

RE: "Privatization: Competition in transit system would save money; Other cities have found PPPs improve service and lower costs.", Wendell Cox, The Gazette, Mon., Feb. 4, 2008.

Dear Editor,

"Outside-the-costs spending" also known as "externalized costs", or what right wing economists call "spillovers" are not included in Wendell Cox's discussion on privatization. Expenses such as security, construction and maintenance of roads and right-of-ways, security of fuel supply, pollution, global climate change, health care, etc. are excluded. Unless and until all modes are financed the same way there will not be a level playing field between transit, railways and the motor vehicle. Long term public funding of rail and transit infrastructure is essential be it in the public or private sector.

The issue isn't that the public transit system is public or private. The problem is the absence of service in many areas, lack of comfort, the need for more frequency and reverse commuting, etc. Our road system is extensive and expansive while the mass transit network is incomplete. A retrenched and deficient bus, metro and train system cannot possibly compete with publicly financed roads. The super efficient metro does not span the Island of Montreal.

As for privatization: "Been there done that!" Tramways and trolley buses began as private concerns and were ultimately derailed. They disappeared because of a massive infusion of public funds into the road and highway system.

In Montreal former Mayor Drapeau considered the streetcar as old fashioned and in the way of "progress" and the automobile. He wanted to modernize the city with concrete behemoths like the Ville Marie Expressway and the Decarie trench and replace the tramway with the transport of last resort: The bus.

Montreal's commuter rail network was partially privatized until the early 1980s. Privately run Canadian Pacific Railway and then Crown owned CN ran their services on a profit/loss basis without any consideration for environmental, social or economic benefits. CP and CN continually threatened to cease operations and decrease service. West Island mayors and grass roots user groups convinced Quebec and the MTC to take over the Two Mountains and Rigaud lines.

Moreover, PPPs have been problematic to say the least. The UK has been at the forefront of this fad. According to the British Institute of Public Policy, PPPs encourage "Enro-style" off the books accounting tricks. Governments "still bear the ultimate risk and liability." And working conditions and union relations worsen. (See, "10 myths about the PFI (Private Finance Initiative)": <http://www.ippr.org.uk/pressreleases/?id=648> [Institute of Public Policy, UK] 27 September 2002.)

Private corporations can be as bureaucratic and uncaring as public authorities. They too have a tendency to cut service, raise prices and only serve their major shareholders. Public interest and corporate citizenship exist in very few boardrooms. Cox's op-ed is the theatre of the ethereal.

Yours Sincerely,

Avrom David Shtern,
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