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THE RELATION
OF THE
MODERN MUNICIPALITY
TO THE
GAS SUPPLY.

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The Relation of the Modern Municipality to the Gas Supply.

One of the most interesting phenomena connected with our modern political development in general, is the slowly but ever-changing attitude of the government toward the industry of society. When Adam Smith published his immortal work on the Wealth of Nations, a little more than a hundred years ago, the industry of the world was bound about by a set of governmental restrictions which were slowly but surely crushing out the life which they were intended to nourish and regulate. Laws and regulations which, in their inception had, perhaps, been fully justifiable, had so far outlived their usefulness, that they were doing enormous harm and injury by their continuance. It was the great and imperishable service of Smith that he sounded the war cry of death to these old obstructions which formed an impassable barrier to future industrial progress, and secured to the immediately following and to all future generations the great advantage of an enormously increased production.

But, like all great revolutions, this movement also rushed into an untenable extreme.

The argument of Smith for a greater freedom from the governmental restrictions of his time—unanswerable as against certain abuses which he had in mind—was used by his successors to prove that government could best protect the interests of society by a policy of do-nothingism. This purely negative theory of government functions became at one time so

prevalent, that it led our modern governments to adopt what relatively speaking, may be called a system of *laissez-faire*—of letting everything take care of itself, which has resulted disastrously in a thousand ways. Under the immense impetus of new discoveries in industrial processes and of relative freedom of action, so far as the restraining influence of government is concerned, private enterprise went forth into every field. Not content with developing new wealth by which it should be enriched, it sought out and set in order many ways of establishing artificial monopolies by which it might absorb a large portion of existing wealth. So successfully has this system been followed, that the great problem before the modern world is again the same which presented itself to the mind and times of Adam Smith, viz.: How shall we set our industry free from the bonds which bind and cramp it—only in our time the bonds are those which have been made and applied, and are all the while being drawn more tightly by private enterprise and ingenuity, while in Smith's time they were the bonds of government interference and restriction. Smith called upon private enterprise to check and circumscribe government activity; we are forced to call upon government to circumscribe and regulate private enterprise.

Our railroads, our telegraphs, our express companies, our telephone companies, our oil companies, our coal companies, our gas and water companies, all taking their start under the domain of free competition, and growing into strength and vigor under its influence, have come to rely for their prosperity and increased earnings not only on the actual increment of wealth which they contribute to the world's stock but also on the absorption of a larger part of existing wealth by means of artificial monopolies, a state of things which will continually grow worse unless it be made to grow better.

The remedies proposed for this disease, have been legion in number and infinitely various in character. The one which is most popular with a certain class of extreme optimists and also with their near connections, the extreme pessimists, is

that of letting everything alone. The disease is bound to grow worse and worse until the crisis is reached, after which it will take care of itself, and all will go well—say the optimists. They refuse to look the possibility in the face, that the patient may die, or if he recover, may carry about with him for an indefinite period the evidences of his disease in an impaired constitution or permanent deformity. The pessimist says, "Let him die. It is all one."

Another remedy which is the favorite proposal of another class of extremists, is to hand over everything to the management of government. When the agent of society, say this class, manages these and similar undertakings, they will be administered in the interests of the whole as opposed to those of a part of society, and in this way the problem will solve itself.

With neither of these classes do I sympathize. Improvement in government and society rarely comes about of itself, any more than improvement in the individual or the type. Human progress depends largely on conscious human effort, put forth in accordance with a conscious purpose. On the other hand we can not find any panacea for our social evils. The results of handing everything over to government are ruinous. The results of remanding everything to private enterprise are equally ruinous. The proper place to draw the line can not be ascertained by any general rule now within our knowledge. We must investigate each case on its own merit. I wish, in this paper, to take up one of the most important questions relating to municipal government, now before the public, viz.: The relation of the modern municipality to the gas supply.

I shall first touch upon the relation of gas to the needs of modern society, then notice briefly the peculiar nature of the gas business, and draw the plain inference in regard to its relations to city governments. I shall then take up the question of the relative merits of public and private management in general, and close with a discussion of the concrete question now before our American cities.