which was designed to encourage private initiative and energy. It is obvious that if the only reward of an able management which has, by new devices and careful training of employees, succeeded in operating at less cost than competitors and in accumulating a surplus—if the only reward to such a management is to cut its rates so that *all* the benefit passes to the public, then common-sense tells us that the system tends to discourage the getting of the best results. This is sought to be met in the Wisconsin laws by a sliding-scale provision which permits the commission to sanction profit-sharing devices when reasonable, so that the utility company can share in the results of its own superior management.

I would like to speak of the "invalidity clauses" in the Taylor ordinance that ended the nine years' street car fight in Cleveland under Tom Johnson and by which it is hoped that if any of the four important stipulations won for the public in that ordinance, are declared invalid, then that the benefits may still be retained under alternative provisions. I would particularly like to describe the wonders that have been worked under the commissions, in the way of securing uniformity of service, doing away with discriminations, in establishing standards of cost in gas and electric service, in improving fire protection, in standardizing meters, in special investigations of overcharges and of inefficient systems of management, in causing new installation of new machinery, and all the other work that has caused the utility commissions already established to be so respected and admired. Space, however, for further consideration is obviously lacking in a paper of this character.

That the mere taking of public utility companies out of politics is, by the establishment of commissions, practically assured, is, in itself, sufficient reason for their establishment. In the regulation of railroad rates, as in Winsconsin where in two years a saving to the people of that state of $1,970,000.00 in intrastate shipments was effected; in the control and guidance of the issue of utility securities, as in New York city in the reorganization of the metropolitan traction system after Ryan