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RECTIFICATION OF MUNICIPAL FRONTIERS¹

IN the present paper, of which the title is, I need hardly say, intended to apply not literally but metaphorically, I have no idea of expressing, or encouraging others to express, opinions on the abstract question of municipal socialism *versus* private enterprise. My only object is to invite consideration of certain recent developments in the life of our great towns which must, as it seems to me, tend in the long run to an important readjustment of frontier between private and municipal enterprise. Time will only allow of a treatment in outline of the various points in my list, and the list itself does not pretend to be exhaustive. There are further one or two general questions, such as the ultimate tendency of a municipality's doing its own work without the intervention of a contractor, or itself taking the risk of providing working class dwellings, which I have thought it better to leave untouched.

Gas and water supply have long been regarded on the ground of their general necessity as natural subjects for municipal ownership. Oddly enough, however, it was reserved for a commercial company, the South Metropolitan, to make gas really available in the poorest house by the adoption of the penny-in-the-slot system. But with the rapid advance of rival methods of lighting, petroleum, electricity, and now perhaps acetylene, coal gas is much less a general necessary of life than it was. Simultaneously there has been a rapid advance in the use of coal gas as a source of power. In America they are building gas engines of 700 and I believe of as much as 1000 horse-power. Now it will hardly be argued that the supply of gas as a source of power on a wholesale scale is a natural function of the municipality. There is no special reason why the credits of the ratepayers should be pledged to enable a capitalist to procure the power for his mills at a cheaper rate. Nor, putting the matter from another point of view, will it be contended that municipal

¹ Read before the British Association, 1898.

management, with its inevitable rigidity and slowness of method, is better fitted than private enterprise to supply gas-power in competition with power derived from other sources. On the advantages of municipal supply of gas for lighting purposes there is no need to dwell. But even here it must be admitted that there has been found a corresponding disadvantage in the natural reluctance of corporations already possessing profitable gas undertakings to admit electric light, either in their own hands or in the hands of private promoters, to compete with their own gas supply. But of electricity I shall have more to say directly.

The supply of water few people will deny in the abstract to be a natural subject for public ownership. Even in America, where, in well-justified despair of municipal management, the great city of Philadelphia has recently sold its gas-works to a trading company, no one suggests that public water supply should be placed on a commercial basis. Nor need the question be argued here. For all that the question of delimitation of frontier, not between private and municipal ownership, but between the rights of different local authorities, arises in this matter also, and seems likely to become more pressing in the near future. The London water supply would probably have been municipalised ere now, had it not been for the difficulty of reconciling the conflicting claims of London on the one hand, and the outside authorities, in their capacity not only of water consumers, but in a sense also water owners, on the other. Had County Councils existed when Manchester sought powers to appropriate Thirlmere, had societies like the Kyrle Society been as influential then as they are to-day, it is questionable whether these powers would ever have been obtained. Last session a rural sanitary authority appeared before a Parliamentary committee to protect 300 miles of footpaths which a neighbouring Lancashire borough desired to close in order to secure the purity of its water supply, while in the same Bill an urban authority sought simultaneously to prove and to continue the inadequacy and the impurity of the existing supply, so as to lay the foundation for a claim hereafter to be constituted an independent water authority. Or again, the position of the Water Committee of the Birmingham Corporation is from one point of view hardly constitutional. It is responsible wholly to the ratepayers of Birmingham, while to the residents 100 miles away in the sequestered Elam Valley it appears in the capacity of universal landlord, and sole employer of labour, not to mention sole and most autocratic, however benevolent, public house keeper.

But it is not by water that the boundaries of municipal enterprise are likely to be undermined. The process will be rather one which our friends in the adjacent physics section are accustomed to term electrolysis. Let us notice in the first place a possible new extension of municipal functions. A House of Commons Committee has just reported that competition in telephone service is desirable in the public interest, and that they see no reason why, in any place where the Post Office does not compete with the National Telephone Company, licenses should not be granted to the local authority. They further express the opinion that, "from the point of view of local finance, a telephone service would be as successful as has been the supply of gas, water, tramways and electric light by local authorities." So, as the Corporation of Edinburgh and Glasgow have already applied for telephone licenses, and as the Post Office is hardly likely to incur the odium of entering into competition with the National Telephone Company merely in order to keep the corporations out, we shall probably see the experiment of municipal telephones tried on a considerable scale ere long. It is questionable, however, whether it is not being begun too late. Though 95 per cent. of telephone messages are said to be local, this proportion is not likely to last much longer. In America long distance telephony has already developed to a point where it has seriously affected the receipts on the through express trains between New York and Boston, and even between New York and Chicago. And once trunk line messages become an important percentage of the whole, a municipal telephone system will be seen to be as anomalous and as anachronistic as a municipal post-office.

Electric lighting has from the outset been a mixed service, in the hands here of a company, and there of a municipal corporation, subject to this: that the corporation has always been given the refusal before the company was admitted. Theoretically, competition was contemplated almost from the outset, for the Electric Lighting Act of 1888 expressly provides that "the grant of authority to any undertakers to supply electricity, within any area, by license or Provisional Order, shall not in any way hinder or restrict the granting of a License or Provisional Order to the local authority, or to any company or person, within the same area." But in practice, what competition there has been, has been of companies *inter se*. Last session, however, saw a change. Two local authorities sought, and one of them obtained, statutory power to compete within their district with

companies already in possession of the field. Of course the companies, many of which are very strong financially, are taking steps to retaliate. And Parliament, which last session affirmed by a large majority of the House of Commons the principle of the Act of 1888, can hardly fail to apply the maxim, "sauce for the goose, sauce for the gander." So before long we may expect to see municipal electric lighting exposed to the competition of commercial companies. And, seeing that the companies will naturally possess greater elasticity and adaptability of management, be able as a rule to command better expert advice, and not be hampered by municipal—which for electric lighting purposes are very often non-natural—boundaries, it can hardly be but that in some cases the competition will be effective.

But this is not all. When the Electric Lighting Act of 1888 was passed, electricity was almost exclusively regarded as a source of light. With the rapid development of electricity as a commercial source of power and even of heat, the condition of things has been profoundly modified. A joint committee of the two Houses of Parliament investigated last session the new problem of Electric Energy in general. To show its importance, it may be mentioned that a single company, the General Power Distributing Company, proposed to produce electricity on an enormous scale at the pit's mouth at Warsop in Derbyshire, and thence to distribute it by trunk cables over 2,000 square miles of country along the roads of 120 different local authorities, including the great corporations of Sheffield and Nottingham, and then to sell it in any quantity for any purpose and to all classes of consumers. This particular scheme has not yet been sanctioned by Parliament. It has passed through one House, but, owing to the delay caused by consideration of the general question by the joint committee, has failed to reach the second, and been accordingly, under a special Standing Order, adjourned over the recess. Not unnaturally, the local authorities, especially when like Sheffield they own electric light works, are up in arms against it, and will stop its further progress if they can. But on the general question the opinion of the joint committee—a very strong one—is dead against them. The joint committee approves in principle the concession to companies of power to take by compulsion, over an area including districts of numerous local authorities, land for generating stations and easements along streets and roads for mains. To such companies the provisions of the Electric Lighting Acts, requiring the consent of the local authority as a condition precedent, and empowering the local authority to pur-

chase compulsorily at the end of forty-two years, should not, the committee think, apply. Further, they say that "it does not appear to them that an undertaking supplying energy in bulk at high voltage and in comparatively few mains is, as a rule, so desirable for the local authority to acquire as a low voltage undertaking with many distributing mains." Evidently there is here a big question opened, which will not be settled in its detailed application to the different parts of the country for many years to come, nor till after a good many stiff fights in the Committee rooms at Westminster. We must leave it for the present with the single remark that, while electric energy, supplied in competition with steam power, gas power, hydraulic power, and compressed air power, is certainly not a monopoly or even a quasi-monopoly product, the process of its manufacture and supply is, no more from the technical than from the commercial point of view, one of those simple routine matters which, according to John Stuart Mill, naturally fall into the sphere of public administration. Far be it from me to suggest anything so abhorrent to the ideas of all good Progressives as that a public authority should sink to purchase by retail supplies of electric energy for the use of its competitive lighting undertaking from a wholesale commercial company. But it does look at present as though this would be the conclusion of the matter forced upon us by the progress of emotionless science.

The accepted tramway policy of the country is also rapidly being dissolved by electrolytic action. This policy, now nearly thirty years old, provides that, while the veto of the local authority on construction by a company is paramount, any municipality can lay down, and of late years can also work, tramways of its own. *Post hoc*—it would not be fair to say *propter hoc* without considerable qualifications—in the whole of Great Britain, with its 40,000,000 inhabitants, mostly urban residents, we have about as many miles of tramway as the two cities of Philadelphia and St. Louis, with roughly the population of South London, have between them. Nor is this all. Eighty to ninety per cent. of this insignificant mileage is still worked by horses. The rest of the civilised world has long ago adopted electric traction, almost entirely of course on the overhead system—by which in the United States alone over 13,000 miles of line are now being worked. In London in particular, the adoption of overhead electric traction has been absolutely blocked by the action of the County Council, in one case at least, contrary to the unanimous representation of the local vestry, on the ground—I speak in all

seriousness—that the erection of posts and wires, which are not more conspicuous and certainly not less beautiful than ordinary lamp-posts, would destroy the æsthetic amenity of Shepherd's Bush. A House of Commons Committee this session gave a decision in the case of the London United Tramways which practically amounted to notice to the London County Council that they must make up their minds to exercise their veto power less absolutely, or it would be withdrawn from them. The Joint Committee on Electric Energy recommended that the right to veto the erection of overhead wires for traction purposes should be withdrawn from all local authorities of less than County rank.

But this is only one side of the matter. With the advent of electric traction, tramways have been extended in other countries, and are even now beginning to be extended in England, far beyond the borders of individual towns. Had Bath and Bristol, for instance, been situated not in England, but in Massachusetts, they would long ago have been connected by a tramway service, with cars starting every few minutes, running from town hall to town hall in an hour or less, at a through fare of certainly not more than fifteen cents. Now such a service to be efficient must be worked in one hand. Can we imagine that this hand could well be a joint committee of the counties of Gloucester and Somerset, of the corporations of Bath and Bristol, and the rural sanitary authorities of Weston, Tiverton, &c., who are, I am told, in part the maintenance authorities for the county road? Even if local jealousies could be got over, the technical difficulty is practically insuperable. The horse is a familiar animal. Everyone knows, or thinks he knows, or is supposed to know, how to manage a horse. But it is not possible, nor in the long run would it be likely to prove desirable, that common councillors should be elected on the ground of special expert knowledge. Yet the management of electric tramways, if they are to be worked to give the public the best service that can be given, implies special expert knowledge of a very new and very rapidly developing science. I think, then, that the present tendency for corporations to work their own tramways is likely to be counteracted, if not actually overborne, ere long—at any rate, except in the case of one or two of the very largest—by a tendency to adopt the course which a special commission of the Commonwealth of Massachusetts, a State in which the capitalist has never been allowed to have his own way unrestrainedly, has just, after careful study of European experience, recommended, namely that

whoever be the owner of the tramway, its working should at all events be entrusted to commercial undertakers.

To sum up, I submit that the ever-increasing complication of civilisation, and the ever-increasing specialisation of science, coupled with the ever-increasing interdependence of independently organised local government districts, all tend towards a readjustment of the boundaries of direct municipal activity, and that this readjustment is likely to be on the whole in the direction of extending rather than restricting the public functions allotted within the municipal area to commercial enterprise.

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