

PUT "MUNICIPAL OWNERSHIP" IN THE DEMOCRATIC PLATFORM.

Greater New York Should Own Its Public Utilities.

Other Cities Have Pioneered the Way--Experts on the Subject Explain Its Feasibility.

Greater New York must not be exploited by corporations whose principal capital are the franchises that are the inherent property of the commonwealth.

The Democratic platform should surely contain a plank that will make what are now quasi public enterprises full features of our municipal government.

There is no reason that individuals should be longer enriched at the expense of the people, and it is the promise of the Democratic party, so soon to meet in convention, to make this idea a leading one in its announcement of programme and purpose.

Other municipalities have pioneered the ground for us and have demonstrated the immense advantage in a city's running its own gas and electric lighting plants, its street railroads and telephones. The whole plan has been elaborately thought out.

BY JOHN DE WITT WARNER.

The objection which is perhaps most stringently urged of all to the municipal operation of franchises is the political demoralization which, it is assumed, would be consequent upon such an extension of the civil service of the municipality were street railway franchises included among those thus to be operated.

What has our experience shown? If our present postal facilities were furnished by private corporations, and if, before the experiment had been tried, we were asked to name, of all branches of possible public service, that in which favoritism by the Government would be at once most possible and most to be deprecated; where Government meddling would be most likely and most intolerable; where the number of employees must be such and the necessity of discipline and method such, as most to develop bureaucracy, we would name the postal service, and say that the carriage of the private messages of our citizens was the last function to be undertaken by the Government of a free people. In short, the Post Office is just the department of public service where the dangers of public control are theoretically the greatest. It will, however, be admitted that in fact our liberty has been rather enlarged than restricted by our Government postal service, and that the army of postal employees constitutes neither a servile class nor a demoralizing factor in our politics. Nay, more, it will be conceded that there is not a more self-respecting, harder working body of men in the country, or one that better earns the wages it gets, or which is better respected, or which better deserves the repute it has, or one which is a more effective ally of ideal civil service methods than is the postal force.

When the conditions are such as to leave each public servant to do his work in close relations to the mass of his fellow citizens, mutual contact and mutual criticism establish mutual respect and mutual co-operation at once toward effective public service and enlightened politics.

In the case of the street railway force the conditions are not merely such as to class it with the postal employees rather than with such a clerical hire as was the Census Bureau, but such as to make it less dangerous than is the case even with the postal service.

Nor is it from this standpoint alone that certain branches of administration practically compel efficient business methods. In a government bureau or in a local clerical office it is entirely possible so to lead the service with securities or inefficiencies as to rob the public, without material interference with the orderly conduct of the public business, or any betrayal to the public at large of the extent to which it is being swindled, and its service used as barracks for political Hessians. But in the case of street car employees, the great majority are so engaged as to make it practically out of the question that inefficiency should not be seen and noted of all, while the normal day's work that a man should do, and the normal proportion of clerical to outside force, has been so far established by experience as to guarantee, so far as this is possible to be done, the effective administration of municipal street railways, carried on as they must be under such extreme conditions of public knowledge, appreciation and criticism.

To me the increase of patronage involved in the proposed extension of public service was for years a bugaboo; but upon study it seems to offer decided advantages in the very cases where it seemed most formidable. The most serious experiments possible are those which have already been tried, and their success is an invitation rather than a warning.



Over Thirty Millions of Dollars Citizens Could Save.

The Democratic Announcement of Purpose Could Not Voice a More Popular Idea.

BY MARION MILLS MILLER.

Whatever question there may be as to the ability of an individual man, such as President Low or Judge Gaynor, to do that "unifying force" so greatly desired in the present political chaos, there can be no doubt in the minds of those who are at principles rather than men to find a proper nucleus of concerted action, that the one issue which will divide the friends of the people from their plunderers is the public ownership of city franchises. The justice of the proposition that the public should retain the ownership of all those public services which are dependent upon exclusive rights in public property is self-evident from its very statement. Indeed, this principle is recognized in the new charter, wherein that term, dear to all Americans, of "inalienable right" is applied to the possession by the public of those values which are the result of its own creation. It is true that the new charter makes no provision for the restitution to the people of the franchises which have already been given away by the city in perpetuity, and with little or no compensation, therefore, to the private corporations. Indeed, so many and so important are the problems which cluster about this issue that it may be the part of wisdom to forego for the time being, at least, any efforts by which the city may regain its lost property. It is, however, well to suggest in this connection to those who are prodding by the city's former negligence that it would be well for them on their part to let sleeping dogs lie, and not arouse public indignation by such impudent statements as the recent one of President Vreeland, of the Metropolitan Street Railway Company, wherein he says, speaking of the acknowledged right of the city to acquire by the power of eminent domain these old franchises, that "in ascertaining and fixing their value the most important element will be the value of the franchise to maintain and operate the road, and in that fixing, that due regard must be had and due effect given to the further growth of the locality in which the roads are operated, and the life or term of existence of the corporation owning them and the reasonable and just expectation which those who have invested money in such property or its security had in mind when so investing."

In other words, President Vreeland demands that the assessor of such value be required to add to his present infinite and unerring qualifications the faculty of a mind-reader, and that, too, of the thoughts of holders of gas and railway stocks who calculate the future value of their possessions as the milkmaid in the fable did of the eggs in her basket! Let the franchise corporations beware and not carry their heads so high in pride of their mastery of the situation that before they take a tumble to themselves their fondest hopes of future gains lie broken at their feet.

But, with all due respect to such authorities as our present Mayor, the greatest franchises of this city are yet to be disposed of. There are more eggs to be laid than those now in the market. With the great scientific advance which may be expected in new methods of transportation and illumination, the public service of the future may reasonably be counted upon to exceed that of the present, as far as the traction and the gas service of to-day surpass the horse-car lines and public lighting of fifty years ago.

There may not be such a great number of new streets to be given over to the railway companies, but with the march of civilization, in time even those avenues which are occupied with what are now the most improved forms of traction will be compelled to be laid with still better systems of propulsion. Then, by the construction of every application for a change of motive power as a request for a new franchise, such as has been promised by one candidate for Mayor (who will in this respect undoubtedly be followed by others), the streets may come again into the power of their true owners—the people of the city.

What, then, are the principles upon which should depend the disposition of these franchises, whether entirely new, or resulting from a change of traction? To my mind the following commend themselves as just and practical:

1. To insist on full and complete ownership, with power to lease where this is advantageous to the city, and to operate where this is more practicable and profitable.
2. In case of a lease, to demand either the largest possible return to the city consonant with efficient service, and so reduce the taxes; or to impose such conditions and regulations that the people will receive directly the unearned increment, or franchise value, in the form of reductions in car fares and gas bills.
3. In case of public operation, to give the lowest possible rates consonant with efficient service and the payment of full wages for legal hours of labor to employees.

BOLTON HALL'S ARGUMENT

He Analyzes the Iniquity of Private Possession of Public Utilities.

BY BOLTON HALL.

"A franchise is a privilege of a public nature conferred on individuals by grant from government."—Legal definition, as given by Century Dictionary.

A municipal privilege implies that all returns (an equivalent) for the same should be rendered to the grantor. Who is the real grantor—the officials of government or the people whom they represent? When the franchise of the Broadway Street Railway to "Jake" Sharp they personally received a return for the privilege in the form of bribes. The public, the real grantor, was robbed. When, without bribing, franchises are granted for an insufficient consideration each one of the people is robbed just as much.

Sales girls and clerks are paying to-day, out of their little salaries wrong from them in high car fares, the burden that Landowners pay greatly heavier taxes every year because values which should be applied to public expenses are given away to a few "smart" promoters.

The streets and the parks are the only places that the great mass of our people have any legal right to be without paying for the "privilege" to some monopolist. Let all of the people, then, get the benefit of the only monopoly they have left themselves. Detroit has beaten its street car companies; why cannot we?

The natural monopoly on which transportation is based is summed up by the phrase "right of way." There is room for very few rival lines upon the average street. Parallel lines on different streets introduce only partial competition. All competition, therefore, being limited by nature, the long suffering public can be apportioned as prey among the two or three corporations who occupy the field. This did in fact happen in the case of the gas pool. Partially com-

peting parallel roads may be bought up, the connecting lines leased, and, by the system of giving or withholding transfers, the current of travel can be controlled and escape along competing lines prevented. These rival lines can thus be forced into the pool. All these points are well illustrated in the history of the Metropolitan Street Railway Company of New York, which, under the present procedure, will soon have the entire monopoly of surface transportation of Manhattan Island, and, unless the people jealously guard the Brooklyn Bridge, will, by the absorption of other lines, perhaps even of the elevated ones, occupy much of Long Island as well.

It may be that, by right, franchises given away by former city administrations for absolutely nothing, as in the case of the Broadway franchise, or for totally inadequate returns, as in the case of the various horse-car line franchises which have been absorbed by one company, should all be annulled on the ground of bad trusteeship on the part of those elected to be the guardians of the people's rights. If this is not practicable, it would be well to in-

quire if, after all, something of the nature of ownership was not reserved to the city, and to make the fullest use of such remaining rights.

The very expression "privilege of a public nature" implies that the value of the privilege is due to the public; to the presence of the industry and thrift, the civilization and commercial enterprise of the whole people. Therefore the return to the people should be as near as possible, the franchise value, which is the whole value of the service, less such an amount as will be a just compensation for the commercial hazard and wages of superintendence of the lines. The nearest approach to such a lease is that given by the city of Toronto to a street railway company under terms which assure the city a large yearly revenue and reserve to it, at the expiration of twenty years, the power to take the plant at its actual value as determined by arbitration, with nothing to be paid for the franchise.

Under all circumstances the city should maintain itself in a position to operate all franchises itself, or to compete by parallel lines with all companies, and so prevent its being "held up" by a mutual agreement among the private corporations seeking leases not to bid against each other. Especially should the city reserve to itself the ownership and control of the natural monopoly on which the special public service is based.

GLASGOW'S EXAMPLE.

Dr. Shaw's Account of the Splendid Success of the Scotch City's Departure.

The city of Greater New York ought to possess its own machinery. The functions that are now performed by private corporations for the gain of individuals ought to be performed by the municipality for the benefit of its citizens generally.

Such enterprises as street railroads, illuminating companies, telephones, etc., come within the scope of municipal activity. Experience in various European capitals has proved that the public is better and more cheaply served by the city than by private corporations.

Public ownership should be a plank in the Democratic platform at the coming election. The plan, if it could be brought into operation, would save more to the citizens of New York than any other reform suggested.

These corporations now take out of Father Knickerbocker's pocket between thirty and forty million dollars annually. Just how much in private gain the possession of these franchises means cannot be ascertained; there are no figures obtainable, for instance, from the telephone company, and various street railroads disguise the hugeness of their gains with sinking funds and improvement funds, but there is at least ten dollars a year for every man, woman and child in Greater New York that would be saved if the city ran the street railroads, illuminating companies, etc., instead of giving away the franchises for them to corporations.

To bring about this state of affairs should be one of the principal aims of the Democratic party, pledged, as it is, to protect the people from those who prey upon them.

There is no question of communism involved. It is not a new departure at all. Experiment has demonstrated even for us that the citizens fare better when the city government supplies

them with water than when a water company collects all it dare charge. The city's possession and leasing of the ferry franchises is another indication of how the scheme of municipal ownership works in detail.

If a municipal water supply is good, why not a municipal gas and electric light supply?

Nobody will contend that the public does not get better and cheaper service from the Brooklyn Bridge than if the Bridge was the possession of a Wall Street concern. If the cities can manage the Brooklyn Bridge railroad, why not the other street railroads?

There is no question of confiscation. Nothing of the sort is suggested. No hardships would be inflicted upon existing interests. The community owns its own streets, and the franchises for using them should no longer be given away.

Dr. Albert Shaw's book on "Municipal Government in Great Britain" is crowded with facts and figures that point out the value of municipal ownership.

Of the Gas Department of the government of Glasgow Dr. Shaw writes:

"Twenty-five years of management by the authorities has given unmitigated satisfaction to all the citizens of Glasgow. The quantity of gas sold had increased from 1,026,000,000 feet in 1869-70, the corporation's first year, to 3,126,000,000 in 1890-91, an increase of 170 per cent, while the population supplied had grown only perhaps 25 or 30 per cent.

"From \$1.14 per thousand feet, which was charged consumers in 1869-70, the corporation has been able to make reductions year by year until for several recent years the price has been fixed at sixty cents.

"No one will claim that a private company would have made these reductions while continuing to supply a satisfactory quality of gas, especially in view of the fact that the price of gas-making coal has greatly increased.

"Yet the department has been able

Value and Income of Some of the Principal Public Utilities That Ought to Belong to the City.

STREET RAILWAY COMPANIES.

	Capital.	Bonds.	Rentals, Interest and Dividends.
Metropolitan Street Railway Company.....	\$30,000,000	\$31,400,000	\$3,319,231
Third Avenue Railroad and leased line.....	12,500,000	7,800,000	1,280,000
Union Railway of New York.....	2,000,000	2,000,000	100,000
Dry Dock, East Broadway & Battery, Third Avenue system.....	1,200,000	930,000	171,875
Second Avenue Railroad, Metropolitan Railway system.....	1,862,000	1,900,000	191,100
Manhattan Elevated.....	30,000,000	39,922,000	3,961,875
			\$9,023,881

GAS COMPANIES.

Consolidated.....	\$35,430,000	\$4,158,000	\$3,082,880
New York and East River.....	7,000,000	5,000,000	250,000
Equitable.....	4,000,000	3,500,000	665,000
Standard.....	7,161,100	400,866
Central Union.....	3,500,000
Mutual.....	3,500,000	315,000
			\$4,714,746

ELECTRIC LIGHT COMPANIES.

Edison Illuminating.....	\$7,938,000	\$6,442,000	\$798,380
Interior Conduit.....	1,000,000	440,000	26,400
			\$824,780

BROOKLYN STREET RAILWAYS.

Brooklyn Rapid Transit.....	\$20,000,000	\$5,850,000	\$292,500
Brooklyn Heights Railroad.....	200,000	250,000	1,731,267
Coney Island & Rye Railroad.....	1,000,000	700,000	134,977
Nassau Electric.....	6,000,000	4,049,000	222,441
Brooklyn.....	1,000,000	1,907,000	207,690
			\$2,588,775

Trust known as the Brooklyn Union Gas Company, the ownership of which

to construct new works (it now owns four immense establishments), pays its interest charges and running expenses, write off large sums every year for depreciation of works, pipes and meters, and accumulate a sinking fund easily capable of paying off capital indebtedness as it matures. The total indebtedness was at the highest point in 1875, when it reached \$5,300,000. The net debt is now reduced to about \$2,400,000, which is very much more than covered, of course, by the value of the plant. Whatever competition gas as an illuminant may have to face in the future, the Glasgow corporation works have reached a point of perfect financial security."

Concerning the municipal ownership of street car lines, a more recent venture, Dr. Shaw wrote:

"There was much discussion of the question what rates of fare should be fixed. A uniform penny rate had many strong advocates. But it was finally decided to divide the lines into half-mile stages and to charge a half-penny (equal to one American cent) for each stage. It should be remembered that Glasgow is exceedingly compact, and that the bulk of the patronage of the tramways comes from passengers riding less than a mile. It is believed that the halfpenny fare for short rides will add a large element of patronage that the uniform penny rate would have missed. Experience alone can settle the question whether the new rates will be as advantageous as was expected. After a few weeks of trial it was found advisable, without altering the basis of the system of half-penny fares, to fix certain long penny "runs" especially for workmen.

The lessee company had kept its drivers and conductors at their posts for long hours—often not less than fourteen, twelve being the minimum. The new municipal management makes a ten-hour day, and fixes a satisfactory schedule of wages.

The service was begun on July 1, 1894, with success and high prestige,

and with every prospect of proving beneficial to the community and lucrative to the public treasury. Some extensions of the lines were at once begun, and preparations were also set on foot for the early use of cables on several routes. Provision was made for the electric lighting of the cars, and in every detail it was determined to give Glasgow, under direct municipal operation, the best surface transit system in Great Britain.

In concluding his account of the municipal departures of Glasgow, Dr. Shaw said:

"The numerous undertakings of the municipality, far from imposing heavier burdens upon the ratepayers, promise in the years to come to yield an aggregate net income of augmenting proportions, to the relief of direct taxation. Glasgow has shown that a broad, bold and enlightened policy as regards all things pertaining to the health, comfort and advancement of the masses of the citizens may be compatible with sound economy and perfect solvency."

A hundred other cities have followed the examples of Glasgow and Manchester and every one has found that municipal ownership of what is called here quasi-public enterprises is a success.

There should be no delay nor reluctance in bringing Greater New York up to the modern plan of things. The Democratic platform could have no more practical and popular plank than that demanding municipal ownership of public utilities.

BY REV. DR. JOSEPH H. RYLAND.

I think the principle of municipal ownership of quasi-public franchises should be pushed to actual application as fast as possible; as fast as public interests will allow. Other great cities have done it to their great advantage all over Europe. Glasgow, Birmingham, Bradford and other large cities now own the machinery of the city, so to speak—their water works, gas works, street lines of transportation, etc., and I cannot see why the principle should not be applied here.