

MUNICIPAL OWNERSHIP—THE TESTIMONY OF FOREIGN EXPERIENCE

BY FREDERIC C. HOWE,

Commissioner of Immigration, New York City.

Some years ago I was in the city of Berlin with a group of American business men and city officials, and after a luncheon given by the Burgomaster and his associates, there were a number of addresses, in which the burden of the American discussion was regret that our cities are not run in the business-like way of the German cities.

The American speakers were followed by a German Burgomaster, who said:

Yes, we know American cities; we read your reports and we have heard American business men and Chambers of Commerce, and municipal officials say the same thing—that the trouble with the American cities is that they are not business-like. Your cities in America keep your sewers, which lose money; you keep your streets, which cost money; you keep your parks and other activities which cost money; but you give away your street railways, your gas companies, your electric lighting and your telephone companies, which make money. We in Germany think that is bad business. If any one of you gentlemen as a banker gave away his good loans and only kept his bad loans, very soon he would be bankrupt.

He was followed by another German who said:

Yes, that is our idea of municipal housekeeping, to keep the good with the bad.

Twenty years ago the phrase in German cities was, "municipal housekeeping," but ideas have advanced in the last twenty years. We are now thinking of community living, of adjusting our cities to serve; to promote the comfort, the happiness and the well-being of the people in as many ways as possible, and in the majority of our activities it is not the money we make so much as the service we render.

Municipal ownership in Europe is largely the product of the last twenty years. It has become the universally or almost universally accepted policy in Great Britain, and only to a less extent is it the accepted policy in Germany and Switzerland, while to a somewhat lesser degree is it accepted in Italy, Austria Hungary and the Scandinavian countries.



The motives which have led to municipal ownership, or municipal trading as it is called in England, or municipal socialism as it is called in Germany, are several.

Possibly the most important motive is the feeling on the part of officials and intelligent public opinion, that the street railways, the gas and electric light and similar services, are just like the plumbing of a building: they must be inter-related into the city; they are a part of its structural frame work. It is inadvisable to permit a half dozen warring companies to tear up the streets. It is wrong to permit street railways to determine where we shall extend our suburbs. It is inadvisable to permit private electric light plants to determine for us the rates of charges which we shall pay. The same is true of gas. I should say that the main reason underlying the movement for municipal ownership is the necessity of treating these agencies as integral, essential, fundamental parts of the city life.

Coupled with these was the controversy over rates and charges, and the feeling that they were too high. In addition, especially in England, and to a large extent in Germany, is the feeling that those monopolies earn large profits. They were relatively easily managed, and officials thought they ought to be owned and operated by the city, in order that the profits could be used for the relief of taxation. In many cases, also, the companies had conflicts with their employees. This led to irritation on the part of the public; to a feeling that the whole community ought not to be subject to disturbances, possibly to the stopping of public utilities by private conflict between capital and labor in the public streets.

In Great Britain, of the 50 largest cities in that country, 42 own the tramways, 44 the electricity supply, 41 the gas supply and 39 the water supply. Water supplies have been owned for many years, but the movement for municipal ownership, as such, began with the street railways.

Early Policy in Great Britain.—As in the United States and Germany, the cities of Great Britain experimented with the private ownership of public service corporations prior to the adoption of the policy of municipal ownership, which is now the all but universal practice. The Tramway Act of 1870 was the general act under which grants were made to private railways for operation. Under this act the cities were permitted to lay the tracks but could not operate the roads. Franchises were limited to twenty-one years

with the provision that the city could take over the property at the expiration of the grant upon the payment of the structural value.

Under this act nearly all of the large cities granted operating contracts to private companies, which operated the system upon tracks laid by the city, the equipment being for the most part for horse traction.

The Beginning of Municipal Ownership.—Private companies operated under these contracts until the '90's, when the success of electric traction in America and Germany led to requests on the part of the companies for permission to electrify their lines, while the cities themselves were desirous of better service. Coincident with this movement for electrification there were numerous controversies between the companies and their employees over wages, hours of labor, and conditions of employment, while the cities, awakened to an appreciation of the profitableness of the industry, took action looking toward the municipalization of the companies whose franchises were close to expiration.

In the city of Glasgow the controversy between the company and the men had been prolonged and very bitter. The community sympathized with the demands of the employees, who were alleged to be overworked and underpaid. The company was unwilling to admit that the condition of the employees was any business of the city and declined to arbitrate the question of wages or hours of labor. The irritation over this question stimulated the demand for municipal ownership.

The question was agitated for several years, and in 1894 the council decided to retake its tracks under its statutory powers. But the company refused to sell its equipment, so that the city had to purchase equipment elsewhere. As a consequence of this action the company ultimately lost its total equipment investment.

The success of city operation was immediate. Fares were reduced 33 per cent over those previously prevailing, while the length of the hauls was increased. The condition of the employees was also improved. Free uniforms were added, as well as five days holiday each year.

Then the city proceeded to the electric equipment of the lines. It sent commissions to America and the continent to study the latest developments in street railway transportation, following which the entire system was rebuilt with many extensions.

The Growth of the Movement.—This success in Glasgow stimulated the movement for municipal operation in other cities, for the discontent with private operation was very general. Controversy with employees was a common cause of discontent, but probably the main operating motive was the desire of the city to control its transportation system and derive such revenue as was possible out of ownership, for local taxes in Great Britain are very heavy, and the business men and citizens saw in municipal ownership a means for relieving the rates. In addition, cities were considering the installation of electric lighting plants, and many of them felt that power stations which could be used for lighting as well as for the operation of the street railway plants could with economy be constructed. And this has quite commonly been done. A more nearly uniform load is possible by this arrangement; the day load being used for the operation of the tramways and power, and the night load for the lighting of the city. This influence coöperated with the desire to make money and the protest of the community against the condition of the employees.

The question immediately arose as to whether the cities should pay for the franchise value of the unexpired grant. This controversy was taken into the courts, which finally decided that allowance need only be made for the physical value of the property. In the case of the London county council the companies demanded \$2,939,000 for the franchise value, but the courts finally allowed only \$439,400 for the physical property.

Tramway Construction.—The street railways in Great Britain are constructed with much more permanence than they are in America. This is true of private as well as public undertakings. The girder groove rail is universally used. Tracks are heavily ballasted, while the overhead work is very substantial. Many of the towns have erected splendid shops, in which they both build and repair their cars. In consequence of the high standard of construction the capital outlay has been very heavy. In 1906 the cost of the Glasgow system was \$93,305 per mile of single track, and in Liverpool \$90,536. The London county council reports a cost of \$106,033 per mile. It is believed that the construction cost in the British cities exceeds that of the average American city (outside of New York, Philadelphia, Boston, Chicago and Washington) by approximately 50 per cent.

Provision for Comfort.—Aside from the large investment in capital account, one is impressed with the many provisions for the comfort and convenience of the people, for the street railway is under constant supervision; it touches every citizen daily. It is more difficult to disguise bad service in street railway operation than in any other public utility. Serious accidents are of rare occurrence. They have been reduced to a minimum. The same solicitude is manifested in the care of the cars. They are kept fresh with paint and are washed daily. In Glasgow and many other cities all advertisements have been excluded.

Employees are courteous and are very jealous of their positions. They seem animated by a sense of service to the community, and because of the surveillance of the public they are of necessity considerate and courteous to the riders. Council committees seem to be on the alert to better conditions and to adopt new devices. There is keen rivalry between different cities, each of which takes peculiar pride in its own enterprises, the equipment and the service rendered, as well as the annual balance sheet.

Zone System.—The zone system of fares is universal in Great Britain, as it was under private management. In a sense travel is metered, just as is gas, water and electricity. Upon each zone a fare of from 1 to 2 cents is collected, depending upon the length of the ride. There seems to be no protest whatever against this system, which leads to a very great stimulus of short haul riders.

Motives of Operation.—Four motives animate the councils in the operation of the street railways system. They are: first, the best possible service at the minimum cost; second, the relief of the taxpayers by more or less substantial contributions to the city budget; third, the widening of the boundaries of the city and the improvement of housing conditions by opening up the countryside; and fourth, the improvement in the condition of the employees.

Rate of Fare.—There is constant pressure to reduce the fares and extend the zones; but the prevailing tendency of councils is to utilize the surplus earnings for the reduction of the debt and the repayment of the loans. Despite this fact rates of fare are lower than under private management and very much lower than they are in the United States. For instance, in Glasgow there is a one-cent fare for short distances of about half a mile, and in 1912, 43.98 per cent of the passengers paid but a one-cent fare. The number

paying 2 cents formed 37.85 per cent of the total number, while the percentage paying 3 cents was 7.38. In that year over 80 per cent of all the passengers paid 2 cents or less.

The one-cent fare stimulates traffic in the center of the city and is a great convenience. It stimulates travel when traffic is light. It also enables many persons to go home for their lunches.

The average fare paid by all passengers in Glasgow (population 1,150,000) in 1912 was 1.72 cents; in Manchester (population 950,000) 2.32 cents; in Liverpool (population 816,000) 2.24 cents; and in Sheffield (population 455,800) 1.8 cents.

The average fare paid on all of the 136 tramways operated by local authorities in 1910 was 2.1 cents, as opposed to an average of 2.48 cents paid on the 138 private companies. In 1911 the total fares collected in Glasgow were \$4,748,740. At the prevailing five-cent fare charged in America these passengers would have paid \$11,898,365. The passengers on all of the publicly owned street railways in Great Britain paid \$47,437,170 on an average of 2.1 cent fares, as opposed to \$105,124,150, which would have been paid on a five-cent fare.

Financial Operations.—The total capital investment of the 136 local authorities operating street railways, which included nearly every large city in the United Kingdom, was in 1910, \$220,541,250. The gross receipts for the year amounted to \$47,437,170, against which were charged operating expense of \$29,436,216, leaving a net revenue of \$18,000,955. The percentage of net earnings to capital invested was $8\frac{1}{2}$ per cent. The publicly owned lines were operated at a lower ratio of cost than the private companies, despite the higher wages paid, the shorter hours and better conditions of employment. Working expenses of the local authorities to the gross income were 62.05 per cent, as against 62.52 per cent for the private companies. At the same time, while the cities earned $8\frac{1}{2}$ per cent on their investment, the private companies earned but $4\frac{1}{2}$ per cent.

The local authorities carried 2,102,483,010 passengers, as opposed to 675,445,481 by the private companies. This indicates the extent of public ownership, which now prevails in nearly everyone of the large cities in Great Britain.

The public undertakings are under the strictest kind of Parliamentary supervision. They are required by law to amortize their debt by annual contributions to the sinking fund. In 1910, \$5,893,875

of the gross earnings of all public plants was used for this purpose. In addition, the public companies are required to pay taxes the same as the private companies, so that public and private operation is on a parity in all comparisons of earnings.

Aside from four small communities showing a deficit which amounted in the aggregate to but \$15,000, most of the companies made very substantial contributions to taxation. The tramways of Manchester contributed \$364,987 to the relief of taxation; Leeds, \$275,000; Birmingham, \$160,000; Liverpool, \$135,000; Nottingham and Bradford, \$100,000. In Glasgow the profits, which amounted to \$265,000, are paid into a special fund, known as the common good.

In 1910 the total contributions of the public tramways to the relief of taxation were \$2,200,565. In addition, there was a gain to the public of \$7,989,434 in the difference between the average fare charged by the publicly owned tramways and the average fares of the private companies.

There is no question about the financial success of public operation. The indebtedness of the cities is being rapidly amortized. In addition to the regular debt charge provided by law, cities make very substantial contributions to depreciation and reserve. For instance, Glasgow in 1910 repaid its debt to the extent of \$448,470 and added \$1,102,895 to the depreciation and reserve. The sum contributed to depreciation and reserve, in addition to debt repayment, by Manchester was \$375,000; by Liverpool, \$427,555; and by Sheffield, \$106,980. These statistics are authoritative. Municipal authorities are required to keep their accounts according to standards fixed by the local government board. Annual returns are required to be made, while the reports are published each year and are subject to scrutiny. The books of the municipality are also audited by the central authorities, in order to make sure that all requirements as to debt repayment, depreciation and reserve are properly provided for.

Confirmation of these statistics and further details may be secured from *The Municipal Year Book*, London, which gives complete statistics of all the local authorities in Great Britain.

Service.—Overcrowding is specifically prohibited in Great Britain, and rarely is it necessary to stand. Despite the protest of street railway operators in this country that overcrowding is a necessity, Great Britain has successfully disproved this claim. In Liverpool

68 per cent additional cars are added during the rush hours. In Leeds the service is increased by 30 per cent in the morning, at noon, and in the evening. In some cities standing is prohibited.

Many cities, too, reduce their fares below regulation scale for workingmen in the morning and evening. In Manchester the three and four-cent fares are reduced to 2 cents, the five and six-cent fares to 3 cents, and the seven and eight-cent fares to 4 cents. In Leeds four-mile tickets are sold for 2 cents. The purpose of these rules is to encourage workingmen to live in the country and to still further adjust the tramway service to the needs of the working classes.

As indicative of the experiments made by British cities, is the instance of Bradford, which carries on a municipal express and delivery service all over the city. This service is not unlike that of the parcels post. Stamps are sold, which are affixed to parcels by the sender. Motor vans collect the parcels in the center of the city. From the central stations they are despatched in the vestibule behind the motorman. The packages are then delivered at the various sub-stations, for distribution throughout the city. At the terminals of each route a uniformed agent collects and delivers the parcels. Rates of charges are as follows: for packages up to 7 pounds, 4 cents; from 7 to 14 pounds, 6 cents; from 14 to 28 pounds, 8 cents; and from 28 to 56 pounds, 10 cents. The entire investment in the parcels delivery system is but \$17,033, which includes the cost of five motor vans. The total cost of this service in 1910 was \$31,284, and the receipts were \$39,757. During the year 675,719 packages were carried, at great economy to the merchants and citizens. Many of the shop keepers have been enabled to dispense with their delivery service. The congestion of the streets is greatly reduced, as is the unnecessary waste involved in countless delivery wagons traversing the same routes.

Other Gains from Municipal Ownership.—From a purely financial point of view the municipal tramways have succeeded beyond dispute. There is no sentiment for a return to private operation from any class. The financial gains are too obvious. The service is undeniably better on the public tramways than on the private ones. Membership on the tramways council committee is sought after as a high honor because of the opportunities for service involved. Cities, too, are eager to introduce new devices and new comforts, and representatives are constantly studying the service of other

countries. There has been a steady improvement in cars, a constant effort to better the service and consider the well-being of the community.

The double-decker type of car is universal and is very popular. The upper deck is so arranged that it can be closed in winter. Smoking is permitted on the upper deck, which is used by all classes for pleasure riding. The double deck also increases the seating capacity, and studies of the subject show that no loss of time is involved through it in loading and unloading cars.

In addition, there has been little trouble between the city and its employees, such as prevailed under private operation. The city adjusts differences through the council committee or by arbitration. But controversies of this kind have been very rare, owing to the fact that the city pays a higher rate of wage than prevails in other industries; it supplies the men with free uniforms; it allows, generally, a week's holiday on full pay, and otherwise concerns itself for the well-being of its employees. As a consequence of this a fine *esprit de corps* has arisen among the employees. They seem to take great pride in their jobs and are earnestly zealous in their effort to serve the community.

American Criticisms of English Experience.—Street railway operators in America urge that, whatever the success of municipal operation in Great Britain, it has little relation to America. They say that: first, the wages and cost of operation are lower in England than in this country; second, that the zone system makes comparison of fares difficult; and third, that the wider area of the American city still further confuses the comparison.

First, as to wages. The average wages paid in England are considerably lower than in this country. But other things qualify this disparity. In the first place, the English workman secures a number of other contributions to his wage. In addition, and far more important, the English tramway cars are very much smaller than those in America, while prohibition of overcrowding reduces the per car carrying capacity still further. Mere wages are, therefore, only one element in a comparison of labor cost, for if the overcrowded cars and their greater carrying capacity are taken into consideration, it is possible that the per unit labor cost in this country per passenger is little if any greater than it is in England. In addition to this the speed limit in Great Britain is but twelve miles,

which is very much below the speed of the average American street car outside of the congested centers.

It is further claimed that the congestion of the cities and the zone system of fares make comparison difficult, and the higher charges for long distance travels increase the rate of fare beyond the minimum. *But it is the average rate of fare that should be taken into consideration, and the average fare in Great Britain is very much below what it is in the United States.* As we have seen, for the country as a whole it is but 2.1 cents, as opposed to 5 cents in this country, while in Scotland the average fare falls to 1.9 cents. In addition, the wider dispersion of population in this country is to the advantage as well as the disadvantage of the street railways, for many persons are compelled to ride in this country who would be relieved of this were the distances shorter. Certainly, there would be a great increase in travel were the short distance hauls in this country reduced to a lower figure. In addition to these considerations, it must be borne in mind that the British companies are rapidly paying for their property out of earnings and are contributing most substantial sums to the relief of taxation.

Municipal Ownership of Gas.—*The Municipal Year Book for 1912* gives the number of local authorities of Great Britain operating gas plants at 298 and the number of private companies at 511. The total capital invested by the local authorities is \$151,002,260, and by the private companies \$460,956,555. The local authorities operate their plants at a cost of 72.86 per cent of the gross earnings, while the private companies operate at 74.87 per cent of the gross earnings. The municipal authorities earn $9\frac{3}{4}$ per cent upon the capital invested, and the private companies $5\frac{5}{8}$ per cent. The number of consumers of the local authorities was 2,666,000 and of the private companies 3,751,000.

The majority of the large cities outside of London, Liverpool and Sheffield own gas plants, and have for many years. However, gas has not been so universally municipalized as have the street railway, electric lighting and water undertakings, the reason for which being that the gas companies were granted indeterminate franchises at a time when the industry was in its experimental stages, and the introduction of electricity and the high recapture cost under the indeterminate grants have delayed municipal ownership in this field.

As in the street railway business, the cities earn large returns

on the capital invested, and with few, if any, exceptions the gas plants are all profitable. The total contributions of all the municipal plants for the relief of taxation exceed two million dollars a year. This is in addition to the provision for sinking fund charges to retire the debt, provided by Parliament, as well as appropriations for depreciation and reserve and taxes, for the public as well as the private companies are required to pay local rates or taxes.

Not only do the public companies earn a very much higher return upon the investment than do the private companies, but they sell gas at a substantially lower rate. The approximate average charge for 1,000 cubic feet by the private companies is 66 cents, while the approximate charge by the municipal authorities is 60 cents. Many cities, however, charge very much less than this. The rate in Birmingham is from 42 to 56 cents per thousand. In Manchester it is from 58 to 60 cents, in Nottingham 52 to 56 cents; the charges of the sixteen largest cities being from 42 to 60 cents per thousand.

Through public ownership the public authorities are able to experiment in a variety of ways. They provide penny-in-the-slot devices, so that the poor are able to secure gas on easy terms. Several cities maintain shops for the selling or renting of gas stoves, by means of which they stimulate the use of gas among the poorer classes. Streets, too, are lighted in a generous way, as an effective police measure. Nowhere is there any tendency to return to private ownership in this field.

Electricity Supply.—Electricity has been more universally municipalized than has gas. Cities were slow to grant franchises to private corporations, seeing in this enterprise an opportunity of making substantial profits as well as of coördinating the electric light and street railway power plants under a common management. Practically all of the large cities own their electric lighting plants, and many of them operate them in connection with the street railway service, the day load being a traction and power load, and the night load being used for lighting purposes.

Public Opinion on Municipal Ownership

I have interviewed many British officials and business men, and nowhere have I found any desire to return to private ownership. The gains of public operation are too obvious. Nowhere is there

serious complaint of the service rendered or of inefficiency in management. Generally speaking, cities are prompt to appreciate new improvements and to introduce them. Municipal plants are constructed with great stability and with adequate provision for future growth. Rarely is the suggestion heard that the plants are not a financial success. Rather, the complaint is more frequently heard that the rates and charges are higher than is necessary in view of the financial earnings.

Further than this, it is almost universally true that the progressive cities, the cities that command the highest type of men in the council, that have the finest civic spirit, are those which have gone in most extensively for municipal trading. The most influential men in the community are attracted to city service by the magnitude of its undertakings and the opportunity for service which the management of these activities makes possible. Men give generously of their time to serve upon council committees, they go from city to city and even to foreign countries to study improved methods, and indulge in a healthy rivalry in the administration of their departments. In addition to the financial advantages of municipal ownership, substantial ethical and psychological gains have accrued in the attitude of the community to the city. All classes take an interest in its activities, in the reports of the various departments, in the discussion over administration, and in the balance sheets of the street railway, gas, and electric lighting undertakings. The communal ownership of many services has awakened a political reaction on the part of the community, that has undoubtedly created a better civic spirit than that which prevails in those few towns where the public service corporations have been left in private hands. And this, in many ways, is the most substantial gain that has come from municipal ownership.

German Experience

Of the 50 largest cities in Germany 23 own and operate the street railways, 50 the gas works, 42 the electricity supply, and 48 the water supply. In addition, German cities own many other activities. Those upon the water front own and operate their harbors. They operate municipal savings banks and pawn shops, they conduct wine handling businesses, land speculation schemes and many other

activities of profit and service that are not included in the program of municipal ownership in Great Britain. The German city has carried socialization further than any city in the world, and it has done it despite the fact that the German city is governed by business men, who, through the limitations on the suffrage, elect the members of the council, who in turn select the administrative agents.

The most progressive cities in Germany have monopolized all of the public service undertakings, and the systems installed in cities like Frankfort, Düsseldorf, Cologne and Dresden are in rather sharp contrast to the privately owned street railway lines in such cities as Berlin and Hamburg. The construction is of the most permanent kind, while the cars are comfortable and are equipped with many conveniences for the comfort and safety of the public. Beautiful waiting stations are found on the street, advertisements are excluded from the cars, transfer stations are to be found, while many other services have been introduced by the public officials. The rate of fare upon municipal lines is generally $2\frac{1}{2}$ cents.

In Germany, as in England, public service corporations are run primarily for service rather than for profit, although a number of cities do derive a substantial sum for the relief of taxation from this source.

One of the motives leading to public ownership of the means of transportation in Germany is the comprehensive town planning schemes which have been adopted by all cities. Housing conditions in Germany are bad, almost as bad as they are in Great Britain. Street railway companies were unwilling to extend their lines to the suburbs; they were unwilling to make improvements in the service. Cities found it impossible to regulate private operation so as to coördinate the service with the town development projects which had been carried through on a most elaborate scale. When new streets are being laid out, the city itself does all the construction work. It not only builds the sewers but installs the water and gas mains and electric lighting conduits. The city also builds the street railway lines, which are solidly imbedded in the street construction. As a consequence of this ownership and control of all these services streets are permanently built; they are not torn up by warring individual companies, and the citizens are saved from the annoyance, expense and dirt of constant interference with the highways of the city by individual operators.

Nowhere in Germany where public ownership prevails is there any suggestion of a return to private ownership. Officials, business men and all classes unite in approval of the transfer of these agencies to the public.

Social Gains from Municipal Ownership

Undoubtedly municipal ownership is justified on financial grounds. Even in America public water and electric lighting plants are almost universally operated at a lower cost to the community, with better service and with more regard for the convenience of the public than are the private plants. But the financial gains are the least important. The real gains are social, ethical and political. Where municipal ownership prevails there is none of the corruption and class warfare which is found in America and which is largely traceable to the private ownership of these valuable concessions from the community. The protracted contests which rent the city of Cleveland for ten years, which continued like a civil war in San Francisco, which delayed progress in Detroit, Toledo, Denver, Chicago, and which have characterized the political life of Philadelphia, are unknown. There are no franchises to scramble for, no great privileges to be secured through the bribery of councils and the control of the city. I am satisfied that the franchise corporation is more largely responsible for the corruption of the American city than is any other agency. And the ending of this corruption can only be effectively brought about through the transfer of this public service into public hands. And one explanation of the honesty of the British city is the policy of municipal ownership which prevails, for the great prizes which in this country solidify the talented men of the community against the community, are in Great Britain in public hands. In addition to this, private ownership of these activities divorces the best talent of the city from interest in the city politics. Conditions are the same in all cities, especially where regulation or municipal ownership is a political issue. The public service corporations employ the lawyers, they own or influence the press, they open or close the avenues of political and social preferment. They become the public opinion of the community. The professions reflect this point of view. Public service corporations are intimately related to the banks in which they make the deposits and through which they do their financing. The banks in turn

control the credit of the city and through this control imperil the business existence of men who identify themselves with the public against these corporations. Further than this, talented men are excluded from municipal politics. They are excluded by reason of the conflict of interest. They cannot aspire to membership on the council, even if they desired. All this is reversed in England and Germany. Men in these countries are free to enter municipal politics. Their purse is not at war with their patriotism. And just as men are eager to serve on the board of directors of a railway or of street railways in this country, so in European countries men of like talent are eager to serve the largest corporation in the community, which is the city. To be an alderman is the goal of many men's desires, while membership upon the tramway, gas or electricity committee is the most sought after assignment in the council. Men seek these posts for the same reason that they aspire to be on the directorate of private corporations in this country. They enjoy the power which it offers, to which is added the joy of service to the community, which sprang into new life in Great Britain coincident with the policy of municipal ownership.

Mr. John Burns, of the British Cabinet, said to me that the renaissance of local government in Great Britain was coincident with the period of trading. It covers the last twenty years. A new enthusiasm came into existence when the community began to own these services, which touched the people every day in countless ways. The affection of the people is awakened, while their interest in public affairs is kept alert.

The tramways are a topic of constant discussion. The balance sheets of other towns are carefully watched. In the council and on the streets the earnings, rates of fare and disposal of surplus are matters of constant discussion. When a new tramway line is opened a holiday is declared; business is suspended; the cars are covered with bunting and a day of general rejoicing is indulged in.

It is probable that the tramways are the most efficient department of the city, because of this very inspection, which makes bad administration impossible. In addition, officials, citizens and employees seem animated by a pride in their positions that extends to all classes.