the parcels post, and secure a rate upon third class matter double that on fourth class matter and eight times that on second class matter, in order to prevent competition in parcels' carrying with the express companies. They also prevent the postal use of the telegraph, which is to-day the quickest and one of the most important means of transmitting intelligence.

It may further be admitted, in fact it should be contended, that no government function can be as economically or efficiently administered as it should be, until the railroads and other powerful corporations are eliminated from politics. But no method of doing this is known except public ownership of railways and other natural monopolies.

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## EDITORIAL CORRESPONDENCE

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### PUBLIC UTILITIES IN SEATTLE.

Seattle, September 30.—Defeated, but not discouraged, in their efforts to carry Seattle in a special election on September 12 for a proposal to construct and operate a municipal street railway system to compete with the system of the Seattle Electric Company, the Seattle advocates of municipal ownership have merely fallen back, taken a new position,