

# MTA Rejects Private Rapid Transit, Holds Tax Necessary

## Officials of Agency Agree to Reorganization Plans to Give Control to Voters

The Metropolitan Transit Authority Tuesday shattered the dream that mass rapid transit can be built here with private money and said flatly that tax money will be needed.

The state agency added that it would agree to being reorganized so that local voters can control it if it is given any authority to tax.

Breaking its three-month silence on private financing plans, the MTA sharply criticized proposals by the Alweg Rapid Transit Systems of California as invalid and designed to make Alweg a profit.

It characterized the Goodell Monorail Co.'s proposal for a privately financed line between downtown Los Angeles and International Airport as "worthy of study but it must be considered separate and apart from any consideration of an area-wide system."

### Sums Up Position

C. M. Gilliss, MTA executive director, summed up the authority's position by stating:

"We believe that it has been well established that the high capital cost of building a metropolitan rapid transit system discounts any possibility of private financing. Tax support is a necessity.

MTA's position was made public at two separate meetings — first by A. J. Eyraud, MTA board chairman, before the Board of Supervisors and later in the day by Gilliss at the last of six study conferences on proposed rapid transit routes.

### Makes Strong Plea

Eyraud, noting that the MTA's seven members are appointed by the governor and therefore not accountable to local voters, made a strong pitch for tax money and assured the board:

"If we're going to have any taxing, the members of



A. J. Eyraud  
Times photo

the authority agree the agency should be reconstituted and responsible to the local electorate."

Eyraud acknowledged growing criticism of MTA by starting the 75-minute meeting before the board with the comment that "we have been damned with faint praise and indicted by innuendo."

Much of the criticism has surrounded MTA's obvious reluctance to accept Alweg's June 4 proposal to build a \$187.5 million system with private capital.

The MTA had not given its reasons for its coldness to the Alweg plan — but Gilliss stated them in bold terms, with "the lace removed," as he said.

"Alweg did not, in fact, offer private financing," said Gilliss.

In a last-minute insert to

**Please Turn to Pg. 9, Col. 1**

# RAPID TRANSIT

Continued from First Page

his prepared remarks to 100 business and government leaders at the study conference at 612 S. Flower St., Gilliss continued:

"Alweg merely suggested that public bonds be issued to build the system, with the hope that the bonds could be paid for out of revenues of the system.

"In other words, Alweg is

willing for us to pledge our revenues and the credit of the community to permit them to get a job from which they can profit."

Gilliss also noted that the Alweg proposal called for monorail structures while the MTA has determined that at least 16 miles of the system must be underground.

He said that Alweg proposed specific routes, which

were rejected by all but one of the cities affected during study conferences in the past six weeks.

Gilliss related that Alweg's claim of having earned in fares enough money to pay for the nearly \$3 million 1.2-mile monorail in Seattle in five months seemed like "an amazing success story."

"We decided to check the record," said Gilliss.

He said that net income from fares was only \$2 million and that "what did pay for the system, we found

was a 25-cent surcharge on every ticket to the World's Fair, regardless of how the purchaser arrived at the fairgrounds.

"It was only through this subsidy, and not alone the passengers, that the Seattle operation apparently managed to pay its capital cost and realize a profit," said Gilliss.

MTA's decision to speak out appeared to win support from the Board of Supervisors who passed a motion during the appearance of Ey-

raud and five other MTA board members.

The motion instructed County Counsel Harold W. Kennedy and L. S. Hollinger, county chief administrative officer, to help in preparing a bill for the 1964 legislative session. Eyraud said the MTA and the city would join in work on a draft.

This proposal may be ready for consideration at a large meeting being arranged by the Board of Supervisors at which state, city, county and transit

officials will try to solve the transit dilemma.

Eyraud said the supervisors should use the Collier-Unruh Act to add an additional property tax on motor vehicles to raise \$14 million annually for rapid transit construction here.

The "in lieu" tax on vehicles would be boosted by a half of 1%.

"People who drive automobiles would get a direct benefit from rapid transit which would take traffic off the freeways and surface

streets," Eyraud said.

"If you levy the tax, the

system could be built now. If you decide that the matter should be taken to the

voters, the system will be

delayed.

"Each year's delay will cost additional millions through inflation."