

THE READER

An Illustrated Monthly Magazine

VOLUME X

NOVEMBER, 1907

NUMBER 6

THE TWIN CITIES OF THUNDER BAY

PIONEERS IN THE ACTUAL OPERATION OF MUNICIPAL OWNERSHIP

By J. O. CURWOOD



To see municipal ownership flourishing as it flourishes nowhere else on the American continent, I traveled the length of the great lakes, from the foot of Michigan to the head of Superior. My journey's end brought me to the Twin Cities of Thunder Bay, in the province of Ontario, the Dominion of Canada. From the deck of my ship I watched the two little cities, destined to be the doorways of Greater Canada, slowly outline themselves against the dense wilderness behind them. Mentally I compared this great harbor of Thunder Bay to the Bay of Naples; I looked forward to the time when the development of Canada's vast and fertile west would make it the finest harbor in the world; and for the time had forgot what had brought me there. But the object of my first visit was soon thrust upon me in a most unexpected and astonishing way. I had been told that in these Twin Cities, with an aggregate population of more than

thirty thousand, municipal ownership had reached its greatest development on the American continent, that in them I would find its strength and its weaknesses, that away up here on the edge of the vast northern wilderness two unanimous populations were threshing out the question of "city-owned cities" in a way unparalleled in American history. I had thought, however, that I would have to hunt out municipal ownership, that municipal ownership would not hunt out me. I was mistaken. I landed at a dock midway between the two cities. Half mile above was the electric line running between Fort William and Port Arthur. I walked through a piece of "bush," where a moose had been shot the preceding autumn, boarded a car, and received my first surprise in my investigation of municipal ownership. A policeman came to collect my fare! At the end of the car a placard stated in good black type that all motormen and conductors were officers of the law, that they were entrusted with power to make arrests, and that the city was responsible for their actions!

"Are these such wicked towns that your cars have to be run by special deputies?" I asked the conductor, as I shoved a nickel through the slot of a



VICTORIA AVENUE, FORT WILLIAM, IN 1897
The foot of the avenue terminated in a wilderness broken only by Indian trails

coffee-pot-shaped money receiver which he held out to me.

The young man smiled upon me courteously. "These cars are run by the city," he explained. "Everything is run by the city."

Here he interrupted himself to hurry to the back of the car, which was slowing down. An instant later I saw him run to the side of the road and pick up two or three parcels. No other person could I see. When he came back I asked him to explain.

"Occasionally people leave parcels that way for us to take downtown," he said. "When we have time, and see them, we do it. Why doesn't somebody steal them?" I detected surprise in his voice as he repeated my question. "Well, they don't."

This was getting acquainted with municipal ownership quickly and to the point. I soon discovered that my experi-

ence on that short ride had brought me into surprisingly close touch with two of the most interesting concomitants of municipal ownership in Port Arthur and Fort William—morality in general and honesty in particular. Within a few days after this I was asking myself this question: "Does municipal ownership work for morality and honesty, or must morality and honesty already exist before municipal ownership can become an established institution in any city?" I will show a little later how I found all these working hand in hand in Fort William and Port Arthur.

It is first necessary to show how these places stand in the ranking of Canadian cities. Because of the obscurity of their location, with Lake Superior on one side and an unbroken wilderness on the other, they are practically unknown in the United States, except by vessel owners and shippers. During the past three

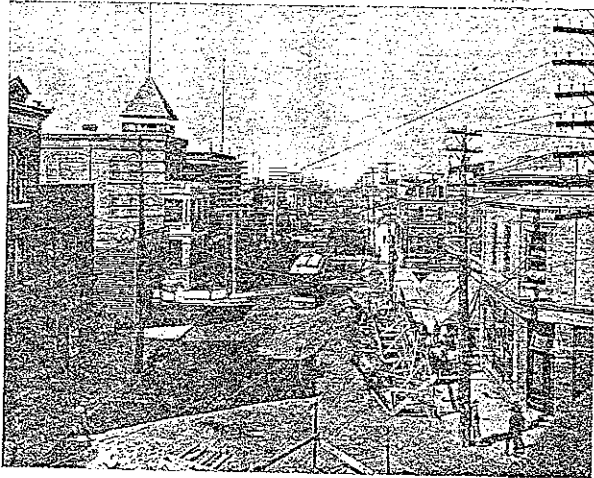
years each of these cities has jumped from a population of six thousand to fifteen thousand, an increase which establishes their claim to being the most rapidly growing towns in the world. This phenomenal growth has been achieved under an absolute régime of municipal ownership. To-day, with one exception, there is not a franchise in either city that is not owned by the citizens themselves. This one exception is the Bell telephone franchise. The wires and poles of this company still remain in the streets, but they are regarded by the people as practically worthless. In the two cities I was told that only one telephone out of eight is a Bell, and these few remain as relics of a great municipal triumph over a big corporation. And soon, it is predicted, these wires and poles will go, for in the not distant future an ordinance will be passed compelling all wires to be laid underground. The Bell corporation, see-

ing only a profitless future, will hardly go to the great expense of changing its lines. Thus, say the people of Port Arthur and Fort William, the only outside franchise in the two cities will permanently disappear.

The citizens of Fort William own their electric light and telephone systems, their waterworks, and even a municipal theater and a city dance hall.

Port Arthur owns the electric railway of both towns, its electric light and telephone systems, its waterworks, and fifteen hundred acres of valuable land fringing the bay, which means about one-half acre for every taxpayer in the city.

The most valuable asset of the Twin Cities is their water power. At the Kakabeka Falls, twenty-two miles away, Fort William is at present securing about forty thousand horse-power, and, if necessary, can develop power sufficient



VICTORIA AVENUE, FORT WILLIAM, AS IT IS TO-DAY
Few cities can show the remarkable growth, achieved in ten years, evidenced in these two pictures

to supply a city as large as Chicago. Just outside the city limits, at an eighty-foot fall in the Current River, Port Arthur has built one of the most modern power houses in Canada. Here power for all time to come will be generated.

These few facts give an idea of what has been achieved under municipal ownership in the Twin Cities of Thunder Bay. And what have been the results? For years Fort William and Port Arthur have been working out one of the great problems of the century, and their efforts have passed unnoticed. They have been revealing a heretofore unsuspected virtue of municipal ownership—a virtue that means more than anything else in the uplifting of the people of a city or a nation. In the United States we have asked: Will it pay—this municipal ownership? Will it pay—in dollars and cents?

In Port Arthur and Fort William it has gone beyond this matter of paying in revenue. It has "paid" in other ways. Only one who comes from a politically rotten city of the States, with its graft and dishonesty, "exposures" and "investigations," can realize just how much it has paid. Even the people of the Twin Cities fail to appreciate what they have achieved. They own their cities, and

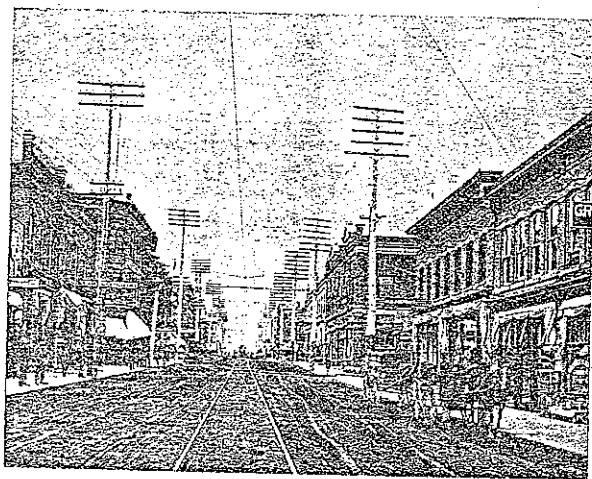
they feel toward them much as one who owns his own home. Deficiencies are exaggerated, defects magnified. They aspire to the mechanical perfection of a metropolis, and because they fall short they are not satisfied, which speaks well for the ambition with which municipal ownership inspires its people. Were they and their cities suddenly dropped down in Illinois, Indiana or Ohio, a thousand objects of comparison would awaken them to an appreciation of what they have done.

They have killed municipal politics, and in doing this they have smothered municipal graft and dishonesty. There are no party lines in Port Arthur or Fort William. This is a matter of pride with the people of the Twin Cities. When a municipal office is to be filled, the terms Liberal and Conservative are forgotten;

the papers of the town omit them from their columns; if a voter says, "I shall support So-and-So because he is a Liberal," he is scathingly rebuked. A candidate, by calling for support along party lines, destroys the last vestige of hope he may have had for election. Because of municipal ownership it has become an honor to be elected to office. With politics out, it has become a public demonstration of the city's confidence in



A GROUP OF THE PATRONS OF AN ITALIAN BANK IN FORT WILLIAM



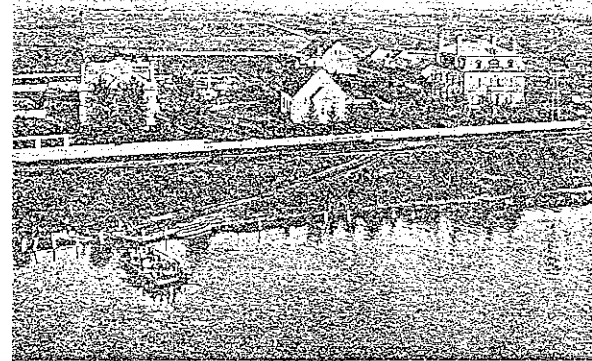
CUMBERLAND STREET, THE MAIN THOROUGHFARE OF PORT ARTHUR

one's honesty and integrity, and the fortunate candidates, almost without exception, work to achieve the greater confidence and gratitude of their townspeople. There are no emoluments for aldermen or mayors, the honor of election being sufficient compensation. Mayor Clavet, the present head of affairs in Port Arthur, is more than a millionaire, yet to his little city of fifteen thousand people he probably devotes more time than do the mayors of Chicago and New York to the interests of millions.

With the leveling of party politics, municipal ownership in Port Arthur and Fort William has brought about another condition of great interest. Any taxpayer, no matter what his station in life, may run for office, and the poorest laborer that works in the streets, if he pays a single cent in taxes, need have no difficulty in securing a nomination. All that is required of him is to appear on a certain date, announce his candidacy, and

be "supported" by one other city voter, who may be his brother, his father, or merely a friendly neighbor. I found a beautiful defense of this method wherever I inquired. "Is not every man entitled to be the head of his own house?" I was asked. "Is not one citizen as much an owner as any other citizen in a municipally owned town? Why, then, should he not have the privilege of 'ruling his own house,' or at least of expressing his willingness and desire so to do?"

On the day of the election the names of all the candidates for aldermen, for instance, appear on a single slip of paper. No party lines distinguish them. Each nominee is there solely on the strength of his own record and reputation. There may be a list of twenty, or fifty, or a hundred names. Last year there were twenty-five. From this list the voter may choose eight names. In other words, he has a voice in the choos-



THE CHIPPEWA INDIAN MISSION ON THE OUTSKIRTS OF FORT WILLIAM

Hundreds of acres are under cultivation. The Indian graveyard, seen in the left middle distance, shows the influence of the French Catholic missionaries.

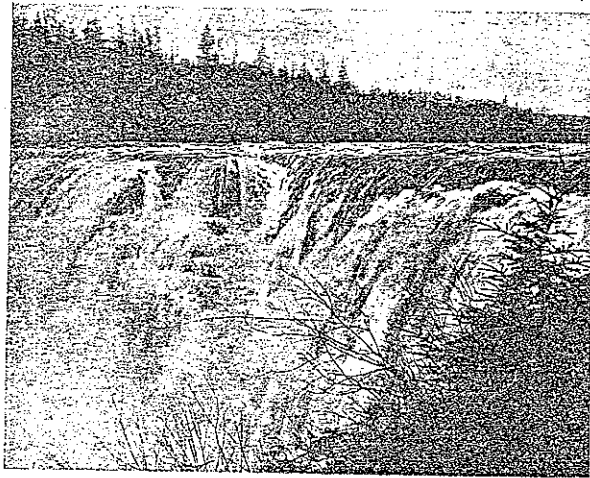


A. L. RUSSELL

An enthusiast for municipal ownership, who in his thirty year residence in Port Arthur has been concerned in all its progress. A member of the first Council at the city's incorporation in 1884.

ing of every alderman in town. No one undesirable section like "De Filt" or "De Ate" can combine its vote against his interests. He is one of the owners of the city; he is as much interested in one part of it as another, and the influence of his vote is felt in every quarter. The vote for mayor and other officials is made in the same way.

When I understood these things I began to see why graft is a word that has not entered into the municipal vocabulary of Port Arthur and Fort William. Dishonesty in the legislation of these places, I soon found, means not only political ruin, but social and business bankruptcy as well. To have served the city wisely is a standing advertisement for the business or professional man; to have served it unwisely is "misjudgment," perhaps excusable; but to have served it wrongly is a monument that will stand to one's



THE KAKABEKA FALLS

This cataract, with a drop of one hundred and sixty-seven feet, exceeding that of the American Fall at Niagara, furnishes power to Fort William; it could easily supply a city as large as Chicago.

discredit for a generation. It is too unpleasant to mention names, but these things have been proved in the Twin Cities of Thunder Bay. I began to wonder how this unanimous interest in the running of municipal affairs could help but uplift the moral tone of both towns. From my acquaintance with them I believe the people of Port Arthur and Fort William have failed to give municipal ownership due credit for this. But they should. It is worth more to them than any mere lowering of taxes. It is an object-lesson for young manhood and young womanhood, something new and bright and encouraging for children to grow up with. The newspapers of Fort William and Port Arthur are "municipal ownership papers," and are the preachers of integrity and honest ambition to the upcoming generation. Their columns bear no lurid tales of municipal



W. P. COOKE

Commissioner of the street-railway, electric light and telephone systems. Alderman for sixteen successive terms, and an indelible worker for municipal ownership.

roguey. Money has failed to buy them. Such a press speaks well for the moral tone of the town.

During my investigation I talked with the mayors, aldermen and other public officials of the Twin Cities. I discussed social and civic matters with many prominent citizens, engaged in much friendly and profitable conversation with laboring people, and found everywhere a loyal championing of municipal ownership. But I also found dissatisfaction. Is there a danger of going a step too far? The Twin Cities are now answering this question in the affirmative. Port Arthur and Fort William are learning that honesty and enthusiasm alone can not make a success of municipal ownership. Skill and experience must be included, if the "city-owned city" measures its progress by the condition of its treasury. The Twin cities have gone a step too far, and they realize it. The menace has come to a head not in fraud or neglect, but in mismanagement. In their desire absolutely to govern their own properties the people have made errors that



GEORGE HODDER

Chairman of the street-railway, electric lighting and telephone commissions. A resident of Port Arthur for twenty-five years.



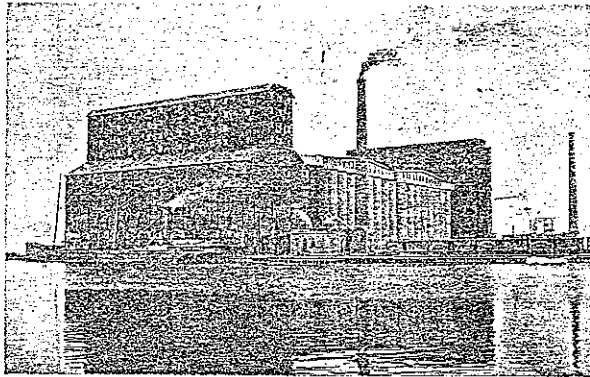
J. L. MATHEWS

Under whose majority in Port Arthur the Bell telephone franchise was voted down and the system replaced by that of the municipality.

are proving costly. They have chosen splendid citizens to superintend works of which they have absolutely no technical knowledge. The man has counted in their choice, not his ability in a special line. The water, light and telephone commissioners, for instance, have undertaken technical duties for which experts should have been employed. In the words of a Fort William citizen, "A great corporation would not think of placing a country doctor at the head of an electrical plant." This, in substance, describes the trouble which at the time of my arrival was creating considerable dissension in the Twin Cities. Because of the unanimity of the people and the honesty of their desires, it will be comparatively easy to straighten affairs out, but to larger cities this development in municipal ownership presents a new and important problem. Political factions govern the affairs of our large cities, and will in all probability continue to govern them. In the case of municipal ownership, the heads of the various city departments would

naturally be chosen by the reigning power for their influence rather than capability, just as in Fort William and Port Arthur they have been selected because of honorable records. While the Twin Cities, with small populations and

or south. Under municipal ownership in Fort William and Port Arthur I have seen walks constructed on a foot and a half foundation of broken rock. I have seen municipally owned buildings that would do credit to St. Paul, Indianapolis



A PORT ARTHUR GRAIN ELEVATOR—THE LARGEST IN THE WORLD
It has a capacity of seven million bushels, and is operated by the Canadian Northern Railway

with every voter anxious for the welfare of his town, can and will overcome the present crisis, what would the same situation develop among the selfish and divided factions of such cities as Detroit, Buffalo, Philadelphia, Chicago or St. Louis?

This latter is a question the people of Thunder Bay are not troubling themselves about. As their cities grow, municipal ownership, they believe, will prove more profitable in every way. And this is true. The municipal ownership idea was planted when the cities were mere villages; it has developed with the rising generation of children; it has become almost hereditary. The new citizen is practically compelled to champion municipal ownership because of popular opinion. He would accept it as a good thing anyway, if he came from the east

or Milwaukee. I have seen public works created for the wear of half a century instead of a decade. And still the people of the Twin Cities complain, insisting that they have not done enough, that their telephone and street-car systems are far from perfect, and that mismanagement is threatening public affairs. I have seen worse street-car service in a city of fifty thousand.

One day I visited the municipal theater in the city hall at Fort William, one of the few of its kind in America. As we were about to enter, my guide, a prominent citizen, said to me in an apologetic tone:

"This is only a makeshift, you know. Some day we will have a real theater."

A makeshift! I had become accustomed to surprises by this time, and withheld my astonishment. The make-

shift will seat six hundred people. It is modern in every way, with the exception that its handsome chairs did not contain cushions. Incidentally, this municipal ownership theater pays to the property owners of Fort William six per cent. on the investment. It might be made to pay fifteen, but the people of Fort William are not in the business for money. As a six per cent. investment it can be made to give the people of the Twin Cities more pleasure than it could as a fifteen per cent. investment. It was built to be rented at such a low rate that reputable companies might be induced to travel to isolated Fort William, and it has succeeded. In this theater I saw again the possibilities for moral good that lie in municipal ownership, for every performance is under the censorship of the city itself. There are no selfish motives prompting private investors to sacrifice decency for full houses. It happened that at the time Fort William's handsome city hall was built there was not a good dance hall in the town, and no private capital in sight to give promise of

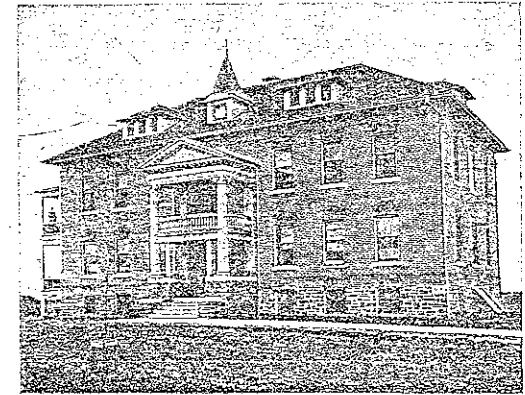
its erection. Consequently the municipal ownership fathers added a splendid ball room to the plans of the city hall.

"It's better to have a good moral place here than to have your sons and daughters running about to indiscriminate dances," said a Fort William citizen. This is but another illustration of what municipal ownership may be made to do for its people.

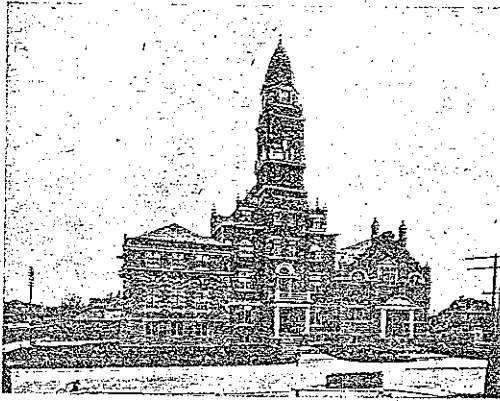
There are many Twin City residents who say that the day is coming when Port Arthur and Fort William will be taxless towns, and there are others whose expectations go even further.

"The time will be," said one to me, "when, instead of going to the treasurer's office to pay taxes, we will call once or twice each year to collect dividends!"

Imagine such a state of affairs! And yet, is it beyond possibility? Is the great corporation run at a loss? Does it not pay its stockholders, in most instances liberally, while at the same time dispensing enormous sums in salaries? Why, then, should not a municipally owned city pay dividends?



THE HOSPITAL CONDUCTED BY THE CITY OF FORT WILLIAM
Doctors' bills and attendance charges at this institution are included in the patients' city taxes



FORT WILLIAM'S EIGHTY-FIVE-THOUSAND-DOLLAR CITY HALL
The right wing contains the municipal theater, the left the municipal dance hall

Take Port Arthur's electric railway, for instance. It is nine miles in length, every inch owned by the citizens. In 1893 the gross receipts were \$7,642.63. During the next ten years the receipts were \$156,347.66, and the expenditures \$139,947.17, showing a net profit for the city of \$16,400.49, or practically a *dividend* of \$3 for every man, woman and child in Port Arthur at that time!

But that year of 1903 marked only the beginning of the street railway's history as a "dividend payer." The story of its success as a municipal property is graphically told in the following figures. In 1904 the gross income was \$37,323.05, the expenditures \$27,022.49, leaving a profit to Port Arthur's citizens of \$10,300.56. The next year saw a profit of \$10,845.88. In 1906 there was a tremendous increase, the gross receipts for that year being \$69,003.15, and the expenditures \$47,651.70, showing a profit of \$21,351.45. The 1907 receipts, based on estimates, will be about \$82,000, and the expenditures \$50,000, which will mean a profit of \$32,000!

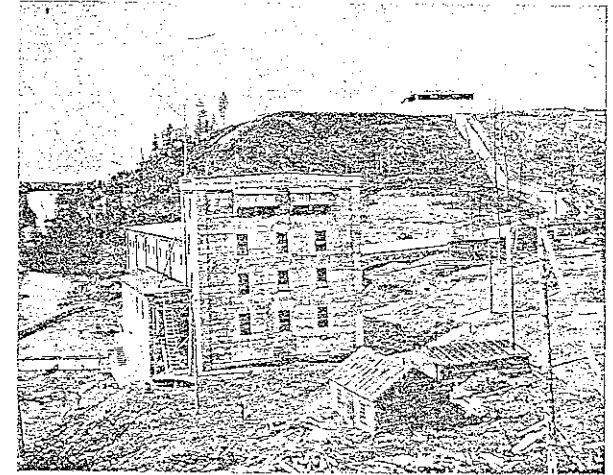
In other words, the net profit of Port Arthur's street railway during the last four years equals *one-fifth of the total cost of the road*. From its beginning it has netted the city a total profit of \$90,898.38. If this profit from the street railway alone were to be distributed in dividends among Port Arthur's taxpayers this year, each would receive about thirty dollars! The railway will earn nearly ten dollars for every taxpayer in Port Arthur during 1907, estimating the number of these taxpayers at three thousand. And this earning is but a suggestion of what is to come. Already the street-railway franchise is valued at a million dollars. What will it be worth when the combined population of the Twin Cities is a hundred thousand?

There was a time when Port Arthur and Fort William begged for some one to buy their franchises. In those days the pioneers of Thunder Bay were not thinking of municipal ownership. No outside investor would risk a cent in these wilderness towns. It was then that they were forced into doing for them-

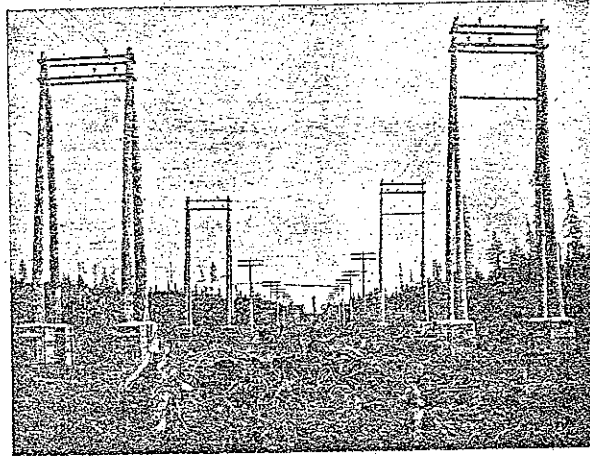
selves. Now there are corporations that would pay liberally for franchises, but there is none for sale at any price. I doubt if two million or even five million dollars would induce Port Arthur's citizens to part with their nine-mile railway.

Because of this determination to keep what they possess, they have had to fight against all sorts of sharp games and misrepresentations. At first big corporations, foreseeing the day when Port Arthur and Fort William would be two of Canada's greatest cities, attempted to lure their citizens by bread and honey methods. These failing, they began a guerrilla warfare on municipal ownership. They fought it at every turn and by every available means, even going to the extent of paying for newspaper "write-ups" describing the faults and failures of municipal ownership in general and in the Twin Cities in particular.

So bitter did the struggle become during the Bell telephone fight that Fort William issued a pamphlet to every citizen, setting forth the injustice that was being done and the unfair methods that were being resorted to in order to turn popular opinion. The slightest error in municipal judgment, the smallest mistake made under the municipal ownership régime, was heralded far and wide, even in paid advertisements. Joshua Dyke, ex-mayor of one of the Twin Cities, summed up the whole situation in a nutshell when he said: "Some months ago an elevator in the city of Fort William, filled with grain, slipped from its foundation and slid into the river, causing an enormous loss to the owners. If a like accident had occurred under municipal ownership, our enemies would have advertised us from pole to pole as incompetents, demagogues and squanderers of public money."



THE HUGE PIPES WHICH TAP THE ENORMOUS STRENGTH OF THE KARABEKA FALLS AND THE POWER-HOUSE WHICH FURNISHES ELECTRICAL POWER TO PORT WILLIAM



TWENTIETH CENTURY METHODS IN THE PRIMEVAL WILDERNESS
The wires which carry the electrical power through twenty-one miles of unbroken pine woods lying between Katabeka Falls and Fort William

The corporation "pirates" seized on the telephone systems of the two cities as particular objects of attack. They have selected these because they are the weakest of the municipally owned properties of Port Arthur and Fort William. They have, as one citizen says, "literally torn the systems into shreds in their search for weak points," and these weak points, when discovered, have been magnified and offered as proofs of the utter failure of municipal ownership. It was my fortune to interview a friend of the corporations before I had tested the telephone service for myself. The "utter lack" of efficiency was so graphically described that when I was ready to use the service myself I was prepared for almost anything. At the time the company was just emerging from the confusion of enlargement. I had personally seen the almost chaotic condition of things in the telephone building, watched the operators

working amid noise and debris, and was ready to excuse much. Again I was agreeably surprised. Even under these discouraging conditions the service was equal to any I know of in cities of similar size.

Telephone tolls in Canada are quite high, ranging from \$50 to \$100 a year for business houses, and from \$30 to \$50 for residences, but, much to the chagrin of corporation interests, municipal ownership in the Twin Cities has cut these figures down astonishingly. The citizen of Port Arthur and Fort William pays only \$12 a year for his residence telephone, and \$24 a year for his commercial service, while all the time his telephone is *actually earning money for him*. During 1903 the profit to the city of Fort William through the operation of its own telephone system was \$576.02; in 1904 it was \$1,071.90; in 1905, \$1,676.82, and in 1906, \$776.57, a total

profit for the four years of \$3,323.29. During this same period the Port Arthur telephone system earned \$3,239.72. Thus through their street-railway and telephone systems alone the fifteen thousand people of Port Arthur have profited to the extent of \$96,138.10 during the past four years. A direct benefit has followed in the cutting down of the city's taxes by *six mills on the dollar*.

It seems to me that I have shown pretty conclusively in the preceding figures how from a financial point of view municipal ownership is paying in the Twin Cities of Thunder Bay; but to me there are other and equally interesting ways in which this same municipal ownership is proving profitable to the people. As I have said before, the value of municipal ownership can not be measured in dollars and cents alone. Does the tenant of a rented house take as much interest in the property as his neighbor who owns the place he lives in? Assuredly not. I believe the same may be said of cities. When the people of Port Arthur undertake a municipal work, they are perfecting or accomplishing something *for themselves*. It is to their direct and personal interest that the work should last and give the best possible service. It is chiefly because of this interest that Fort William is at present expending \$350,000 in developing a gravity system of water supply, which in less than a year will bring water from Loch Lomond, on McKay Mountain. Fort William will then possess one of the finest as well as one of the cheapest water systems in America.

In a strikingly interesting way municipal ownership will play its part in the future greatness of Port Arthur. Exclusive of property set aside for park use, this city owns fifteen hundred acres

of valuable land along Thunder Bay, which is being reserved for a special purpose. The day is not far away, argue the municipal ownership fathers, when new and great industries will be looking toward Port Arthur. That will mean the immediate "booming" of property by private individuals. Available sites will suffer a sudden rise in value, and capital and industry will refuse to come.

But municipal ownership has already called "check." Port Arthur holds the game in her own hands. These fifteen hundred acres of land are not reserved as an investment; their value rests in their attractiveness to new activities. The man who brings a factory to this town faces no hold-up game. He may choose his site, and purchase it at a very low valuation—after having given satisfactory evidence of the honesty of his intentions. In this way Port Arthur has safeguarded herself against the unearned increment, and has given another illustration of the enormous influence that municipal ownership may wield for the general welfare of a community.

This same deep personal interest of the inhabitants is seen in the construction of school and other public buildings. Even to the small boy the Twin Cities pay municipal attention. The water of Superior is always chilling cold along the forty-ninth degree. It is too cold for swimming, and what would life be to the small boy without his swimming-hole? But back in the wilderness where the water runs warmer, a river that empties into Thunder Bay has its source. This water the city fathers are penning up just behind the beach line for the use of the rising generation. Is it any wonder that from the very start these Twin City youngsters develop confidence in and respect for the place in which they live?