



FABIAN TRACT, No. 33.

The Fabian Municipal Program, No. 4.

MUNICIPAL TRAMWAYS.

(RE-WRITTEN FEBRUARY 1898.)

Why we want Municipal Tramways.

IN every large town or thickly populated district, tramways have now become a necessity. Unhealthy areas are constantly being demolished, with the result that the workers are driven from the slums and rookeries where they used to herd. They are thus being more and more forced to live in the suburbs of great cities; and cheap, rapid and regular means must be provided to convey them to and from their work.

The companies are organizations of capitalists for running tramways as a means of gaining profits. They only care for big dividends; and dirty cars, high fares, and shamefully overworked drivers and conductors are matters of quite secondary importance. Supply and demand, they say, must arrange these details. The first business of the directors is to earn a good dividend; and it is their last business also. So long as the dividends do not go down, the shareholders ask no questions. This system may suit the capitalists well enough, but it suits no one else.

I. TRAMWAYS MUST BE WORKED IN THE PUBLIC INTEREST.

We want tramways for the public; low fares; comfortable cars; and well ordered waiting-rooms at every terminus, properly warmed in winter, and provided with time-tables. We want lines pushed into suburbs and through trams running at frequent intervals, in order to induce the workers to live out in the healthier districts.

II. FAIR TREATMENT OF LABOR.

We want tramway men properly paid for a forty-eight hours week. No public body can work a man 115 hours a week for 21/- (as the Bradford company did), or 98 hours for 24/-, as till recently was common enough in London.

III. THE PROFIT FOR THE PUBLIC.

The shareholders have made dividends enough out of their monopoly. In future we want the profit for the public.

The Tramways of the United Kingdom.

There are in the United Kingdom forty-two public authorities and 117 companies owning tramways. These tramways use 37,342 horses, 492 locomotives, and 4,864 cars. The number of men employed is not given, but it must amount to considerably over 30,000. The total number of passengers carried during the year 1896-7 was

788,569,669. On 1,031 miles of lines in use, £14,865,110 has been expended. The gross receipts during the year were £4,235,593, and the net profit was £1,037,149; giving a return of almost 7 per cent., or something like 3 per cent. greater profit than is obtained from the capital invested in railways. It is obvious therefore that municipalities, which can now borrow at 3 per cent., can profitably invest in tramways yielding 7 per cent. The clear 4 per cent. surplus on the £10,405,622 of capital belonging to private shareholders is £416,224 a year. This is the golden stream which the apathy of public authorities allows to flow into the pockets of the capitalist class.

Municipal Ownership at Work.

Already forty-two local authorities own their tram lines. In the past the rule has been to lease the lines out to companies which pay a considerable rent. For example, Birmingham leased its lines so as to yield 4 per cent., and, after 1896, 5 per cent., on the cost, and the company contributes to a sinking fund which will have paid off the capital expended by the time the lease expires. Manchester has received nearly £60,000 in relief of rates over and above interest on capital, and £77,000 has been received towards repayment of the principal. London, indeed, is said to be the only large city where the tramway companies have used the streets without paying for the privilege.

By the Tramways Act, 1870, under which tramway companies are formed, the local authority has power at the end of twenty-one years from the date of the concession to take over the lines at the actual value of the stock and plant. Between 1891 and 1898 the London County Council repeatedly availed itself of these powers. Considerable opposition was shown by the Moderates; and the companies refused to give way until they had been defeated in several law-suits, carried even to the House of Lords. In 1891 the Council purchased $4\frac{1}{4}$ miles of tram lines and plant for £129,798, though the company had asked £604,090. It leased them to the London Street Tramways Company for a short term. In 1897 the Council purchased $43\frac{1}{2}$ miles, at the price of £10,000 per mile of double lines, from the North Metropolitan Tramways Company. A great struggle took place over this, the Moderates wanting to lease out the lines, the Progressives demanding that they should be worked by the Council itself. Eventually the Moderates won, and leased them, together with the $4\frac{1}{4}$ miles of lines purchased in 1891, to the North Metropolitan Tramways Company for fourteen years, providing in the lease that workmen's cars be run, that fares be not raised on Sundays and holidays, and that the hours and wages of labor be not worsened. The rent is a fixed sum of £45,000 a year, and a further sum equal to $12\frac{1}{2}$ per cent. on the amount by which the gross receipts in each year exceed the gross receipts in 1895. It is estimated that the ratepayers will, by 1910, have benefited to the extent of £582,032.

Every other local authority where tramways exist will have a similar opportunity as the twenty-one years' term expires, and should on no account neglect to use its power. By insisting on proper

terms in the lease, not only financial gain but many other advantages can be secured. Manchester, for example, has since 1875 stipulated for a service of workmen's cars, morning and evening, at hours to be approved by the Council, and at fares not exceeding $\frac{1}{2}$ d. per mile with a minimum of 1d. Edinburgh has recently purchased thirteen miles of tramways for £185,000, borrowed at 3 per cent., and has leased them to a company at 7 per cent. on all the capital expended. It has bargained for an improved service, and for a reduction of hours of labor from sixty-one to fifty-four.

Municipal Management at Work.

But the municipal policy on tramways has now changed. The up-to-date town now runs its own trams. A number of towns have already evicted the capitalist from their tram lines with marked success.

Huddersfield (steam tram) led the way in this reform. Its men have an eight hours day and fair wages. The policy of the Town Council has been to extend its tramways over its large area (the town is a collection of villages, and there are twenty-one miles of single track lines for a population of 100,000), and to provide a good, cheap service, even at some expense to the ratepayers. The return for 1895-6 shows a clear profit of £1,178 after paying interest and sinking fund.

Plymouth purchased its tramways mainly "in order to get rid of the company management, which had failed to give the public an efficient service, and which had exhibited no inconsiderable disregard of public convenience and remonstrances. And in the second place, to place the direction and control of the policy of tramway extension in the hands of the Council as representing the general body of ratepayers for the general benefit of the borough, instead of leaving the tramway-system to be developed and extended for the purpose of securing profits to shareholders without regard to local necessities" (Report of Town Council, 31st December, 1894). The receipts have so far covered cost and interest, but not quite the sinking fund. The authorities are confident that even this item will in a short time be covered by the in-takings, and that there will be a surplus to go into the coffers of the municipality. Time-tables have been issued, a waiting-room fitted up, and the employees provided with partial uniform.

Glasgow took over its lines in 1894. It has reduced the fares, and both as regards wages and hours greatly improved the condition of its servants. The undertaking has proved an unqualified success. For the year 1896-7 there was a profit of £84,596.

Leeds has been equally successful. It also took over its lines in 1894. It has made a profit from the first. In 1896-7 the net receipts were £13,664, from which sinking fund had to be paid. This is equal to $6\frac{1}{2}$ per cent. on a capital of £210,699.

Blackpool, during the year ending June, 1897, obtained a profit of £3,167, or about 5 per cent. on a capital of £62,934. In the year 1894-5 the net profit was £3,442, or nearly $7\frac{1}{4}$ per cent. on a capital of £47,826.

Liverpool bought out its tramway lessees in 1897, and is now working the lines itself.

During 1897 and 1898 most of the large towns applied for powers to work their own trams. Every year sees an addition to the number of municipal services.

Free Trams for the Future.

The next move onwards must be free tramways. Roads and bridges are free to all. Already we have a free steam ferry on the Thames at Woolwich. It is for the benefit of all that some should live far from the centres of the towns. Indeed, the re-housing of the people will necessitate the spreading out of the population over an ever wider area, and will compel many more workers to live at a distance from their work. Why should those who do this have to expend money as well as time as a penalty for so doing?

The municipalities must not merely own the tramways but must work them in the public interest. They must have power to make the tramways as free as the highways for the use of all, and the cost must be paid out of the Unearned Increment of Land Values, which now goes into the pockets of the landlords.

The statistics have been chiefly obtained from (1) Board of Trade Return of Tramways, 30th June, 1897 (H. C. 375); (2) *Municipalities at Work*, by F. Dolman (Methuen, 1895); (3) Information supplied direct by the municipal authorities of the places named; (4) Duncan's *Tramway Manual*.

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