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Steven High

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Résumé de l'article

L'idée d'entrepreneuriat municipal trouva un sol fertile dans lequel s'implanter sur la rive nord du lac Supérieur. À Port Arthur, la prédominance de propriétaires terriens locaux, l'absence d'importants employeurs industriels et une population restreinte, au sein de laquelle religion et ethnisme atténuaient les conflits sociaux potentiels, ont créé un climat favorable aux initiatives collectives. Le degré d'antagonisme ou de coopération qui caractérisait à l'époque les relations sociales au sein des communautés s'étendait au fonctionnement de l'administration municipale et façonnait l'idée que se faisaient les citoyens de leur municipalité et de son rôle au sein de la collectivité. Ceci est d'une importance capitale car en vertu de la loi ontarienne sur les municipalités, les conseils municipaux étaient liés à la volonté de la majorité des contribuables. La Municipal Act exigeait en effet que tous les contrats de franchise et règlements administratifs relatifs à des crédits fassent l'objet d'un vote. L'aspect « responsabilité financière » de cette loi, associé à la convergence d'intérêts locaux regroupés sous la bannière du « développement économique », incita les résidents de Port Arthur à faire œuvre de pionniers et à créer des entreprises municipales dès le début des années 1890. De petits propriétaires terriens, déçus par une élite municipale portée sur les pots-de-vin, innovèrent en créant l'une des premières sociétés de tramways électriques au monde à être détenue et exploitée par une municipalité. Le consensus naissant en faveur de l'entrepreneuriat municipal prit une ampleur telle qu'en 1901, même la puissante société Bell Canada n'arrivait plus à attirer les résidents de Port Arthur. L'étude permet également de constater que les villes frontalières comme Port Arthur ne souscrivaient pas systématiquement aux intérêts des élites locales. Loin d'être manipulée par la rhétorique du développement des gens d'affaires et des promoteurs fonciers, la population locale se montrait remarquablement encline aux compromis politiques et prête à collaborer activement.

Planting the Municipal Ownership Idea in Port Arthur, 1875–1914

Steven High

Abstract:

The municipal ownership idea found fertile soil on the rocky north shore of Lake Superior. The predominance of local land ownership, the absence of large industrial employers and a small population where religion and ethnicity eased potential class differences created a climate conducive to collective action in Port Arthur. The degree of conflict or cooperation that characterized local social relations inevitably extended to the operation of the municipal government and shaped the ways in which citizens perceived their municipality and its role within the community. This was of paramount importance as Ontario municipal law bound the municipal administration to the will of the majority of the taxpayers by requiring that all money by-laws and franchise agreements be voted upon. The accountability feature of the Municipal Act, coupled with a convergence of local interests under the rubric of boosterism, convinced Port Arthur residents to pioneer municipal enterprise in the early 1890s. The creation of one of the first municipally owned and operated electric street railways in the world was the innovation of small-scale land owners disillusioned with the boodling habit of the town's elite. The emerging consensus in favour of municipal enterprise was such that by 1901, not even the formidable Bell Telephone Company could dissuade Port Arthur inhabitants. In the process we see that frontier communities like Port Arthur did not always accommodate the interests of local elites. Instead of a local populace manipulated by the booster rhetoric of businesspeople and land developers, this study reveals a remarkable degree of political accommodation, and even the active cooperation of local ratepayers.

Résumé :

L'idée d'entrepreneuriat municipal trouva un sol fertile dans lequel s'implanter sur la rive nord du lac Supérieur. À Port Arthur, la prédominance de propriétaires terriens locaux, l'absence d'importants employeurs industriels et une population restreinte, au sein de laquelle religion et ethnisme atténuaient les conflits sociaux potentiels, ont créé un climat favorable aux initiatives collectives. Le degré d'antagonisme ou de coopération qui caractérisait à l'époque les relations sociales au sein des communautés s'étendait au fonctionnement de l'administration municipale et façonnait l'idée que se faisaient les citoyens de leur municipalité et de son rôle au sein de la collectivité. Ceci est d'une importance capitale car en vertu de la loi ontarienne sur les municipalités, les conseils municipaux étaient liés à la volonté de la majorité des contribuables. La Municipal Act exigeait en effet que tous les contrats de franchise et règlements administratifs relatifs à des crédits fassent l'objet d'un vote. L'aspect « responsabilité financière » de cette loi, associé à la convergence d'intérêts locaux regroupés sous la bannière du « développement économique », incita les résidents de Port Arthur à faire oeuvre de pionniers et à créer des entreprises municipales dès le début des années 1890. De petits propriétaires terriens, déçus par une élite municipale portée sur les pots-de-vin, innovèrent en créant l'une des premières sociétés de tramways électriques au monde à être détenue et exploitée par une municipalité. Le consensus naissant en faveur de l'entrepreneuriat municipal prit une ampleur telle qu'en 1901, même la puissante société Bell Canada n'arrivait plus à attirer les résidents de Port Arthur. L'étude permet également de constater que les villes frontalières comme Port Arthur ne souscrivaient pas systématiquement aux intérêts des élites locales. Loin d'être manipulée par la rhétorique du développement des gens d'affaires et des promoteurs fonciers, la population locale se montrait remarquablement encline aux compromis politiques et prête à collaborer activement.

The extent of municipal ownership of urban services in Port Arthur was unequalled anywhere in North America prior to World War 1. The municipality operated its own street railway, electric lights, hydroelectric power station, water and sewerage works and a telephone exchange. Two of these municipal franchises were important innovations at the time: the construction in 1892 of an electric street railway and, together with Fort William and Kenora, the foundation of a telephone exchange in 1902. According to the statistics compiled by the Ontario Bureau of Labour in 1911, no other town or city in the province matched Port Arthur's capital expenditure on its municipal enterprises when waterworks were excluded from the calculation (Table 1).[1] These statistics also indicate that, up to 1911, small and medium sized municipalities invested more capital in real and per capita terms than their big city counterparts. To demonstrate this fact, one only has to note that Ontario's two major urban centres of the day, Toronto and Hamilton, were not among the top twelve municipal ownership towns. In contrast, J.O. Curwood wrote in Chicago's *The Reader* in 1907 that:

> The municipal ownership idea was planted when the cities [of Port Arthur and Fort William] 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. ...[2]

This paper will therefore explore three questions. Why did Port Arthur residents turn decisively to the municipal ownership of urban services in the 1890s? How did the legal environment influence their decision? Did it really matter whether urban services were municipally or privately owned?

Municipal governments in the late Victorian era earned an unenviable reputation for corruption and ethnic and class conflict in North American urban historiography. Boosterism, boss politics, ward healers, ambitious land promoters and elitist municipal

Table 1
Total Investment in Municipal Enterprise in Ontario to 1911

Municipality	*Total Value ($)*	*Excluding Waterworks*
Port Arthur	972 700	572 700
Fort William	1 255 824	553 985
Guelph	829 560	505 595
Kenora	633 775	456 724
Berlin	656 548	449 969
Ottawa	2 580 000	330 000
St. Thomas	600 000	325 000
Orillia	440 000	325 000
Kingston	614 437	314 437
Wingham	670 000	300 000
Owen Sound	430 331	204 431
Brockville	441 000	175 000
Niagara Falls	325 000	125 000

Statistics compiled from Bureau of Labour, Sessional Papers, 1911

reform movements were all part of the turmoil of urban political life. In our rush to examine social conflict, however, historians sometimes overlook the persistence of accommodation and community. This paper deals with the degree of political accommodation possible in a small frontier town where social relations remained intensely personal prior to World War I. For example, Carl Betke wrote in his 1984 study of Edmonton, Alberta, that "[l]ife in North American cities has clearly been affected by a collective spirit, whatever the internal conflicts."[3] The basis for this collective spirit was, in Betke's mind, a culture of accommodation drawn from an emerging "urban community," which consolidated groups behind "a massive project."[4] In describing how a local community united in the cause of profit, Betke leads me to take a closer look at Alan F.J. Artibise's conception of boosterism. This paper, in doing so, finds that boosterism, defined as a philosophy of growth, provided the impetus for political accommodation and municipal innovation in Port Arthur prior to World War I. Where I part company with Betke, however, is in his contention that the emergence of an urban community necessarily led to a "negative sort of collective interest." Because Ontario municipal law bound the municipality to the will of the majority of ratepayers, and because property owner ship was relatively common, political accommodation rather than a so-called "tyranny of community," developed in Port Arthur. Moreover, the case of Port Arthur shows that boosterism's appeal was not limited to the town's elite, and that, in fact, it drew together all property owners, large- and small-scale, in a life or death struggle against their urban rival. From which, came a sense of shared identity. This paper therefore leans on Antonio Gramsci's conception of hegemony to explain the local convergence of interests that led Port Arthur to become a pioneer of municipal enterprise in North America.

The hegemonic status of boosterism, nonetheless, did not always extend to the techniques utilized by urban boosters. Historian Thorold J. Tronrud is justified in pointing out that the public subsidization of private enterprise met with stiff resistance from organized labour in Port Arthur and Fort William. Yet, this is still not to deny the hegemony of boosterism itself. The process of negotiation and political accommodation that typified community relations during these years resulted in the abandonment of unpopular techniques of subsidization in favour of others that enjoyed more community support. When municipal subsidies to private utility entrepreneurs, for example, failed to achieve what they were intended to in the 1870s and 1880s, small-scale landowners decisively turned to municipal enterprise despite the opposition of several prominent local businessmen. A spirit of community, tied firmly to place, thus did not always mean communal solidarity behind the class interests of local elites. Instead of a local populace manipulated by the booster rhetoric of the elite, this study reveals a remarkable degree of political accommodation and, even, the active cooperation of ratepayers. In sum, the accountability feature of Ontario municipal law, coupled with a convergence of local interests under the rubric of boosterism, convinced Port Arthur residents to embrace the municipal ownership idea.

The Basis for Community Accommodation In Port Arthur

The degree of conflict or cooperation that characterized local social relations inevitably extended to the operation of the municipal government and shaped the ways in which citizens perceived their municipality and its role within the community. Hence, it is essential that the character of social relations in Port Arthur be established in order to comprehend why municipal ownership took hold to the degree it did prior to World War 1. This is made more difficult by the fact that Port Arthur's close proximity to Fort William has resulted in misleading generalizations by historians such as Jean Morrison regarding the nature of social relations at the "Lakehead."[5] There were, in fact, substantial differences between the two towns in terms of property distribution, the pattern of economic activity, population growth, ethnicity, religious conviction, the physical environment and workplace relations. By adopting a comparative framework, this section will show that even though social relations in Fort William were characterized by conflict, Port Arthur had a climate of community accommodation that provided the basis for collective action.

Property represents the foundation on which social relations are formed.[6] Canadian philosopher C.B. Macpherson maintained that property "is both an institution and a concept and that over time the institution and the concept influence each other."[7] Property is thus embedded in the legal environment as well as the physical landscape. In *Guardians of Progress*, Thorold J.

Tronrud suggests that "land [at the Lakehead] was developed in each community in similar but not identical fashions."[8] The nature of ownership over the land bases of Port Arthur and Fort William had already been established by 1875 when the federal government decided to locate the terminus of the transcontinental railway along the Kaministiquia River in Fort William. Property relations played a pivotal role in this political decision which shaped social relations for decades to come. Despite a greater population, residents of Prince Arthur's Landing (Port Arthur) did not enjoy as much influence with Ottawa politicians as the handful of speculators from outside the region who controlled the land base of the Fort William area. The decision to locate the terminus in West Fort William, and the subsequent transfer of Canadian Pacific Railway operations onto the land of the Hudson's Bay Company in the East End of Fort William, ensured that the two communities would develop distinctly different social relations. Even though absentee landowners attempted to constrain the scope of municipal activity in both towns, they proved more successful in Fort William. Absentee landlords, opposed to increased property taxes, tried unsuccessfully to obstruct the incorporation of the Town of Port Arthur and prevent the construction of a municipal street railway.[9] Their failure in both cases can be attributed to widespread local ownership of Port Arthur's land base.

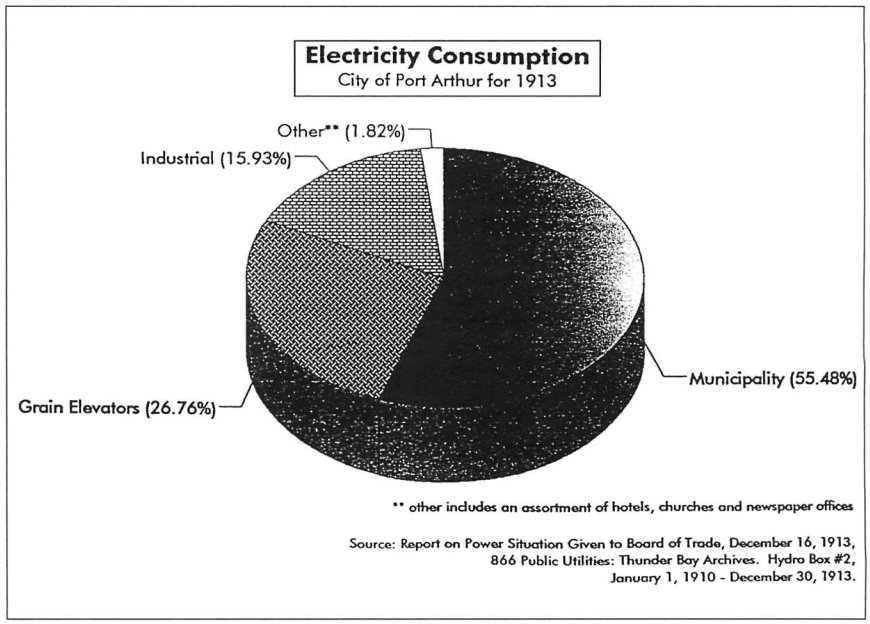

Figure 1: Source: *Thunder Bay Archives*

The economies of Port Arthur and Fort William evolved quite differently considering they were situated only five kilometres apart. Fort William acted as a major trans-shipment point for the North West Company, the Hudson's Bay Company and then the Canadian Pacific Railway, whereas Port Arthur acted as the commercial and administrative centre for the mining and lumber camps north and west of the Lakehead. Fort William was hence much more dependent upon large companies based outside the region. In his study of frontier social structure at the Lakehead, as revealed in the census manuscripts of 1871 and 1881, Thorold J. Tronrud makes an important distinction between the two communities. He describes Fort William's social structure as composed of an immense lower strata and "an upper class of government officials, Hudson's Bay Company managers, and Catholic clergy imposed upon it from outside."[10] Conversely, Port Arthur had a much larger number of indigenous professionals and merchants. This description of the social structure of these two frontier towns implies that Port Arthur was primarily a commercial centre. That industrial activity was insignificant in Port Arthur, compared to the transportation and municipal sectors, was demonstrated by the pattern of electric power consumption during 1913 (Figure 1). Industrialization in Port Arthur thus lagged far behind its rival.

Because of the slow pace of industrialization, population growth at the Lakehead remained negligible until the turn of the century. As the census figures demonstrate, Port Arthur only sur passed three thousand inhabitants in 1901.[11] In the following decade, however, the population expanded to well over eleven thousand. Fort William, on the other hand, had a smaller population than Port Arthur until 1901, when ten years of sustained growth followed, pushing the population of Fort William to sixteen thousand people. The census figures for Port Arthur and Fort William also indicate that the ethnic background of residents differed substantially prior to 1914. While immigration exaggerated class conflict in Fort William, it acted to mitigate class differences in Port Arthur. As an important trans-shipment point and industrial centre, Fort William attracted a large pool of unskilled labour from so-called "non-preferred" nationalities (especially Ukrainian and Italian immigrants).[12] Their presence exaggerated class conflict by accentuating cultural differences between the working and middle classes. The relative ethnic homogeneity in Port Arthur, on the other hand, eased potential class differences. Compared to the 25.9 percent of the inhabitants of Fort William who claimed ethnicity of a non-preferred status, immigrants of non-British or non-Northern European origin comprised only 12.6 percent of Port Arthur's population in the 1911 census.[13] The absence of large employers of unskilled workers in Port Arthur, at least until 1910, contributed to a situation where ethnicity united the community.

The religious convictions of the inhabitants of Port Arthur also contributed to an atmosphere of social accommodation. In his MA thesis on the Protestant reaction to non-British immigration to the Lakehead, Marvin MacDonald demonstrates that a great

deal of interdenominational cooperation existed in Port Arthur during this period. MacDonald cites several examples of how Baptist, Presbyterian and Church of England congregations in Port Arthur reached out to the Scandinavian community.14 There likewise does not appear to have been substantial evidence of overt anti-Catholicism in Port Arthur. If local newspapers were any indication, religion only became an issue during the 1885 municipal election when the *Daily Sentinel* ac cused mayoral candidate James Conmee of exploiting his own Catholicism to defeat his Protestant opponent.[15] The victory of Conmee and his subsequent election as the area's provincial and federal representative suggests very strongly that religious tensions were muted.

The physical environment also fostered a sense of communal solidarity and identity in Port Arthur (Figure 2). The Finnish and Italian immigrant enclaves were not physically segregated from the rest of the town, as were the working-class ghettos of Fort William. In fact, Jean Morrison observes that relatively speaking, working people were dispersed throughout Port Arthur.[16] This was possible because of the virtual absence of large employers that would have obligated working people to live in close proximity to their places of employment. Furthermore, it was only after the completion of a street railway that a handful of large employers (including the Canadian Northern Railway, the Pigeon River Lumber Company, and a dry dock) were located in Port Arthur. The high density of the town also facilitated inter-class contact. As Bryce M. Stewart observed in his social survey of Port Arthur in 1913, twelve thousand of the sixteen thousand residents of the town still lived in the densely populated area between the hill to the West, Lake Superior to the East, McVicars Creek to the North and a swamp to the South (Figure 3).[17] Geographers Brian J. Lorch and David A. Jordan similarly found that while there were 502 houses in Port Arthur in 1891, only 54 were added by the 1901 census. The dispersal of settlement beyond the confines of the original settlement occurred after 1909.[18] Community relations in Port Arthur thus reflected the degree of cooperation possible in a small, non-industrial, frontier community.

The relative absence of conflict in Port Arthur is confirmed by strike and lockout data compiled by the Department of Labour. Table 2 indicates that strikes and lockouts were much more frequent in Fort William than in Port Arthur between 1900 and 1914. The nature of the strikes also differed between the two urban centres as Port Arthur strikers were overwhelmingly drawn from non-industrial workplaces.[19] In addition, the scale of labour disputes was dramatically different between the two. The average number of strikers involved, for example, in a dispute was 350.3 in Fort William, 225 in strikes extending to both cities, and only 207.2 in Port Arthur. Hence, the average workplace in Port Arthur was probably smaller than that of Fort William.

The temperament of these labour disputes reveals that violence was essentially the product of social relations in Fort William. All outbreaks of strike-related violence were, with only one exception, confined to the "foreign quarter" in Fort William. The exceptional case occurred during the Port Arthur Coal Handlers Strike of 1912 when a picket line scuffle got out of hand and a worker of Italian origin was shot. This single incident of violence in Port Arthur was in no way comparable to the large-scale riots that broke out in Fort William during the freight handlers strikes of 1907 and 1909, and the street railway strike in 1913. In the case of the last mentioned, a mob overturned and smashed a streetcar and then stormed a police station in the vain attempt to free an arrested colleague.[20]

Even though Port Arthur and Fort William were separated by only five kilometres of swamp and two rivers, they developed into distinct communities. The convergence of various forces in Port Arthur prepared the ground for political accommodation and an intense spirit of community. The genesis of municipal ownership of urban services in Port Arthur was thus due to a unique configuration of social relations, peculiar to the place. In stead of a community in conflict, the predominance of local land ownership, the absence of large industrial employers, and a small local population where religion and ethnicity further mitigated social conflict all contributed to a climate conducive to collective action. Because the accountability feature of Ontario municipal law placed social relations at the centre of local governance, a climate of accommodation nurtured the municipal ownership idea in Port Arthur. As a result, even though social relations made collective action possible, Ontario municipal law determined the nature of this response.

Ontario Municipal Law and the Will of Ratepayers

An exploration into the evolution of statutory law in Ontario is essential to understand how a climate of community accommodation set the tone for municipal governance in Port Arthur. Statutory law determined the legal basis for municipal enterprise because, unlike in the United States, there was no formal constitutional recognition of private property in Canada. In *Regulatory Failure and Renewal*, John Baldwin indicates that Canada turned to public ownership because the "opportunism" of the state was unconstrained by the court[21] The *British North America Act* did not, according to J.G. Bourinot, recognize municipal governments as anything more than entirely subordinate to the provinces.[22] Their legal status as "corporate bodies" was determined by provincial statutes as interpreted by the courts. The province thus determined whether a municipality had the legal right to own and operate urban services.

The early development of local government was of an extremely limited nature. Historian J.H. Aitchison found that local government had a long but limited existence from the days of New France. After the American Revolution, British authorities were loath to recognize local institutions, as New England town hall meetings were blamed for fomenting democratic ideas.[23] There was little local autonomy even after the establishment of district councils in 1841, as the district officers were all appointed by the governor. Modern municipal administration was hence born

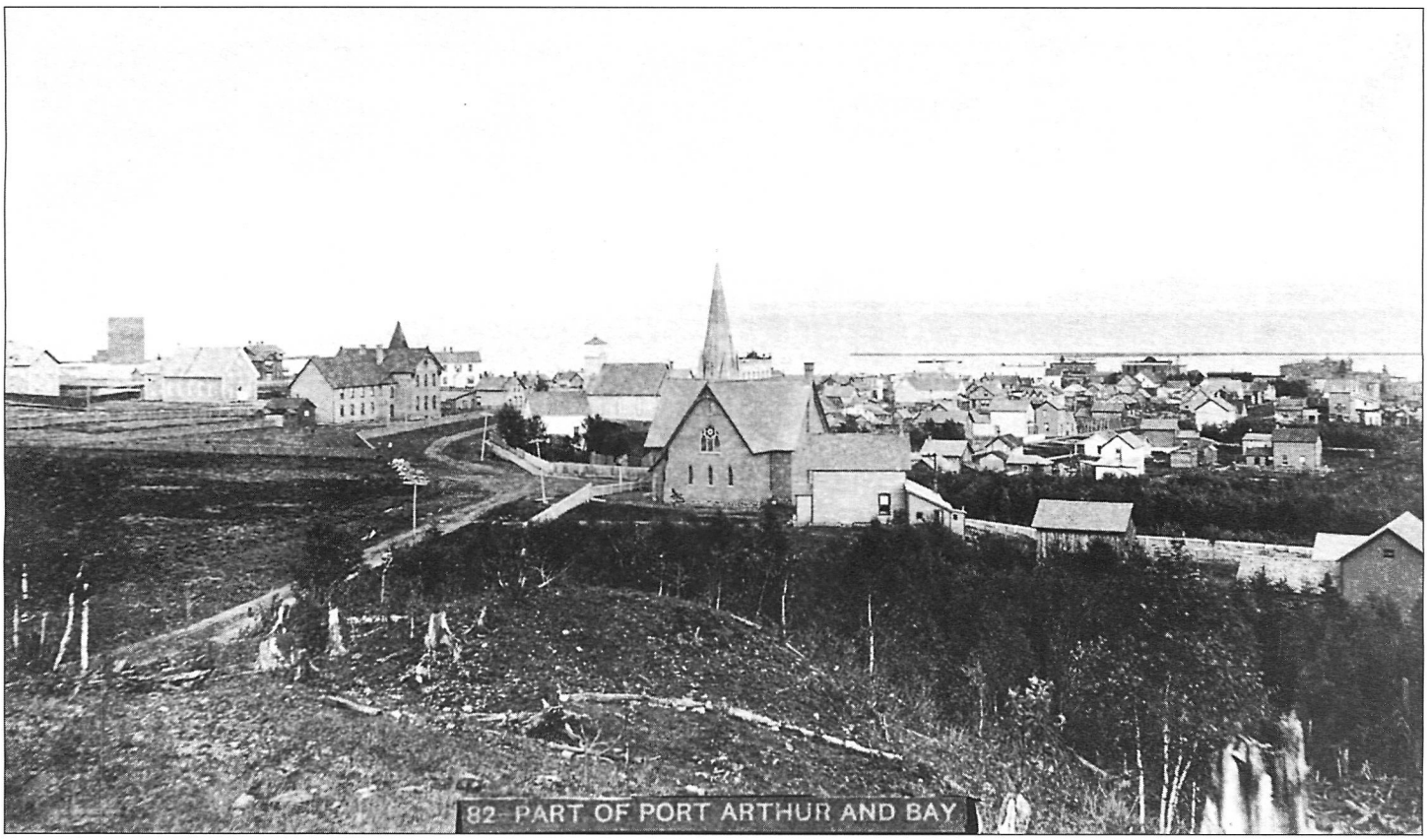

Figure 2: ***Photograph taken in 1886–87 by J.F. Cooke of Port Arthur, Ontario.*** **Source:** ***PA 117633 National Archives of Canada.***

in 1849. Commonly referred to as the *Baldwin Act*, the *Municipal Corporations Act* served as the legal basis for municipal governance in Ontario until the 1960s.[24] The *Baldwin Act* replaced the inadequate district councils with a new nomenclature of local institutions. Counties, cities, towns, villages and townships were created with a particular set of responsibilities and taxing powers. Political changes in mid-century were thus reflected in the extension of the concept of responsible government. This new conception gave administrators the freedom to act within their prescribed spheres of interest. Hence, even though the shape of municipal activity was mandated, its scope was not.

A closer inspection of the consolidated *Municipal Act of 1883*, which was essentially an amended version of the *Baldwin Act*, is necessary in order to understand the legal standing of Port Arthur prior to the First World War.[25] This *Act* set out in detail the various aspects of municipal administration and finance, including minimum qualification standards for candidates and electors for municipal elections, to be held the first Monday of each January. Permitted to vote were those men and single or widowed women over twenty-one years of age who met the minimum property ownership requirements established for Northern Ontario. While this *Act* excluded almost all women and many unskilled male workers, skilled workers usually owned enough property to qualify. The town of Port Arthur, also incorporated in 1883, was eligible to elect a Mayor, and three councillors from each of the town's three wards. Once elections had taken place, the Council was required by the *Act* to appoint a clerk, treasurer, assessors, tax collectors, two auditors and such other officials "as are necessary." This gave individual municipal councils a *carte blanche* as to the size but not the shape of their municipal bureaucracy. Perhaps, the single most important component of the *Act* was the legal requirement that all money by-laws and franchise agreements be voted upon by the ratepayers.[26] The actions of the municipal government were held accountable to the will of property owners because any experiment with municipal enterprise needed the approval of a simple majority of ratepayers. As a result, the importance of social relations became paramount within municipal administration.

The financial provisions in the *Municipal Act* enabled Ontario municipalities to consider municipal enterprise through the

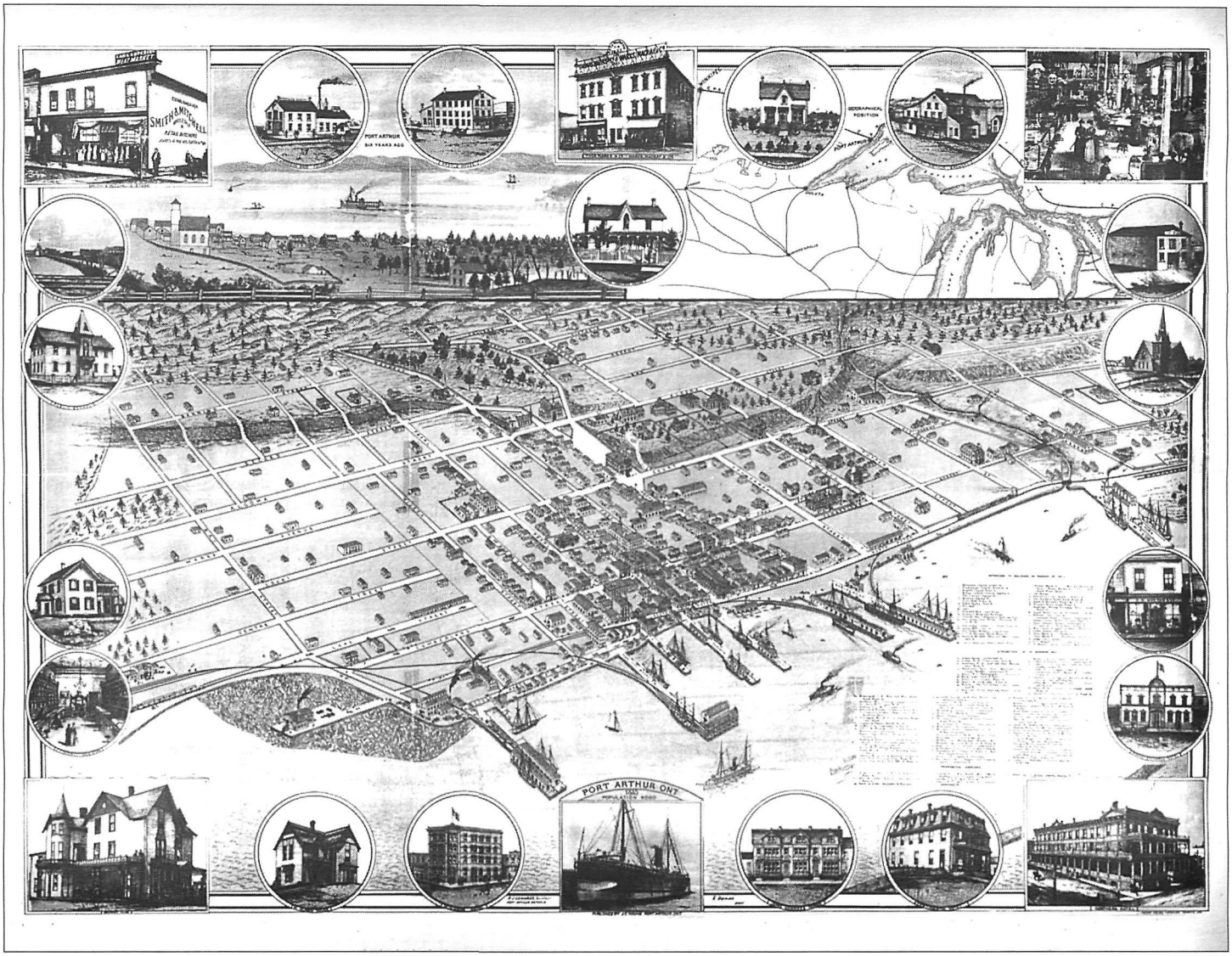

Figure 3: ***An 1885 illustrated map of Port Arthur surrounded by 23 photographs of major buildings.*** **Source:** ***NMC 22716 National Archives of Canada.***

issue of debentures to investors for a period of fifteen or twenty years. However, the *Act* constrained the municipality, for it set maximum debt loads and tax rates, and required the municipality to meet the annual interest and sinking fund payments, sufficient to pay off the principle due on the expiry of the debenture. Moreover, a fair degree of investor confidence in the municipal government was necessary to raise sufficient finance capital to meet the expenditures for the proposed activity. The emergence of municipal enterprise in Port Arthur therefore occurred only with the financial assistance of central-Canadian capitalists who were more willing to invest in the municipality of Port Arthur than they were in private enterprise in the region.

The consolidated *Municipal Act of 1883* also prohibited municipal councils from granting an exclusive privilege for any trade or calling, including urban utilities. While this effectively prevented any municipality from enforcing a private monopoly, utility companies still needed municipal approval to conduct business within its boundaries. The exception was the Bell Telephone Company, which had been granted a special clause in its Federal charter that stated that its operations were "for the general benefit of Canada," thus permitting the company to escape municipal regulation.[27] The council was empowered, on the other hand, to operate its own waterworks, gasworks and sewerage facilities.[28] There was no explicit indication, in 1883, that an Ontario municipality could legally operate its own street

Table 2
The Nature of Labour Disputes at the Lakehead, 1903–13

Reason for Strike	*Lakehead*	*Port Arthur*	*Fort William*
Wages	3	2	6
Union Recognition	0	0	1
Lockout	0	1	1
Open Shop	0	0	1
Union Discrimination	1	2	0
Working Conditions	0	2	0
Fair Wage Clause	0	0	1
Managerial Appointment	0	0	1
Timekeeping	0	0	1
Unknown	1	1	7
TOTAL	5	8	19

Source: ***Canada, Department of Labour. Strike and Lockout Files. National Archives of Canada, RG 27, Reel T-2686.***

railway, electric lights, waterpower or telephone exchange. This probably reflected the technological infancy of these urban services rather than a conscious effort on the part of provincial politicians to limit the scope of municipal enterprise. The consolidated *Municipal Act* therefore facilitated rather than obstructed the growth of municipal enterprise by enabling municipalities to issue debentures and through the explicit recognition of the municipal ownership of some urban services. By requiring that municipal officials secure ratepayer approval for additional money by-laws, however, Ontario municipal law made social relations central to municipal governance.

Amendments to the *Municipal Act*, which occurred on an almost annual basis until the outbreak of World War 1, further encouraged the development of municipal enterprise. An early example of the willingness of legislators to promote municipal enterprise occurred in 1890 when the Act was amended to extend the duration of debentures to thirty years for the purposes of railway, gas, waterworks, parks, sewers and school expenditures.[29] This reduced the financial barriers to municipal enterprise by spreading out the period in which the ratepayers made payments into a sinking fund. A second amendment explicitly empowered municipalities to operate street railways in the absence of an existing privately owned line. The adoption of legislation in 1892 respecting the Town of Port Arthur endorsed the municipality's efforts to construct a municipal street railway.[30] In fact, the only amendment to the *Act* that potentially constrained municipal enterprise was the so-called "Conmee Amendment" adopted in 1899. Named after James Conmee, the Member of Provincial Parliament for Algoma District (which included Port Arthur), the amendment required that municipalities offer to purchase existing private companies, at a price determined through arbitration, before a municipality could take ownership of an urban utility.[31] The amendment had a limited impact on utility organization and regulation in Port Arthur because private enterprise had proven unable to raise sufficient finance capital to satisfy public demand.

The year before the adoption of the Conmee amendment, another amendment to the *Municipal Act* permitted the election of councillors at-large.[32] The swift adoption of this change by the town of Port Arthur has been used as evidence that the town's elite feared the growing power of working-class voters.[33] This argument is misplaced because of the lack of militancy on the part of the working-class, the limited popular identification with individual wards and because a growing proportion of council business was city-wide in nature.[34] Strictly localized issues such as streets, sidewalks, sewers and water mains were thus removed from the purview of the municipal council by the *Ontario Frontage Act*.

The *Frontage Act* contributed to the emergence of municipal enterprise by reducing the workload of councillors freeing them to consider, municipally owned and operated urban services. Jon Teaford's study of American municipal governance illustrates that the most hotly contested and potentially divisive business facing local councillors were "neighbourhood" or "ward" issues.[35] These purely local matters introduced conflict among councillors, who were elected to get as much as possible for their wards. "Ward politics" became synonymous with corruption, contributing to the poor reputation of American urban governments. Ontario municipalities, in contrast, were governed by the *Frontage Act*, which required that those property owners who directly benefitted from local improvements pay for the sewer, water main, sidewalk, or other works themselves through a special assessment on their property.[36] The municipal government, upon reception of a petition from the abutting property holders in a given block who represented two-thirds of the owners and at least fifty percent of the total assessed value of the property, was compelled to build the proposed works. Municipal councillors were therefore bypassed, freeing the council to consider issues of city-wide importance. The weakness of the *Act* was, of course, that local improvements only occurred in those parts of the municipality able to afford the financial burden of a special assessment.[37]

This brief review of the evolution of statutory law in Ontario as it relates to municipal enterprise prior to 1914 indicates that the provincial government actively promoted the municipal ownership of urban services. Lax enforcement of statutory law by the province and the courts led historian John Taylor to suggest that "urban centres were left free in the last part of the nineteenth century to pursue their policies of growth and physical and social amelioration."[38] However, municipal administrations were not free to do everything they desired. Even though legislative constraints on the scope of municipal activity were loose enough to allow for an expanding range of initiative, municipal politicians were still bound to the will of ratepayers.

This potential barrier to municipal enterprise was mitigated in Port Arthur by a spirit of accommodation that gave residents confidence in the abilities of their local government. This spirit was hence conducive to innovation in municipal governance and to the provision of urban services.

Governing the "Municipal Ownership Town"

In the opinion of urban historian John C. Weaver, municipal governments were little more than instruments of the ambition of local elites prior to the First World War.[39] This assumption also applied to the Lakehead. "Government was simple in both structure and design," Thorold J. Tronrud suggested. "It existed to serve the ends, both personal and collective, of those who controlled it and booster-orientated businessmen readily assumed that control as a natural right."[40] While it was undoubtedly the ambition of booster politicians to advance their private interests in public office, to declare that they were successful is misleading. Tronrud's statement, in particular, fails to take into account the growing scope and complexity of municipal activity by the turn of the century and, it ignores altogether the rest of the local community. Were local citizens really that passive? Municipal administration comprised not only elected municipal councillors and the mayor, it also included managers and municipal employees; all of whom were held accountable to ratepayers. Booster politicians had little alternative but to share power with new groups within and without the municipal administration. The political power of the economic elite in Port Arthur, while substantial, was hence constrained by the growing scope and complexity of municipal enterprise. In this context, it made perfect sense that the decision-making process within the municipal administration was relatively inclusive.

Even so, only a few representatives of the working class were elected to the Port Arthur council during these years. Elected officials in Port Arthur between 1884 and 1914 were almost all of Anglo-Celtic background and almost invariably middle class.[41] The overwhelming defeat of a Finnish socialist municipal slate in 1905, despite their sympathetic reception in the local press, seems to suggest that most electors were satisfied with their municipal leadership. Public approval for working-class political involvement, however, was demonstrated by the two Trades and Labor Council candidates who not only won in 1911, but received an endorsement from the normally conservative *Daily News*. "It is quite just and proper," the editor declared, "that the labour organization should take such a step, it may be construed by some as the thin edge of the wedge by which party politics would be introduced into municipal affairs, but there is more reason to believe otherwise."[42] The election of Frederick Urry and W.G. Woodside indicates that middle class voters were not ideologically opposed to the representatives of organized labour. While there does not appear to have been a concerted effort on the part of the middle-class to exclude working-class representatives from the municipal council, there is likewise little indication of substantial dissatisfaction on the part of working people and organized labour with the middle-class-dominated Council. No single act symbolized this accommodation as clearly as the 1910 vote of nearly two-thirds of Port Arthur ratepayers to subsidize the construction of the Finnish socialist hall.[43]

A high rate of turnover among elected officials in Port Arthur, in the meantime, contributed to the decline of Council's control over municipal administration.[44] The average duration of public office for the ninety-five persons who sat on the municipal council between 1883 and 1914 was extremely short lived, with 43.2% serving only a year and fully 77.9% serving for three years or less. As a consequence, only twenty-one elected officials, representing a modest 22.1% of the total number, were elected for longer periods of time. This extremely high rate of turnover, somewhat surprising in a community as small as Port Arthur, made it even more difficult for the Council to manage the expanding scope and complexity of municipal activity.[45] With the exception of a handful of veteran politicians, Port Arthur had a new batch of councillors every year. By the time that they had enough experience to allow them to participate fully in the business of Council it was election time again, and the cycle would repeat itself. The Mayor, naturally, exercised considerable influence over councillors, as he usually had years of previous experience on the Council. Port Arthur elected thirteen different mayors prior to 1914, with the greatest stability being the eighteen year period between 1893 and 1910 when three mayors dominated the council for all but two years.[46] It was therefore inevitable that these one-time councillors depended heavily upon the handful of long-serving councillors, on the Mayor, and on the expertise of professional managers for guidance. The high turnover of elected officials precluded the emergence in Port Arthur of the kind of political clique alluded to by Weaver and Tronrud. The political culture was, in fact, inclusive and the municipality was hardly the instrument of the ambition of elites

The growing scope and complexity of municipal activity demanded increasing specialization among the councillors. As the council meeting could no longer handle adequately the growing volume of business, more and more authority was delegated to standing committees and even sub-committees. While the number of standing committees doubled between 1885 and 1902, the management of Port Arthur's municipal enterprises became the responsibility of the Electric Railway and Light Commission.[47] Specialization even occurred among the elected Commissioners, who divided their responsibilities between the street railway, electric light and telephone franchises. Booster politicians therefore had to rely increasingly on professional managers for the day-to-day operation of the municipality.

The expansion of municipal activity in Port Arthur during the early 1890s contributed to the emergence of a civic bureaucracy informed by the spirit of accommodation in the community. Unlike towns such as Fort William that experimented with municipal ownership after 1900, Port Arthur did not import its municipal managers from outside the region. This enabled municipal employees to rise through the ranks into

sometimes key managerial positions. One of the outstanding examples of social mobility was the case of Richard Fox, who started out in the early 1890s as a street railway motorman before being promoted to superintendent of electric lights, and subsequently to assistant and then general superintendent of the city's electrical department.[48] The prospect of career advancement, in turn, contributed to longevity within the civic bureaucracy.[49] Business historian Alfred Chandler showed how corporate decision making shifted away from the owners and towards a new group of career managers in *The Visible Hand*.[50] Just as business managers were found to have been more interested in the long-term stability of the firm than the maximization of profits, the new breed of municipal manager was interested in the long-term viability of the municipality. This could be seen in Port Arthur when municipal managers emulated their counterparts in the private sector through such administrative innovations as new organizational structures, statistical tracking and uniform accounting practices. As a pioneer in municipal ownership, Port Arthur actually exported its managerial talent to other towns and cities when the idea came into vogue around 1905.[51] Drawn primarily from the local area, Port Arthur's municipal managers were thus greatly influenced by the climate of accommodation in the community.

A special bond between managers and ordinary municipal employees reflected the remarkable degree of community spirit in Port Arthur. For example, city engineer Joachim Antonisen wrote to the mayor in December 1909 to "correct the impression wrongly created, that the estimated amount was exceeded on account of excessive cost of the day labour [for the Arthur Street railway extension]. ... I deem it an injustice to blame the labourers for something which they are not guilty of."[52] He risked the wrath of elected officials by casting the blame squarely upon the Council, as it had demanded additional changes to the work while it was in progress. Antonisen's actions exhibited a level of self-confidence that illustrate the growing managerial influence within the municipality. Perhaps the best evidence that a bond existed between local managers and their employees was revealed, somewhat ironically, during the 1913 street railway strike at the Lakehead. Rather than work with out-of-town strike breakers, John Hays, the assistant traffic manager, and L. Lindahl, another manager, resigned.[53] As no civic employees were unionized prior to the organization of the street railway workers in 1908, wage schedules were drawn up in a purely ad-hoc manner.[54] The minutes of the Electric Railway and Light Commission include repeated references to groups of employees or individuals petitioning for wage increases. Petitions usually resulted in the granting of at least a portion of the raise demanded. In fact, the only example of a request being denied outright by the commissioners concerned a petition from female telephone operators.[55] The refusal reflected the expectation that women left employment for marriage, making their demands inconsequential. The wages paid to male municipal employees in Port Arthur, nonetheless, revealed a climate of accommodation. Frederick Urry estimated that the City of Port Arthur paid on average five to seven cents per hour more for labour in March 1911 than did Fort William.[56] This was a significant difference because, at the time, it represented twenty-five percent of the hourly wage of the general labourer.[57] One can also cite the example of Fort William municipal electrical workers who threatened strike action in 1911 to achieve parity in wages with Port Arthur. As a result there was an apparent willingness on the part of elected officials to satisfy, at least in part, the wage demands of municipal employees. The boundaries of community accommodation, however, had their limits.

Port Arthur also distinguished itself by its 1909 adoption of a fair wage schedule in response to an appeal by the local Trades and Labour Council (TLC). According to Frederick Urry, the schedule established a minimum wage of twenty cents per hour, which was substantially higher than the going rate at the time for labourers.[58] The Council responded well to the presentation of the TLC that stressed the need to protect the poorest citizens from exploitation by "unscrupulous" contractors, and promised that a fair wage fixed above the going rate would attract the best workers to the municipality. "What makes efficiency in workmen, is a good wage to enable them to have proper nourishment, reasonable time for rest and recreation to make them physically fit, and time for thought to make them mentally fit, and further, good wages and short hours are also conducive to increased trade and employment," the TLC argued.[59] The nature of the TLC's argument suggests that the union leadership believed, rightly as it turned out, that an appeal for fairness would resonate with the Council. This willingness on the part of middle-class councillors to respond to the demands of organized labour collaborates the assertion that accommodation continued to characterize social relations in Port Arthur at least until the outbreak of World War 1.[60] The existence of a spirit of community in Port Arthur was further illustrated by the emergence of municipal enterprise in the town. This is somewhat ironic, in that, the municipal ownership idea initially pitted Port Arthur's small-scale property owners against prominent members of the town's elite who had hitherto profited from the public subsidization of private enterprise. Hence, we can see how a philosophy of growth influenced all ratepayers and how a frontier community like Port Arthur did not always accommodate to the interests of the elite.

The Emergence of Municipal Enterprise, 1875–1908

The 1875 decision to locate the terminus of the new transcontinental railway in Fort William inspired risk-taking in Port Arthur and, eventually, led to a general consensus in favour of municipal enterprise. As the railway and trans-shipment activity threatened to bypass the village, many people who owned land and businesses at the Prince Arthur's Landing (renamed Port Arthur in 1883) faced financial ruin. No citizen stood to lose as much from the decision as Thomas Marks, who had built a dock, warehouse and enlarged his store in anticipation of the boom which would accompany the railway.[61] As the dominant personality in the economic and political life of the Landing, Marks prepared to safeguard his investment in the community

by promoting the construction of a seven-mile-long branch rail way. The municipal Council quickly agreed to provide a thirty-five thousand dollar subsidy to his Prince Arthur's Landing and Kaministiquia Railway Company.[62]

Although the branch line succeeded in redirecting, at least temporarily, trans-shipment activity to Port Arthur, local shareholders earned a reputation for "boodling" once it was sold to the Canadian Pacific Railway in 1879. A boodler was a derogatory term used by critics of the day, to describe a person who personally profited from public subsidies that had not benefitted the community as a whole. Rumoured railroad profits engendered resentment among the great majority of ratepayers who did not share in the wind fall.[63] Suspicion of the shareholders was such that the municipality asked to examine the correspondence between the local railway company and the government over the controversial transaction.[64] Even the *Daily Sentinel*, owned by Thomas Marks, had to admit that there existed considerable public hostility towards Marks within the community over the sale.[65] The Canadian Pacific Railway's subsequent decision to centralize its operations in Fort William, once again abandoning Port Arthur, tarnished the reputation of the shareholders and further discredited public subsidy arrangements.[66] The inability of entrepreneurs, in turn, to construct a street railway convinced a growing number of residents to advocate the municipal ownership of urban services.[67]

The community's growing resolve to experiment with a municipal street railway was reinforced by the inability of private utility entrepreneurs to satisfy public demand for a water works, an electric light system and a hydroelectric development. Numerous franchise agreements with various entrepreneurs, sometimes at considerable financial expense to ratepayers, ended with almost nothing to show for them.[68] In fact, after fifteen years, private enterprise had only managed to construct a tiny forty-lamp electric light system, of inferior quality, and a Bell telephone exchange that charged exorbitant rates. The ground, indeed, was fertile for municipally sponsored enterprise. In light of the inability of private enterprise to satisfy public demands for urban services in Port Arthur, the real choice facing the community was between the municipal ownership of urban services or to continue to go without. By 1890, the sense of urgency generated by Port Arthur's rivalry with Fort William convinced a large majority of ratepayers to break with the past and experiment with a municipal street railway.

Residents of Port Arthur appreciated that a street railway to Fort William would allow the town to retain its status as the regional administrative and commercial centre for Northwestern Ontario. It was, moreover, generally agreed that, if given a choice, working people preferred to live in Port Arthur because of the concentration of government offices, banks, large merchants, schools and churches in the town.[69] An inter-urban street rail way, in sum, promised to revitalize the town. Ratepayers responded by voting 237 to 22 on February 2, 1891 to allocate seventy-five thousand dollars for the purpose of a street railway between Port Arthur and Fort William.[70] The only initial opposition to the by-law came from absentee landowners wary of higher property taxes and the promoters of the Ontario and Rainy River Railway fearful that the by-law would hinder their efforts to arrange a municipal subsidy for their own scheme.[71] Even though the creation of a municipal street railway seemed assured, a handful of prominent ratepayers attempted to redirect the money into their own pockets upon approval of the by-law.

The bombshell came on March 7, 1891 when Thomas Marks asked that the street railway be re-routed onto the abandoned right-of-way of the Prince Arthur's Landing and Kaministiquia Railway.[72] As incentive, Marks offered to lay out the street, build the necessary bridges over the McIntyre and Neebing Rivers, and give the town free use of the land.[73] Although the proposal would have saved the municipality almost ten thousand dollars, the council defeated Marks' offer because the alternate route threatened the viability of the entire enterprise due to the potential loss of revenue on the unpopulated route. The council's decision turned Marks against the municipal street railway. Five days later, Thomas Marks called on the municipality to negotiate a street railway franchise agreement with his new company.[74] This action temporarily shattered the local consensus in favour of the municipal street railway, and ignited a bitter conflict between a handful of prominent ratepayers and the rest of the community.[75]

Marks used the failure of the street railway by-law to mention municipal ownership explicitly to convince the Divisional Court to halt construction of the street railway on April 30, 1891.[76] This injunction was made perpetual on May 26 after the town lost its appeal. The situation was such that even the *Daily Sentinel* had to admit that the injunction was met with "a feeling of universal disappointment in the community."[77] Unwilling to subsidize the boodling habit of Port Arthur's economic elite, small property owners resolved instead to see the completion of the municipal street railway. The *Daily Sentinel* observed that: "We know that nine-tenths of the business men of the town are opposed to it, but we also know that the small-property owners appear to be almost solid for it."[78] The fate of the municipal street railway depended on the stance taken by the Ontario government. Sensing the political cost of inaction, the provincial government of Oliver Mowat declared the street railway "legal and valid to all intents and purposes."[79] Justice Osler of the Ontario Court of Appeal subsequently ruled in favour of the municipality and a second street-railway by-law was confirmed 185 to 59.[80] On March 8, 1892 the first municipal streetcar rolled down Cumberland Street in Port Arthur to great fanfare (Figure 4). That day's entry in the diary of Belle Kittredge, a young woman who lived with her uncle in Port Arthur from 1890 to 1893, observed that the "rides were all free so they had a great crowd. The street was lined with men to watch its movements."[81]

The successful fight for a municipal street railway represented a repudiation of the rapacious economic elite and set off a chain of events that drew the municipality first into steam generation

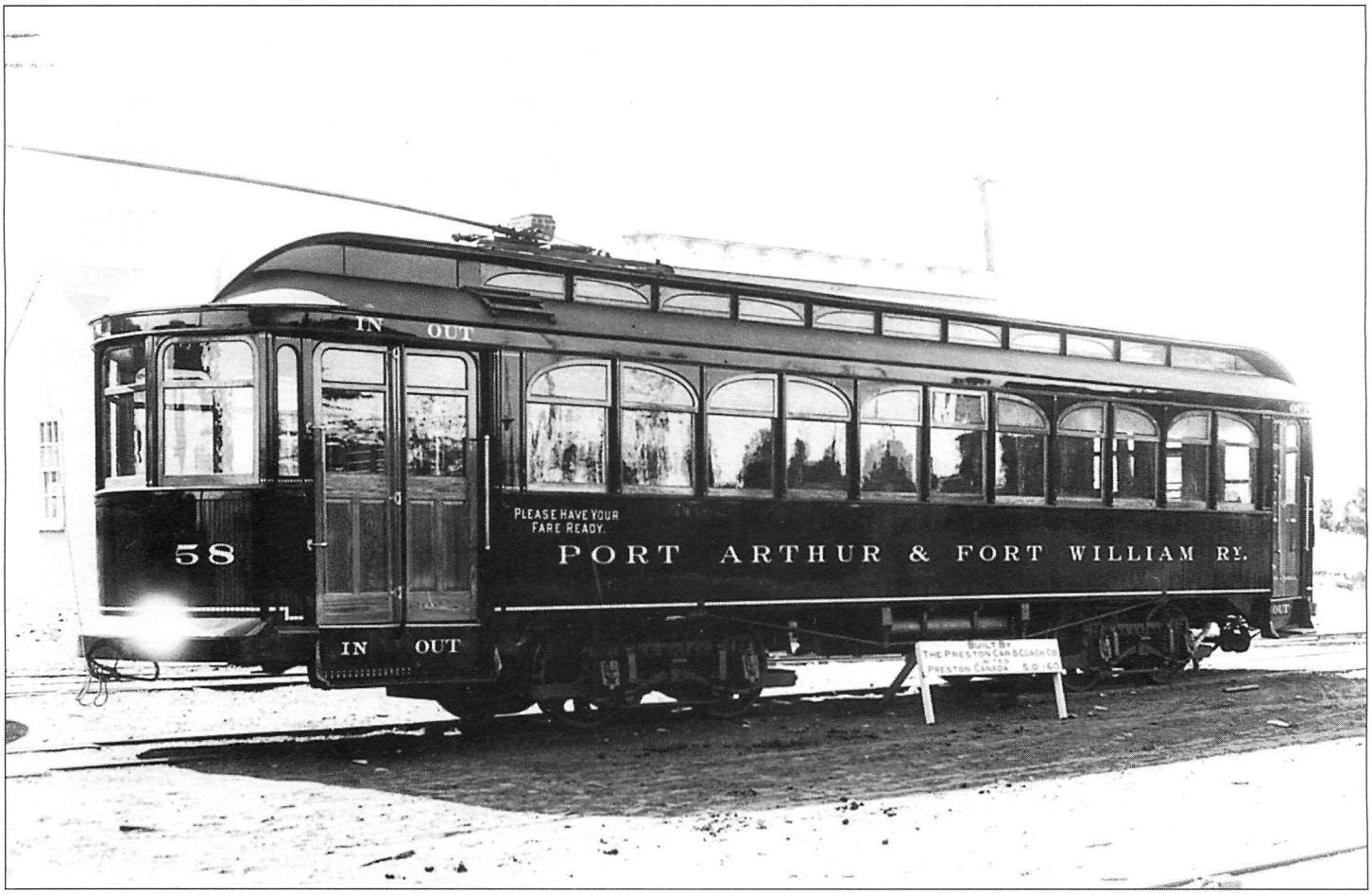

Figure 4: ***Port Arthur and Fort William (Electric) Railway car No. 58. Wood sign along car reads: "Built by the Preston Car & Coach Co. Limited, Canada."*** **Source:** ***PA-152241 National Archives of Canada.***

and subsequently into the provision of electric lights. Dissatisfaction with the lighting service provided by the Port Arthur Water, Light and Power Company was such that old boodlers like George T. Marks, nephew and business partner to Thomas Marks, were converted to the municipal ownership idea by the mid 1890s. By century's end, Port Arthur residents' commitment to their community came to be symbolized by their enterprising municipality. The failure of private enterprise to harness the water power of the region, along with the rising power demands of the municipal street railway and electric light franchises, convinced the municipality to proceed with the construction of a municipally owned hydroelectric project. The re-emerging consensus in favour of municipal enterprise was demonstrated by the fact that ratepayers voted, 301 to 27, for the project in February 1901.[82] The dispute between large and small property owners, so apparent in the early 1890s, clearly did not survive to the turn of the century.

The growing faith of Port Arthur residents in municipal ownership culminated in a successful challenge to Bell Telephone's local monopoly after the turn of the century. Ironically, Bell's ability to escape municipal regulation through its federal charter provoked municipal intervention. The ratepayers of Port Arthur, wanting a more affordable and dependable telephone service, voted overwhelmingly, 173 to 14, in favour of establishing a municipal telephone exchange on May 27, 1902.[83] Port Arthur's elite, still embittered by Bell Telephone's harsh treatment of a small local telephone company operated by James Conmee in the mid 1880s, initiated the first public telephone challenge to Bell's monopoly. The struggle between the municipal telephone franchises and the Bell Telephone Company at the Lakehead quickly became a *cause célèbre* for the municipal ownership movement across Canada.[84] Of particular importance to municipalities such as Ottawa, that wanted to follow suit, were the efforts of Port Arthur and Fort William to dismantle the exclusive agreement between Bell Telephone and the Canadian

Pacific Railway. The towns appealed to the Board of Railway Commissioners to gain access to the premises of the Canadian Pacific Railway because Bell Telephone had been given an exclusive privilege to provide telephone service to the railway.[85] Represented by municipal reform leader W.D. Lighthall, Port Arthur and Fort William argued before the Board that this contract was illegal and contrary to public policy. After hearing their case, the Board ruled that access to CPR property be allowed only after compensating Bell Telephone for the loss of the monopoly. Bell Telephone's lawyer demanded, in turn, that this compensation be fixed at one hundred thousand dollars for the loss of the exclusive right nationwide.[86] Fortunately for Port Arthur and Fort William, the Board fixed compensation at five dollars per telephone operated by Bell Telephone in each town. Bell Telephone desperately tried to maintain a toe-hold in Port Arthur, but faced with overwhelming communal opposition, it was only a matter of time before the Bell Telephone Company capitulated.[87] In the process, the creation of a municipal telephone exchange in Port Arthur transformed the social function of the telephone in the community.

The diffusion of telephones was attributable to the political power of ratepayers and the existence of a strong sense of community that bound the residents of Port Arthur together. The municipal administration thus understood that, in order to ensure the continued ratification of proposed by-laws, urban services had to be affordable to ratepayers, While this did not necessarily enable all local families to enjoy the advantages of these new urban services, the pervasiveness of home ownership in Port Arthur ensured that most residents were not excluded.[88] According to the 1902 Bell Telephone directory for Port Arthur, over seventy-five percent of the 127 subscribers represented businesses, while the remainder included, almost without exception, the residences of these same business owners. Unsatisfied demand for affordable telephone service inspired 67 ratepayers to sign a petition submitted to the Council on February 1, 1902.[89] In contrast to the creation of the municipal street railway, the inspiration of small-scale ratepayers, the prominence of these petitioners indicates that the town's new telephone service was conceived by the economic elite. Telephones were, nonetheless, rapidly diffused throughout the community. The municipal telephone directory for 1907–1908, for example, listed 923 telephone numbers in Port Arthur. This represented more than a seven-fold increase in the number of telephones in just five years. The proportion of residential subscribers in relation to commercial use abruptly reversed itself once the municipal system was established. In fact, over seventy-five percent of telephones in Port Arthur were for residential use. Consequently, there was one telephone for every 13.59 Port Arthur residents, or one for every 19.6 residents when only residential lines are considered. This process of "democratization" transformed the meaning of telephone technology and ensured that the service was affordable to many Port Arthur residents.[90]

For a small frontier community with no long-distance communication beyond Fort William and the surrounding rural townships, the rate of telephone diffusion among all social classes was remarkable. Although competition accelerated the diffusion in Port Arthur, it was the creation of a municipally owned and operated exchange that "democratized" the telephone. This finding directly contradicts historian Robert Pike's contention that "neither public or private ownership of telephones in Canada can be neatly correlated with maximum telephone utilization."[91] Unfortunately, he bases this hypothesis on the degree of "market penetration" by provincially owned telephone systems in the Prairie Provinces. Despite the fact that the rate of social diffusion in these provinces was almost identical to that of Ontario (where the Bell Telephone Company dominated), provincial and municipal ownership should not be painted with the same "public ownership" brush. The municipal ownership of telephone service in Port Arthur resulted in a greater social diffusion because ratepayers had a veto over all municipal expenditures and they had no such power over the provincial government. To gain ratepayer approval for ongoing telephone expenditures, the municipal adminstration understood that the service had to be affordable to most ratepayers. This resulted in dramatically reduced charges to municipal subscribers. The Bell Telephone Company charged twenty-four dollars annually for a residential subscriber and thirty-six dollars for a commercial line in 1902, whereas the municipal rates were only twelve and twenty-four dollars per year respectively.[92] This allowed municipal leaders to boast that theirs were the lowest telephone rates in the country. "Il ne s'agit plus d'un service réserve aux seules élites économiques," historian Jean-Guy Rens suggested in relation to Port Arthur, "désormais, à la faveur de la concurrence et des luttes politiques, le téléphone se répond dans toutes les classes sociales."[93]

Conclusion

This paper shows how a spirit of accommodation conducive to collective action led Port Arthur residents to embrace the municipal ownership idea. Bound by Ontario municipal law to the will of local ratepayers, the municipality of Port Arthur depended upon public support to expand its role within the community. Municipal ownership of urban services thus distinguished itself from private ownership by a greater diffusion of these services. Carl Betke's "tyranny of community" had therefore been averted by the accountability feature of Ontario municipal law and a strong sense of communal solidarity. Even though the creation of one of the first municipally owned and operated electric street railways in the world was the innovation of small landowners disillusioned with the boodling habit of the town's economic elite; the emerging consensus within the community in favour of municipal enterprise was such that by 1902, not even the formidable Bell Telephone Company could dissuade the inhabitants of Port Arthur.

The municipal ownership idea was, of course, not confined to Port Arthur. In towns and cities across North America, interest in urban services reached a crescendo not repeated since. Daily

necessities such as water, sewerage, and electric lights that escape our notice today, were frequently the subject of passionate public debate in the first decade of the twentieth century. Amidst this popular fervour, arose a municipal-ownership movement that swept aside established private utility companies in many large and medium sized cities. It was in this context that Port Arthur, already known as a pioneer of municipal enterprise, achieved symbolic importance in the wider debate swirling around the role of municipalities in urban life. In responding to American critics of municipal corruption, J.0. Curwood claimed that Port Arthur and Fort William "have been revealing an heretofore unsuspected virtue of municipal enterprise — a virtue that means more than anything else the uplifting of the people of a city or a nation."[94] If Port Arthur symbolized civic virtue for at least one American advocate of municipal enterprise, critics also felt compelled to acknowledge the town's positive reputation. To counter advocates of a municipal telephone exchange in the nation's capital, the *Ottawa Journal* sent a correspondent to the Lakehead to file a series of highly critical articles. And yet, even though the *Financial Post* was also ideologically opposed to municipal enterprise, it expressed grudging admiration for Port Arthur in an August 1908 editorial. "Public ownership schemes," the *Post* granted,

> have been generally condemned in the columns of The Post. The sentiment of investors is rightly opposed to a city or state undertaking to own and control enterprises which the traditions of the past have recognized as private corporations. The Post mentioned Port Arthur as one of the exceptional cases where public ownership schemes have been operated by the city without loss. It seems, however, that even though intrinsically their schemes may be sound and able to earn a profit, yet the credit of the city has suffered on account of the mere fact that it is a public ownership city. Where one city like Port Arthur might successfully manage its electric light, telephone and street railway systems, there are a dozen others who would fail in the attempt.[95]

The *Financial Post*, of course, tried to use the supposed exceptionalism of Port Arthur's case against the municipal ownership idea itself. Port Arthur hence became an important symbol in the debate between supporters and critics of public enterprise. This paper has shown that, despite far-reaching consequences, the genesis of municipal ownership in Port Arthur was, in fact, far removed from the ideologically polarized debate that emerged after the turn of the century. Born of necessity in 1892, the municipal ownership idea in Port Arthur had, by the turn of the century, become a matter of faith in the local community.

Acknowledgements

As this article is a much-revised version of my MA thesis, I want to take this opportunity to thank once again my advisor, Dr. Patricia Jasen, for her constant support and enthusiasm during my studies at Lakehead University. Indeed, a graduate student could not expect anything more from an advisor. I would also like to acknowledge the very constructive suggestions made by the reviewers of this journal and the proofreading of my friends and colleagues, Dave Moorman and Jamie Disbrow.

Notes

1. Ontario. Bureau of Labour, *Sessional Papers*, 191 1. I have excluded waterworks from the equation for two reasons: almost all municipalities owned and operated their own waterworks by the turn of the century and, more importantly, the capital investment had more to do with the physical size of the city and the nature of the topography than any kind of commitment to the idea of municipal enterprise. And yet, even though Port Arthur and Fort William made almost the same capital investment in municipal enterprise by 1911, their commitment to the idea differed dramatically. In fact, Fort William owed its investment to its enterprising neighbour. For example, in 1906 it inherited that portion of the Port Arthur street railway built through Fort William.
2. J. 0. Curwood, *The Reader* (1907), P. 566.
3. Carl Betke, "The Original City of Edmonton: A Derivative Prairie Urban Community," in Gilbert A. Stelter and Alan F.J. Ariibise, eds. *The Canadian City: Essays in Urban and Social History* (Ottawa: Carleton University Press, 1984), 393.
4. *Ibid*., 392–3.
5. Jean Morrison, "Community and Contlict: A Study of the Working Class and its Relationship at the Canadian Lakehead, 1903–1913" (M.A. thesis, Lakehead University, 1974), ii. The "community and conflict" thesis advanced by labour historian Jean Morrison during the 1970s suggests the relationship between the working and middle classes "changed from one of amity in 1903 to one of hostility in 1913."
6. Avner Offer, *Property and Politics, 1870–19147 Landownershil), Law, Ideology and Urban Development in England* (Cambridge: Cambridge University Press, 1981), 1.
7. C.B. Macpherson, ed. *Property: Mainstream and Critical Positions* (Toronto: University of Toronto Press, 1978), 1.
8. Thorold J. Tronrud. Guardians of *Progress: Boosters and Boosterism in Thunder Bay, 1870–1914* (Thunder Bay: Thunder Bay Historical Museum Society, 1993), 16.
9. Port Arthur *Daily Sentinel*, March 10, 1884.
10. Thorold J. Tronrud, "Frontier Social Structure: The Canadian Lakehead, 1871 and 1881," *Ontario History* 79 (June 1987), 153.
11. *Population Growth at the Lakehead*

Date	Fort William	Port Arthur
1881	690	1275
1891	+ 2176	2698
1901	3997	+3214
1911	16499	11225

(*Source:* Canada. Census. 1881–1911)

12. Donald Avery, *Dangerous Foreigners: European Immigrant Workers and Labour Radicalism in Canada, 1896–1932* (Toronto: McClelland and Stewart, 1979), 2. Avery describes the racial hierarchy explicit in Canada's immigration policy where British and North Europeans enjoyed "preferred" status.
13. *Canada Census*, 1861–1911. Until the turn of the century, nearly three of every four residents of Port Arthur were of British origin. The non-British population in 1901 consisted almost entirely of residents of French, Finnish, German, and Italian ancestry. Over the course of the next ten years, however, an influx of new immigrants resulted in the rapid growth of the non-British population. According to the 1911 census, 62.4 percent of the residents of Port Arthur were of British origin, 12.7 percent were Finns, and the remainder included people of French, Polish, Italian, Scandinavian and German origin.
14. Marvin MacDonald, "An Examination of Protestant Reaction Toward the Non-English-Speaking Immigrants in Port Arthur and Fort William, 1904–1914" (M.A. thesis, Lakehead University, 1976), 74. While the Baptists sent the

Reverend Fred Palmberg among the large number of Finns and Swedes who settled in the town, the Church of England went so far as to sponsor the construction of St. Ansgarius Church in April 1910. The Presbyterian congregation at St Paul's, in an expression of interdenominational cooperation, subsidized the activity of the Lutherans by donating four dollars per week.

15. Port Arthur *Daily Sentinel*, December 10,1884.
16. Morrison, "Community and Conflict," 147.
17. Bryce M. Stewart, *Report of a Preliminary and General Social Survey of Port Arthur* (Department of Temperance and Moral Reform of the Methodist Church and the Board of Social Service and Evangelism of the Presbyterian Church, 1913), 4.
18. Brian J. Lorch and David A. Jordan. "The Geography of a Century of Residential Development," in Thorold J. Tronrud and A. Ernest Epp. *Thunder Bay: From Rivalry to Unity*. (Thunder Bay Historical Museum Society, 1995), 57. The physical growth of the city promoted by these extensions inextricably altered social relations, as the middle class gradually migrated out of the downtown core.
19. Strikes exclusive to Port Arthur involved the building trades, railroad workers and street railway employees. Industrial conflict in Fort William, on the other hand, involved the building trades, railway workers, moulders, iron workers, machinists, dock labourers, boilermakers, longshoremen, factory workers and municipal employees.
20. Port Arthur *Daily News*, May 12, 1913.
21. John Baldwin, *Regulatory Failure and Renewal: The Evolution of the Natural Monopoly Contract* (Ottawa: Economic Council of Canada, 1989), 1.
22. J.G. Bourinot, *How Canada is Governed* (Ottawa, 1897), 220–222.
23. *Ibid*., 118.
24. J.H. Aitchison, "The Municipal Corporations Act of 1849," *Canadian Historical Review* 30, No. 2(June 1949), 107.
25. Ontario. Statutes(1883), "The Consolidated Municipal Act" (46 Vic, Chl8), 134–252.
26. *Ibid*., 213.
27. Graham D. Taylor, "Charles F. Sise, Bell Canada, and the American: A Study of Managerial Autonomy, 1880–1905," *The Development of Canadian Capitalism*, ed., Douglas McCalla (Toronto, 1990), 155.
28. Ontario. *Statutes* (1883) "Consolidated Municipal Act," 271, 284.
29. Ontario. *Statutes* (1890) "Amendment to the Municipal Act," (53 Vic, Ch 50), 107 and 111.
30. Ontario. *Statutes* (1892) "An Act Respecting Port Arthur," (55 Vic, Ch 82).
31. Ontario. *Statutes* (1899), "Amendment to the Municipal Act,"(62 Vic, Ch 26), 35.
32. Ontario. *Statutes* (1898), "Amendment to the Municipal Act," (61 Vic, Ch 23), 55.
33. Thorold J. Tronrud. *Guardians of Progress* (Thunder Bay: Thunder Bay Historical Museum Society).
34. In Fort William, on the other hand, the ward system reflected genuine socioeconomic divisions within the local populace, thereby making the elimination of the ward system extremely difficult.
35. Jon C. Teaford, *The Unheralded Triumph: City Government in America, 1870–19D* (Baltimore: Johns Hopkins University Press, 1984), 15.
36. Ontario. *Statutes*, Frontage Act.
37. Ontario. Statutes (1890), "Amendment to the Frontage Act," 118. The Frontage Act was amended in April 1890 to allow a two-thirds majority of a municipal council to construct sewers paid for by general revenue.
38. John H. Taylor, "Urban Autonomy in Canada: Its Evolution and Decline," *Power and Place: Canadian Urban Development in the North American Context* (Vancouver: University of British Columbia, 1986), 272,; Ontario, *Court of Appeals* (1892), 555. Provincial supervision of municipal activity prior to 1906 consisted of the requirement that money by-laws be ratified by the legislature before coming into effect. While this veto theoretically kept municipalities in check, the burgeoning workload of the legislature and its committees ensured that, in practice, the province bowed to the will of the municipality. After 1906, however, the formation of the Ontario Railway and Municipal Board substantially increased the Province's ability to supervise the actions of municipalities. The Board served a semi-judicial function through the arbitration of disputes between municipalities and ensured municipal by-laws were not *ultra vires*. The courts similarly proved unable to constrain the actions of the municipality of Port Arthur.
39. John C. Weaver, *Shaping the Canadian City* (Kingston: Institute of Local Government, 1977), 75.
40. Tronrud, *Guardians of Progress*, 52.
41. Tronrud, *Guardians of Progress*, 23.
42. *Daily News(DN)*, January 4, 1909, p. 1.
43. TBA. Bylaw Book, 1910.
44. TBA. Government "M" Mayors, Aldermen, Official Record of Service, 1884–1967, TBA Series 29, Box 15.
45. The high rate of turnover did not reflect an anti-incumbency attitude among the electorate, but rather, a widespread desire to serve only for a short time.
46. TBA. Government "M", Series 29, Box 15.
47. *Henderson's Directories*, 1885 and 1902, Thunder Bay Public Library.
48. *Case's Directory of Fort William, Port Arthur and District of Thunder Bay* (Fort William: Case and Perry, 1894), 102.
49. TBA. "Employees of City – January 1, 1914," Series 88, TBA 4163. Port Arthur's committment to municipal enterprise led to the formation of a municipal bureaucracy, that consisted of 175 permanent employees in January 1914, not including street railway workers and the City Clerk's office; 127 of these worked in departments responsible for the operation of the different franchises, or 72.6 per cent of the total municipal workforce, When the street railway is factored into this percentage the proportion of the municipal bureaucracy directly employed in the management of the various urban services increases to well over eighty percent.
50. Alfred Chandler, *The Visible Hand: The Manaaerial Revolution in American Business* (Cambridge, Mass.: Harvard University Press, 1978), 10.
51. *Fort William Times-Journal*, June 26, 1951. Thomas McCauley who had acted as the principal manager for the Port Arthur street railway was lured to Calgary in 1908 to oversee the establishment of a municipal street railway. McCauley's reputation was such that he later became the President of the New Brunswick Power Company. Another export was city engineer Joachim Antonisen who left in 1911 for a similar position in Brandon, Manitoba.
52. TBA. Joachim Antonisen to Mayor, December 6, 1909, File "Arthur St. Railway," Series 102, TBA 4477.
53. *Wage Earner*, May 16, 1913.
54. *Labour Gazette*, Vol. 2, 488–89.
55. TBA. Electric Railway, Light and Telephone Commission, *Minutes*, August 22, 1908, Series 62, TBA 3980.
56. *Labour Gazette*, Vol 11, March 1911, 944.
57. *Ibid*., Vol. 12, July 1911, 36.
58. *Ibid*., Vol. 11, June 1911, 1396–1405.
59. TBA. Port Arthur Council, *Minutes*, February 22, 1909, TBA, 68.
60. TBA. "Investigation by the Mayor and Council as to the Cause of the Friction in the Waterwork Department," December 2, 1905, File "Claims-Property," Series 102, TBA 4476. The transcripts of the testimony of an investigation held by the Mayor and Council into the cause of the "friction" within the department in

1905 reveal the strength of community feeling over the intrusion of outsiders. At the centre of the conflict was the new City Engineer from Toronto who tried to impose managerial control over the operations of his department. Faced with a choice between endorsing the City Engineer or local workers, the Council backed the protesting workers, summarily firing the engineer in the process.

61. Elinor Barr, "Thomas Marks, Merchant Prince of Thunder Bay," Thunder Bay Historical Museum Society *Papers and Records* 16 (1988), 22.
62. Municipality of Shuniah Office (MSO), Shuniah By-law #35, 198. This motion imposed seven percent interest payments on the ratepayers for the municipal debentures until 1891, and the burden was such that the municipality eventually appealed to the Ontario government for relief from its obligations. Arrangements for a municipal subsidy to the company (with no strings attached) were greatly assisted by the fact that the Reeve was none other than Thomas Marks himself, and that two other councillors also held stock in the newly-formed railway company.
63. Fort William *Journal*, June 8, 1892.
64. MSO. Shuniah Council, *Minutes*, August 5, 1880, 372.
65. Port Arthur *Daily Sentinel*, December 24, 1884.
66. Port Arthur *Daily Sentinel*, May 15, 1889. The appearance of municipal politicians such as James Farrand Ruttan and W.P. Cooke, who vehemently opposed the long standing practice of subsidizing private enterprise, demonstrates that the boodlers no longer monopolized municipal politics.
67. Port Arthur *Daily Sentinel*, May 23, 1885.
68. For more information regarding the failure of private enterprise to satisfy public demand for urban services in Port Arthur see Steven High, " `A Municipal Ownership Town': The Organization and Regulation of Urban Services in Port Arthur, 1875–1914," Lakehead University: MA thesis, 1994.
69. Port Arthur *Daily Sentinel*, January 3, 1891.
70. Port Arthur *By-law Book* T-281, Series 21, TBA 144.
71. TBHMS, Port Arthur Board of Trade, Minutes, Vol. 1, December 23, 1890, 99.
72. It was openly admitted in the local press that the abutting property owned by Marks and his associates would immediately jump in value.
73. Port Arthur *Daily Sentinel*, March 7, 1891 (additional newspaper coverage appeared on March 9, 14 and 18).
74. Ontario, *Statutes* (1891) 54 Vict. Ch 93, 339; DS., March 18, 1891. The Port Arthur and Fort William Railroad Company proposed to construct the street railway on Marks' route in exchange for a twenty year franchise agreement and a bonus of seventy-five thousand dollars.
75. Port Arthur *Daily Sentinel*, July 5, 1891. Electric traction seized the imagination of Port Arthur boosters. As a result, considerable public criticism erupted over the suggestion by opponents of the municipal enterprise that horse traction or steam locomotion was "good enough" for a small frontier town. The public fixation on electricity perplexed the editor of the *Daily Sentinel*: "... we cannot understand why an electric street railway is absolutely necessary to our welfare. Why will not a horse car road do as well? What valid objections can be urged against cars actuated by steam? Why is there so much placed on the word electric? ... that the elevation of electricity with a god who is to deliver this town from untold evils is a mystery unexplainable to us." By derisively labelling municipal street railway advocates "the electrics," opponents revealed that the technology itself achieved symbolic importance in the local debate.
76. Port Arthur *Daily Sentinel*, March 19, 1891; "Dwyer et al v. Town of Port Arthur," *Appeals Reports 19, 1891–92*, 555.
77. Port Arthur *Daily Sentinel*, June 9, 1891.
78. Port Arthur *Daily Sentinel*, August 20, 1891.
79. "Dwyer et al v. The Town of Port Arthur," *Ontario Appeal Records* 19, 1891–92, 555.
80. Ontario Archives, George Lumsden to Delamera, May 22, 1891, Port Arthur Electric Street Railway, Corporate Records, Provincial Secretary, RG 8–1-1, 558.
81. TBHMS, Diary of Belle Kittredge, March 8, 1892, A31/l/l, 116. After overcoming local opposition, the municipal street railway faced an uncertain future due to the refusal of Fort William to permit the street railway extension. In another dairy entry Belle Kittredge captured the shortcomings of an inter-urban street railway that abruptly stopped a kilometre away from its destination in Fort William. Kittredge so disliked the stench of dry whiskey on the overcrowded buggies which transported people between the street railway terminus and Fort William that she preferred to walk. On a particularly muddy day, slowed by the layers of mud that caked her shoes, and in danger of missing the streetcar, Kittredge was forced to take off her shoes and run barefoot through the mud just to make the connection. This colourful incident illustrates the inconvenience to street railway passengers in 1892, and the importance of extending the line all the way to Fort William. Without gaining entry into that municipality, the street railway risked failing in its primary objective of convincing people, such as Belle Kittredge, to commute to their Fort William workplaces. The Ontario government's intervention on behalf of Port Arthur once again proved crucial.
82. Ontario. *Statutes*, "Act Respecting Port Arthur," April 15, 1901 (1 Edw. Ch 65), 317.
83. "Fight is Over, the People Won," *Fort William Daily Times Journal* (May 15, 1902), 1.
84. Robert Collins, *A Voice from Afar: The History of Telecommunications in Canada* (Toronto: McGraw-Hill Ryerson, 1977), 181.
85. NAC, Fort William and Port Arthur to Chief Commissioner, Board of Railway Commissioners for Canada, RG 46, Vol 1412, File 437. The agreement was signed on May 1, 1902.
86. *Ibid*., Reporters Notes – Hearing, February 29, 1904, 374.
87. The assets of Bell Telephone were sold to the municipality in 1909 on the condition that Bell never return.
88. George Bernard Shaw, *The Commonsense of Municipal Trading*, Fabian Socialist Series No. 5, 2nd Edition (London: A.C. Fifield, 1912), 52. Shaw wrote that while the new technologies were "for a long time the toys of the rich," municipal ownership acted to distribute these urban services more fairly.
89. TBA. Petition in favour of a Municipal Telephone Exchange, File "Telephone-General," Series 102, Thunder Bay Archives (TBA) 4478.
90. TBA. Port Arthur Council, Minutes, January 26, 1903, Series 13, TBA 67, 148–49. The generation of cheap power from a municipal hydroelectric development built just after the turn of the century resulted in the social diffusion (distribution beyond the confines of the business elite) of electric lights in Port Arthur. The Council consciously encouraged this expansion by keeping the rates charged as low as possible.
91. Pike, 44.
92. TBA. Mayor Oliver to Adam Beck, March 11, 1914, File "Mayor's Inaugural Address – J.A. Oliver" Series 88, TBA 4163.
93. Jean-Guy Rens, *L'Empire Invisible; Histoire des Telecommunications au Canada de 1846 à 1956* (Ste Foy, Qc.: Presses de l'Université du Québec, 1993), 156.
94. Curwood, 568.
95. *The Financial Post*, August 8, 1908.