

France, and gradually Hong Kong and Wei Hai Wei from England, and later Manchuria and Corea from Japan. Then the real estate man won't be able to foreclose his mortgage on the poor old "sick man" of the far East. The supposed carcass will get up and walk and run, and the carrion crows will fly to their own cover, where they will likely be unmolested by the ex-carcass, if there is no further aggression.

CITY OWNERSHIP KILLS MONOPOLY.

Henry T. Rainey, Congressman from Illinois, in the New York American and Journal of May 21, 1905.

In a short time the question of municipal ownership will be directly presented to all the great cities of the country. In spite of strenuous objections, made principally by men who have a pecuniary interest in the private control of public utilities, it must be admitted that there is a growing tendency on the part of city governments to perform for themselves what has long been done by private corporations.

Within the last year or two the demand for municipal ownership in some of our larger cities has assumed almost irresistible proportions. Several weeks ago the question of municipal ownership of traction lines was directly submitted in the city of Chicago to the voters, and the proposition was carried by a majority of 85,000—a full set of city officials was elected upon a platform which declared in favor of immediate ownership of traction lines.

The argument against municipal ownership of public utilities always centers about two propositions. In the first place, it is insisted that "politicians" cannot run a business as well as private individuals who have a direct interest therein; and in the second place, it is insisted that a government which "governs least is best." It will always be necessary for the citizen, in his examination of this question, to determine just how much weight these propositions carry. I purpose to discuss each of them briefly.

It is also contended by some that a city should "regulate," not own; but this is made a part of the proposition that a city cannot run a business as well as private individuals.

Our cities are constantly growing in importance. In the State of New York over one-half of the population lives in cities of 10,000 and over. As our cities increase in population and

extend over more territory, the more remote do people live from their friends, their places of business and amusement, and their dependence upon street cars and telephones correspondingly increases. In the very nature of things the operation of street cars, telephones, waterworks, gas plants and electric lighting plants become monopolies. There can be no competition in the production of any of these things.

Occasionally we have a "war of rates." This is not competition. For a time consumers get the benefit of reduced rates—but the fight always results in the absorption of one company by the other—or in a division of the territory between the contending companies, and the old prices are restored. The consumer must either pay the price demanded and submit to the service rendered, or do without. He can buy only in one place.

In order to obtain for the consumer the service to which he is entitled there must be an efficient method of regulating these quasi-public corporations, or the city must own and control its own public utilities. At the present time the corporations are taking the absolutely indefensible position of opposing both regulation and ownership.

The difficulties of regulating these monopolies of situation are almost insurmountable. There is always present the danger that the corporations will regulate the cities—not the cities the corporations. These monopolies with millions at stake employ the best legal assistance—they build up great political machines and control thereby city governments, and all too frequently resort to a corrupt use of money in order to obtain legislation favorable to themselves. Monopoly in private hands has always taken advantage of the public, and it always will.

There is always the danger that one of these great corporations will steal a march on a complacent public and obtain long time contracts or franchises that will tie the hands of many future city administrations.

The tendency on the part of these corporations is to create insufficient or corrupt city governments. The weaker or more corrupt the city government becomes, the easier it is to obtain those important privileges and franchises which result in large profits to the companies. The apparent weakness, inefficiency and corruption of city governments becomes disgusting to many of our best citizens and they decline to enter city politics and to

make the necessary effort to better conditions. The large profits accruing to the owners of these monopolies attract others of our abler and best citizens and they are likely to become interested in them. They, therefore, become indifferent to good government, and, in fact, unconsciously perhaps to themselves, secretly prefer the other kind of government. In our attempts to regulate these monopolies of situation we are, therefore, face to face with the destruction of our highest civic ideals. As a matter of fact, you cannot keep monopoly in private hands out of politics—and it becomes and is a much more dangerous political factor than public ownership could ever be.

Is there anything in the objection that "politicians" cannot run a business as well as private individuals? This objection assumes that if we have municipal ownership the "politicians" will control these matters. It excludes from consideration the classified civil service idea, which now obtains to such a large extent in the administration, not only of our national government, but also of the government of our cities. But if we admit that the "politicians," as the term is sometimes used, will control a municipal venture, we must admit that the "politicians" now control the administration of these monopolies. They are now controlled in the interest of the companies. The "politicians" are answerable to the corporations which keep them in office and which can defeat them at will. They too often carry out, not the ideas which will be of most benefit to the greatest number of people, but those things which will benefit most of the corporations.

If the "politicians" were answerable to the people direct, and if the corrupting influences of the corporations were no longer a factor, they could hold their offices only by administering these utilities so that the public could get better service—a lower rate, better and more comfortable cars; so that there would be shorter hours and a better wage for labor. It is said that city officers would appoint their relatives and friends to desirable positions—but so do private companies. It cannot be assumed that private management of municipal monopolies is always honest. Some companies are managed honestly—some are not. Public ownership can never develop more dishonesty than has been developed by private ownership.

The strenuous opposition on the

part of public utility companies to municipal ownership leads us to the irresistible conclusion that the control of these public utilities is enormously profitable. What is the valuable asset owned by a street car company? Is it the cars it operates—the iron rails on the streets, the terminals it owns? All these things are of comparatively small value; the first cost is not large. The valuable asset is the right to use the city streets either on the surface or above or below the surface. And this right in nearly every instance has been given to the companies by the cities for longer or shorter periods of time. Is there any reason why the city should give this away? It could construct in the first instance as cheaply, at least, as a private company. In fact, it is reasonable to suppose that the first cost of construction would be less than if done by a private corporation. The work in either event would be performed by contract. A city would advertise for bids. A private company seldom advertises for bids.

It most frequently happens in the case of private corporations that the stock, except one share more than a majority, is placed on the market together with the bonds. The holders of a bare majority of the stock elect themselves directors. The directors, as individuals, organize a constructing company, and then as directors of the public utility company contract at exorbitant prices with the constructing company, in this manner enriching themselves at the expense of the men who have made the original investment. The inevitable receivership follows. And the men who have wrecked the company are generally appointed receivers.

Thus they have a further opportunity under the direction of the United States courts to complete their work of devastation—until the inevitable sale occurs, and they buy in at their own price the property whose values they have destroyed and turn it over to another company organized by themselves. Then they permit the property to pay dividends and are able to place on the market immense quantities of watered stock. Can municipal ownership do worse than this?

If large profits are derived from the use of a city's streets, why should not the city have the profits? A city would be content with less profits and would be willing to yield to the demand for better service, cheaper fares, better wages for employes and shorter hours for labor.

If the city operated and controlled its utilities it would require no corruption fund to establish great public improvements, and this item of expense would not be added to the first cost.

"That government is best which governs least," is a theory which prevailed many years ago. But things have changed. This idea belonged to a different world. The irresistible logic of events compels cities and States to interest themselves in those industries which have a monopoly of situation. If left to themselves these problems will work out in the direction of larger dividends to stockholders and poorer service for the public.

Objections can be raised to municipal ownership—but they are insignificant when compared with the objections to the present system. Assuming that municipal ownership is subject to all the objections that have been raised, and that it will be attended by the failures that are so freely predicted, it cannot make conditions worse than they now are. The movement in the direction of municipal ownership rests on a sound basis. It deserves the cordial support and earnest cooperation of every friend of social progress.

Mrs. Sparks: "I do wish, John, that you would explain this Chinese question to me."

Mr. Sparks: "It's very simple, Maria. You see, the Russians don't want an open door, but desire to keep a slice of China for themselves. Now, the Japanese want an open door and wish to keep Russia from keeping a slice of the country. On the other hand, Germany is trying to keep Japan from keeping Russia from closing the door, and also wants to keep her from keeping Russia's keeping a slice of China. Now, if America can keep Germany from keeping Russia from keeping a slice of territory, the door can be kept open. See?"

Mrs. Sparks: "Oh, yes, it's quite clear to me. Anyhow, the weather's so warm there that the Chinese will find it more comfortable to keep their doors open. Still, I can't see why the Powers are making such a fuss over a little thing like that."—Tit-Bits.

In a world of slaves masters are necessary.—Ernest Crosby.

BOOKS

TWO AMERICAN NOVELS.

"The Plum Tree," by David Graham Phillips (Indianapolis: Bobbs-Merrill

Company), is understood to be a sequel to "The Cost," by the same author (same publishers); but it is so only in a very limited way. Although one of the important characters of "The Cost" appears as a minor character in "The Plum Tree," the two stories are connected only by the slightest thread, and either may be read with full appreciation without reference to the other. Both present remarkably graphic and unusually candid pictures of the kind of American life which, beginning to develop during the administration of President Grant, when it was photographed by Mark Twain's snap shots in "The Gilded Age," came to maturity during the administration of President McKinley.

In "The Cost" we see the unfolding from boyhood to middle manhood, of two strong American types: the practical idealist, who makes the most of himself for the sake of mankind, and the self-centered man who sets out to "get there," no matter who or what "gets left." Playing about these primary characters are familiar secondary ones that fill out the drama down to its tragic ending in the death agonies—commercial, spiritual and physical—of a dethroned monarch of the market.

Individual characters, social environment and business methods and operations are brought out with great skill in this book, by an author who evidently knows the life about which he writes. That he knows it from above, as one who studies rather than wallows in it, is often evident. For example, when he describes the conversation of an important character in these words: "Money, money, money—it was all of the web and most of the woof of her talk. Now it ran boldly on the surface of the pattern; now it was half hid under something about art or books or plays or schemes for patronizing the poor and undermining their self-respect—but it was always there." Or, when he allows the wife of the principal plutocratic character to urge higher ambitions upon her husband. "Why," she asks him, "shouldn't a man with financial genius be like men with other kinds of genius? Why should he be the only one to stay down on the level with dull, money-grubbing, sordid kinds of people? Why shouldn't he have ideals?"

Of the same order is the moral of "The Plum Tree," if a novel without a moral may be said to have one. Neither book professes to teach a lesson; neither is what is known as a novel with a purpose. Neither is a venture at hypodermic injections of a theory. Both are sincere attempts to portray a condition, the condition being that with which we are all familiar—modern plutocracy.

While the interdependence of the commercial and the political phenomena of modern life, constituting the