



## A Public Company as a Challenger to a Private Monopoly: Providing Water to the Eternal City, 1865-1964

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Rome is an exception among European capital cities: the thousand-year-old capital of the Pope's State only became the capital of the Italian national kingdom in 1870 and then grew rapidly. The Eternal City benefited from the infrastructure of the Roman Empire, modernized under the last ruling Popes. Supplying water was not a major technical problem. After 1870, the municipality became a political refuge for Catholics against the Italian central government, seen as sacrilegious for having stolen the city from the Pope. Public service firms were also in the hands of Catholics, who opposed Italian national projects for the new capital. In this paper, I follow the evolution of the relationships among the water supply firm, the urban space, and the local society during decades of struggle for control of public services. In a fast-growing city, with new settlements built year after year, financial, spatial, technical, and social choices were made in response to different stakes: financial profit, political profit, and administrative advantage against a rival administration. There were three major phases in the process expanding the provision of water: first, a private company was in charge; second, local authorities promoted a municipal company against the private company monopoly; and third, debates about municipalization. What was unique in Rome among European capital cities was the way in which different companies were operating in an unequal way. For very specific political, historical, economical, and institutional reasons, in Rome the public company was the challenger, giving historians an unusual situation to study.

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Rome is an exception among European capital cities: even if it was the thousand-year old capital of the Pope's State, it was integrated late into the Italian national kingdom, becoming its capital only in 1870. Rome remained a small city until the 1870s, and only then experienced rapid demographic growth. On the other hand, the Eternal city benefited from the infrastructure of the Roman Empire, modernized under the last of the ruling Popes. The provision of water was not a major technical problem for the city. In Rome, after 1870, the municipality became a kind of

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political refuge for Catholics from the Italian central government, which was seen as committing sacrilege for having stolen the city from the Pope. Public service firms were in the hands of Catholics, who opposed Italian national projects for the new capital city. The object of this paper is to follow the evolution of the relationships among the water provision firm, the urban space, and the local society during the decades of struggle for the control of public services. In a fast-growing city in which new settlements were built year after year, financial, spatial, technical, and social choices were made in response to different stakes: financial profit, political profit, and administrative advantage against a rival administration.

There were three major phases in the process of providing water in Rome: first, when a private company was in charge; second, when local authorities promoted a municipal company against a private company monopoly; and third, debates about municipalization. Each of these periods involved several issues: the relationship of corporate organization to the administrative and political context; spatial, technical, and social choices concerning the generalization of the service; investment and pricing policies; and debates about reforms. Rome was unique among European capital cities in that different companies were operating in an unequal way. In Rome, for specific political, historical, economic, and institutional reasons, a public company challenged a private one. This dual system gives the historian the opportunity to study an unusual configuration.

### Water as Heritage

Until the mid-nineteenth century, there was a long tradition of only springs providing water in Rome. The provision of water was a heritage from Ancient Rome made through several aqueducts, transporting water from springs in the neighboring hills and mountains. The Ancient city had such a high level of service that most historians and engineers estimate that it was only at the end of the 1960s that the daily quantity of water provided to the city exceeded the level provided during the Roman Empire: 13500 liters per second.<sup>1</sup> In 1937, the city received only a third of what it had in Ancient times.<sup>2</sup> Acqua Appia was available in town since 312 BC (Before Christ). Acqua Aniene Vecchia, the quality of which had been praised by Pliny, came into town in 270 BC.<sup>3</sup> Acqua Marcia in 114 BC, thanks to a 91-kilometer long aqueduct, whose capacity, as measured

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<sup>1</sup> Mario Pediconi, "L'approvvigionamento idrico di Roma", *Studi Romani*, (1967): 31-327.

<sup>2</sup> Giampelino Corsetti, *Acquedotti di Roma dai tempi classici al giorno d'oggi* (Rome, 1937).

<sup>3</sup> "Clarissima aquarum omnium in toto orbe frigoris salubritatisque palma preconio Urbis Marcia est inter reliqua Deum munere Urbi tributa," quoted by Corsetti, p. 33.

by the great engineer Frontinus was the equivalent of 2,250 cubic meters per second. Then came the Tepula waters (19 BC), Claudia (38 AD [Anno Domini]), and Traiana (109 AD). Agrippa had the Vergine aqueduct built. It is generally assumed that the system ceased functioning when Goths besieged the town in 537. Even if a passive use of the Roman network was still possible in some cases, the network was no longer a network. However, Rome was also no longer really Rome. Its population dropped in a few centuries, and the early medieval town had only a few tens of thousand inhabitants, compared with one million or more under the Empire. In the Middle Ages, partially fixing the Vergine and Traiana aqueducts provided Rome water in a much more satisfactory way than any other European town. Even at 5 percent of their antique capability, Roman aqueducts were able to provide water to a medium range medieval city. In the Middle Ages, the use of subterranean waters was also developed. Aqueduct Vergine was the object of great public works under Pope Pio V. Under the rule of Pope Gregorius XIII, at the end of the sixteenth century, a private company was given a concession on Aqua Felice, and the right to sell it in town. Cardinal Felice Peretti (later Pope Sixtus V) then bought the company. This demonstrates the length of the tradition in Rome linking the economic interests of Catholic élites and public services in the capital city of the Church. During the Seventeenth century, Pope Paul V reopened a third aqueduct: The Traiana (from the name of Roman Emperor Trajan) was renamed Paolo. Alexander VII and Clemente X later improve the system by the adjunction of water from the Bracciano Lake. From the Renaissance to the eve of the Nineteenth century, the provision of water in Rome was the domain of the central government. It was even a matter of personal prestige for the Pope to give the city back a part of its ancient abundance. Monumental fountains were built at the point in which water flows into the city, and the papal imagery reinforced by great public works campaigns regarding the provision of water. As it required great investment and implied competence in remote parts of the State, the provision of water was not left to the municipality, whose provinces were, in any case, small in Rome under the Papacy. Another reason was the frequent involvement of large parts of the State élites in the sector, if not the Pope's family itself.

Management of the provision also remained in the hands of the Pope's central government for a long time. Provision was made through public fountains or water points in the yards of houses. In 1701, Pope Clemente XI created the *Presidenza delle Acque*, a new institution in charge of water, under direct supervision of the government. From this time on, homeowners could buy a given quantity of water, measured at a fixed flow. This system, to which a few hundred families were connected survived until the late nineteenth century.

In 1847, in the wake of broad administrative reforms in Church governance, the Roman municipality gained control over the provision of water. This change made Rome comparable to other European cities, where the provision of water was a municipal capability. However, the

Roman municipality had very specific characteristics: it was ruled by a few aristocratic families closely linked to the Pope, and remained so for a long time after the integration into the Kingdom of Italy. The local history of Rome from the Middle Ages to modern times reflects the struggle between the papacy and dominant families in towns for the control of local institutions and the definition of their provinces. At times, it was preferable for the Pope to have weak local institutions, and to integrate dominant Roman families into the court apparatus. At some other times, such as 1847, it was preferable (or had become an obligation) for him to give local institutions more autonomy. From the middle of the nineteenth century, water provision was a municipal responsibility. Inside the Roman municipality a technical bureau was created. Just like in other municipalities, this bureau and its evolution exemplifies the growth of technical bureaucratic apparatus inside local institutions. A municipal hydraulic engineer and several technicians were hired. Little was done, however, to extend the network.

From the middle of the century, Rome was provided with a municipal service. However, when the city became the new capital of Italy in 1870, after its seizure by Royal troops, the situation changed. In the last years, months, and even days of Papal rule over the Eternal city, the water provision sector saw great changes, due to the Pope and Catholic élite's ambition not to lose control of public services even while losing sovereignty.

### **The 1865 Concession: Marking History for the Next Century**

Pope Pio IX, for what he knew would be the last phase in network development under papal rule, chose to return to a tradition dating back to the Renaissance. Decision-making processes must be in the hands of central authorities. The economic interests of the Catholic world must be secured, at a time when it was already obvious that Rome would be seized as soon as France stopped protecting it from an Italian attack. The task of modernizing the Acqua Marcia aqueduct and bringing the water provision network up to date was not given to municipal services at the time, although they had the capacity to handle it. Such modernization was the object of direct negotiation between the Pope's government and some private investors. In the 1860s, the stake for the Pope was not only his relationship with the municipal oligarchic aristocracy, but also the form that his interest in the city would take beyond the horizon of a likely decline in power. The concession signed on December 2, 1865 with *Società dell'Acqua Pia antica Marcia* had been negotiated in a very particular context, and was a reflection of the will to preserve the interests of the Catholic world in the city.<sup>4</sup> Public services appeared at the time to

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<sup>4</sup> For an analysis of concessions in a Mediterranean context: Denis Varaschin, "De la concession en Espagne et en Italie, XIXe-Xxe siècles", *Entreprises et Histoire* no. 31 (2002): 54-70.

be a secure refuge for Catholic money, and a powerful card to be played on the *longue durée*. The closer we get to 1870 the clearer the feeling that investment in public services in Rome was a way for the Papacy to try to maintain some influence over the fate of the city.

The 1865 concession was for 99 years, to expire in 1964. It was given to Niccola Moraldi, Giovanni Enrico (John Henry) Fawcett, and Giacomo (Jack) Shepherd.<sup>5</sup> Two of the three businesspersons were English, and Catholic capital and English capital was linked in the project. This project reflects the way in which the Papacy was inserted into international financial networks. The creation of the new corporation was confirmed by the Pontifical Ministry of Trade and Public Works, on March 24, 1868. On this date, the concession received all legal authority for continuity in the event of a change in sovereignty. The new Acqua Marcia aqueduct facilities were inaugurated on September 10, 1870, only 10 days before the seizure of the town by Italian troops and the fall of Papal rule. The inauguration ceremony took place at Termini, near the Diocletian ancient baths, which give their name to the railway station. This place was also the point where the renovated aqueduct entered town. A provisory monumental fountain had been built in front of Palazzo Massimo. The event was Pope Pio IX's last public appearance in Rome before the town was seized.<sup>6</sup> Next to the Pope, were Ponza di San Martino, his delegate for Roman urban affairs, public works, and real estate projects, Salviati, chairman of the Acqua Marcia corporation, Berardi, Minister of Public Works, Negroni, Interior Minister, General Kanzler, Minister of the Army, Cavalletti, *Senatore* of Rome, the head of the municipal institution, and two of the eight *Conservatori*, noble members of the municipal council, Altieri and Trocchi. Some other personalities (for example the rest of the municipal élite) were absent from a ceremony akin to the burial of the Old Regime. In September 1870, the political decline of the Papacy was almost complete. However, the provision of water through a private company with Catholic capital was secured for the next century. Acqua Marcia was re-named Pia, as a sign of devotion to the Pope. Pio IX lost the city, but gave his name to the new water company. Thanks to the urban aristocracy's rich social network, and close links to some economical circles, the papal power in the Eternal town was partially preserved. The Pope also had another way of intervening in the evolution of the city once he lost political sovereignty: as the first landowner, real estate problems were his; together with ten or so Catholic aristocratic families, all represented on, and most of the time dominant in, the municipal council.

After the events of September 20, 1870 and the integration of Rome into the Italian Kingdom, the Roman situation was unique among

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<sup>5</sup> Archivio Storico Capitolino, Ufficio V, Direzione, Busta 1, Fasc. 27. Raccolta di documenti Comune di Roma / Società dell'acqua Pia.

<sup>6</sup> Giorgio Coppa, Luigi Pediconi, and Giorolamo Bardi, *Acque e acquedotti a Roma (1870-1984)* (Rome, 1984), 13.

European capital cities. Acqua Marcia (Pia) was still exploited and distributed by the private corporation, and the Italian government, according to the Act of Capitulation and to International Law, accepted all public commitments made by the former government. But, according to the 1865 Italian Law on Municipalities, which applied to Rome as soon as the city was formally integrated, the Municipality had the capability to provide water through the other three aqueducts: Vergine, Felice, and Paolo. This potential public parallel network had an estimated capacity of 150,000 m<sup>3</sup> per day.<sup>7</sup> Of course, as long as aristocratic members of the municipal council dominated, there was little chance that they would decide to challenge the de facto monopoly (if not for provision of service, at least for extensions of the network) of a private company in which many of them had personal interests. But in theory, this was something the municipal council could exploit, as the 1865 law only granted the Acqua Marcia exclusive rights to the exploitation of some springs and the aqueduct, not a formal supply monopoly. In 1872, the municipal water service was organized in accordance with the Italian administrative schemes. Even if it could not extend its networks, it delivered water to points in the city that were traditionally served by municipal aqueducts. Only the *Società* had the possibility of participating in the great physical and demographic growth of the city. Just as was the case for real estate, Catholic capital benefited from the construction of the capital city of a State whose very existence Pope Pio IX condemned.

In 1871, Rome only had 210 000 inhabitants. The new capital city, which replaced Florence (which itself replaced Turin in 1865), was a relatively small city compared to other European capitals. London at the time had more than 3 million inhabitants, Paris almost 2 million. However, rapid growth was the trend, and in a few decades, Rome closed the gap with most of its rival cities. The modernization of the water supply network in Rome was then a matter of extension. In the 1870s, extensions were made directly by agreement between the municipality, the corporation and real estate investors (often the same people). Aristocratic villas were sold for the construction of entire new urban neighborhoods. Connection to the Aqua Marcia network was immediate. The new *palazzi* of bourgeois Rome were provided with this service as soon as they were constructed. The *Società* had a solid basis for profitability.

However, during the first years of Rome as the new capital of Italy, questions arose regarding social or spatial justice in the provision of water. Water quality was often at stake. Among all the springs, Marcia was the best, as everybody in town had known since Pliny. Residents connected to the municipal network by tradition, and situated outside the Acqua Marcia service area, insistently demanded that the municipality force the *Società* to serve them. It seems paradoxical, but nothing in the 1865 concession defined the service area of the *Società*. The division of the city was strictly

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<sup>7</sup> See Coppa, Pediconi, Bardi, *Acque e acquedotti a Roma*, 14.

pragmatic; because the Marcia aqueduct arrives into town on the left shore of the Tiber River, the other shore was assigned to the municipal service, whose aqueduct comes from this side. However, nothing except the perspective of big investment for little profit prevents the private corporation from crossing the river. Acqua Marcia also arrives at a respectable altitude, and can provide apartment houses with greater pressure. We find in the municipal archives many requests during the 1870s by inhabitants for access to Acqua Marcia. Residents expected the municipality to use its influence on the *Società* to extend the private service to some neighborhoods served only by municipal waters. This was a way to extend the service to popular areas. Until then, the private company served mostly old rich areas on the left bank, and the new rich parts of the high city. In this process, the municipal technical and political personnel served as mediators. The stake was to let the *Società* accept some unprofitable extensions in order to preserve the political influence of the municipality itself and the exceptionally favorable conditions given to the company by the 1865 concession. As long as conservative Catholics ruled the municipality, their aim was to protect the company by partially accepting some network extensions. A refusal could lead the municipal council to decide to extend and modernize the municipal network.

In 1871, low-income residents of the right-bank of the Tiber (Borgo and Trastevere) asked for the extension of the Acqua Marcia network in their direction. About 690 residents signed the document. It found sympathy in the municipal services and evoked some interesting arguments:

Before Acqua Marcia got into town, the absence of a service for the provision of water was acceptable. It was not anymore now that we know that the service was accessible. Most of the population can not accept to keep silent, although being obliged to live far from the center.<sup>8</sup>

Some evoked the quality of the water provided and social justice. Inhabitants of Piazza della Consolazione asked the municipality for an intervention because of the “bad quality of (municipal!) Felice waters.” Municipal services usually managed to get the company to satisfy demands. In the case of the right-bank, which required a great investment from the company, the mayor wrote:

“My administration has a sacred duty: make as much as is possible to assure hygiene and health (...). Theses calls for water have to be heard, because they are motivated by the most urgent needs of life.”<sup>9</sup>

In exchange, inhabitants committed to subscribe to the service once it was available by signing a formal agreement. In this case, despite some hesitation by the company, the municipality, recalling article 21 of the concession, accepted extending the network. Between 1872 and 1873, the

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<sup>8</sup> Archivio Storico Capitolino, Ufficio V, Direzione, Busta 1, Fasc. 1.

<sup>9</sup> Ibid.

Mayor wrote to the Chairman of the Acqua Marcia several times to remind him of the concession obligations to serve even the poor parts of town.<sup>10</sup> In spite of the obvious convergence between the interests of the municipal nobility and the water company's shareholders, most of the inequities were corrected. This should not be interpreted as social policy; rather the company had an interest in having a strong municipality as a partner. Network extensions, in any case, were made only where the inhabitants committed themselves to subsequently subscribing to the service.

For the new quarters on Esquilino hill, the system was quite different: subscription was practically part of taking up residence there, even if there were no constraints to subscribe. In the new Roman neighborhoods built by private societies, water service was part of the entire speculative system, just like public works.

In 1880, the water-company had already placed all of the water brought into town by its aqueduct. Thanks to its monopoly in the rich new parts of the city (the axis of the first great expansion of Rome as Italy's capital city), the company also became comfortably profitable in a few years time. Not only were the new quarters out of reach of the municipal aqueducts, but the municipal service was not allowed to sell its water there. Just as the construction of Italy's capital city provided Catholic landlords with high profits, the *Società* was for Catholic capital a highly profitable investment. Having lost Rome gave the local conservative oligarchy new resources, and new means of control over the urban space and society. There was considerable continuity between the 1860s projects led by members of the Papal court (for example De Merode, Minister of the Army until 1865 and early investor on the Esquilino) and those completed once the city became Italian. The choices made for Rome by a character like Quintino Sella, Finance Minister of the Italian government and political and ideological architect of Rome as a capital city, mostly affirmed what had been designed previously. Italian Rome perfectly fit the shell the Papacy had prepared for it, giving Catholic investors the highest profit. In spite of a long-lasting ideological and religious controversy (whose intensity in the minds of people of the time must not be underestimated), history shows the reality was more complex. The extension of Rome on the Esquilino can also be read as an early mediation between conservative Catholics and conservative nationals. The evolution of the water company followed the same trend.

Aqua Marcia not only benefited from the terms of the 1865 concession. It also benefited from the pressure it had coming into town. In 1872, it served most of the *palazzi* on the left-bank, and in 1875 crossed the Tiber. However, this was a time of increased tension in the relationship between the municipality and its technical services. Justice

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<sup>10</sup> Ibid. In 1873, inhabitants from Borgo and Trastevere form a "commission", in order to make pressure on the municipality and company. To avoid any political contestation, the mayor decides to back their demand.

ordered the municipality to pay for the water it used in the monumental fountains. Two explanations can be given for this sudden tension: the first progressive municipal power (1873), led by Pianciani, and the desire of the municipal technical service to compete with the private company. Even though Pianciani was in office for only a few months, he managed to change the attitude towards public services. After he lost power (he returned for a second mandate in the 1880s), the demand for better protection of the interests of the municipality and the citizenship from private speculation remained on the political agenda.

At the end of the 1870s, the first major change within the group of shareholders of the water company occurred. Many shares retained by foreigners, who were acting on behalf of the Papacy in the late 1860s, were sold. Roman aristocrats, such as prince Bandini, Capranica, Rospigliosi, Brazzà, remained dominant, but the gap between Catholics and Nationals begins to narrow. Opposition was leveled and convergence was at work. In 1885, Acqua Marcia had 11,600 subscribers who rented or sold water.

### **The Public Struggle Against a *De Facto* Private Monopoly**

From 1885 on, for almost 80 years, the municipality tried to regain control over a part of the water supply service. After Pianciani returned as mayor, and fell to a second conservative alliance, Duke Leopoldo Torlonia led the municipal administration. Torlonia was one of the major landlords in town, owned hundreds of hectares of land, earned a fortune selling some of it, and personified on the local political scene the convergence at work between Catholic and National conservatives. Negotiation with the water company was part of the deal: an apparent leveling of the domination of the private company in exchange for a guarantee that it will last. However, it can also be read differently: the Company agreed to sell some water to the poor at a reduced price, and the Municipality let it earn high profits from the rest of the population. Engineer Angelo Vescovali, head of the hydrological service, led negotiations in the name of the municipal technical services.<sup>11</sup> An agreement was finally reached, for a period of 25 years (1885-1910). By the December 2, 1885 convention, the Acqua Marcia company was granted exclusive rights to any new aqueduct construction.<sup>12</sup> In exchange, it agreed to comply with municipal service demands to implement fixed prices. The municipality agreed to renounce attempts to get new subscribers and to limit expansion of its own network to that necessary to fulfill municipal and industrial needs. As compensation, to satisfy a demand for social equity, the company agreed to serve eight public water points surrounding Rome. At a time when rural zones near Rome were progressively becoming popular suburbs that were

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<sup>11</sup> Archivio Storico Capitolino, Ufficio V, Direzione, Busta 17, Fasc. 29. *Relazione dell'ing. Angelo Vescovali al Sindaco di Roma sulle acque potabili che il Comune potrà utilizzare*. 1885.

<sup>12</sup> Archivio Storico Capitolino, Ufficio V, Direzione, Busta 2, Fasc. 2.

rarely served by public services, this was a way for the company to improve its reputation, and for the municipality to avoid having to provide the service itself. In the 1880s, projects for the Roman rural surroundings were still intended to be for agrarian purposes, but this measure was intended to affect zones already undergoing the process of urbanization.<sup>13</sup> With the 1885 convention, the municipality also obtained a reduced price for its own consumption and the right to buy 450 and then 700 oz. to divert into municipal aqueducts. The company also had to grant industrial workers' houses (when designated as such by municipal services) preferential rates. This social measure, which seems important, was of little significance to the company; there were few official workers' houses, and even fewer construction projects, such as those promoted when Pianciani was mayor. The company also had to serve hydrants for free.

Thanks to these few concessions, the company managed to reinforce its *de facto* monopoly. Mayor Torlonia wished to grant the company a 40-year advantage. However, after the opposition of a part of the Municipal Council, he had to accept a 25-year limit. In any case, in 1885 Torlonia gave the Acqua Marcia the prospect of great and long-lasting profits: the social measures were symbolic; the main point was to eliminate the threat of any upgrade of the municipal service.

In 1888, the Municipality tried to propose some new measures.<sup>14</sup> Progressive opposition inside the municipal council tried to denounce the collusion between Torlonia and the Acqua Marcia, and the way in which municipal interests were mistreated. Torlonia was forced to create a commission. F. Nobili-Vitelleschi wrote the report, proposing an interpretation of the 1885 convention that could allow extending the municipal service network. As long as the municipal council was in the hands of conservatives, nothing was done, but the debate was launched.

During 1897 and 1898, a new controversy arose between the municipality and the water company about service in the *Agro Romano*, surrounding Rome.<sup>15</sup> In 1893, the company decided to close the free service to some fountains, and it appears that at the turn of the century the company tried to disengage itself from unprofitable positions, which was politically sensitive for the Municipality.<sup>16</sup>

The Giolitti Act of March 29, 1903, gave municipalities the right to municipalize public services including water, transportation, telephone,

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<sup>13</sup> See, for example: Archivio Storico Capitolino, Ufficio V, Busta 1, fasc. 27. *Conduzione dell'acqua potabile alla borgata di Fiumicino seguendo il tracciato della via Portuense ad opera della Società dell'Acqua Pia (antica Marcia) per conto del Comune, 1881-1890.*

<sup>14</sup> Archivio Storico Capitolino, Ufficio V, Direzione, Busta 2, fasc. 22.

<sup>15</sup> Archivio Storico Capitolino, Ufficio V, Direzione, Busta 1, Fasc. 13.

<sup>16</sup> Archivio Storico Capitolino, Ufficio V, Direzione, Busta 2, Fasc. 22 and busta 3, fasc. 19.

and energy.<sup>17</sup> Municipal provision of water was the most emblematic proposal, and its promoters underlined its social implications. In Rome, the conservatives of course, did not choose to implement municipalization.

The debates found a new vitality when Mayor Ernesto Nathan came into office. Municipalization was at the heart of the 1907 electoral campaign. The progressive coalition, led by Nathan, had a much longer life than the two former led by Pianciani. Nathan remained in office until 1912. His coalition included Democrats, Radicals, Socialists, and Republicans. The coalition benefited the contemporary presence of Giolitti at the head of the Italian central government. Nathan succeeded in contesting the aristocratic hegemony over urban life and economy. Public transportation and electricity were municipalized.

A local referendum was organized on September 20, 1909. Municipalization was approved. The government approved as well. However, water was a different problem. Municipalization of the provision of water was not possible in Rome, as it would violate the 1865 concession. It was politically impossible for any Italian government to validate the spoliation of the Catholic world interests in such an aggressive way. The extreme leftist members of the Nathan coalition asked for Municipalization, but it remained out of reach because of its almost diplomatic implications. The municipality itself, having signed the 1885 convention, had no right to ask for municipalization. Any such measure would be not only politically sensitive, but courts would not permit it. The path towards municipalization was closed for Nathan.

The only other way to contest the monopoly of the private company was to find a way to improve the public municipal service and get the right to extend it. At the beginning of twentieth century, the municipal service provided water only to a small part of the city. The issue was on the one hand to serve a wider area, and, on the other hand, to provide better quality water. Under Nathan, the Vergine aqueduct was equipped with a pressurization device, in order to provide water to higher floors in apartment houses. Municipal services tried to promote a favorable interpretation of the 1885 convention: they would buy (for 750,000 lira) 135 oz. of Acqua Marcia and resell it through municipal aqueducts. Municipal engineers also began studies of the possibility of bringing water from the Pescheria River into town from more than 100 km away. The time horizon, in that case, was 1910, the end of the 1885 agreement. If municipalization was impossible, it was possible from 1910 on to develop the municipal service as a competitor to the private one.

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<sup>17</sup> On this period, see Oscar Gaspari, "Dal monopolio alla municipalizzazione, alla liberalizzazione dei servizi pubblici: le tappe di un processo di sviluppo nel quadro della storia del movimento comunale," (Rome, 2000) [[http://www.confservizi.net/conferenze/expost/relazioni\\_pdf/03\\_prima/02\\_gaspari.pdf](http://www.confservizi.net/conferenze/expost/relazioni_pdf/03_prima/02_gaspari.pdf)].

Municipal engineer Mario Moretti submitted an ambitious project for the development of the municipal provision of water in 1906.<sup>18</sup> The proposal was discussed in the Municipal Council on April 2, 1906. The idea was to use the Traiana aqueduct. Moretti's proposal had two parts: some works were to be done immediately, and others later, given the perspective of 1910 and the end of the 1885 convention, in order to strengthen the municipal service.

Since the 1890s, the question of the areas surrounding Rome was once more a pressing reality. As the Acqua Marcia Company clearly had no intention of providing service to that zone (the investment costs were much too high and the expected profit too low), the municipal services prepared many projects. This was also a way for the municipal services to challenge the scope of Acqua Marcia's political and social power.

From 1908 to 1913, municipal services studies of the river Pescheria continued, and a decision was made to implement the works. The end of the 1885 convention had little effect on the decision because the Nathan coalition fell apart shortly thereafter. After the War, the municipality was again in the hands of conservative Catholics, with Mayor Colonna.

When the municipality became a governorate, under fascist rule, projects were promoted again. There were still only two ways to intervene: developing the public network and pressuring the private company. The Pescheria project was re-launched in 1937, but it was not yet enough to challenge the company. The Vergine Aqueduct was also strengthened (*Nuovo Acquedotto Vergine Elevato*).

In 1937, the gubernatorial (ex-municipal) electric company and the gubernatorial (ex-municipal) water service merged. The new public company was called AGEA (*Azienda Governatoriale Eletticità Acqua*). After pressure from the fascist government, a convention was signed in 1938 between AGEA and Acqua Marcia: the private company kept its historical subscriber base (and the profits it provided) and some parts of the city to be served (and the required investments) were given to the public company.<sup>19</sup> At every stage in the Pescheria project, new parts of the city were due to pass to the public company.

In 1944, with the return of the previous municipal organization, AGEA became ACEA (*Azienda Comunale Eletticità Acqua*). When the Rio Pescheria waters arrived in 1949, the public service experienced rapid growth. ACEA also benefited from special financing measures, as defined in the 1953 special law for Rome. Thanks to new funding, the Pescheria works restarted. An 84-kilometer subterranean conduit was built. Since the 1930s, Acqua Marcia expected the end of the concession and its only priority was to keep earning profits from its old subscribers. At the end of the concession in 1964, its services were integrated into ACEA. It was *de facto* municipalization.

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<sup>18</sup> Archivio Storico Capitolino, Ufficio V, Direzione, Busta 20, Fasc. 2.

<sup>19</sup> Archivio Storico Capitolino, Convenzione 28-7-1938.

The uniqueness of the case of Rome, from an economic point of view, was that the water supply was in the hands of two companies: one private and one municipal, and that it was the private one that for a century greatly benefited from both legal protection and protection by a dominant political *milieu*. The public company was the challenger, fighting against a *de facto* monopoly. It is most interesting to see how the position of challenger, affirmed even in times of dictatorship (even Mussolini could not confront Catholic positions in Rome), not only stimulated the creativity in service provision, but also facilitated supplying service to the remote suburbs.