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## MUNICIPAL GOVERNMENT IN N. C.

### XXIX—DANISH STATE-OWNED RAILWAYS

Denmark owns and operates its own railroads, or at least the main line system, some 2,000 miles of trackage all told. Seventy-five million dollars are invested in the road beds, rolling stock, terminal facilities and accessories of all sorts in the state system. The state also owns and operates the thoroughfare telephone and telegraph lines. Every first-class post office is a telephone and telegraph station. The state also owns and operates the steam ferries that bridge the water gaps in trunk line travel and traffic, so that swift freights can go from one end of the state to the other without trans-shipment. Express trains move without any considerable delay from Copenhagen across two straits to Esberg for the English markets, or south across twenty-six miles of sea into Germany. A sleeping-car passenger goes to bed in Copenhagen and wakes up in Hamburg or Berlin. The steam ferries, or moving railroads as the Danes call them, have solved all the difficulties of de luxe travel in Denmark. The Danes have around one hundred million dollars invested in these state-owned and state-operated transportation and communication facilities. It is a tremendous enterprise for a little state one-third the size of North Carolina and with only 600,000 more inhabitants.

For thirty years this brave little kingdom has been operating its own railway, telegraph and telephone lines for two distinct purposes: (1) to reduce passenger rates, freight charges, and communication costs to the lowest possible figure, in the interest of farmers, manufacturers, merchants, and consumers alike; and to render these services as a fundamental contribution to common prosperity in Denmark, and (2) to develop the remote and less prosperous territories of the state. The developmental purpose is as pronounced and emphatic as the commercial purpose. Left to private enterprise the remote regions of north and west Jutland, for instance, would have been dreary, sparsely inhabited wastes for long years to come. The state penetrated these regions with railroads long before there was any profit-producing business in passengers and freights. For lack of such rail facilities our Lost Colonies have languished in both life and business, and the Albemarle counties have become tributary trade areas for Norfolk.

While the state does not own the lines that branch out into the marginal territories of Denmark, it does own as a rule from one-half to one-fourth of their capital stock, and these subordinate lines are operated as a part of the state system in schedules, freight charges, and passenger rates. The trains are slower on these secondary lines, the equipment is not so good as on the main lines and the rates are higher, because the volume of traffic and travel is less. But the dwellers in these remote regions are satisfied because they realize that without railroad facilities life and enterprise in these lonely places would be impossible. The Danes long ago realized the fundamental contribution that railways make to private enterprise on the one hand and to commonwealth development on the other.

### A State Service Agency

Almost the only cheap thing in Denmark is freight and passenger service. The charges for both were from one-third to one-half of the charges on the German railways in 1913, and they are still distinctly less than they are today in Germany. It goes without saying that the rates are less than they are in America. The de luxe trains of Denmark, what we call through Pullman car service, are just as good as we have in America and the charges are not a great deal less. The express freight trains are another story. No kind of freight traffic is as expensive in Denmark as it is in America. And this statement applies to short-haul freights in particular.

Another matter of interest is the fact that the conductors on the de luxe trains are the whole show. They inspect your tickets, make down your beds, answer the call bells and gener-

### Where Business is Politics

I am not arguing the state ownership and operation of railways. I am not saying that what is possible in Denmark and Germany succeeds in France or Italy. As a matter of fact the state ownership and operation of railways does not succeed in either of these countries. Both countries have tried it and they know that it does not succeed. A portion of the French system is operated directly by the state. The state railway service is fairly good in northwest France under government operation but it is distinctly less efficient and less profitable than in the other French railway systems that are operated by leasing companies.

The state operation of railroads in America is not a hopeful proposition in my opinion, and it never can succeed in a great country like ours unless (1) our railroad business can be taken out of politics and immeasurably removed from the influence of party politicians, and (2) unless railway employees from the director general down to the track gangs can feel themselves to be trusted business men conducting in a business-like way a business enterprise of the government—unless railway employees can esteem themselves as business men honored and rewarded in life-long jobs that depend solely on their efficiency, their faithfulness, and their courtesy.

All these things are true of the public servants involved in the Danish system of transportation and communica-

### BANKERS CAN HELP

While the bulk of the money that the farmer borrows necessarily comes from the large reservoirs of wealth controlled by the city banks, the country banks are in more intimate touch with the farmer and are in a position to do things for him that no city bank can do. In a small publication called *The Rural Market*, an editor of *The Bankers' Magazine* declares that these country banks are doing more than their share in promoting better methods of production in their respective communities. He notes a few of the activities of some of the progressive country banks which believe that by helping their communities they will also be helping themselves:

Financing the importation and distribution of pure-bred cattle.

Promoting and encouraging local fairs and exhibitions.

Developing the interest of boys and girls in better farming by organizing pig, sheep, calf, poultry, and garden clubs.

Encouraging the keeping of some live stock on every farm and promoting greater crop diversification.

Promoting local dairying by keeping dairy records, financing local creameries, establishing cow-testing associations, teaching better feeding methods.

Urging and financing the construction of silos.

Arranging for regular banker-farmer conferences to discuss mutual problems.

One bank by financing the importation and seeding of alfalfa, increased the number of alfalfa acres in its community from 10,000 to 13,000, resulting in an increased production of nearly 12,000 tons, which at prevailing prices amounted to \$180,000 in new wealth. The increase in land values was estimated at \$30 per acre and amounted to \$120,000. The increased quantity of feed made it possible to winter some 60,000 additional sheep in the valley.

And the banks, we are told, are not losing, as a result of this sort of activity; one bank in Pennsylvania as a result of two years' community agricultural development increased its deposits 48 percent.—*The Literary Digest*.

If they cannot become true in America we shall be wise to leave these service agencies to private capital and its employees, no matter what it costs the public in the recurring damages of repeated wars between railway managers and railway employees.

### Stifling Agriculture

Meanwhile no matter how rapidly American farmers multiply their volume of farm wealth year by year, by cooperative effort or otherwise, they are likely to be ground to powder between the upper and nether millstones of railway dividends on the one hand and unionized labor on the other. Farm cooperation succeeds in Denmark because the state owns and operates the railway, telegraph and telephone lines, and extends these services to business in general at the lowest possible rates. Cooperative enterprise and private business alike would have had a dog's chance in little Denmark under any other conditions.

### An Illuminating Experience

One morning in a motor car ride in North Jutland we came within sight of a mine, the first mine I had seen in Denmark. What is it? I asked. It is a marl mine, was the answer. As we walked across the field toward it my host told me the story—the usual story

of farm enterprise in Denmark. The farmer found in his fields an extensive deposit of very rich marl. Instead of operating it himself for private profit, he took his neighbors into a good thing and the combined capital of the cooperating group was sufficient to erect the buildings to house the miners, and to buy the necessary plows, teams and carts, drags, picks, shovels and wheel barrows. With their enterprise properly organized and equipped, they petitioned the prison authorities of the state for fifty able-bodied convicts, the necessary guards, and a domestic force for the prison house-keeping at the mine. Then they petitioned the state railway authorities for a spur track a mile or so in length, a shift engine, dump cars and railway employees sufficient to serve an active mine. The state authorities lost no time in complying with the requests of the farmer group. I found the convicts wearing no stripes, balls or chains. And I have never seen men work harder and more cheerfully. Their mine quarters were clean, their food was abundant and excellent, and the prison guards, as I remember it, were only four in number. If any one of them had a gun I did not see it. My comment was, This is the first time I ever saw farmers bunch up and beat the lumber and coal mine companies in this sort of game. And by the way, the guards were state prison officials of a manifestly superior type. No company of any sort is permitted in Denmark to have its own cheap guards and to stand between the law and its penalties, as in more than one state of the American Union. The aim of these farmers, said the Danes who accompanied me, is first of all to get a rich quality of lime for their own fields at the lowest possible cost, and then with the help of the railroads to sell it over a wide area at a minimum price to outside purchasers. The limiting of fields is a universal practice in Denmark. Our marl deposits in Eastern North Carolina although quite as rich as those of Denmark have practically no commercial value.

It is an extremely rare thing in Denmark for a farmer to surround an advantage and to squeeze his neighbors to the limit.—E. C. Branson, Copenhagen.

### MUNICIPAL GOVERNMENT

The unprecedented urban growth in North Carolina due to expansion along industrial lines has been the means of focussing attention on the antiquities in the forms of municipal government now in practice in this state, says a treatise on Municipal Government written by T. Glenn Henderson, Greensboro, and Buxton Midette, Jackson, for the Department of Rural Social Economics.

When Washington was inaugurated, only about one-thirtieth of the population lived in cities of over eight thousand. In a little more than one hundred years more than half of the population of the United States have become city-dwellers. In North Carolina at the present time, more than thirty percent of the population live in urban or incorporated areas. Only recently has any effort been made to bring municipal government into conformance with the expansion of the cities.

There are four principal types of city government in the United States: (1) the decentralized plan; (2) the commission plan; (3) the centralized mayor-council plan, and (4) the city-manager plan. Three of these types are to be found, in the main, in North Carolina—the decentralized plan, the commission plan, and the city-manager plan. An examination of the fundamentals of each of these systems is necessary to a correct understanding of the various problems which are occupying the thought and effort of political reformers.

### Mayor-Alderman Plan

In the decentralized plan or mayor-alderman plan, the mayor is elected on a partisan ticket among numerous other officers, and a city council made up from representatives of the various wards. Its supporters claim that the large council, elected by wards, assures representation to every section of the city; and that autocratic rule is eliminated because the mayor must share the appointive power with his council. On the other hand, ward lines are purely arbitrary divisions of the city and

as such start log-rolling among the various wards for special favors. Further, the voter is confused by the large number of officials to be voted upon; administrative responsibility is diffused because of the confusion as to whether the official is responsible to the mayor or the council, and there is no minority representation.

### Commission Plan

In the commission plan, the people elect a number of commissioners, usually three to five, who are responsible both for legislation and for administration. One is named mayor. Sitting together they pass ordinances and determine administrative policies while the work of the city is divided into from three to five departments with one commissioner heading each. Proponents of this plan argue that all of the affairs of the city are centralized in the hands of a single commission which can easily be watched by the voters while the election-at-large secures minority representation and a high type of official. On the other hand, commission government is a three- to five-headed administration, and administrative policy, therefore, is liable to be a series of compromises. It would not be unusual for the head of a department to find himself constantly overruled by the vote of other members. One of two results therefore naturally follows: either friction develops among the members, or each commissioner is permitted to follow his own course without consideration of other departments of the city as a whole. In further support of their stand, opponents of this plan mention the possibility of departmental bargaining; the impossibility of securing the best citizens for the salary usually paid, and the mistake in placing the spending and taxing functions in the same body, a policy which they contend is conducive of extravagance.

### Mayor-Council Plan

In the centralized mayor-council plan the mayor is elected by the people; no other administrative officials being elected except perhaps the auditor or comptroller. Here confirmation of administrative appointments by the council is not required. The administrative services are organized into five or more departments, each headed by a director appointed by and responsible to the mayor. The advantage of this plan is the mayor's inability to pass the buck. The opposition advances that the mayor is usually a politician, elected because of personal popularity or because he stands for certain general policies or plans of public improvement. Rarely is he a good administrator. Usually as soon as he learns something about his job his term expires and another man new to the job is elected.

### City-Manager Plan

In the city-manager plan a small council is elected whose functions are confined to legislation. It appoints the city-manager who can be removed at any time. The city-manager is a full-time executive head, chosen upon a basis of experience and ability and not because of political considerations. The contention most often met in objection to this plan is that it places too much power in the city-manager. Its supporters point to the fact that under it there is no division of function or responsibility; that competent men are secured for the council since only part-time service is required; that it cannot be argued with justice that too much power is placed in the hands of the city-manager because his duties are purely of an administrative nature; that each manager's success and hope of promotion to a higher salary or larger city depends upon his results, and not upon political favors or political service, thus placing a premium on efficiency.

The following North Carolina cities have placed this plan in operation: Chapel Hill, Durham, Elizabeth City, Gastonia, Goldsboro, Greensboro, Hendersonville, Hickory, High Point, Morganton, Reidsville, and Thomasville.

In conclusion the authors say that the city-manager plan is not perfect. They do say with assurance, however, that it is the best plan of Municipal Government so far devised.