

Municipal Ownership, Capitalist vs. Socialist: A Statement to the Press (June 7, 1905)

Just at present there is a widespread agitation in favor of municipal ownership of municipal utilities. This is important from a socialist point of view, because of its tendency rather than because of any actual achievement. Municipal ownership may have a socialist tendency, and then again, it may be reactionary and have the opposite effect. In the prevailing capitalist system, every experiment at municipal ownership and operation in a hostile environment is apt, if not to fail, to at least prove disappointing to those expecting great benefit from it, and to this extent may be used as an argument of convincing effect among the unthinking against the practicability of the socialist program.

Not only this, but municipal ownership of public utilities means little or nothing to the people so long as national government is in the control of the corporations and trusts, consisting of the larger capitalists who own the national resources and the means of production, and are therefore in a position to dominate all the powers of government and virtually control the destiny of people.

A concrete illustration may be in order. Suppose a city buys a street railway plant, paying half a million dollars therefor, issuing its bonds for that amount. The city comes into possession of the street railway and the previous owners come into possession of the city's bonds. The capitalists are none the losers by the change. They now draw interest on bonds instead of dividends on stock, and the actual benefits that accrue to the people are in most cases very inconsiderable.

As a matter of course we socialists favor municipal ownership, but only as a part of the general program of collective ownership — municipal, state, and national — of all public utilities. Then again, in the socialist program every step that is taken in the conquest of the public powers by the ballot and in the enlargement of the circle of public ownership is used to its fullest extent in benefitting the condition of the workers, so that municipal ownership of a public utility under a socialist regime will mean its operation primarily in the interest and for the benefit of the workers therein employed. Among these benefits are the shortening of the workday, the

improvement of working conditions, and the application of all profits, over and above the cost of maintaining the plant in an advanced state of efficiency, to improving the conditions and advancing the material welfare of the workers.

There is no doubt that the present municipal ownership movement has received its greatest impetus from the appalling political corruption that scandalized our leading American cities during the past few years, and traceable, undeniably, to the private ownership of public utilities and their operation for private profit instead of their public ownership and their operation for the good of the people.

The same deplorable state of affairs has developed in every great metropolis of the nation, and from this has sprung the demand for public ownership. The socialists, seeing this tendency, the importance of which is conceded, call attention to the greater evil of the private ownership of the still greater utilities of the nation. If private ownership of municipal utilities is productive of municipal corruption, then it follows logically that private ownership of national utilities is productive of national corruption. It is a fact not to be gainsaid that every corruptor of the body politic is the owner or agent of some public utility. No one has ever heard of a workingman bribing a legislator or corrupting a court.

All these questions are now up for consideration, and while there is wide difference among the people there is not the slightest doubt but that they will all be settled in good time in the interest of self-rule and a higher social order. The working class is being rapidly converted to socialism. They have everything to gain and nothing to lose by it. On the other hand, the capitalists are at war among themselves, the larger driving the smaller from the field, the trusts and syndicates eliminating competition and displacing the smaller competitors, all of which simply means that the capitalist system is running its historic course, and when its development is completed deterioration will set in, and in due time it will follow feudalism, from which it sprang, to the cemetery of the past, to make room for another social adjustment more compatible with the present and future needs of the race.

Published as "The Real Difference" in Salem [OH] *Daily News*, probably June 8, 1905, unspecified page. Debs spoke in Salem the previous day and granted an interview to a reporter from the paper, from which this was extracted. Reprinted in *Appeal to Reason*, whole no. 500 (July 1, 1905), p. 3.