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Yesterday's Conference Should Help the Industry

THE 1918 conference was marked by a good attendance and great interest in the papers presented. The general sentiment both felt and expressed was that at this time as never before there was need for mutual counsel and united action. Much of this feeling undoubtedly came from the knowledge of what the companies had been able to do together through the association's War Board, whose report is published in this issue. An important factor also was the common need felt by all companies for higher fares and guidance as to the basis on which the fares should be collected. Moreover, there seemed to be this year more questions than ever which concerned all companies and fewer which concerned only a part of the industry. The conference was well worth while and should be of benefit to those who were not present as well as to those who were. The significant fact today is that railway managers desire as never before to get down to the root of their troubles. Hence nothing but measures that are radical, in the true sense of the word, will do for these strenuous times.

Staggered Hours Offer a Genuine Opportunity

IN OUR Oct. 19 issue we adverted briefly to the great opportunity that the influenza epidemic offers to electric railways to make the staggered hour a fixture. Following its successful introduction at Washington and New York, Denver, Cleveland, Chicago and other cities have been added to the list. Thus a dread emergency has produced almost instantaneously a reform that had been urged for decades by every thoughtful operator. It would indeed be a pity if this reform could not be made permanent. Happily the possibility of doing this lies more with the electric railways than any other agency. Let them but demonstrate that the new order of things means a permanent improvement in service and their patrons will back them to the limit. In New York City this has already been proposed by the chairman of the Public Service Commission. Of course we realize that the very scourge that has forced the staggered hour has also crippled most seriously the platform force of the electric railways themselves, but such preventative measures as have been taken by the Philadelphia Rapid Transit Company, and special awards for extra service by those who have been spared, will go a long way toward putting the full complement of cars out on the road. With the staggered hour a possibility at last, it would be poor policy indeed not to give such good service during the entire period of the spread rush hours that the public will see the transportation advantages of the plan.

The War Board Deserves Appreciation and Co-operation

ALMOST one year ago, on Nov. 9, 1917, to be exact, the Electric Railway War Board held its first meeting at Washington. An eventful year has intervened, in which this representative body has become increasingly useful. It has occupied a difficult position and an uncomfortable one; difficult on account of the broadness of its commission, uncomfortable because the industry behind it has been in a critical financial condition. In spite of handicaps a great deal has been accomplished, as detailed in the report printed elsewhere in this issue. This work has been done at slight direct cost to the industry, thanks to the loyalty of its representatives.

Forgetting for the moment what the board has accomplished, let us go back a year in imagination and try to look at the job then ahead. The board was asked "to co-ordinate the facilities of the electric railways of the country and to place them at the command of the government and of industry; and to represent the electric railways in the important activities of the governmental departments and the various boards and committees appointed to conduct the nation's affairs during the war." At the time the confusion of activities in Washington was bewildering. We had been in the war nominally for several months but had really just begun to realize the magnitude of the task to come. Numberless bureaus were being created for this and that service, fuel and food shortage at home and abroad was staring us in the face, man-power supply was inadequate, material costs were sky-rocketing, etc.—a situation furnishing plausible cause for discouragement. Into this maelstrom the war board plunged.

The task of the board, in accomplishing which a real start has been made, was two-fold: First, an industry theretofore very loosely knit together had to be consolidated under the cohesive forces of war needs; second, relations with numerous, complicated and mobile governmental agencies had to be established. Publicity was the chief factor in the accomplishment of the first task; personal contact between the board's representatives and government officials was necessary in the second. As the most concrete possibility the printing press was put immediately to work, and a rapid succession of bulletins and posters has since kept the industry awake to the "doings" at Washington. In this work the ELECTRIC RAILWAY JOURNAL lent its active co-operation, as is gracefully recognized in the report.

But possibly the most important work of the board, which cannot be measured tangibly, as in pages of printed matter, is the gradual development of a spirit of co-operation between the government and the electric railways. To be sure this co-operation has not yet gone

nearly far enough. The government has laid a heavy load on the industry without furnishing adequate means for carrying it, but it is believed that this condition is temporary. The logic of the situation must eventually appeal to the "powers that be." The men of high standing who are representing the industry at Washington, two of whom serve entirely without compensation, are continuously endeavoring to impress upon the President and his colleagues the nature of the electric railway situation. They are showing how essential electric transportation is, how it is contributing to war work and what it should have to permit it adequately to serve. At the same time they are telling the industry what it can do to assist the government in its gigantic task.

Municipal Ownership versus the Partnership Agreement

PENDING negotiations at Seattle and San Francisco under which the municipality concerned in each case would take over the ownership and operation of electric railways make the paper on municipal ownership by Mr. McCulloch of immediate interest. There is no doubt a great change in feeling among railway men on the subject of municipal ownership, since regulation has become a controlling force in electric railway operation. One has only to recall some of the common practices of fifteen or more years ago to be impressed with the change since that time. Then, in most states, railway companies conducted their business with as much freedom from oversight as a merchant. They regulated their service as they saw fit and issued securities as and when they desired. There was little contact with the municipal authorities except when an additional franchise was wanted or with the state authorities except when an accident occurred. Now, when there is regulation of the service, the capitalization, the expenditures and the rate of fare, and nothing is left for the railway except to take the responsibility for earning the interest on the investment, it is not surprising that many railway executives believe that the public should take over that responsibility too, because power and responsibility go hand in hand.

There are undoubtedly many advantages to be cited in favor of municipal ownership of public utilities, but in most cases to each advantage there is a corresponding disadvantage which is comparable in size to the benefit secured. Thus, municipalities can borrow money for railway construction at lower rates than corporations only because investors know that any deficit from operation must be made up from taxes. The people can have the service which they desire and have extensions built at any time, but this will usually mean that a great deal of unprofitable and consequently wasteful service will be run. Finally, the fact that most of the enterprises conducted by a municipality are operated without any effort toward profit, like the schools, charity organizations, police and fire departments, would tend to make both public and authorities slow about taking steps to keep the railways out of the unproductive class. On the other hand, in certain ways, where co-operation between the municipality and the railway is required for best results, such as the giving of priority in street traffic, the railway service would undoubtedly be benefitted under municipal ownership. Undoubtedly the present tendency is toward municipal ownership, and

the presentation of the resolution on this subject by Mr. Mortimer places it before the association in concrete form.

Broadly speaking, we believe that it is possible to retain most of the advantages of both municipal and private operation and get rid of most of the disadvantages of both through a partnership agreement. Of these, of course, there are many varieties, the later franchises providing for many points which were overlooked in the earlier acts. Undoubtedly experience will show that even the latest forms can be improved, but partnership agreements are less untried in this country than municipal operation and are immeasurably safer for the taxpayer. We hope to see progress along the partnership line rather than through direct municipal operation.

Zone System Needs Wider Study and Trial

IF A PRACTICAL method of fare collection can be devised, the zone system furnishes the solution of present financial difficulties for companies with an average ride of more than one mile. This general conclusion presented by Professor Conway at the New York conference hits the nail on the head. Similarly pertinent is the declaration by Mr. Storrs that no panacea exists for all electric railway ills. These statements are not antithetical.

Obviously the matter of placing fares upon a scientific basis of payment for service rendered is quite apart from the matter, for example, of adopting all the possible means for efficiency and economy, or the matter of securing relief for the car riders from unjust tax burdens. The zone system has to do with income; such other factors as we have mentioned influence outgo. The financial condition of individual railways will, of course, vary in accordance with the degree of control secured and maintained over both income and outgo, but the zone system in particular cases should be judged primarily upon one basis—its ability to increase or decrease revenues easily and equitably in the face of changing conditions.

Thus far experiments with the zone system in this country have not been many. Most of the companies which have sought to raise their revenues have preferred to use a higher unit fare, either because they felt that such a fare would result in less disturbance of social and civic conditions than would the zone system, or because they thought that for reasons of law or expediency a higher unit fare was advisable for securing temporary relief—the question of a general scientific readjustment of all fare bases being left for after-the-war consideration.

But results with the 6-cent fare have been disappointing, and the industry is realizing the folly of postponing a thoroughgoing study and trial of the zone system. It is true, as Professor Conway points out, that the zoning experiments thus far in this country have not been entirely satisfactory. But if estimates of revenue results have not been accurate, if the preliminary studies have not recognized properly the effect upon short-haul traffic, the companies at least have been moving forward. They deserve the thanks of the industry for their courage and their foresight.

No perfect zone plan is going to spring full-grown from the brow of any electric railway operator, and further mistakes are inevitable. But they will be discovered, just as Professor Conway now notes that some existing systems have based their studies upon the ordinary "on and off" counts used to determine points of traffic congestion, instead of upon data for origin, destination and length of ride. Such data are necessary for the identification of existing short-haul travel, which must be encouraged rather than discouraged by the zone system.

The difficulties of making a wide-spread change to the zone system are not to be minimized. The crucial point, as Professor Conway says, is the fare collection. It must be more speedy and safer. But the minds of the industry are working; that is the best earnest of good results.

Why Not Take Up Technical Questions Too?

WE BELIEVE the time has come when the affiliated associations should resume, at least on a limited scale, some of the activities which were promptly stopped at the declaration of war. We refer particularly to meetings of the more important standing committees of the affiliated associations. We mention them especially because the American Association has means in existence for considering those questions which are regarded as belonging more to the province of the executives through its conferences, of which two have been held since we entered the war, and also through the Electric Railway War Board.

There are many problems of a technical nature relating to engineering and transportation matters, however, brought about in large part by the war, which ought to be settled promptly if the railways are to fulfill their full duty as public carriers. Hence the sooner these matters are taken up the better, whether the war should come to an end in two months or less or should continue for two years or more.

To mention first the transportation subjects, we can cite as examples of necessary work that which could well be performed by the fares and transfers and the schedules and time-tables committees of the T. & T. Association. Every day decisions are rendered by commission or court raising new fare or transfer problems. One company gets authority to charge a 6 or 7-cent fare. Another company retains the old fare standard but is permitted to make a charge for transfers. Still another company is directed to install a zone system. The public utility which is the beneficiary of these orders may have been looking for a different sort of ruling and may find itself unprepared to meet unexpected conditions. The association headquarters, of course, is performing a splendid service in supplying information in cases of this kind. This service, however, is not a complete substitute for the gathering of data which might be done through a regular committee to keep information available and up to date in the secretary's office.

The same may be said for the conditions brought about by the recent spread of skip-stop operation and staggered-hour opening and closing arrangements. Both of these changes affect car schedules seriously, and the regular committee chosen by the association could perform an invaluable service at this time by accumu-

lating information for the benefit of the member companies. It might not even be necessary to publish reports of their findings, but the data would be available for emergencies.

The Transportation Association, even in the absence of convention gatherings, can prove its worth to the industry in these critical times. Why not have such action considered by the executive committee?

Some Problems Which the Engineers Ought to Settle

THE engineers have before them not only the questions brought on by the war but should prepare for the equally pressing ones which will come in the period of reconstruction to follow the declaration of peace. In the first class of problems, or those precipitated or made acute by the war, though continuing after the war, we put questions of automatic equipment, from the automatic substation down to the automatic adjustment of brake rigging. For all of this kind of equipment there has been great demand during the war, and this demand will undoubtedly continue. We also include in this class of questions that of car and other standards, of importance both before and after the war but brought especially to the fore during the period of hostilities by government requirements and purchases.

But beyond all these matters which imperatively need study there is also the question of preparing for the peace which is bound to come very soon. Undoubtedly, an enormous amount of electric railway reconstruction is due to begin in this country immediately after the cessation of hostilities. Before we entered the war, the track, rolling stock and equipment of many of our transportation systems were in a run-down condition, because even four and five years ago the industry as a whole was not in good economic condition and could not secure the new capital necessary for desirable extensions and improvements. During the war period there has been even more rapid deterioration. Furthermore, obsolescence, especially in car design, is occurring at a rapid rate due to the fact that the automobile, the public and the railway companies themselves are setting new service standards, to meet which new physical equipment will be required.

The dark side of this cloud is rather depressing but it is not necessary to dwell upon it. Electric railways are an essential industry in peace as well as in war, and as soon as manufacturers are in a position to supply the equipment to rehabilitate electric railway properties, this work will have to be undertaken, even if the cities pay the bills. But this period of enforced leisure affords the opportunity for the railway engineers to make their plans and develop standards, which will put the electric railway "on the map" again. Imagination and the progressiveness which it creates are the hope of the future in this business.

For this reason we should be glad, as we have said, to see a revival of activity also in the Engineering Association, at least in the direction of some committee work. It is a national duty of the industry to be ready to spend wisely the money which it is receiving from the government now for war extensions and the vastly larger sums which will have to be expended for rehabilitation after the war. This is no time for inaction or unpreparedness.

Fares Have Essentially Been Cut in Half*

President of the association urges the support of all agencies which are helping to tide the industry over the present critical period, and explains why present incomes are so inadequate.

By John J. Stanley
President
American Electric Railway Association
President Cleveland (Ohio) Railway



DURING my term of service the interests of the association have been largely confided to its war board, from which you will receive a report of activities, that, I am confident, will warrant in your estimation, not only its creation, but the further necessity of its continuance with an even greater degree of co-operation, both financial and moral, from the country's railways, than it has so far received.

I do not believe that you require from me a justification of the action of your executive committee in suspending during the war all but the absolutely essential activities of the association, and centering its greatest effort in the work which is being conducted by Thomas N. McCarter and his associates. When this nation entered the war, the industry which we represent lost its purely local character and became of *national* importance. The work which it performed is essential to the successful carrying out of the war program, and the nation, to a very large extent, has taken command of its affairs.

GOVERNMENT EXERCISING WIDE CONTROL POWERS

Through the operations of the National War Labor Board, jurisdiction over wages, the largest item of operating expenses, has been assumed.

Through the operations of the Fuel Administration and of the War Industries Board, control has been taken of all material that enters into the construction and maintenance of our property.

Through the Capital Issues Committee, the government has taken command of our capital expenditures, while the operation of the draft dictates the personnel of our operating staff.

We are thus called upon to operate our roads in the interest of the national program. Unusual and onerous requirements are made upon our service to provide for the transportation of workers in munition plants and in shipyards, and of the soldiers and sailors in the various training and concentration camps and cantonments. The service of our interurban lines and to a certain extent of our city lines has been commandeered to relieve the freight congestion caused by the unusual burden placed upon the steam railroad system, and at the same time we are subject to the operating requirements of the Fuel Administration in its efforts at fuel conservation.

The national government is dictating the wages that we shall pay, the price of our fuel and of the materials that we must necessarily use, and the service that we shall furnish. It has practically, in all but one essential feature, assumed the regulation of the street and interurban railways of the country. Unfortunately, the function which it has not yet taken over from state and local authorities is to the industry in the present alarming situation the most important of all—that of regulating fares from which must be paid the enormously increased cost of operation forced upon us by the exigencies of the war and by the necessity of complying with government requirements.

Under these circumstances the wisdom of maintaining in Washington an organization, through which the industry can keep in touch with the government, and shall represent the industry at the seat of government, is not to be disputed. It is, in the first place, a patriotic duty and, in the second place, a measure of protection for the companies.

I would be remiss in my duty if I did not voice, on behalf of the electric railways of the country, their appreciation of the unselfish and effective work that has been accomplished by the members of the board and its efficient staff. Largely through their intelligent efforts the perilous state of the industry and the necessity of affording to it such relief as can come through the national government has been made apparent to President Wilson, to Secretary Wilson, to Secretary McAdoo, to Comptroller Williams, to the Capital Issues Committee, to the National War Labor Board, to the War Industries Board and to various other important officers and departments of the government. Messrs. McCarter, Brady, Budd, Gadsden and Storrs have served you faithfully and well. They have contributed of their time and ability and have not only served without compensation, but without a call upon the industry for the payment of their expenses. Especially to Mr. Gadsden, who has devoted practically his entire time to the work, is credit due. We owe also to E. C. Faber, the board's manager, and L. J. Wolff, who has made possible his service, an especial debt of gratitude. To W. V. Hill, the assistant manager, thanks for services well and faithfully performed should be given.

It should not be understood, however, that the work of the association has been entirely transferred to the war board. The association has been and is performing an additional task for the benefit of its members. In the state of transition in which the industry finds itself,

*Abstract of address presented at New York conference of American Electric Railway Association, Nov. 1, 1918.

"the dissemination of information," one of the important objects for which the association was organized, takes on an added importance. The railway manager who knows only what is going on in his own limited jurisdiction fails in his duty. It is essential, now as never before, that he should keep himself informed as to the trend of events in all sections of the country. Of this information the association is the natural clearing house. In matters connected with fares, wages, operating statistics, methods and practice and the larger questions of policy, it can, with the least trouble to the busy men upon the properties, collect and distribute essential data and information. This it is constantly doing, and, I believe, doing well.

MEMBERSHIP DUES IN ASSOCIATION A JUSTIFIABLE EXPENDITURE

Through the columns of *Aera*, through bulletins and special reports, it is constantly presenting to association members the information so gathered, and the increasing use which is being made by member companies of the association's information bureau is proof that this branch of association service should be maintained and strengthened in the coming years.

I see in the work that is being performed by the association, through its headquarters staff and through the war board, reason for its further development and for its increased support by the electric railways of the United States, Canada and Mexico. To the electric railways and to the manufacturers interested in the welfare and progress of the railways it is essential in the strenuous times that are with us, and in those more strenuous times that are to come, that the organization which is their mouthpiece, which acts for them and through which they must act in all matters of general importance, should be strong, able and active. Strength, ability and activity can come only from co-operative effort, which means that not only must the association retain its present membership, but that this membership should be largely increased. There are few more justifiable expenditures of company funds than that for membership dues in this association, and I trust that everyone interested in the organization will make it his business to recruit new members from those companies which are not already within our fold, although they have been reaping the benefit of our effort.

WHY THE RAILWAYS NEED HIGHER FARES

I shall not attempt to review the events of the past year as they have affected this industry, nor shall I try to point a way out of the alarming situation in which we find ourselves. That is the province of this conference.

I do desire, however, to emphasize a point which I believe has not been so forcibly impressed upon the public from whom we are asking increased revenue as it might have been.

The leading economists of the country unite in the statement that the purchasing power of the dollar has declined at least 50 per cent since the early nineties. In other words, the 50 cents of that period bought what it requires \$1 for to-day. And this means to the street railways of the United States that the 5-cent fare of the nineties is now less than a 2½-cent fare.

In our request for a higher fare we are, therefore,

asking nothing more than that what we receive for the service rendered shall be restored to somewhere near its real worth at the time when the rate of fare was fixed. The coin dropped in our fare boxes to-day bears as an impress "5 cents;" but as compared to the 5 cents which was stipulated in our franchises or fixed by statute as our lawful and legal fare, it is 2½ cents and no more. To put the street railway fare upon a parity with what was received in the decade 1890-1900, under a franchise, a statute, or an agreement, calling for the nickel unit, it would now be necessary to substitute the dime for the nickel.

The wages paid to the motorman in this earlier period were approximately 20 cents an hour. For a single fare we could therefore pay for fifteen minutes of his time. To-day, through the action of the federal government, the motorman's pay approximates 38 to 48 cents an hour and a single fare pays for but eight or six minutes of his time according to the rate of wages, and this in varyingly increasing ratio is true of all that we must use to render our service.

On the other hand, taking \$2 a day as the average wage in the earlier period, the workman using the street car to ride to and from his work was compelled to pay out 5 per cent of his day's wages for transportation. To-day with an average wage of \$4, and this is probably much less than the correct figure, he pays for the same purpose but 2½ per cent.

This decreased purchasing power of the dollar is not a product of the war alone. The war but gave it an additional, although a mighty, impetus. It has been a gradual development and in other industries it has been accompanied by an increase in price of commodity, which has at least kept pace with and in some cases passed it.

It has been in part overcome in the electric railway field by extraordinary improvements in apparatus and methods, the result of millions spent in experiments due to the enterprise and initiative of railway men and manufacturers of which the public reaped the benefit.

The limit of economy made possible by these improvements in operation was, however, largely reached some time before the war, and for a number of years the difference between the cost of producing our service and the price at which it was sold has come from the pockets of those whose money is invested in the industry.

That was the situation when the war sent the price of everything which we must use in producing our product soaring skyward and left the price at which we sell stationary.

It is plainly evident that whether the public shall decide to operate the street railways, whether it assumes greater control over them, or whether it allows them to remain in the hands of private investors, that the unit of their fares, the price at which their product is sold, must be restored at least to the level which prevailed in past years.

I have confidence in the common sense and judgment of the American public. I believe that it stands ready to pay a fair price for what it receives and I conceive it to be our main duty both as members of this association and as operators of electric railways to see that the public is informed as to what such a fair price really is, not in terms of coinage, but in those of value—that is purchasing power.

Public Ownership the Obvious Policy for Electric Railways*

The unusual of today may well be the commonplace of tomorrow—Public ownership would solve the many present problems of operation—Railway executives should be interested only in protection or return of investment.

By Richard McCulloch

President United Railways
St. Louis, Mo.



THE obvious remedy for the perils which now confront the electric railway industry is public ownership. It is the purpose here to analyze the situation and indicate the advantages of public ownership at present to both the public and the investor.

OLD-STYLE FRANCHISES ARE VALUELESS

In recent years one of the great difficulties has been to obtain franchises of sufficient duration to enable the companies to borrow necessary capital at the lowest rate of interest. As a matter of fact, under modern utility control, a franchise is merely a permit to lay tracks on certain public property, the service and equipment being determined from time to time by a commission. Nevertheless, franchises have heretofore been associated in the public mind with great value, and this impression persists. There has always been more or less opposition to new long-term franchises or extensions.

Under public ownership the necessity for franchises immediately disappears, and the rate upon which money may be borrowed, with the city's credit, would be much lower than that at which private corporations, with short-time franchises, could obtain the same money. The return which municipal authorities would claim on securities issued by them would be 2 or 3 per cent lower than that demanded by private investors, and also much lower than the rate of return now termed reasonable by public service commissions. One of the great advantages to the community in public ownership lies in this lower rate upon borrowed money. The saving thus made in the fixed charges would be great enough to answer the claim frequently made that there might be losses due to wasteful and extravagant management under public ownership.

SERVICE QUESTION WOULD BE SOLVED

Under public ownership the character of equipment and the kind of service can be determined by the people themselves. They can have exactly the service they wish to pay for. The familiar protests against the crowding of cars, antiquated equipment, infrequent service, restrictions of transfer privileges and poorer service than in other cities will then come back to the car riders themselves, and the remedy is obvious.

People can ride in discomfort or in luxury, according to the bill which they are willing to pay. It is entirely probable that under public ownership the community would be satisfied with the service simply because it

was public service. They would feel that any necessary curtailment of service was for the common good and not for the benefit of the absentee landlord. Witness the absence of complaint regarding the steam railroad service now operated by the national government.

Under public ownership many reforms such as skip stops, train operation, staggered hours of business, short routing of cars, readjustment of routes, police co-operation in keeping tracks clear, and other aids to cheap and quick transportation, difficult to obtain under private ownership, would be immediately introduced.

One of the lessons taught us during our war experience has been the economic waste due to useless competition. The electric railway is the most economical intra-urban carrier, and under public ownership there would be no congested streets on account of jitneys, buses and other competitors. The private automobile owner might also be restricted in his now unquestioned right to use the city streets for storage purposes, if it was found that such use interfered with rapid transit on the city's street car lines.

WAGE ADJUSTMENTS WOULD BE SIMPLE

One of the most difficult problems, especially during the last year, has been the adjustment of wages. Whenever disagreements have arisen between electric railway employees and the companies, great pressure has been brought to bear on the companies by municipalities, merchants, chambers of commerce, and in some cases by the state and national governments to adjust wages so that there would be no cessation of work. The adjustment of wages has usually consisted in a horizontal increase far beyond the financial ability of the companies. Even where the authorities, readjusting the wages, have advised an increase in fare to compensate for this wage increase, it has been difficult for the companies to get the consent of the proper authorities. Contracts have been cited, legal obstacles raised and other difficulties put in the way of the companies.

Under public ownership, wages would be a simple matter to adjust. Precedents already exist in the wages of firemen and policemen. It is a well-known fact that the pay of street-car men at present is greater than that of the corresponding class of city employees. It is entirely possible that public ownership might lead to lower wages, and in a business where 50 per cent of the operating expenses consist of wages, a lower wage scale would be an important factor in keeping down the cost of operation.

One of the frequent sources of contention between

*Abstract of address presented at New York conference of American Electric Railway Association, Nov. 1, 1918.

electric railways and municipalities has been the constant pressure brought upon the companies to extend lines into undeveloped portions of the city and adjoining territory. The usual argument advanced is that the extension will soon build up the new territory. Railways know from long experience that any extension increases the average length of haul, and that these extensions will probably be operated for many years at a loss before the territory is sufficiently well built up to produce enough riding to pay the expenses of operation.

This argument, however, does not appeal to the usual local improvement association or to the eloquent real estate promoter. Under public ownership, municipalities would have this matter entirely within their own control. They could build the proposed extension and make the car rider pay for it, or they could require a subsidy of the real estate owners sufficient to pay the cost of the extension in whole or in part, or for a term of years until the extension took care of itself.

The same methods could be used in connection with the building of rapid transit lines and terminal facilities, which are too expensive to be undertaken under private ownership. It is well known that the great gain due to rapid transit lines is in increased land values, which are reflected in the tax assessments and not in revenue to the railway. In case of public ownership the burden of building extensions and rapid transit facilities could be put where it belongs.

TAXES AND FARES EASILY ADJUSTABLE

The question of taxes has always been a disputed point in connection with the operation of electric railways. Most companies feel that they are overtaxed, while often the general impression in the community is that they are not sufficiently taxed. Under public ownership the city or the state itself could adjust the tax question as it chose. It could either abolish special taxes and have lower rates of fare, or it could use the car riders to collect taxes and have higher fares.

This brings us to the question of rates of fare. It is difficult to see how electric railways, under private ownership, can ever afford to return to a 5-cent fare, even if their other burdens are lifted. But under public ownership the rate of fare could be established at 5 cents or less, and the deficit in the cost of operation made up out of the general taxes. Under an extension of this theory to the limit, street car riding could, if so desired, be made free, the cost of operation being spread over the entire community. This plan, I believe, was once proposed by Tom L. Johnson of Cleveland, who argued that inasmuch as the owner of a public office building provided free elevator service for his tenants, why should not a community provide free street car transportation for its inhabitants?

If the city chose the other alternative and used the street car system to assist in the collection of taxes, the rate of fare could be adjusted from time to time to produce the revenues required by the city, either in whole or in part. This would be an extremely simple method for the collection of municipal revenues and would reach many of the people who now pay no taxes at all.

The argument that has frequently been urged

against public ownership of electric railways is the fact that the city would take over a large number of employees who might be developed into a political machine. All cities, however, now have more employees on their payrolls than they have electric railway operatives. All American cities have their own fire and police systems, employing much the same class of men as are now employed by electric railways. There has never been any great scandal over the use of firemen or policemen as a political machine. All the large American cities now operate their own water systems involving large investments and a large number of employees. The electric railway system, next to the water system, is probably the closest to the community and is vital to the health and happiness of the inhabitants of the city.

There has been a feeling that electric railway problems are so difficult and concern the welfare of each citizen so intimately, that no municipal administration could attempt to solve these problems with any prospect of re-election. We must not overlook, however, the large numbers and the powerful political influence of electric railway employees and their friends, who would no doubt rally valiantly to the aid of any administration which was fair in its treatment of them and which seriously attempted to solve present-day transportation problems, no matter how deeply the municipality might become involved in expensive experiments. We must not delude ourselves into imagining that public owners just like private owners can evade facing the demands for rapid transit, better equipment, denser service, a seat for every passenger and lower fares. Public owners must face these problems boldly, however, and in attacking them make use of their self-evident advantages.

MAKING PUBLIC OWNERSHIP EFFECTIVE

With this brief statement of the advantages of public ownership from the standpoint of the people, the next question is how may it be put into effect. This may be done:

1. By an outright purchase of the electric railway system by the public at an agreed valuation.
2. By an assumption by the public of the securities of the railway, with an agreement to pay interest on these securities.
3. By an exchange of municipal or state bonds for electric railway bonds, and an agreement on the part of the public to pay an agreed return upon the stock.
4. By any combination of these three methods.

The first method, that of direct purchase, is the most simple and the most desirable from the standpoint of both parties, and since in nearly all the states the machinery for establishing the valuation of the property already exists, it may readily be put into effect. Investors, of course, will insist that if their property is taken over as a going concern, the public must not be niggardly in its treatment of the elements which unite to form the value. These investors have worked and worried and risked all for the purpose of keeping up with a rapidly progressing art. They, more than any other agency, have been responsible for the development of the modern city, and in dealing with them the cities should take all this into account.

If the public chooses the other alternative and assumes the interest on the securities of the railway until such time as these securities may be purchased or amortized, the scheme then becomes public control and private ownership. This has been put into effect in Massachusetts by action of the State Legislature, and a similar plan is now proposed in the City of Chicago. In this case investors will demand that the interest on their capital be guaranteed and that the investment be properly safeguarded until such time as the property is entirely purchased by the public.

Within the last year we have seen vast amounts of money raised within a few weeks by popular subscription, and there need be no fear that the public cannot raise the necessary money for the purchase of its electric railways. Securities issued by municipalities are popular, because investors like the tax exemption features, and these securities will be especially popular at this time because it is likely that the period of high taxation will continue for many years.

All things taken into consideration, there are great advantages in public ownership and there are no insurmountable obstacles to putting it into effect, if there is a disposition on the part of both parties to deal fairly with each other.

Taking over electric railways at this late date, the

public would have the advantage of interesting itself in an art which has been well developed by private initiative. The public would reap the experience and technical knowledge which have been acquired over long years of experience and test by private investors. The public is in a much better position to take over this business at the present time than at any time heretofore. Equipment and methods have been standardized, working organizations have been selected and trained, and the whole industry can readily be taken over by the municipality or the state without any of the uncertainties which the public would encounter in developing a new business.

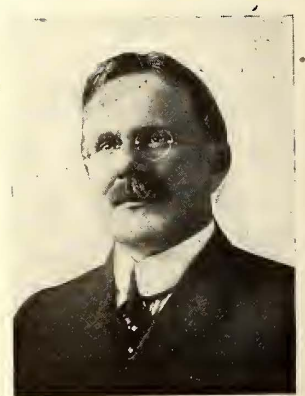
If we analyze the objections to public ownership of electric railways, it will develop that the only valid objection is the fact that public ownership of such enterprises is unusual and, in this country, untried. In the face of what we are seeing every day, however, this objection has no value. The unusual of to-day is fast becoming the commonplace of to-morrow. Electric railway executives should be the last to oppose public ownership. They will be accused of a selfish interest—a desire to hold on to their jobs. Our only real selfish interest is that of the investors. We should see to it either that they are protected in their investment, or that their principal is returned to them.

Is Public Aid Desirable?*

Service at cost would restore credit of many city railways, but a large number of companies will not be able to secure funds except through public aid in form of direct guarantee. Such aid is advisable from point of view of investors and patrons—Massachusetts shows the way.

By Homer Loring

President Fort Dodge, Des Moines
& Southern Railroad, Boston, Mass.



FOR two years the electric railway industry has been drifting rapidly toward apparently inevitable bankruptcy. Can it be saved and restored to prosperity by such remedies as lightweight cars, higher unit fares or zone systems, or must it submit to radical treatment and accept public financial aid or public ownership?

WHAT IS PUBLIC AID? IS IT NECESSARY?

Public aid, as I am treating it, is direct financial assistance from state or municipality. It may be extended in the form of relief from taxes, rentals or other public charges; it may in certain instances be given through outright money donations, or it may consist of a guarantee of income or of securities.

After a year of united and continuous effort, increased rates of fare have been granted in many cities. We have discovered, however, that the nickel idea is so strongly imbedded in the public mind that increased fares do not always result in correspondingly increased

revenue, and the conductors have become so accustomed to reporting in 5-cent units that they are said to be very absent-minded about turning in the odd cents. It can safely be said that the results from higher fares have been disappointing.

What is the answer? Will the public become reconciled to the new rates and resume normal riding? Will the prices of labor and material decline, or must the public in its own interest come to the rescue and give financial aid? The entire electric railway world is searching for the solution.

The security owners have been watching the situation, and their conclusions are plainly indicated by the stagnation in electric railway securities. They have lost confidence in the soundness of the business. The difficulty in getting fare increases has exposed an almost fatal weakness. War and money conditions have restricted betterments to a minimum during the last three years. With peace the public will insist that the accumulated deferred improvements be undertaken promptly. This will require an enormous expansion

*Abstract of address presented at New York conference of American Electric Railway Association, Nov. 1, 1918.

of credit. Can private credit be restored and made equal to this demand? For many electric railways in large cities service at cost without any maximum fare would so strengthen credit as to make more direct financial aid unnecessary, but it seems certain that a large number of companies cannot secure the necessary funds except through public aid in a direct guarantee.

IS PUBLIC AID ADVISABLE?

This phase of the subject is open to many opinions, according to local circumstances. If you consider public aid in the light of public alms, probably you will avoid it as you would the poorhouse. If, however, you believe as I do that our electric railways are really great co-operative enterprises, you will not hesitate to ask the public for financial assistance whenever conditions compel it.

Public aid is particularly vital to two interests—the investors and the public served. From the viewpoint of the former, it seems to me that public aid unquestionably is advisable. Security prices have declined most seriously, and for two years there has been no market. Furthermore, millions of additional securities must be sold at the close of the war to refund short-time loans and make improvements. If the experience in Massachusetts can be taken as a criterion, public aid which guarantees a reasonable return on the money invested would be heartily welcomed by insurance companies, banks and individual investors.

From the standpoint of the public—again with reference to Massachusetts—financial aid for the purpose of hastening improvements and bettering service would be fully warranted. The public is rapidly learning that a poor electric railway cannot give good service. The people have long desired a more direct measure of control than exists through the commissions and would avail themselves of an opportunity to secure this in exchange for financial aid. Public aid would appear to give them the benefits of ownership without some of its dangers.

WHAT WILL PUBLIC AID COST?

In Massachusetts the greatest obstacle to public aid was the fear of watered stock, although the State has had a reasonably effective anti-stock-watering law since 1894. I feel sure that the public will not guarantee dividends on inflated capital. Undoubtedly a valuation will be necessary in most cases, and fortunate is the road which can justify its entire capital stock by modern appraisal methods. If you believe, as many do, that physical valuations of electric railways for rate-making purposes are inevitable, is not the present a good time to submit to one?

The price paid for public aid will mean also the transfer of at least a majority control in management to publicly appointed trustees or commissioners. Whether control should be divided between the corporation and the public is open to discussion. In Boston it was decided that divided control would not be satisfactory. If public control will eliminate friction between electric railways and their patrons, it surely will be substantial compensation for possible disadvantages. As long as the people feel that electric railways are being operated for private gain, this friction will continue.

The best answer to the question whether public aid can be obtained is a summary of what was done by

the 1918 Massachusetts Legislature. The Boston Elevated Railway act put the road on a "service-at-cost" basis, with the agreement of the State to make up any deficit caused by the payment of operating expenses, liberal depreciation, fixed charges and agreed dividends. It should be explained that the State merely acts as agent and would collect the amount of any deficit by taxation from the territory served. The arrangement is for ten years, and thereafter unless terminated by the Legislature. Here is an example of public aid with public control, and so far the results have been satisfactory. The stock of the company has advanced from 27 to 75, the bonds have increased in value 20 per cent, credit has been completely restored and the stockholders have purchased \$3,000,000 of new preferred stock at par.

The Bay State Street Railway received public aid of a different kind. A "service-at-cost" basis was provided, and the State, in order to hasten the prompt rehabilitation of the road, guaranteed the principal and interest of \$4,000,000 of serial notes. As in the Boston Elevated Railway case, the State is authorized to collect, through taxation from the territory served, any amounts so advanced. The railway is to be operated by public trustees, who, as in Boston, have sole authority to regulate fares. The Legislature also temporarily relieved the Bay State company of some of its taxes and construction burdens.

Another law enacted by the same Legislature permits cities and towns, for a period not exceeding two years after the close of the war, to tax themselves and give financial aid to any electric railways which might otherwise be abandoned for lack of sufficient traffic. It is believed that many lines will be saved to the people through this legislation.

No one claims that the new legislation is perfect, but all agree that it rescued from receivership the Boston Elevated Railway, involving \$125,000,000, and that it will enable the Bay State Street Railway, with its 900 miles of track, to be successfully reorganized. The State has furnished a concrete example of public aid which will be copied and improved upon elsewhere.

PUBLIC EDUCATION THROUGH SECURITY HOLDERS

There is nothing mysterious about the methods used in Massachusetts. Twenty thousand electric railway stock and bond owners in Massachusetts, including 180 savings banks and many insurance companies, were organized into an association. Each member was fully informed of the true situation and then was urged to discuss it with all those whom he met. The quick action of this leaven on public opinion was truly remarkable, and a decided change was soon evident.

We patiently answered a long list of grievances which had rankled in the public mind for years—and candor compels me to admit that in many of these the public was justified. No advertising was done, but all newspaper editors were visited personally by members and urged to keep the public advised through their columns. For several months weekly articles were sent to 250 papers, the majority of which not only published them free of charge but commented favorably upon them editorially. Meetings were held throughout the State at which security-owning members explained to legislators and others the real situation. Gradually it dawned

upon the public that it was suffering from the starved condition of the railways fully as much as were the investors.

So thorough was the public education, and so insistent became the public demand that the situation be remedied without delay, that the electric railway bills passed the Legislature with but slight opposition. In addition to the legislation already mentioned, numerous other electric railway bills were passed, including a general "service-at-cost" bill for the other railways of the State.

The Massachusetts legislation was completed about June 1. The Boston Elevated trustees took control on July 1. Fares soon were advanced to 7 cents without the slightest public agitation, because the people knew that the trustees needed the money to improve the service and that the increase was not for the benefit of stockholders. A still higher fare is imminent and, although all regret it, none complains. Compare this

situation with Detroit's experience, and you will appreciate the psychological difference between public control and private control.

To be sure, only time will prove the efficiency of public control, and the next few years may demonstrate that it is a price far too great to pay for financial aid. I am confident, however, that as a result of public education, electric railways hereafter will be considered public necessities which must be as scrupulously managed and jealously safeguarded as the water supply.

Permit me in closing to offer some suggestions based on Massachusetts experience for roads desiring public aid: (1) Be frank with the public; lay all the cards on the table. (2) Do not try to defend inflated capital; you cannot successfully do so in these modern days. (3) If public control is demanded, insist upon a definite guarantee of interest return. (4) Give special attention to systematic public education and if possible organize your security owners for this task.

Is the Zone System the Solution?*

If practical method of collection can be devised, the zone system furnishes the solution for companies whose average ride exceeds one mile—A zone system should be scientifically planned to encourage short-haul riding—moreover, the burden of taxes on the car rider should be removed.

By Thos. Conway, Jr.

Professor of Finance
University of Pennsylvania



THE electric railway industry stands face to face with the greatest crisis in its history, not even excepting the revolution which followed the electrification of the horse-car lines. The problems of the early 90's were technical and concerned the handling of a largely augmented business by a new and untried method of propulsion. The problems of to-day are financial and concern the method of saving an industry whose entire economic basis has been undermined.

In the early days of the war, when the prevailing opinion was that the struggle would be comparatively short-lived, the remedy for the electric railway situation seemed to be a temporary increase in fares which would carry the industry over the crisis. With slight advances in labor costs and the practical certainty of a marked reduction after the war in the prices of materials, it then seemed possible to return speedily to substantially a pre-war basis. It was this situation which caused electric railway operators to move for a horizontal increase in fares to 6 cents, resulting in an increase in revenue of about ten per cent, sufficient to offset the then increased cost of operation. The 6-cent fare was easily understood by the public, and its adoption would destroy the popular belief that a nickel and a street car ride were synonymous. Everyone felt that after the war was over it would be possible to

fix the rate of fare with reference to the cost of service.

But the war did not come to a speedy termination, and when the United States was forced into the struggle, the situation of the electric railway, which had been perilous, became desperate. It is apparent that there is now no likelihood of a return to pre-war operating costs. The war hastened the process of readjustment to a higher cost level, which would have occurred over a period of years in any event. Labor, which represents 60 per cent or more of the cost of operation of the average electric railway, has secured very large increases which must in the nature of things be more or less permanent. The solution, whatever it may be, should therefore not only carry the industry through the war, but furnish a sound economic basis for a period of years.

TURNING TO THE ZONE SYSTEM

Up to the present time two alternatives have been seriously considered. The first involves a horizontal increase in the unit of fare to 7 cents or more, as the case may require. The experience thus far secured is fragmentary, but it is apparent that progressive increases in fares bring about progressive reductions in travel. If a 6-cent fare increases revenue 10 per cent, a 7-cent fare will not increase revenue 20 per cent. Indeed a point is soon reached where a further

*Abstract of address presented at New York conference of American Electric Railway Association, Nov. 1, 1918.

increase in fare will bring about an actual decrease in revenue. Just where this point is will vary with each particular property, but it is safe to say that the practical limit of horizontal rate increases has been reached upon many properties.

It is this situation which has caused the thoughts of a large percentage of the industry to turn to some sort of a zone system as a possible solution. In substance, the fundamental idea of a zone system is that the rate of fare shall bear some relation to the length of ride. The application of this principle takes various forms. In Europe the passenger fare varies directly with the mileage traveled. In this country the practice has heretofore been to establish certain arbitrary zones. A person traveling in a zone pays a certain rate, and his fare increases with the number of zones through which he travels.

MANIFEST ADVANTAGES OF ZONE SYSTEM

The appeal of a zone system is due to its manifest advantages. While higher horizontal rates inevitably cause a reduction in the volume of a utility's business, a properly devised zone system would hold a larger proportion of the existing travel. A 6-, 7- or 8-cent fare discourages short-distance riding, which under proper operating conditions constitutes profitable business.

From the standpoint of the public the zone system has the great advantage of making the long rider pay a correspondingly higher fare than he who takes a short journey. The system appeals to the public, because a man pays for what he gets. It is true that the plan appears to saddle all of the extra costs upon a portion of the public rather than distribute the burden equally over the company's entire business. As long as the public regards increased costs as a war phenomenon this argument has weight, but when it is understood that the increase will be in a large measure permanent, this contention loses force.

NO PRESENT AMERICAN ZONE SYSTEM IS ENTIRELY SATISFACTORY

It has been my privilege to visit recently every city in the United States in which a zone system exists, to talk with the operating officials and to study the actual operation of each system. Judging from the standpoint of the financial results secured, I believe it can be said that no zone system now in force is entirely satisfactory. The Milwaukee zone system (in force upon the suburban lines alone) produced the revenue predicted at the time the original plan was formulated—a sum insufficient to meet present costs. In every other case the revenue producing possibilities of the system have been greatly over-estimated. In one of the most important of the recent experiments, the over-estimate amounted to as much as 40 per cent of the estimated operating revenue.

Such gross discrepancies are, in my opinion, due to incomplete information used as the basis for formulating the zone plan. In practically every case the traffic in each zone has been determined from the application of characteristic load curves based upon "on and off" checks taken on the several lines. From the curves the travel passing given points on the line is calculated.

Such checks do not show how much of this travel is short-haul business which will be discouraged by the new rates of fare. Moreover, where it is possible to ride over two or three zones, each one mile in length, for the initial 5-cent fare, the short-haul rider is counted at each zone limit as paying the full fare for that zone, whereas this is not always the case. The allowances which have been made for reductions in travel have, of necessity, been little more than guesses based upon a general knowledge of the territory rather than upon a detailed record of the actual travel.

It is impossible accurately to estimate the travel or the revenue which will be produced by a zone system upon the basis of information secured from an "on and off" check, except in the rare instances where all the travel originates at one point and there is no intermediate riding. An accurate estimate can be based only upon a much more elaborate check which furnishes information as to the actual length of ride of each passenger—where he got on and off—which, when compiled, gives the statistical basis for securing a clear understanding of the probable effects of any system of fares.

The inadequate financial results which have been secured from most zone experiments have seriously embarrassed the interested companies in the eyes of their communities. It is not a good thing to be forced continually to change the system of fares. Unfulfilled predictions by operators impair the confidence of the public concerning their knowledge of the business, and furnish a basis for commissions to take liberties with figures presented in subsequent proceedings.

Inadequate zone plans affect other companies about to inaugurate a zone system. The public reasons upon the basis of rough analogies. If the people of the city of Metropolis are hauled a certain distance for 5 cents, the rate for additional miles thereafter being 2 or 3 cents, the ordinary man argues that the same rate should prevail in his community. He does not stop to inquire whether the rate used as a basis for his comparison is furnishing sufficient revenue. It is to be hoped, therefore, that any future zone experiments will be based upon accurate fact, so that other companies will not be embarrassed by inadequate schemes, from which the unfortunate utilities are themselves endeavoring to escape.

MORE SPEEDY AND SAFER FARE COLLECTION NEEDED

The great difficulty with zone systems, as thus far employed, concerns the collection of fares. In general, two methods are employed. In either case city fares are collected in the ordinary manner, registration being effected with a fare box, overhead register or some other of the many fare collection devices now generally employed. In some cases, the fares on suburban lines are similarly collected and registered, the conductor going through the car and collecting the fares at each zone limit. Where outlying zones of one or two miles are used and the schedule is rapid, the conductor spends his entire time in successive trips through the car collecting fares. The practice is annoying to passengers and keeps the conductor off the rear platform, thereby increasing boarding and alighting accidents.

The alternative to this method is the even more

cumbersome plan of using a duplex ticket. This method is employed on a number of systems, the plan being to collect the entire suburban fare as the car passes the limit of the central 5- or 6-cent area. Over-riding can be guarded against only through the use of hat checks, periodic inspections of the portion of the duplex given to the passenger or surrender of the duplex ticket as the passenger leaves the car. This method is so cumbersome that it is only practicable where there is no considerable amount of boarding and alighting at frequent intervals. It has proved impracticable in city areas.

Its greatest defect concerns the possibilities of stealing on the part of conductors. Some idea of the extent of such losses can be secured from the experience of one of the most important companies which have tried a zone system. The news of the arrest of a number of conductors was followed by an increase of 10 per cent in passenger revenues, beginning on the succeeding day. No amount of inspection, however, appears to prevent the misappropriation of fares where travel is heavy and haste in collection is necessary.

The application of such collection methods to lines located wholly or in large part in thickly built-up city territory is impossible. The Rhode Island Company and the Bay State Street Railway have recently decided to go from a system where rates of 2, 3, 5 or 6 cents per zone prevailed to a basis of either 5 or 10 cents per zone. A system with 5-cent zones is no different from that which has prevailed for many years in this country.

The only other method of fare collection thus far tried under strictly urban conditions is the plan employed in Pittsburgh. As the Pittsburgh Railways has pointed out, this is not a zone system but two flat-rate systems, one superimposed upon the other. The fare within a prescribed area, including the center of the city, is 5 cents. Any one traveling from the center of the city to a point beyond the limits of this central area pays 7 cents, while the same rate of fare is charged for travel between any two points situated within this outside ring. From the standpoint of fare collections this system is simple. It, however, has the same disadvantages inherent in the high unit fare, because it discourages short riding in the outer zone in which a large proportion of the population is situated.

After careful study, I am convinced that the successful application of a zone system in thickly built-up city areas is predicated upon the development of a more speedy and safer method of fare collection. The successful system of fare collection must be one in which the opportunity for the passenger to beat the conductor or for the conductor to misappropriate the fare is reduced to a minimum. Where fares of varying units are collected, it is out of the question to register them serially upon one register, even though a fare box or some other pre-payment device is employed.

One of the most prominent electric railway operators recently said to me that the industry would be saved if the men in it had brains enough to work out their own salvation. His conclusion is certainly true concerning the zone system. The problem of the moment, in so far as the zone system is concerned, is to devise a method of collection which will meet the practical conditions prevailing in all of our large cities. If

a practical method of collection can be devised the zone system, in my opinion, furnishes the solution for companies whose average ride exceeds a mile in length. The possibilities of a zone system are now the subject of serious study and investigation by some of the largest companies in the country, and it is to be hoped that the solution will be shortly hit upon.

A zone system should encourage short riding. The long rider should be made to pay an adequate fare for the journey which he takes, and the cost of furnishing the service which he uses. Business should be encouraged rather than discouraged. The automobile, the improved highway and the jitney have taken enough of the business of the electric railway. More travel rather than less should be the goal.

Even with a satisfactory system of fare collection at hand I doubt whether it would be possible to work out a zone system of fares which would meet the financial necessities of many properties. I have recently seen a number of properties whose future seems hopeless. Sufficient travel can not be secured at rates of fare which will produce adequate revenues to defray the present high cost of operation. Indeed the extremity of the electric railroad industry is so great that every opportunity should be seized upon to convince the public that the function of the railway is to provide transportation rather than serve as a medium of reducing general tax bills.

In the days when the 5-cent fare ruled supreme, municipalities and states alike levied taxes and burdens of one kind or another upon the electric railway, upon the theory that whatever they got was at the expense of the utility owners rather than the car rider. To-day increased expenses must be immediately reflected in increased fares. There is no reason why the average car rider should pay higher fares in order that streets be maintained for those who own motor trucks and pleasure automobiles. Franchise taxes levied upon the gross receipts of companies, payments for snow removal, street sprinkling and the like, will from this time forth require perceptible additions to the rate of fare.

It should be pointed out to the riding public that they are the ones who pay electric railway taxes, through higher fares. This is true whether a company operates under a sliding-scale fare, the "service at cost law" in Massachusetts or the strict control of a public utility commission, as in most of our states. The utility's profits are in all cases limited to the amount necessary to induce capital to enter the business. When earnings exceed this amount rates are reduced, and when they fall below this requirement, rates should be immediately increased.

It is gradually beginning to dawn upon the people of this country that the days of profiteering in electric railways ended some years ago, and that if the electric railway is to survive it must be helped rather than hindered, and must be allowed to charge a rate of fare which is sufficient to maintain its solvency and to permit it to continue to serve the public. That the cost of the service, by whomsoever provided, must be met, goes without saying. The next few months will be the most critical in the history of the industry. Its entire future hangs in the balance. It can not long continue upon the present unsound economic basis.

No Panacea for All Troubles*

A controlling reason for general trial of higher unit fare was its less disturbance of existing social conditions—adoption of zone system must be approached as a civic and social problem—British transportation differs from ours in origin and history.

By **L. S. Storrs**
President The Connecticut Company
New Haven, Conn.



WE HAVE DISCOVERED during the last year that there is no single panacea which will cure all of our troubles. Even the most enthusiastic advocate of any particular remedy is compelled to admit its inadequacy in many instances. Here and there methods have been applied which for a particular property or even a small group of properties seem, at least for the moment, to afford some substantial measure of relief, but which when given wider application fail of results. As long as the utility we represent is controlled and administered by corporation interests alone, no single plan will eliminate its financial difficulty.

The first question that presents itself is as to whether the maximum effort has been made to produce transportation at the lowest possible cost. It may be safely said that not only have the various methods of bringing about a material reduction in operating costs been widely advertised, but the operating manager who has not made serious efforts to apply each of these suggestions to his own property is the exception.

Upon failure in the effort to secure a substantial reduction in the cost of operation, the only thing left is to increase revenues. Toward that end various changes in the rates of fare have been suggested and many of them tried, but as yet with no large measure of success. The question of fares is not solely a transportation problem, nor is transportation its most important phase. It is first a civic and social problem, and unless approached from that angle with the active co-operation of all the interests involved (which includes, of course, the interest of the community as a whole, its industrial needs, its civic requirements and the financial necessities of the utility) no real solution is to be found.

We may well confine our considerations to city properties since changes in rate of fare upon rural lines creates materially less disturbance. The method of fare collection by fixed zones is merely a method of getting the money and is in effect a tariff based on distance, modified, of course, by density of population. It is not vital, therefore, to the ultimate solution of the problem, whether suburban fares be collected upon a mileage basis or through a unit rate, nor would any change in the method materially disturb rural life.

The full development of urban electric railways occurred during the years when the great American cities were attaining their growth. The fundamental basis of their development was the theory that each individual might ride upon the street cars between any two

points in the city for an identical and single fare. This resulted in the spreading of the city area and the building of workers' homes in widely separated districts. Moreover, the industries have not been confined within narrow limits but are found distributed throughout the cities, because operatives could be drawn from any portion. Our industrial class, therefore, is exceedingly mobile, moving freely from industry to industry as its wishes impel, and all because there has never been any fare limit barrier to impede such freedom.

The American city has profited by this system in so far as it has prevented those densely congested tenement districts so common in European centers of population. The individual has in consequence developed into a higher grade of citizen, for the opportunity afforded him to own and occupy a separate home has induced a spirit of thrift and saving, and his children are children of homes rather than of tenements, with a correspondingly higher standard of citizenship and morality. At the same time, this development has tended toward a centralization of civic activities and has caused the building up of shopping districts within relatively small areas at the center of the cities.

CHANGE IN URBAN FARE SYSTEM IS A CIVIC AND SOCIAL PROBLEM

A change in the system of fare collection for urban roads, by which the charge would bear a relation to the service rendered, must be approached as a civic and social problem. The establishment of a central fare area within which would be located the civic activities and a large number of the city's industries, would tend to the gradual drawing in of the residences of the industrial operatives and all others in whose living costs street car fares play a considerable part.

The exact location of the fare limits must be selected with the greatest care so that the collection of the extra fare would work no undue hardships. At the same time these limits must be so placed that the amount of revenue received would meet the needs.

A natural result of the establishment of fare areas within cities could be the springing up of trade centers just within the dividing line of fare limits, so that a change in the shopping habits of a large part of the community would be caused to the detriment of the central city district. This would inevitably result in such community activity as would tend to subordinate the civic spirit of the city as a whole to that of the smaller and more intimate centers.

A zone system may eliminate inequalities and provide

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a fairer method for charging for our product, but to be of avail in the present emergency it must also produce the same amount of new revenue as will a higher unit fare. It is well, therefore, to bear in mind that the higher unit will spread the additional cost of service among a very much larger number of persons than will a zone system, and so will not, we may argue, have the same effect in discouraging riding.

For example, take the case of a railway which to pay its expenses must have an increase of \$100,000 in yearly revenue. It carries 10,000,000 passengers a year. Assume that 2,000,000 of these 10,000,000 would ride into the outside zone if two zones were established. To assess them with the extra revenue needed would require that the increase in their fare must be five times the increase necessary if it were spread over the entire body of riders, as it would be through a simple raise in the unit. Whether this larger increase affecting a smaller number of persons will cause a greater or less disturbance in riding habit is a question for most careful investigation. It again emphasizes the civic phase of our problem.

EUROPEAN EXPERIENCE NOT A GUIDE

The system of fare collection in vogue in European cities is often cited to show the propriety of establishing a zone system in this country. Neither the reasons governing the establishment of the transportation system nor its subsequent history are similar in the two lands. European cities had reached their growth, the habits of their population had become fixed and but little change in industrial life and activity were probable when the electric railway was first projected. In this country, on the other hand, by far the greatest growth and the greatest development of industrial activity has come to our cities since electric railways appeared.

A few figures may in this connection be of interest. It has been pointed out that if the electric railway system of Columbus, Ohio, had been developed in no greater degree than those of Glasgow, Scotland, Columbus would have attained but 15 per cent of its present area, all of the present population being forced into the territory thus restricted. Bridgeport, Conn., would have less than one quarter of its present electric railway trackage if it had no better facilities than in Aberdeen, Scotland.

As showing the difference in the facilities afforded to American and European cities by electric railways, the following tabulation is of interest:

Item	Great Britain	New England
Population.....	965,000	1,085,000
Miles of track.....	156	695
Population per mile of track.....	6,187	1,560
Revenue per mile of track.....	\$16,767	\$13,314.

Perhaps the most significant item of this comparison, showing as it does the absolute lack of accommodation for that portion of the British communities living in the thinly settled territory, are the figures which give the population per mile of track. In England it is 6187; in New England, 1560. This tabulation presents the whole picture of British tramway conditions—slender accommodations, dense tenement congestion, slow service, low fares and high earnings per mile of track.

It is safe to say that the entire urban population of the United States is served by electric railways. The most recent census classifies 41,000,000 of the country's inhabitants as city dwellers. During the last two years increases in rates of fare have been made upon

properties serving approximately 17,000,000 of these residents, and practically all urban companies are seeking increases where they have not been granted, and further increases in many cases where fares have already been raised.

In all but a few instances, what has been asked for is an advance in the unit fare. While it may be that this is the simplest way to effect an increase, it is also true that a controlling reason for its selection is that it causes less disturbance of existing social conditions than other methods.

For the purpose of determining the adequacy of this effort to increase revenues, it is unfortunate that not more fare increases were made effective prior to two years ago. The trend of decreasing revenues in the period before the present crisis was marked enough to show the need of some action, but the public as a whole and the regulatory bodies in particular were not convinced of it. It has taken the practical insolvency of the industry to prove its case.

The conditions with which we are met at this time are so unusual that no prediction can be made with any degree of certainty as to the effect upon revenues of any method of fare increase. The call to the nation to "win the war" has met with such a loyal response that old civic and social customs have been at least suspended, while estimates of the ultimate results of increased fares must be predicated upon the undisturbed continuance of community habits.

NON-ESSENTIAL TRAVEL HAS BEEN REDUCED

The taking out of social life of the millions of young men for the active service of the government, and the wish to "do their bit" on the part of the young women, have eradicated the desire to continue those purely social activities upon which the so-called "pleasure riding" habit was based. The financial necessities of the government have developed a spirit of thrift and saving, heretofore unusual in this country, and unnecessary expenditures have been eliminated from the average budget, thus automatically reducing non-essential travel.

The great activity in all industry and the drawing into industrial pursuits of a large element from the drifting population to fill vacancies caused by the draft have completely changed the riding characteristics of our cities. While gross income may continue at about the same level, the balance has been maintained by large increases in the requirements for transportation during those periods of the day when industrial operatives are moving to and from their work, thus requiring large increases in transportation units and greatly increased costs. This has, of course, resulted in heavy decreases in riding during normal periods of the day, without the ability to curtail service correspondingly.

I fear that we are at the parting of the ways. Old theories and so-called fundamental facts are but based upon experience of actual conditions as presented in the development of the industry.

Have we not reached the time when the slate must be cleaned and entirely new bases established upon which to develop the future of our utility, both as a medium for the continued progress of the communities and as an industry that will return to the investor sufficient reward to warrant the continued supply of fresh funds necessary to its continued service?



Thos. N. McCarter

Chairman
A. E. R. A. War Board

War Board Presents First Annual Report*

Report to American Association Executive Committee includes a comprehensive summary of an aggressive and effective year's work. The board has acted as intermediary between the governmental departments and the industry and has kept each informed of the other's requirements.



P. H. Gadsden

Resident Member
at Washington

THE war board has faithfully endeavored to carry out its object, namely, "To co-ordinate the facilities of the electric railways of the country and to place them at the command of the government and of industry. To represent the electric railways in the important activities of the governmental departments and the various boards and committees appointed to conduct the nation's affairs during the war."

The first meeting of the war board was held in Washington on Nov. 9, 1917, and arrangements were completed for financing the expenses of the board, the appointment of the Washington representative, the securing of office space, etc. Announcement has heretofore been made of the personnel of the board, its organization and the names of those assigned to special branches of the work.

Meetings of the board have been held at frequent intervals, and careful consideration has been given to the serious problems confronting the industry and the other miscellaneous matters having to do with the carrying out of the object of the board.

SYNOPSIS OF REPORT

The following are some of the more important subjects which will be discussed in this report:

I. *Finance*: (a) Report of the Comptroller. (b) Letter of the Secretary of the Treasury. (c) Letter of the President to the Secretary. (d) War finance bill. (e) Capital Issues Committee. (f) Financial problems of the electric railways. (g) Increased passenger and freight rates. (h) Increased compensation for carrying United States mail.

II. *Fuel Conservation and Supply*: (a) Saving of coal; reference to Bulletins Nos. 1 and 6 on saving of coal; trainmen's pledges, staggering of hours, posters, etc. (b) Electric railway coal supply. (c) Skip stop

III. *Traffic Department*: (a) Work of traffic bureau. (b) Movement of draft troops. (c) Jitney and motor-truck competition.

IV. *Legislation*: (a) Railroad control bill. (b) War revenue bill. (c) General.

V. *Association Publicity*: (a) Bulletins. (b) General.

VI. *Labor*: (a) National War Labor Board.

VII. *Standard Car*.

VIII. *One-man Car*.

IX. *Operation of the Draft*.

X. *Priorities*.

XI. *Co-operation with Governmental Departments*.

XII. *Miscellaneous*.

XIII. *Financial Statement by Secretary*.

XIV. *Conclusions*.

I. Financial

The war board, after a survey of the vital needs of the industry, realized the seriousness of the financial situation of many of the utilities as a result of the effect of the war. The war has made it practically impossible for the utilities to secure funds to meet maturing obligations, of which it was found from investigation there were approximately \$225,000,000 falling due during the year 1918.

This presents not only a question of importance to the utilities but a menace to the stability of the financial structure of the entire country, on account of these securities being held by insurance companies, trust companies and banks. Its solution was essential to the government's successful prosecution of the war, as the welfare of the utilities and their ability to meet the demands made upon them is vital in the production of war materials, equipment, shipping, transportation of employees, etc.

Messrs. McCarter and Gadsden were appointed by the board to act with a committee appointed by the gas and electric associations to develop a plan and assist the government in providing means of relief for this situation. This committee, after much investigation, analysis and careful study, submitted a report to the effect that if the credit of the public utilities is to be preserved there are four phases of the situation to be taken care of, as stated on the following page.

This analysis of the situation was presented by this committee to the Comptroller of the Currency and was supported by compilations of data and information.

REPORT OF THE COMPTROLLER

The Comptroller, in his report to Congress, called attention to the conditions confronting public utilities in a concise and comprehensive statement. A copy of this statement was issued by the War Board (see

*Abstract of address presented at New York conference of American Electric Railway Association, Nov. 1, 1918.

Bulletin No. 8, entitled "The Comptroller of the Currency Urges Authorities and Public to Assist in the Maintenance of Public Utility Credit").

Through the efforts of the war board wide publicity was given this statement.

CORRESPONDENCE BETWEEN THE PRESIDENT AND THE SECRETARY OF THE TREASURY

As a result of this analysis of the situation by the Comptroller, supplemented by additional information and representations to the Treasury Department by the committee, Hon. William G. McAdoo, Secretary of the Treasury, presented the situation in a letter to the President, dated Feb. 15, 1918. This letter set forth the fact that continued and effective service on the part of the public utilities was a most essential and fundamental part of the war program, and outlined the difficulties which the utilities were having in adjusting their rates to meet the increased cost of doing business under war conditions.

Under date of Feb. 19, 1918, the President replied to the Secretary, expressing the nation's interest in the proper solution of this problem. (A copy of the letter from the Secretary to the President and the President's reply were mailed to all electric railways of the country as inclosures with Bulletin No. 11 of the war board, requesting that this correspondence as set out in Joint Bulletin No. 1 be distributed among officers, employees and patrons of the company, as this is the first time public recognition has been given by federal authorities to the public utilities' greatest problem, and it was of such far-reaching importance to the industry that they should make every effort to bring it to general attention).

THE WAR FINANCE CORPORATION

The needs of the public utility industry, the largest single industry in the country whose services in the aggregate are essential to the successful prosecution of the war, were presented to the Comptroller of the Currency and the Secretary of the Treasury by P. H. Gadsden, prior to the original drafting of the war finance bill by the Treasury Department. That measure was intended to facilitate the operations of public utilities, among other industries, by affording them necessary financial assistance. This was so understood when the measure was before the House of Representatives and the Senate and their respective committees. Mr. Gadsden, representing the war board, appeared before the committees, for the purpose of explaining the difficulties confronting the public utility industry, particularly the electric railways. It was hoped and expected that the War Finance Corporation, when organized, would be able to make direct loans to public utilities under Sec. 9 of the act. A few minor changes in the measure were made in the House before the bill became a law, and those changes were responsible for the interpretation placed upon the act by the board of the War Finance Corporation, pursuant to which direct loans to public utilities cannot be made, except in exceptional cases. The statement of the board of the War Finance Corporation on this point is as follows:

In view of the applications for direct advances which have been filed with the War Finance Corporation, the directors wish to point out that an erroneous impression seems to ex-

ist in certain quarters that the corporation is intended primarily to make direct advances to borrowers under the "exceptional cases" clause of the act. This, however, is not the purpose of the act, which was designed primarily to enable credit to be extended by the War Finance Corporation through the banks of the country to "war industries," that is, to those industries whose operations are necessary or contributory to the war. In other words, the resources of the War Finance Corporation are not intended to be loaned directly to war industries unless in an exceptional case, but only indirectly through the banks.

CAPITAL ISSUES COMMITTEE

The function of the Capital Issues Committee is to consider and pass upon the issue and sale of securities, corporate, municipal or state, and to discourage and refuse its sanction to such issues as are not for war or essential purposes.

The war board had a hearing, lasting practically an entire day, before the Capital Issues Committee. (There

Four Essential Conditions

1. Rates must be increased sufficiently to absorb the increased costs of producing the service.
2. The utilities must be relieved during the period of the war of all non-essential and unproductive requirements, such as paving, undergrounding of wires, duplication and unnecessary extension of service.
3. Some way must be found to enable the utilities to take care of obligations maturing while the war lasts.
4. Assistance must be provided to enable the companies to finance the unavoidable extensions of service made necessary by the nation's war program.

were also present several members of the Federal Reserve Board.) At this meeting the committee thought it advisable to invite representatives to speak for several of the larger interests owning and operating utilities. All of those present representing utilities unanimously agreed to eliminate all expense for non-essential improvements, and took the position that the Capital Issues Committee could and should assist them in cases where utilities might be called upon by municipal or state authorities to make expenditures for improvements (including some franchise requirements) which are not necessary to the successful prosecution of the war.

It was also suggested that the Capital Issues Committee might be helpful through issuing some notice of its recommendations to municipal authorities, state commissioners, etc., and as a result of the suggestions made by the board at this meeting the Capital Issues Committee arranged to have a committee representing the National Association of State Public Utilities & Railroad Commissioners appear before it on Feb. 28. This meeting was called for the purpose of bringing to the attention of the special war committee of the National Association of Public Utilities & Railroad Commissioners the need of postponing all public improvement work not necessary to the prosecution of the war and also to the urgent need of increased rates for public utilities.

On Aug. 22, 1918, the Capital Issues Committee

published an appeal addressed to public utilities commissions and municipal officials to make sacrifices because of the shortage of men, material and money, and particularly enjoined them that existing facilities must be made to serve in place of new ones regardless of temporary inconvenience and discomfort, and that these conditions apply with marked force to public utilities.

On Oct. 1, 1918, the Capital Issues Committee wrote to the War Industries Board, calling attention to its letter of Aug. 22, and Mr. Baruch, chairman of the War Industries Board, replied as follows:

WAR INDUSTRIES BOARD
WASHINGTON, D. C., Oct. 3, 1918.

*Hon. Charles S. Hamlin,
Chairman, Capital Issues Committee,
Washington, D. C.*

Dear Sir:

Referring to your letter of Oct. 1, in regard to public utility requirements, may I bring to your attention the desirability of holding down all expenditures to what is absolutely needed, not what is wanted? In view of the demands for materials for war purposes, the War Industries Board would not and cannot permit the use of materials unless the need for war purposes can be clearly demonstrated. In many instances, the demand would be just and fair were we not confronted with this unusual demand for materials. This demand is insistent and persistent, and it will be so for some time to come. Only absolute necessity must be considered and not convenience.

May I ask for your co-operation?

Very truly yours,
BERNARD M. BARUCH.

The Capital Issues Committee has been effectively and consistently helpful in delaying or preventing expenditures save those absolutely necessary for war purposes or for safeguarding public health or public necessities.

FINANCIAL PROBLEMS OF THE ELECTRIC RAILWAYS

The spring of this year found most of the electric railways breaking down under the excessive operating costs, due to the increased cost of all materials and the advance in wages made necessary by reason of the great demand for labor in war industries at much higher rates than those paid by electric railways.

These high operating costs were still further increased by the decisions of the National War Labor Board in the cases of some twenty-two roads which had referred the demands of their employees for increased wages to that board for adjustment. The result of these decisions brought forth demands for increases on the part of employees of other electric roads and established new wage standards for the industry throughout the country.

Some few roads have been able to obtain assistance from the government through the War Finance Corporation, but these cases have been exceptions and this means of relief cannot be looked upon as meeting the situation except to a very slight degree. Some relief has been extended to electric railways by the Housing Bureau and the Shipping Board, and in a few cases by the Navy and the War Departments, but only in cases where such relief was necessary in order to serve the war needs of the country and to render better transportation facilities to important plants engaged in the construction of ships or other war materials. Some advances have also been made by governmental departments for extensions and new equipment, but in every

instance such relief has been granted "as a necessary war measure."

A considerable amount of data has been gathered by the board, indicative of the plight of the electric railways, the latest report of the board being the statement set forth in Bulletin No. 36. These figures have been used to advantage in presenting the true situation of the industry at hearings before committees of Congress, in connection with the new revenue bill now being enacted, before the National War Labor Board, before the War Finance Corporation, before the Capital Issues Committee, before the War Industries Board and before the District Commission at Washington in the hearing of the local companies for increased fares. Wide publicity has been given these figures, and as stated above they were issued in bulletin form and sent out to all electric railroads in the country.

INCREASED PASSENGER AND FREIGHT RATES

The board has put forth every effort to assist electric railways to secure increases in their rates of fare and, while it is true that some few have received permission from the state and local authorities to increase their rates, others have been less fortunate.

The courts have ruled in some states that the commissions did not have the power to increase rates where franchises specified a definite fare. Other commissions have been confronted with statutory limitations, and others have declined for political and other reasons. This condition of affairs has been responsible for many companies being unable to meet their fixed charges. Some are in default in their interest payments, and in some cases receiverships have resulted, while some few have found it necessary to dispose of their property as junk.

This serious state of affairs has been called to the attention of the President and the board has recommended that the President appoint an administrator or a commission to meet the situation. This plan of the board has met with the approval and indorsement of the National War Labor Board and other federal officials, as well as the war board of the National Association of Railroad & Public Utility Commissioners. This administrator or board would be vested with the power to investigate conditions and fix reasonable rates—adequate to meet the new war-time conditions.

The board is now receiving replies to an inquiry it sent out for the purpose of ascertaining the effect of increased fares and expects to have in the near future full data on this subject.

Prior to the announcement by the Railroad Administration of the increases on lines under federal control, this board was consulted with the view to increasing rates on electric lines at the same time where it was possible to do so. Data were submitted showing the present rates on electric lines, and from the very beginning this board assured the officials of the Railroad Administration of the need of increased revenue and of the willingness of the electric lines to go the limit and meet their announced increases. It was agreed that the administration would assist the electric lines through an announcement to state and local authorities that electric line rates should be increased on a parity with those of the lines under federal control.

The board also urged the federal officials to increase existing commutation rates, as the electric lines were more particularly interested in these rates, and, substantiating this position with facts and figures, took the position that commutation fares should be increased at least 25 per cent on the federally controlled lines, which would enable the electric lines handling the bulk of this class of business to obtain similar increases. But the best compromise we could obtain was a 10-per cent increase, with the understanding that the matter would be gone into thoroughly by the traffic department of the federally controlled lines and a further readjustment made. This matter is still actively in hand by the board and we are working with the traffic officers of the federally controlled lines. The Railroad Administration officials later decided against issuing a general appeal to state and local authorities on behalf of the electric lines but accorded their support in some cases.

This board has been in close touch with the Interstate Commerce Commission, expediting the applications of the electric railways as much as possible, but, owing to the large number of applications filed following the increase announced by the Director General's Order No. 28, applying to lines under federal control, the fifteenth section has been overtaxed with work, the result being that a large number of these applications are still pending. The decisions rendered by the commission have been favorable, but in some cases they have not permitted increases on a parity with those in effect on federally controlled lines, and in no cases have they permitted them to exceed the rates now in effect on federally controlled lines. The commission has insisted upon each company justifying the increases sought by full data and has declined to increase rates simply because the steam lines in competition with them have increased their rates. This caused some delays and considerable expense, as many electric railway traffic men thought it only necessary to file a formal request for permission to raise rates on a parity with those put in effect on federally controlled lines by the Director General's Order No. 28 and the supplements thereto.

The board has fully informed the members of the Interstate Commerce Commission of the serious financial condition of the electric railway industry and has urged them to expedite the applications now pending before them.

Considerable publicity data have been sent out by this board, bearing on the necessity for increased rates. This information has been sent out in pamphlet and letter form. Members have been fully informed and from reports received indications are that we have been helpful in this way.

INCREASED COMPENSATION FOR CARRYING UNITED STATES MAIL

Congress passed an act which provides that the Interstate Commerce Commission shall investigate, fix and determine reasonable rates and compensation for the carrying of mail by electric railways. This act is embodied in Bulletin No. 24. The board arranged, through the courtesy of James D. Mortimer, for the services of F. W. Doolittle to represent the electric railways in the gathering of data and to appear before

the examiner to be appointed by the commission to take testimony in a number of cities throughout the country. Mr. Doolittle is very familiar with this kind of work and he has already entered actively upon it, having conferred with members of the commission, members of the association's mail compensation committee and others interested. The hearings will probably commence in February or March, but there is much preliminary work in assembling data and getting in communication with the 350 electric railways interested. The prospects for a complete readjustment of the present unsatisfactory conditions prevailing are favorable.

II. Fuel Conservation and Supply

SAVING OF COAL, REFERENCE TO BULLETINS NOS. 1 AND 6 ON SAVING OF COAL, TRAINMEN'S PLEDGES, STAGGERING OF HOURS, POSTERS, ETC.

One of the first matters to which the board directed its attention was the question of saving coal. Bulletin No. 1, issued by the war board, submitted suggestions to the electric railways by which the amount of fuel used could be considerably reduced through the elimination of unnecessary service; reduction in number of stops; heating of cars by electricity and even by coal; heating of waiting rooms by electricity; effort to flatten peak through the staggering of open and closing hours of manufacturing establishments, department stores and other industries; securing of pledges from trainmen in coal saving through the saving of power, maximum coasting, etc. Bulletin No. 7, "Report on Fuel Savings in Washington," related to a study made to ascertain the actual savings as expressed in tons of coal that might be effected on typical railway properties. This report took up the matter of saving in coal by the use of the skip-stop plan, elimination of unnecessary car-miles, reduction of heat, operation of most economical power houses, staggering office hours of governmental departments, etc.

In collaboration with the United States Fuel Administration we have designed a set of patriotic posters, which have been directed especially to all electric railway employees; a special poster for car employees, to be posted in the vestibule of each car; a "fireman" poster, to be placed in all boiler rooms; an "Uncle Sam" poster, to be posted in carhouses and repair shops. In addition to these posters, pledges of trainmen were secured to save coal by (1) the proper use of the controller, (2) proper braking, (3) coasting whenever practicable, (4) by not wasting fuel or heat, and (5) by not using lights unnecessarily. As a part of this plan posters were placed in all cars to the effect that "the motorman and conductor of this car are members of the United States Fuel Administration and are pledged to save coal."

Reports indicate that these measures have been responsive and effective. The questions of car heating, heating of stations and use of lights, have been dealt with effectively, and these matters are receiving further consideration by this board and the Fuel Administration for the forthcoming winter season.

The staggering of hours has been advocated by the board and, while it has been tried out in connection with handling peak loads to shipbuilding plants in several sections and has recently been put in operation in Washington on account of the influenza epidemic, it has

not been adopted as generally as it should be. The board is giving further consideration to this matter with the view of having it more generally adopted in the congested centers.

During last winter when the fuel situation was so serious, the board succeeded in obtaining relief for a number of individual companies in securing their supply of coal and in some instances obtained a modification of the zone system to the extent of affording the continuation of coal supply to some companies. In other cases this was not possible, but it was not due to the laxity of effort on the part of the board. These requests for relief were overwhelming at times. It is hoped that the situation will not be so serious the coming winter, as the companies have had opportunity to readjust their coal supply contracts and have presumably laid in supplies.

THE SKIP-STOP SYSTEM

The board has also worked in close harmony with the United States Fuel Administration in connection with the adoption of the skip-stop system for operation, and it can be stated at this time that our efforts have brought about the establishment of the skip-stop system of operation in practically all cities in the United States with a population in excess of 25,000.

This plan of fuel conservation required an extensive educational campaign and a considerable expense in order to convince the public, the municipalities and even some electric railway officials that it is a desirable and effective means of bringing about economies through the saving in coal. It is doubtful now if there is one company that would want to return to the old plan of operation, and the public, according to all reports, seems well satisfied as this system has resulted in reducing the running time of cars approximately 10 per cent.

The elimination of unnecessary service has been urged and the board is now making a special effort along this line, with the indorsement of the United States Fuel Administration.

III. Traffic Department

WORK OF THE TRAFFIC BUREAU

A traffic bureau was organized, embracing representative traffic officials throughout the country, as set forth in Bulletin No. 4. This organization has been useful in assembling data for the board in dealing with the United States Railroad Administration in connection with rate increases and in obtaining traffic for certain lines that were in a position to handle increased freight and passenger business.

The board has been working with the various departments of the government having to do with the transportation division of the Quartermaster and Ordnance Departments.

The board found in Washington a well-organized department in transportation division of the Quartermaster's Department and practically all of the employees for this department have been furnished from the traffic organizations of the steam railroad lines.

MOVEMENT OF DRAFT TROOPS

An extensive effort was made to obtain for certain electric lines, operating in six states, a portion of the draft troop movements, but strong opposition developed

from steam railroad officials in the districts involved after the board had convinced the Provost-Marshall-General's department and the Manager of Troop Movements for the Railroad Administration that the electric lines could perform the service satisfactorily. Schedules in detail were compiled by the traffic officials of the electric lines interested; conferences were held and an understanding was reached, which, however, was strongly opposed by the regional representatives of the Railroad Administration, who held that the steam lines were amply equipped to handle the movements and, in fact, offered every conceivable objection they could to the plan. The matter was then taken up again with the Traffic Director's office, but, in view of the statements made by the regional traffic men, they were not inclined to divert traffic from the steam lines that could be handled by them.

It developed that a number of electric lines, particularly in California, were participating in draft troop movements. It also developed that the only lines that cared to attempt to handle these movements were confined to those operating in six states, others claiming that they were handling all the business their present equipment and terminal facilities permitted.

JITNEY AND MOTOR-TRUCK COMPETITION

The problems of jitney and motor-truck competition have been given constant attention. The board has had the matter up with the Provost-Marshall-General, the Fuel Administration, the Highways Transport Committee of the Council of National Defense, the Department of Labor, and the War Industries Board, all with the view of showing the destructive and unnecessary duplication of service.

The board has about completed a statement showing the number of jitneys operating in competition with electric railways throughout the country; the number employed in the business; the estimated earnings; and the amount of gasoline consumed. This report is to be made to Dr. H. A. Garfield, Federal Fuel Administrator, at his request. Copies will also be submitted to the Provost-Marshall-General and to the chairman of the War Industries Board, with the view to showing the waste of man power, fuel and materials. The data received to date indicate that there has been a considerable falling off in the number of jitneys operating throughout the country, there being fewer than 5000, and possibly only 25 per cent of the electric railways are affected by this form of competition. This is due to the increased demands for labor at high wages, draft requirements, increases in cost of operation and local regulatory measures, some of which have prohibited jitneys from operating at all in certain cities.

In the case of the motor truck there is a different situation. The Highways Transport Committee of the Council of National Defense has been waging an active campaign in Washington creating favorable sentiment in favor of motor trucks. It has been active in the introduction of bills providing for appropriations for improved roads to be classified as "military roads," and, in general, is working in the interest of the motor truck. It maintains an organization three times the size of that maintained by the war board.

We have made some progress through co-operation with this Highways Transport Committee, with the re-

sult that it has gone on record, in a letter, to all of its state and regional representatives against the jitney where they compete with electric lines. Copies of this and other similar communications and replies received have been submitted to this board. It has also recommended against motor trucks competing with electric railways in freight business, taking the position that they should be supplemental to the electric railway service. The board is co-operating with this organization with the view to bringing about a better understanding and in an attempt to establish a relative functioning of electric railway and motor-truck service.

IV. Legislation

RAILROAD CONTROL BILL

The railroad control bill, as set forth in Bulletin No. 13, at one time during its passage carried an amendment including electric railways but, after a number of the largest systems had expressed themselves as opposing government control of electric railways, the board succeeded in having them eliminated. It was known at the time that the Administration opposed the inclusion of the electric railways in the bill and they were involved in the measure through the efforts of the Short Line Association, which was endeavoring to force federal control of the so-called "short-line steam roads" throughout the country. The association of steam lines was also responsible for involving certain classes of interurban electric lines in an amendment to a resolution introduced and passed to extend the relinquishment of certain steam roads then under control until Jan. 1 next. The short lines are still endeavoring to reach an understanding with the Railroad Administration as to rates, exchange of equipment, etc., and the latest information is that they have reached an agreement.

Several interurban electric railroads, twelve more or less, were retained under control. These roads were principally carriers of freight, and performed important service in connection with lines that were taken over by the government. Two of these lines were subsequently relinquished at the request of their owners.

The President reserved the right to take over all electric railways in his proclamation taking over certain steam lines, and subsequently laws were enacted empowering the President or his designated agents to take over electric railways serving shipyard and plant employees and also in connection with the housing program. (Bulletins Nos. 18 and 20.)

THE WAR REVENUE BILL

Mr. Gadsden has also appeared on behalf of the board before the House and Senate committees in connection with the war revenue bill, presenting the needs of the industry and calling attention to the inconsistencies and penalizing provisions in the bill. In his statement before the Senate finance committee on Sept. 14, 1918, Mr. Gadsden argued for the segregation of public utilities into a special class for the purpose of taxation, on the ground that they are segregated into a special class for every other purpose, especially in the control of their revenues by state and municipal authorities. He argued also for the retention of the 1917 normal tax of 6 per cent instead of the proposed increased tax of 12 per cent or 18 per cent, pointing out that the imposition of the

18 per cent tax on that portion of the net revenue not distributed by way of dividends and 12 per cent on that portion distributed in dividends presented a distinct injustice to the industry, which has, since the outbreak of the war, been obliged to suspend dividend payments in order to provide current funds for necessary additions and extensions required by law and by the emergency of war, such suspension of dividends being necessary because public utilities are unable to borrow money to finance their extensions and additions. Mr. Gadsden also argued for the acceptance of consolidated returns from public utilities operating a number of plants or a number of properties. The present bill has been modified in a number of respects so as to cover some of the points presented by Mr. Gadsden.

GENERAL

Congress passed an act in which it defined electric railways as "war utilities." This is embodied in Bulletin No. 17. Congress also, by an amendment added to the first deficiency appropriation bill, which has passed both houses and is now before the President for approval, has broadened the powers of the Shipping Board with respect to electric railways, by adding the words "or to extend, improve or increase or cause to be extended, improved, or increased." Also a new subdivision reading: "g—in pursuance of the foregoing powers, or any of them, to make advance payments or loans of such amounts and upon such terms as the President may deem necessary and proper."

There has been little legislation, other than the above, involving the electric railways, although it has been necessary for the board to be constantly vigilant and in close touch with the proceedings of Congress.

V. Association Publicity

BULLETINS

The board has endeavored to keep every electric railway official, as well as state commissions, governmental departments and manufacturing industries (using the mailing list of the American Electric Railway Association, augmented by a special war board list) informed through the issuance of bulletins containing important information of events in the nation's capital, but it has made no mention of the activities of the board in these bulletins.

GENERAL

The board has been able to secure publicity that has been helpful through the Associated Press, local Washington papers, etc. A. B. Cole, of the Westinghouse Electric & Manufacturing Company, has been contributing some of his time to the board, writing articles on the electric railway situation in general. These articles have been published in pamphlets and in various magazines. Others have assisted in this work. The *Aera* and *ELECTRIC RAILWAY JOURNAL* have carried much space devoted to the activities of the board.

VI. Labor

NATIONAL WAR LABOR BOARD

The President, by proclamation dated April 8, 1918, created the National War Labor Board. At that time

there was much unrest in the labor field. This board was appealed to by many of its company members and companies that were non-members of the association, and much needful information was furnished them in the preparation of their cases before the National War Labor Board. The difficulties of the electric railway industry were fully set forth in statements made by Messrs. Gadsden and McCarter before a section of the War Labor Board, Messrs. Taft and Walsh, joint chairmen, presiding. These statements were later printed in pamphlet form and due publicity was given to them.

The joint chairmen ruled that, while appreciating the difficulties confronting the electric railways, they were not empowered to increase rates or give other financial assistance, but that they would recommend to the President that some relief was imperative, which they did, and that their powers were limited to the fixing of a reasonable and living wage to employees. The industry was therefore confronted with the dilemma of having operating expenses greatly increased through the decisions of a federal labor board and no source open to obtain increased revenue to meet these increases except through the tedious process of obtaining permission through local and state authorities. This condition exists at the present time.

The National War Labor Board handed down twenty-two decisions in electric railway cases on Aug. 1. These decisions were startling, and established a wage scale throughout the country ranging from 35 per cent to 75 per cent increase in existing rates, the result being that a number of companies have been forced to meet the rates established or submit their difficulties to the labor board. The names of the companies involved in the twenty-two decisions and extracts containing the rates and important points brought out are contained in Bulletin No. 26. Complete copies of these decisions have been largely distributed to those requesting them.

A special meeting of the war board was held on Aug. 6 and, after going over the situation, a telegram was sent to the President, calling his attention to the gravity of the situation and urging him to give favorable consideration to the appointment of an electric railway administrator or board, as recommended by the National War Labor Board and by the National Association of Railroad & Public Utility Commissioners. The only reply received was a formal acknowledgment and a statement that the matter was being given consideration by the President.

In addition to the foregoing the National War Labor Board has just announced decisions in twelve cases, the Boston and Providence cases several weeks ago and the remaining ten on Oct. 23. The important features of these decisions are set forth in Bulletin No. 38.

It has been estimated by the board that by applying the increases announced in the twenty-two decisions of Aug. 1 to all of the electric railways in the country, it will increase operating expenses between \$100,000,000 and \$125,000,000 annually for the industry as a whole. It would seem almost impossible to obtain sufficient increases in rates to offset these figures and this is the situation the industry is confronted with to-day.

The Birmingham Railway, Light & Power case was an exceptional one, and merits specific mention. The company contended that the National War Labor Board

did not have jurisdiction since the employees had not taken advantage of the arbitration clause in their agreement with the company. Messrs. Taft and Walsh sustained the contention of the company and declined jurisdiction. This was fully covered in Bulletin No. 33.

In the New Orleans case, organized labor in that city opposed the company receiving an increase in fare. They were warned by Messrs. Taft and Walsh that if they persisted in opposing the company's efforts to obtain increased fares the National War Labor Board would suspend the award. Notwithstanding this warning, which was sent in a letter addressed to the acting president of the Federation of Labor, the local organizations in New Orleans held a mass meeting, passed resolutions opposing the increase, and, after the Council had passed the ordinance enabling the company to proceed in establishing the increase in fares, the labor organizations served notice on the city authorities that they would oppose the validity of the ordinance in the courts. The Labor Board's original award brought about an increase of 70 per cent in wages for the New Orleans company.

In all matters pertaining to the National War Labor Board the war board has extended every assistance possible to the companies involved and to those that were considering the submission of their difficulties.

VII. Standard Car

Otto M. Eidlitz, director of the Bureau of Housing, Department of Labor, in a communication to the board, suggested that the board appoint a committee to devise plans for a standard car, the Housing Corporation being in the market for fifty cars to be put in service on electric railways throughout the country. The board appointed the following committee: A. L. Drum, chairman; H. H. Adams, G. F. Wells, Mr. Mellen, J. F. Layng, Edwin C. Faber, C. O. Birney, John Lindall, G. T. Seely, J. H. Hanna and M. B. Lambert.

This committee held several meetings in Washington and plans and specifications were finally adopted and approved for a type of car that would best meet the operating requirements of the electric railways, of the government and of the wishes of the railway representatives and the car builders. The specifications have met with the approval of John A. Beeler, transportation expert, now engaged in Washington in unraveling some of the local transportation difficulties.

VIII. The One-Man Car

The board has strongly advocated the adoption of the one-man type of car wherever practicable. It made a detailed report on the success of its operation in numerous cities for the National War Labor Board, as the question of wage for one-man-car operators has been a factor before that board. Organized labor has opposed in some instances the use of this type of car and the purpose of the report was to show the necessity for using such a car on certain lines and to show the simplicity of operating this type of car by one man, to avoid, if possible, first, a decision against their operation, and, second, an unreasonable wage for those operating them.

IX. Operation of the Draft

This question of the draft has been given thorough consideration by the board. The question of obtaining deferred classification was taken up directly with the Provost Marshal General. He ruled at that time that it was a matter to be left to the district boards and that he would issue no specific ruling as applying to classes. Bulletin No. 30 contains the Provost Marshal General's statement to employers with reference to this matter.

The board gave considerable thought to the subject before acting, fearing that the wrong interpretation would be placed on the industry in attempting to obtain exemptions for certain classes of employees.

X. Priorities

The question of obtaining priority certificates for the industry has been a difficult one. The board has handled a great many of these applications for electric railways, some of which have been of vital importance to them. The board has been in close touch with the Priorities Board and has impressed upon the members of that board the necessity of enabling the electric railways to continue their service to the government and the public generally. Through these efforts the industry has continued to receive the supplies necessary for replacements and renewals and for extensions where needed to meet governmental requirements.

A plan is now under way to include public utilities, including electric railways, under the automatic classification, which should further expedite the handling of materials for their urgent needs. An announcement is expected soon in connection with this matter. In the meantime the Priorities Board has been giving electric railways careful consideration in obtaining good ratings where the needs were made evident.

The board has been of much assistance in handling these matters for the electric railways and it has taken a good deal of work and time in following the applications through to a conclusion, owing to the amount of detail necessary under the present system.

The question of obtaining priorities for the movement of materials has also been a difficult one. This question is handled through the car service section of the United States Railroad Administration. The board has obtained permits for moving materials for electric railways, including cars, when every other effort has failed. The board has, on two occasions, secured permits to move cars destined for municipal lines, showing that the board represents the entire industry.

XI. Co-operation With Governmental Departments

The board has been in close touch with the various departments, commissions and committees handling governmental business and, through these connections, has become definitely established as representative of the electric railway industry. It has become known throughout these various agencies that any information desired can be obtained by communicating with the board, and some of the information sought has been of a nature to require considerable work, not only on the part of this board, but on the part of member companies interested, although in each case the information requested has been furnished promptly.

XII. Miscellaneous

Information was obtained for the director of transportation of the Shipping Board, showing the available equipment on hand by electric railways that could be disposed of in case the government wanted to make use of it. This information enabled the board promptly to inform other companies which were in the market for cars and electrical equipment. In one instance where a company had suffered a serious loss by fire, the board enabled that company to get in immediate touch with those having equipment for sale.

The question of internal revenue tax rulings has been a matter that has been handled for a number of companies, as the zone system of operations brought up many interesting questions in this connection. This board has also kept close watch on the tax on fares and freight earnings in the new revenue bill now before the Senate committee, and especially the clause taxing the automobile and truck competitors.

There are many other subjects relating to individual companies that are constantly coming up and are receiving the attention of the board.

XIII. Financial Statement

The following table shows the receipts and expenses for the eleven months ended Sept. 30, 1918:

<i>Receipts</i>	
Railway member companies.....	\$25,292.50
Non-member companies.....	1,565.00
Manufacturing member companies.....	3,840.00
Acting as Washington representative for the association	1,333.32
	\$32,030.82
<i>Expenses</i>	
Salaries	\$6,757.87
Rent	1,516.64
Postage	2,028.52
Telephone and telegraph and messenger service.....	2,563.37
Printing	1,842.43
Stationery	1,040.14
Reporting meetings	165.49
Extra stenographical work.....	688.24
Office supplies and expense.....	392.86
Extra statistical clerks.....	944.18
General office expenses.....	5,696.31
Federal trade service.....	100.00
Furniture and equipment.....	1,251.30
Petty cash	750.00
	\$25,737.35

XIV. Conclusions

The board, in brief, has been earnestly endeavoring to perform all of the functions for which it was created.

It has been helpful both to the government and to the industry which it represents, as indicated by the expressions contained in many communications which it has received from the governmental departments and the companies as to its efforts in various matters.

The board takes occasion to extend its sincere thanks and appreciation to the members of the American Electric Railway Association and others, who have rendered prompt and generous assistance whenever called upon by the board.

(Signed) THOMAS N. McCARTER, Chairman
LUCIUS S. STORRES,
P. H. GADSDEN,
BRITTON I. BUDD,
ARTHUR W. BRADY.

E. C. FABER, Manager,
W. V. HILL, Assistant Manager,
E. B. BURRITT, Secretary.

Proceedings of the New York Conference

At a meeting of the American Electric Railway Association, held on Nov. 1, the program consisted primarily of discussion of the possible ways in which the electric railway business can be rehabilitated. The first annual report of the war board was presented. J. H. Pardee succeeded John J. Stanley as president.

A CONFERENCE of the American Electric Railway Association for the discussion of the pressing problems of the hour was held in New York City on Nov. 1, in place of the usual convention. President John J. Stanley opened the meeting with an appreciation of the work of the Electric Railway War Board and an emphatic statement of the fundamental reason for the inadequacy of electric railway fares. An abstract of the address appears earlier in this issue. This was followed by the presentation of the report of Secretary-Treasurer E. B. Burritt, in substance as follows:

MR. BURRITT'S REPORT

The association year just closing opened with 344 railway company members in the association. Eleven new companies have been enrolled and eight companies have resigned, seven of the resignations being due entirely to unfavorable financial circumstances and one to a consolidation. The fact that during this trying period the association's company membership shows a slight gain demonstrates that the companies realize the value of the organization. On the whole, the situation with respect to company membership is good and promises substantial increase with improved conditions. With regard to the membership of manufacturer companies, on Nov. 1, 1917, 194 companies were enrolled. One company has been added and fourteen have resigned their membership, the resignations having been due to the omission of the usual convention. A detailed statement of the various classes of membership appears on page 790.

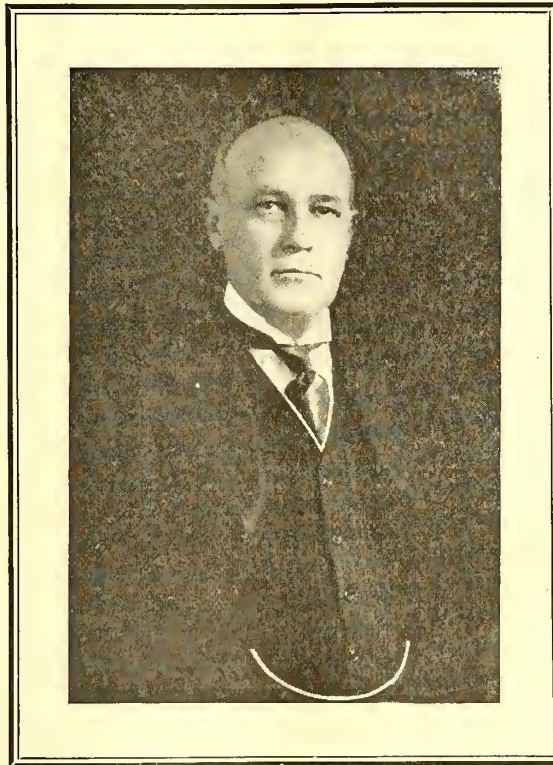
Early in the association year the executive committee considered the advisability of resuming committee work which last year had been suspended because of the war. It was decided that the state of the industry and the country generally made it inadvisable to

undertake any work which did not pertain directly to war conditions. Accordingly practically all association activities have centered in the work of the war board and the supplying of information to member companies through the office of the secretary.

The organization of the war board was the result of a recommendation of the committee on military traffic appointed by President Storrs immediately following the meeting of the executive committee in New York, Oct. 8, 1917. Arthur W. Brady was made chairman of this committee, and a meeting was held in Washington on Oct. 23, 1917. After a general survey of the situation, the committee was convinced that for the period of the war it was the duty of the industry to put itself in a position to extend the closest possible co-operation to the government, and to take such steps as would insure a proper care of its own interests. Accordingly, a resolution was adopted recommending to the executive committee that a man of standing in the industry be selected to represent the association in Washington for the duration of the war. On receipt of this resolution, President Stanley arranged a conference of executives in New York on Nov. 2,

and presented the committee's recommendation. As a result the war board was appointed by the executive committee on Nov. 2. The war board has presented a report to the association, in which is given an account of its activities during the year. The secretary has acted as secretary of this board since its organization, and the work of the board has been co-ordinated with that of the association.

In connection with the matter of the association's co-operation with the government, mention should be made of the extremely important work undertaken in May, 1917, by the Committee of National Defense. This work, which has been in charge of L. S. Storrs, has to



J. H. PARDEE
President-elect
American Electric Railway Association

do with the collection and assembling of important data for the War Department. The president of the War College has expressed appreciation of the military authorities of the results obtained.

At the request of the war board, President Stanley called a meeting of association members in New York on Aug. 22, to discuss certain matters as to which the board desired advice. A sudden change in the situation at Washington, however, altered the character of the meeting, and after a statement by P. H. Gadsden, member of the war board, a general discussion ensued as to conditions obtaining in the industry.

The value of the statistical bureau maintained at association headquarters is indicated by the constantly increasing number of requests received for information, and the wide range of subjects covered. During the year ended Sept. 30, 470 requests were received and answered from companies operating in forty-one states and in Cuba, Hawaii, Porto Rico and Canada. Information has also been furnished to colleges, libraries, public service commissions, technical societies in this country and abroad, and bureaus of the federal government.

The bureau has prepared the statistics of electric railways and the digest of public utility decisions published each month in *Area*, and has also compiled data for the use of the war board and for the National Public Utility Committee.

Our facilities for the prompt preparation of information of this character have enabled the association to render valuable service to a considerable number of companies in their rate cases.

The wage bulletin issued in May was compiled from information furnished by 756 companies and contains data relating to war bonuses, working conditions, etc. The information has been kept up to date and a supplement will shortly be issued.

The files of the bureau contain a great quantity of valuable material which is constantly being revised and added to. A large number of our member companies make frequent calls for this material. All companies should feel free to call upon the association at any time for information of any character. It seldom happens that a request is received which we cannot meet promptly and fully.

Aera has continued to fulfill its functions in the association work during the past year. It may be safely said that it has increased its usefulness to the members of the association and to its many other readers.

Because of the conditions prevailing the usual mid-year meeting and dinner were abandoned. Plans were under way, however, to hold an annual convention, without an exhibit, but as the time approached the executive committee decided that it would be better to hold a one-day conference.

The committee on company sections has brought about the organization of one new section, on the property of the Rhode Island Company. This section, No. 12, was formed April 9, 1918, with a charter membership of 204.

The thorough co-operation of the ELECTRIC RAILWAY JOURNAL in all association work, and its desire to help in our activities, took substantial form in connection with the organization of this new section. With a view

STATEMENT OF MEMBERSHIP

	Company			In-divid-ual	Com-pany Section
	Rail-way	Manu-facturing	Total		
Number of members, Nov. 1, 1917.	337	188	525	1215	1655
Number of members reinstated.	7	6	13	9	...
Number of new members.	11	1	12	10	307
Total	355	195	550	1234	1962
Resignations or deaths	8	14	22	169	301
Grand total	347	181	528	1065	1661
Paid	307	163	470	793	1046
Delinquent	40	18	58	272	615

INCOME STATEMENT

Eleven Months Ending Sept. 30, 1918

REVENUES		
Admission fees:		
Railway companies	\$110	
Manufacturing companies	10	\$120
Annual dues:		
Railway companies	\$45,032	
Manufacturing companies	9,939	
Individuals	3,965	
Company section members	1,494	60,431
Miscellaneous income:		
Interest on deposits	\$411	
Sale of year books and <i>Proceedings</i>	38	
Sale of "Engineering Manual" and binders	57	
Sale of "Cost of Urban Transportation Service"	94	
Sale of "Bibliography on Valuation"	4	
Sale of miscellaneous pamphlets	493	1,099
<i>Aera</i> :		
Advertising	\$12,149	
Paid subscriptions	182	
Sale of extra copies	56	
Sale of binders	5	12,394
Total revenues		\$74,044

EXPENSES

Eleven Months Ending Sept. 30, 1918

American Association:		
Salaries of general office staff	\$16,749	
Salary and expenses of Washington representative	2,000	
Rent of office and storeroom	4,149	
Stationery and printing	1,343	
Postage	1,667	
Repairs to furniture and equipment	12	
Office supplies and expenses	959	
Telephone, telegraph and messenger service	1,071	
Express, freight and cartage	23	
Exchange	18	
Traveling expenses of secretary	395	
Miscellaneous general expenses	1,189	
Miscellaneous pamphlets	856	
Committee expenses:		
Executive	656	
Electric railway revenue	475	
Military traffic	70	
Storage	180	
Federal relations	29	
National electric safety code	12	
Company sections	392	
Convention committee	647	\$32,901
Accountants' Association:		
Executive committee	\$35	
Engineering Association:		
Executive committee	\$120	
Engineering transportation	3	
Program committee	9	
Nominating committee	71	
Subjects committee	65	
Special war committee	94	364
Claims Association:		
Miscellaneous expenses, secretary	\$95	
Hooper Holmes Bureau	908	1,004
Transportation & Traffic Association:		
Executive committee	\$12	
Transportation engineering	41	53
<i>Aera</i> :		
Salaries of <i>Aera</i> staff	\$10,015	
Rent of office	621	
Telephone, telegraph and messenger service	143	
Postage	228	
Traveling expenses of <i>Aera</i> staff	1,324	
Miscellaneous expenses	14	
Discount	153	
Magazine expenses:		
Cost of printing	6,159	
Cost of paper	3,013	
Cost of cuts	517	
Express, freight and cartage	224	
Mailing charges	512	
Envelopes for mailing	18	22,953
Total expenses		\$57,313

NOTE: The financial report of the War Board, also presented by the secretary, will be found in the report of the Board, as printed in this issue.

to simulating interest in the movement, the JOURNAL donated to the association a handsome silver cup to be held by the section organizing with the largest number of members. President Stanley accepted the cup for the association, and it was presented to the Rhode Island Company section, to be held until such time as another section is organized with a larger number of charter members. Several new sections are in prospect, and it is safe to say that the cup will not remain with the Rhode Island Company section.

Notwithstanding the handicap of war conditions, the company sections show creditable progress. The character of the papers presented and the interest manifested in their discussion demonstrate the high educational value attaching to this work. The officers of those companies having company sections bear enthusiastic testimony to the all-around value to the company and to the members themselves of the section work.

The association has maintained its membership in the Chamber of Commerce of the United States, and has continued its subscription to the Hooper-Holmes Bureau. During the year twenty-six companies made 15,360 reports, the Hooper-Holmes Bureau returning reports on 905 names. In February President Stanley discontinued the arrangement with S. S. Perry, who had up to that time represented the association in Washington, his duties being assumed by the war board. The association has purchased \$5,000 of bonds of the Third Liberty Loan and \$2,000 of bonds of the Fourth Liberty Loan. It has also financed the purchase of \$2,000 of bonds of the Fourth Loan for the office staff.

A report of the association finances, together with a membership statement is given on page 790.

MR. GADSDEN TELLS WHAT THE WAR BOARD HAS DONE

In the absence of Chairman McCarter the report of the American Electric Railway Association War Board was presented by P. H. Gadsden. This is reprinted elsewhere in extended abstract. The report was not read in full, but the speaker outlined the situation at Washington with respect to the electric railway industry. He said that the war board is having excellent success in securing the attention of government officials. However, the railways have not had as good treatment as have other utilities. It is the experience of utilities, Mr. Gadsden said, that in the states where public utility commission control exists, the utilities are treated more fairly than where appeal has to be made to municipalities. It was clear to the war board, however, that federal aid was needed. The board has, therefore, secured the co-operation of government officials and organized labor in presenting the situation clearly to the President. Probably no other topic of war-time importance has been put up to the President with greater emphasis from all quarters.

There is opposition to the granting of federal aid to the electric railways, but in Mr. Gadsden's belief, there is hope of ultimate federal assistance. The situation in the industry is so bad today, however, that it is necessary to explain to the public just how critical the electric railways' condition is. The publication of data by the war board has helped in this direction. He recommended monthly publication of local statements so as to keep a utility's clientele posted as to the actual circumstances.

In outlining the details of the work, Mr. Gadsden took occasion to say that the war board had been highly gratified by the co-operation of the industry in furnishing skilled men whenever there was need for the solution of special problems. He mentioned particularly the courtesy of the North American Company in detailing Mr. Doolittle for special duties in connection with rates for carrying United States mail, and of the Westinghouse Electric & Manufacturing Company in "loaning" Clarence Renshaw and the General Electric Company, J. F. Layng, for the fuel-saving campaign.

On the subject of the awards of the National War Labor Board Mr. Gadsden estimated that the net income of the electric railways of the country is not more than \$25,000,000 to \$30,000,000. And yet the decisions as to wages if generally applied will increase the expense by possibly \$100,000,000. In such case it is doubtful if the industry can earn one-half its interest charges. The Labor Board apparently assumed that fares could be increased to meet the increased costs, but this has not proved true. Even if fares could be increased the result of such increase is problematical. In this connection Mr. Gadsden gave a number of examples showing how in certain cases special conditions have been taken into account. He also explained that an opportunity had arisen for the representation of the electric railway industry on the War Labor Board.

Mr. Gadsden said in conclusion that for the first time there has been set up in Washington a body of men with authority to speak for the electric railway industry as a whole. There has heretofore been a lack of unity among the electric railways. In the future the industry must keep together. When peace comes it must not slip back into the old channels or the good so far accomplished will be lost. The authorities at Washington have come to recognize the magnitude and the importance of this industry. It should be realized that every detail, every new franchise, is a matter of national concern. In peace time there must be some machinery set up, some body of men appointed, that will have power to act for the industry.

DISCUSSION OF WAR BOARD REPORT

The discussion of the report presented by Mr. Gadsden was opened by P. J. Kealy, Kansas City Railways, who amplified a reference by Mr. Gadsden to the War Labor Board ruling in the Kansas City Railways' case. Mr. Kealy said that the contention of the Railways' attorneys to the effect that the Labor Board has jurisdiction in increasing fares, because this is a necessary corollary to the fixing of wages, seems to have a legal basis. (See page 801 of this issue.) At this point A. W. Brady, at the request of W. Caryl Ely, repeated a statement, made at the executive committee of Oct. 31, expressing appreciation of the committee for the work of the several men who have assisted the war board in its work. On Mr. Ely's motion a committee was authorized to prepare suitable resolutions to the same effect, and the president appointed Mr. Ely and James H. McGraw as such committee.

WHY THE INTERURBAN NEEDS MONEY NOW

The discussion of the needs of the interurban electric railways was led by Arthur W. Brady, president Union Traction Company of Indiana. He said that the needs

and problems of urban properties were very similar in different parts of the country but that those of interurban roads differed widely, so that the obstacles encountered in one locality might be of a widely different nature from those of another. The remarks that he would make, Mr. Brady said, would relate particularly to conditions in the Central West.

One of the reasons why interurbans are so short of money at present is that some lines were overbuilt. In the early days steam road service was poor and there was a demand for additional transportation. This was sometimes furnished by means of interurbans paralleling the steam lines. The public greeted the entrance of such roads into the field of transportation most cordially and the necessary capital for financing their construction was easily raised. During this wave of enthusiasm many interurban lines were built that could not possibly continue to operate successfully and maintain their lines and equipment in satisfactory condition. Lately some of these have had to be taken up.

A second point that has contributed largely to present conditions is increased automobile development. This began after many of the interurban roads had been built, and robbed the promoters of much revenue on which they had figured for satisfactorily maintaining their operation.

As an example of the rapidity of the automobile development Mr. Brady said that in some sections ten years ago there was but one automobile to every 125 or 150 persons while now there is one for every twelve to fifteen people.

A third, and perhaps the greatest reason for the present condition, is found in the legal restrictions imposed on interurban railways, and by the failure of public officials to recognize their actual needs. Many of the statutory and other restrictions, like the 2-cent fare laws, were aimed primarily at steam roads. Due to competition, however, the effect has been to limit the interurban fare, although the roads found that they could not continue to operate profitably at this low rate. Since the United States Railroad Administration has increased the steam road rate to 3 cents per mile, electric railways in some sections have been able to obtain the advantages of this increase so that the present situation for them is not without hope.

One point that should be impressed on all is the need for increased teamwork by all roads. Public service commissions are here to stay and they are beginning to realize the necessities of interurban railways, and the railways themselves do not object to commission regulation. If the roads can live through the present strenuous times there is hope for the future.

DISCUSSION OF INTERURBAN NEEDS

Referring to the utility commission situation George E. Pellissier, Holyoke (Mass.) Street Railway, said that the weakness of commission regulation is that the commissions do not assume the responsibility for results which is commensurate with the authority that they exert. J. D. Mortimer, North American Company, called attention to the relation of electric railway fares and steam road suburban commutation rates which even as increased are understood not to be profitable in all cases. C. L. S. Tingley, American Railways, spoke a good word for the commissions in stating that in some

instances there is evidence of a desire to see that justice is meted out to the electric railways.

On the subject of interurban fare limitations W. H. Sawyer of E. W. Clark & Company instanced one case in which the intrastate fare is in effect controlled by the Interstate Commerce Commission's limitation on the interstate fare. His dealings with the Railroad Administration have convinced him that there is no desire to impose unnecessary hardships upon the electric railways and that relief will be given in due course. Mr. Sawyer particularly emphasized Mr. Brady's statement that there is a great opportunity to impress public bodies with the railway situation through forcible presentation of facts by qualified experts. A. Swartz, Toledo & Western Railroad, followed with the suggestion that in some cases possibly the electric railways need more "nerve." In one case he had in mind the electric road had raised its rate above the steam road rate without ill effects. Passenger business is not the only source of revenue for electric railways as many have found a field for usefulness in freight haulage. Here, however, the competition from the motor truck is becoming serious.

J. H. Pardee, J. G. White Management Corporation, said that there was a ray of hope for the interurban railway in that the abandonment of certain roads will call attention to the essential nature of the service. When the public realizes how important electric transportation is the burdens will be removed. Mr. Mortimer threw out the suggestion that the present is a good time for the interurban railway to work its problems in a broad way in co-operation with the United States Railroad Administration. A very proper question is "Can the electric railways be fitted better into the national system of transportation?" Other timely questions are these: "Has the interurban railway fully utilized its opportunity for doing business, utilizing its plant to full efficiency?" and "Has the industry looked at the transportation problem comprehensively?" By way of answer to these queries Mr. Swartz said that the Public Utilities Commission of Ohio and the Central Electric Railway Association are endeavoring to co-operate with the federal authorities along this line.

T. A. Ferneding, Dayton, Springfield & Xenia Southern Railway, said that around Dayton, Ohio, the electric lines had suffered loss of express business since federal control had become effective, express matter being now handled on the steam roads. He thought that this business might in time be recovered. On the subject of freight business Mr. Tingley said that two points should be kept in mind in utilizing electric railways for this purpose. First the steam roads have not favored the handling of freight by electric railways, and, second, the charges which are collectible may not be profitable, due to shortness of haul and large volume of business. However, the service is inherently a useful one and it can be furnished.

Mr. Gadsden brought the discussion to a close by explaining the work of the war board in relation to the topics under consideration. As far as motor truck competition is concerned the board has been in close touch with the Highways Transport Committee and is working out a basis of co-operation. Progress has been made also in the line of co-operation with the steam roads. A question raised by the board was whether

the electric railways are in a position to haul more freight, and its conclusion was that the roads have all of the business that they can handle at present.

Afternoon Session

President Stanley called the association to order for its afternoon session at 2:15 p.m. and announced that the first subject of the program would be the award of the Association medal for the best paper read before a company section during the year. The report of the committee which made the award was presented by James H. McGraw in the absence of T. S. Wheelwright, chairman.

AWARD OF COMPANY SECTION MEDAL

In reporting for the committee Mr. McGraw spoke of the good work which in his opinion can be accomplished by company sections not only through their study of technical problems but in the way of improving public relations. He spoke of the company section as a tower of strength for any company which established one. He then said that the award of the medal this year was to M. Fariñas, traffic inspector, transportation department, Manila Electric Railroad & Light Company, for a paper entitled "Trainmen as Witnesses." This paper is published in abstract on page 800 of this issue. Honorable mention was given to P. Castillo of the same company for a paper on "Some Duties of a Carhouse Starter." An abstract of this paper appears on page 801.

In referring to the fact that both awards this year were to the company in Manila Mr. McGraw recalled the fact that C. N. Duffy, general manager of that company, was largely instrumental in starting the first company section—that in Milwaukee while he was connected with the Milwaukee company. In the absence of the winner of the medal Mr. McGraw gave it to J. H. Pardee, vice-president of the company, for transmission to the winner. In accepting the medal Mr. Pardee also paid a tribute to Mr. Duffy and said that he had recently resigned from the railway at Manila to accept the appointment of vice-president of a large coconut oil company in the Philippine Islands.

James D. Mortimer, Milwaukee, then gave a brief introduction to each of the papers which were to follow. The topical discussions were then begun in consecutive order as follows: "Lightweight Cars," by Henry G. Bradlee, president Stone & Webster Management Corporation, Boston, Mass.; "The Zone System," by Thomas Conway, Jr., professor of finance, University of Pennsylvania; "Higher Unit Fares," by L. S. Storrs, president The Connecticut Company, New Haven, Conn.; "Public Aid," by Homer Loring, of Loring & Company, Boston, Mass., and president Fort Dodge, Des Moines & Southern Railroad, Boone, Ia., and "Public Ownership," by Richard McCulloch, president United Railways, St. Louis, Mo. An abstract of Mr. Bradlee's remarks follows. Abstracts of the other addresses appear elsewhere in this issue.

LIGHT-WEIGHT CARS

In the address on the subject of light-weight cars, Mr. Bradlee referred to a remark made earlier in the

day that twenty years ago there had been a rapid development of interurban lines. The public, he said, was so impressed with advantageous features of the long cross-seat cars used on these lines that great pressure was brought on the managements of city lines to install similar cars. Many companies yielded, and many operators actually believed that these cars were most desirable. Finally they waked up to the fact that these cars weighed 1500 lb. per seat. When half full of passengers they weighed 3000 lb. per passenger.

Realizing this situation, Stone & Webster secured the services of Mr. Birney to bring down the weight of cars. Mr. Birney's first design was for a double-truck car weighing only 700 to 800 lb. per seat and for a single-truck car weighing 500 to 600 lb. per seat. This seemed fairly satisfactory, but a study of European practice showed that small cars were used there and that the London motor buses weighed only about 350 lb. per seat. Mr. Bradlee said that his associates concluded that in these circumstances a trolley car could be built of as light a weight. Mr. Birney then went to the automobile factories to make a study of light bodies and got the motor manufacturers interested in the design of motors for these cars. The first Birney design was a car for twenty-nine people weighing 350 lb. per seat but this has later been changed to a car with thirty-five seats weighing 370 lb. per seat.

Mr. Bradlee then quoted a number of estimates made when these cars were put in operation as to the saving which could be accomplished, and said that in practice these savings had proved to be correct. One estimate was for a line operating two cars on a thirty-minute headway giving eighty seats per hour. With the smaller cars, three cars were used on a twenty-minute headway giving eighty-seven seats per hour with a saving of \$3,500 in operating expenses. The figures for other typical installations were given, and it was shown that the saving in operating expenses, based on prices before the war, was such that the cars would pay for themselves in from two and one-half to three years. Cars are now much more expensive but wages and power have also increased in price. The speaker thought that in three to four and a half years the cars would pay for themselves in operating expenses. This was from the saving in platform labor and power. The former could be secured by conversion of old cars, and his companies had probably changed over half as many cars as it had bought. This saving might be divided into 40 per cent for platform labor and 60 per cent for power and other expenses. There was another saving also in power economy and distribution capacity. This he estimated at 30 per cent even with the increased schedule mentioned. There was also undoubtedly a saving in track maintenance, but he had no figures on this.

The speaker said that thus far he had discussed only the savings, but there was increased riding, and he quoted figures from Tampa, El Paso, Houston, Seattle, Tacoma and other cities. In general he assumed that a 50-per cent increase in mileage was followed by 25 per cent increase in receipts, although the figures in many cities were higher than this. This would, of course, decrease the time in which the cars would pay for themselves. The speaker said that his figures applied only to his own properties and he would not predict what

they would be on other properties under other conditions. They were, however, for properties in cities of from 25,000 to 600,000 inhabitants and in all parts of the country, and the same car was used everywhere.

At first, the introduction of the car was approached with some apprehension, as he and his associates did not know whether people would care for them. They had proved very popular, however, and where one line had been equipped there was demand for the same car on other lines. It might be thought that the car would slow down the schedule, but actually it is usual to get from 5 to 10 per cent greater mileage per car. Accidents have decreased materially, and such few end-on collisions as have occurred have done no serious damage. In Keokuk the company is making use of one-woman cars.

The speaker thought that in cities of medium size 75 per cent of the service might be supplied by these cars. In smaller cities all of it could be so supplied. In the very largest cities the car had not been tried, but the speaker thought there was a considerable field for it there. He did not regard the car as a cure-all but a very decided help. It did not remove the necessity for increased fares and reduced burdens, if the industry is to continue.

REMARKS ON HIGHER UNIT FARES

In introducing the discussion on higher unit fares Mr. Storrs stated that he had not included in his paper any discussion of the exact financial results secured by 6-cent and similar fares, but he would mention a few instances from his personal experience. One company with an increase in fare from 5 cents to 7 cents suffered a decrease of 32 per cent in revenues, while another company of the same size and with the same increase in fare secured a revenue increase of 18 per cent. Another company with an increase from 5 to 6 cents was not able to change the current 2 per cent loss as compared to the same period of the preceding year, but when it increased the fare further to 7 cents it secured a revenue increase of 18 per cent. Still another company, with annual revenues of \$11,000,000, was able after twelve months of operation with a 6-cent fare to secure only \$30,000 of additional revenue. On the basis of such experiences, Mr. Storrs said, he hesitated to make any prediction in regard to the effect of a higher unit fare under present abnormal conditions.

REPORT OF COMMITTEE ON RESOLUTIONS

James H. McGraw then submitted a report prepared by the committee on resolutions appointed at the morning session. The resolution submitted, which was adopted, expressed the appreciation of the association for the excellent work accomplished by the members of the Electric Railway War Board and its staff in Washington during the past year.

DISCUSSION ON LIGHT-WEIGHT CARS

Walter Jackson, *ELECTRIC RAILWAY JOURNAL*, emphasized some of the advantages of light-weight cars as discussed by Mr. Bradlee. He said that the most of these cars now in use were to be found in cities of small population. Most of these cities had quite a jitney service at the time of the advent of the safety car. The first favorable results that were noticed from

the use of light-weight cars were that they created traffic as well as recaptured it.

These cars are helping to solve the labor question. The one-woman car has come and the two-woman car is on the way. By the use of labor-saving devices a different type of laborer can be used for platform service. As long as cars are used which require laborers we will have to use laborers for conductors. If we make the labor lighter we can use the type of labor now serving behind counters as salesmen.

W. B. Wheeler, Westchester Electric Railroad, explained the operation of the pedal control of one-man cars as used in New Rochelle, N. Y. (See issue of *ELECTRIC RAILWAY JOURNAL* for May 18, 1918, page 977, and Aug. 10, page 249.) There are fifteen cars now in use and the labor saving has been about 40 per cent. An hourly rate 3 cents higher is paid on one-man cars.

G. E. Pellissier, Holyoke Street Railway, took up the general transportation situation with reference to possible extension of service to cover bus lines in sections which could not support electric railways. He thought that a railway could operate electric buses more efficiently than any jitney line could be privately conducted, provided operating conditions were equitable.

DISCUSSION ON ZONE FARES

Walter Jackson, *ELECTRIC RAILWAY JOURNAL*, then discussed the zone system. Mr. Jackson pointed out that it is not generally true that European zones are equally divided on a mileage basis in accordance with successive increments of fare. For example, in the capital of Hunland the Berliners found that the underground system would not develop the suburbs if the fare increment of 2½ pfennings was the same for each station. Accordingly they adopted a compromise under which the farther the passenger rides the more stations he can reach for a fare increment. In regard to congestion in European cities Mr. Jackson said that this had existed before electric railways came. It arose on account of the different land system existing in Europe, as a result of which the general public is not able to secure easily from the outlying estates of the aristocratic land-holders the land necessary for expansion. The surface lines in Berlin and Hamburg have a flat fare, and both of these cities are as congested as Cologne or any other city where a zone system is used.

Mr. Jackson averred that a system with 5- or 10-cent areas is not a zone system at all; it is a combination of unit fare systems glued together. A system with such charges offers a temptation to the passenger to get off at a zone boundary instead of paying the next increment of fare. In England the companies are not afraid to go to the smallest coins in order to make everybody ride. In his opinion, railways must become merchants of transportation. Furthermore, he stated that the traffic surveys mentioned by Professor Conway referred to riding now in existence and not to new riding that would be attracted by a zone system.

Lastly, Mr. Jackson directed attention to Professor Conway's statement that the public reasons by analogy and cannot readily understand why the zone fares in one city should be different from those in another. If this were so, Mr. Jackson said, the railways would them-

selves be to blame, for they have for many years fostered the idea that the price of a trip in a village or in a metropolis should be the same flat amount. When the public understands, however, how the zone system is being developed so that every passenger in any community shall pay for the service rendered to him in that community, it will not be slow in appreciating that a difference may well exist between New York and Timbucktoo.

Wallace B. Donham, receiver Bay State Street Railway, said that this company had tried the zone system of 6-cent central areas and 2-cent zones and found that it did not provide the needed revenues. The greatest difficulty was due to the inability to collect fares. Large amounts are lost through stealing by employees and through evasions by the passengers. The question which it is now proposed to put up to the public is whether no service is better than a 10-cent fare. In the next thirty days, Mr. Donham said, he believed it would be necessary to shut down 150 miles of the system, and that the fare unit for the balance must be raised or else the whole mileage of the company would largely be shut down.

This railway is now facing an increase in wages, which Mr. Donham said was deserved. To meet this, however, the public must furnish the necessary funds. It is expected that a 10-cent fare will be opposed. But nearly all other industries have doubled their prices. Railway materials costs have increased 50 per cent and this, together with the increased traffic cost, makes a 10-cent fare a necessity. Mr. Donham said he considered it better to go to a maximum fare at once than to be asking the public at frequent intervals for an increase, as this constantly stirs up public resentment.

T. N. Naroschetsch, chief engineer Moscow (Russia) Tramways, discussed the conditions of these lines which have resulted from the war. A zone system of fare collection was tried but had not been successful. The repair shops of the railway have been taken over for use in the manufacture of shells and the equipment has been allowed to deteriorate.

REMARKS ON PUBLIC OWNERSHIP

Mr. Kealy remarked that, although almost all of the discussion had concerned the serious plight of the electric railways at the present time, it was generally recognized that existing conditions were more or less temporary. Under the circumstances he did not feel that it was the proper time to sell any business. To cry poverty and at the same time to make a good sale of utility property would be a job which he would not care to undertake. Moreover, in most states there are constitutional restrictions against municipal ownership on a widespread basis, and probably two years would be required in order to secure the necessary amendments and popular authorization. Within this time the electric railway industry will either be dead or headed toward recovery.

Mr. Mortimer then moved that the association recommend to its member companies full co-operation with public authorities looking to the acquisition of utility properties. Upon motion the resolution was referred to the executive committee for such action as it deems proper. The text of Mr. Mortimer's resolution follows:

DRAFT OF PROPOSED RESOLUTION

The American Electric Railway Association Conference should adopt the following statement as embodying its views and recommendations to member companies:

1. The war has greatly magnified the problems that theretofore confronted the electric railway industry by (a) raising commodity prices and wage levels to unprecedented figures so far above anything considered probable when the industry was planned and our current arrangements for franchises and finance were established, that continued operation of most electric railways is threatened; (b) increasing the cost of capital for all industries, including electric railways, to such an extent that no railway can borrow or invite capital for necessary expansions of its business or for refunding purposes at interest or dividend rates at all comparable with the low returns now being earned; (c) preventing the electric railway industry from earning a compensatory return without large adjustments in its fares or tariffs and relief from many burdens imposed at times when the business was generally thought to be profitable; and (d) making necessary a consideration of the further problems of the electric railway as embraced in the economic and social adjustments that will likely take place after the coming of peace.

2. Even before the commencement of the world conflict, it was apparent that important changes would sooner or later have to be made in the relations between public utilities and the communities they serve. Regulation by commission has been tried in many states as a means of lawfully providing for advisable changes in these relations. But it has generally proved unsuccessful, because of restrictive law resulting from incomplete legislation or court decisions, incompetence or lack of courage, or both, on the part of the regulating commissions, failure of the electric railway managers to fully understand all the problems of the industry or sense the tendencies of the times, activity on the part of reformers to force public ownership by unnecessarily restricting the ability of the communities to fairly assist the railway utilities, or tardy response of the commissions in the granting of necessary relief required by law.

3. Of all businesses that have suffered war-time burdens, the electric railways have received the least public sympathy. It was probably too much to ask the public to vote an increase in car fares; human nature is such that it cannot, uninformed, act to force an immediate increase in its financial sacrifice. The public generally appreciates the importance of electric railway service, but takes it largely as a matter of course, expecting to find it day after day as it does sunrise and sunset, winter and summer, political elections and taxes. While regrettable, it is true that the public under the leadership of political salesmen often confuse the necessity of financial relief with fixed ideas respecting past failures of the railways to perform their full transportation duty. It is also to be regretted, but it is nevertheless true, that the public cannot properly assume its full share of patriotic support of the government while permitting an important public service to decay for want of necessary revenues.

4. There still remain a few public representatives who are so unfamiliar with the economic and business aspects of the industry that they believe the municipal franchises or permits possessed by electric railways are of immense value; these public authorities were not alone in this view. Some of the people having to do with our industry were, until recently, of the opinion that franchises are of great value to the private companies, possessing values in excess of the value of the railways to the public. But the fact is now apparent to all careful thinkers that franchises are unnecessary and valueless in most cases, except as they may be required by law to permit a railway to occupy the streets and to prevent ouster in a political strife, without compensation for investment.

5. Electric railway service is needed by all the communities now enjoying it. But it cannot be generally continued under present conditions. The private owners prefer to sacrifice what were under pre-war conditions prospective profits, rather than see the communities deprived of street railway service or witness the diminution of such service. In most cases they claim no value attaching to the so-called perpetual franchises granted by the governmental authorities. Continuity of service should be insured by the public authorities even though it be necessary to acquire the utilities by purchase or lease.

6. The advantages of public ownership of electric railways are sufficiently great to warrant the public authorities taking the necessary steps to acquire such utilities to the end that such advantages may be realized at a time when

they will do the most good for the most people and that there may be no cessation or impairment of transportation facilities.

7. The American Electric Railway Association recommends to its member companies that they facilitate in every reasonable way the public acquisition of the present electric railway properties, and, in the event of transfer of title, arranging such terms of payment as conveniently accord with the financial limitations of the present laws of the respective states or municipalities; and that they assist in the promotion of such enabling legislation as may be deemed necessary by the public authorities to bring about the fullest measure of public ownership of electric railways and their future expansion to fully meet the needs of their respective communities.

RESOLUTION PRESENTED BY MR. GADSDEN

P. H. Gadsden, of the war board, continuing the discussion, said that undoubtedly municipal ownership is one solution of the electric railway problem, possibly the best one in some cases. It would, however, be unfortunate to advocate it generally under present circumstances. He said that he would offer a resolution in regard to the existing conditions and by way of preamble he outlined briefly the present situation of the electric railways.

Mr. Gadsden said that the whole structure of the franchise relationship between electric railways and the various communities has broken down under the strain of the war. The rapid increase in the cost of all material, the extraordinary demands of labor made necessary by the rise in the cost of living, the alarming decrease in the purchasing power of the nickel, have brought the electric railways of this country face to face with bankruptcy.

Practically every other industry except public utilities, whose rates are regulated by law, has been able readily to adjust its method of doing business to meet the war demands, and the radical increases in the cost of operations and of manufacture have been promptly reflected in the selling price, and so passed on to the consumer. In all other departments of our commercial and industrial life where the economic laws of supply and demand have been unhampered and allowed free play, the inevitable increase in the cost of production has been taken care of in the perfectly normal way of increased cost to the consumer.

It is only in those industries where the public has attempted to fix a just and fair price for service rendered and where the artificial standard has been substituted for the natural one, that we find this complete breakdown under war conditions.

Industry generally was never so prosperous notwithstanding the increase in the cost of labor and material. The public utilities, and especially the electric railways, present practically the only exception to this rule of prosperity. They, on the contrary, are steadily being destroyed by the war.

A tabulation of 388 electric railways, representing over 63 per cent of the electric mileage of the United States, shows a falling off in income of 82 per cent for the first six months of 1918 as compared with the corresponding period of last year. Many of the companies are facing an actual operating deficit in spite of the increase in gross receipts. The scale of wages established by the National War Labor Board in cases already decided, when applied to the industry generally, will add over \$100,000,000 to its already greatly in-

creased operating expenses. As a consequence of the rapidly mounting costs of operation and the steadily declining net income, the financial standing of the electric railways has been seriously affected, and it is no longer possible to attract new capital for the efficient operation of the properties in the interest of the public.

These facts lead inevitably to the conclusion that the present relationship between the companies and the public, as evidenced by existing franchises with fixed rates of fare, is economically unsound; that the present system of regulating fares by franchises or commissions is admittedly not sufficiently responsive to violent and radical changes in operating conditions. Under the present system, before the company can justify an increase of its fare it must first show that for a longer or shorter period it has suffered loss under the existing fare, which loss cannot be compensated for by the new rate. In any other business the prudent manager is able to provide against increases in cost by promptly advancing his selling price.

The electric railway must stagger along under the 5-cent fare for months until its credit is destroyed, its service impaired, its equipment deteriorated, and it has become obvious to the community that it is on the brink of destruction, before its case has been sufficiently made out to justify an increase in its rate.

The declaration of war found the electric railways thoroughly unprepared for the problems thrust upon them. Without in any way lessening our efforts to win the war by supplying this essential service to the public, it would seem to be the part of wisdom for us to take up for serious consideration the problems of peace.

Of all the problems of readjustment which this nation will have to meet and solve after the war, none will be more serious or more difficult than that of the electric railway industry. In the light of our experience as emphasized by war conditions, it is manifest that to insure the efficient operation of the electric railways of the country after the war, there must be a recasting of the entire basis of the relationship existing between the electric railways and the communities they serve.

In many cases, electric railway franchises which had come to be considered as valuable assets have in the light of recent experience been proved to be liabilities. Already there is a growing recognition of this fact in different parts of the country, as evidenced by the "operation at cost" plans recently adopted in Boston, Chicago, and Cincinnati.

In the past, the sole interest of the community has been thought to be in the service rendered, but with a broader conception of the underlying problems involved, there is a growing tendency to request a community of interest in the problems of profit and loss, as having a direct and immediate bearing upon the rate of fare.

In view of the circumstances outlined, Mr. Gadsden offered the following resolution, which was adopted:

Now, therefore, be it Resolved by the American Electric Railway Association:

1. That it is the deliberate judgment of this association, that, in the light of the experience of the industry during the war, the entire subject of the relationship between electric railway companies and the public should have, now and during the reconstruction period following the war, the

most earnest consideration of the representatives of both the public and the companies.

2. That among other things, a radical revision of electric railway local franchises should be made, if the industry is to continue to render efficient service to the public.

3. That a committee be appointed by the president of the association whose duty it shall be to make a study of reconstruction problems, particularly those relating to local franchises, and report their recommendations at an early date.

The meeting was then adjourned.

Manufacturers' Executive Committee Meets

A regular meeting of the executive committee of the American Electric Railway Manufacturers' Association was held in New York on Nov. 1, with President Thomas Finigan in the chair. Routine business was transacted and a resolution of condolence to the bereaved family of the late Henry Clay Evans were passed. Among other items the resolution recited that Major Evans had been a member of the executive committee since 1906 and had served continuously from that time. He had also been vice-president of the Manufacturers' Association during two terms.

The meeting was attended, in addition to Mr. Finigan, by W. H. Heulings, Jr., Charles C. Castle, M. B. Lambert, B. A. Hegeman, Jr., Charles C. Peirce, L. J. Drake, George Stanton, L. E. Gould and Fred C. J. Dell, secretary.

Insert on Universal Car

Through an error in the insert published in last week's issue of this paper showing types A and B of the proposed universal car, the caption for type A car was used with type B car and vice versa. The design of the cars is so different, one having a center entrance and the other end entrances, that this transposition was probably detected by most readers. Nevertheless, it was thought best to reprint the insert as a supplement to this week's issue of the paper. Readers are requested to destroy the supplement of the issue of Oct. 26.

Tramway Conditions in Vienna

The tramways in Vienna, it is said, are now practically the only means of transport. They have to carry soldiers, coal and food, and in the last four months they conveyed 1900 corpses to suburban cemeteries. The number of cars is reduced to 780, twenty of which have to be withdrawn each week on account of repairs which cannot be made. Not only is there a shortage of material for repairs, but the shopmen are so underfed that they have no strength to do the work. The only material available for insulation in motors is silk, and this is extremely expensive. The management avers that in order to insure a fairly normal service during the winter, it will be necessary at once to stop car operation at 9 p.m.

This is fire and accident prevention day throughout the country. The date was set somewhat later than usual to avoid interference with the Fourth Liberty Loan campaign. The National Fire Protection Association and the National Safety Council have been co-operating in arranging for meetings, school exercises, parades and other local celebrations.

New Association Officers

Executive Committee Elects J. H. Pardee President and R. I. Todd and P. J. Kealy Vice-Presidents —Other Business Transacted

The American Association executive committee met on Oct. 31. In addition to routine business, reports were received from the secretary-treasurer and the war board. In the absence of Chairman McCarter, the report of the war board was presented by Mr. Gadsden and printed copies were distributed. It is given practically in full elsewhere in this issue. The report was accepted with a resolution of thanks to Mr. McCarter and other members of the board for their services. A supplementary resolution conveyed the association's thanks to Messrs. Gadsden and Faber, both of whom have served without compensation; to President L. J. Wolf and the Aurora, Elgin & Chicago Railroad for making it possible for Mr. Faber to serve; and to Mr. Hill and the California Electric Railway Association for his participation in the work.

The resignation of Mr. McCarter as chairman of the war board was received and accepted in view of his statement that press of other duties made such action a positive necessity.

The matter of representation on the National War Labor Board was discussed and referred to the following committee: J. D. Mortimer, T. S. Williams and L. S. Storrs.

An invitation for the association to be represented at the conference of the National Municipal League, to be held at Rochester, N. Y., on Nov. 20 to 22, was referred to the incoming president. Attention was also directed to the meeting of the war service committees of the Chamber of Commerce of the United States, to be held at Atlantic City on Dec. 4 to 6, and the question of representation was referred to the war board.

A resolution was passed thanking the ELECTRIC RAILWAY JOURNAL for the donation of a silver cup to be awarded to the company section organized with the largest membership.

A letter was read also from Gen. George H. Harris, acknowledging the receipt of a cablegram of sympathy from the executive committee on the death of his son.

The executive committee then proceeded after brief discussion of the program of the conference to be held the following day, to elect a successor to President Stanley and fill the vacancy caused by the resignation of Vice-President Brush, in the manner provided for by the constitution. As a result, J. H. Pardee, president J. G. White Management Corporation, was elected president and the following were elected to the respective vice-presidencies: Richard McCulloch, president United Railway of St. Louis, first vice-president; T. S. Williams, president Brooklyn Rapid Transit System, second vice-president; R. I. Todd, president Indianapolis Traction & Terminal Company, third vice-president; P. J. Kealy, president Kansas City Railways, fourth vice-president. E. B. Burritt was re-elected secretary-treasurer.

Those present at the meeting were: J. J. Stanley, J. H. Pardee, Richard McCulloch, T. S. Williams, M. R. Boylan, F. R. Phillips, S. M. Curwen, W. S. Rugg (representing Guy E. Tripp), Thomas Finigan, H. H. Vreeland, W. Caryl Ely, Arthur W. Brady, L. S. Storrs, P. H. Gadsden and E. B. Burritt.

Politics and Public Utilities

The Tendency of the Politicians Is to Make Capital Out of the Public Utilities and to Act as if Losses to Them Are a Gain to the Public—Municipal Ownership Now a Prominent Political Issue—The Next New York Legislative Session Important

BY WELTON W. HARRIS

THE public utility situation in New York State is approaching a crisis—a political crisis. The same is true in New Jersey and in Illinois. While not so acute perhaps in many other states, they are bound to be affected by the outcome in these three great states.

Federal action toward regulation of fares has been frowned upon by the administration, notwithstanding the intimate connection of public utility service and our war program.

The settlement of matters by local bodies involves infinite loss of time and money, but so it is to be.

The example of Buffalo, now so familiar, shows that the public service may be caused to suffer when politics becomes the ruling consideration in the problem. New York City now bids fair to go over the rocky Buffalo route. Note the signs of the times.

Theodore P. Shonts, president of the New York Railways, announces in the annual report for the year ended June 30 that the company, unless permitted to charge a higher street car fare, will be forced into early receivership.

The receivership of a company serving the largest city in the world, the most important center of war work activity in the United States, could be nothing less than a calamity.

Here is a \$70,000,000 company:

1. Whose service is vital to the largest city in the United States and to the nation's war program.
2. Whose stock is not watered.
3. Which has never paid a dividend on its stock.
4. Yet under the present posture of affairs it has almost no hope of escaping receivership.

Why?

Politics—that is the answer.

THE POLITICAL SITUATION IN NEW YORK CITY

The political situation—and without it the utility situation cannot be understood—in the First Public Service District of New York State (which includes the City of New York only) is this:

The New York City Board of Estimate and Apportionment has power to prevent fare increases, because the fare is determined by franchise.

The Public Service Commission has power of regulation both of service and of finance that are just as vital. *And these two bodies are at "outs."*

The Board of Estimate is Democratic. One of its members, Alfred E. Smith, is the Democratic candidate for Governor.

Mayor Hylan particularly and the board generally, supported by the Hearst papers and the Pulitzer papers, have given every evidence that they believe it is good politics to act as though public utility corporations were *prima facie* "enemies of the people." It seems

to be the idea that if they can be made to suffer losses, those losses represent just so much public gain. No stress whatever is laid upon the preservation of the people's service. It does not seem to be realized that the company's power to give good service is in deadly peril and the responsibility for this is upon these city officials.

Governor Whitman, by reason of his office, is responsible for the personnel of the Public Service Commission. And he is Smith's rival for the governorship.

THE CANDIDATES' IDEA OF COMMISSIONS

Hence, the Mayor and Board of Estimate lose no opportunity to decry the services and motives of the Public Service Commission as "creatures of Whitman" and "attorneys for the corporations." In the Brooklyn *Eagle* of Oct. 20, Smith is quoted as follows:

The Public Service Commissions are failures. The original plan was that these commissions should stand between the public and the utilities they were organized to regulate. After ten months' experience as a member of the Board of Estimate I have come to the conclusion that the commission for the First District—the present New York City Commission—occupies the position of attorney for the corporations.

There is the situation. And the public utility companies have to get along with both these public bodies. Existence itself being in their hands, the companies have naturally been forced to sit silent even when their work has been misrepresented, and even when plain untruths about them have been charged.

A State investigation of the "bad service" charged was used as an argument for the nomination of a gubernatorial candidate.

The entire "shindy" fairly crucified the operating companies which had done herculean things to meet the conditions. Their public reputation, most precious asset! was ruthlessly muddled. A pretty mess!

Under the Rochester case decision the Public Service Commission's hands are tied. They are shorn of vital powers. They cannot do the one thing necessary to be done—alter the fares. In short, we have not had a fair trial of public service commission regulation.

And the result is such situations as exist in Buffalo, New York City, and in Rochester, Syracuse, Utica and other cities served by the New York State Railways, whose officers declare they, too, face bankruptcy.

MUNICIPAL OWNERSHIP OFFERED AS REMEDY

But Candidate Smith assumes that public service commission regulation is a failure. And now he comes out with a public announcement of his remedy—municipal ownership.

It will be worth while to read this announcement carefully to determine for oneself whether scientific

study of the utility problem or political opposition to Governor Whitman's candidacy stands out in it with the most prominence.

In the Brooklyn *Eagle* article he says:

The transit and public utility question is one of supreme moment to New York City, and it seems to me that municipal ownership is the only answer. . . . One has but to look at the transit conditions in New York City to realize that regulation by commission is as much a failure as the old method involved in the policy of dealing with utilities by special and general legislation. The public service commissions are failures.

The present disgraceful conditions should be brought home directly to the Public Service Commission and in turn to the Governor, whose only concern during his four years of office has been patronage.

The only answer now that promises relief is municipal ownership. This is being widely recognized. At the last meeting of the Conference of Mayors of cities in the State a resolution was introduced asking the Legislature to extend to municipalities the right to acquire, own and operate public utilities. The resolution was unanimously adopted. But it is strange to say what every city wants they have been totally unable to get from a Republican legislature.

Politics is in the saddle. New York electric railways have a hard battle ahead. Casualties are bound to be many.

Winter Russell, president of the People's Ownership League, announces that public ownership and operation of public utilities has received pledges of support from thirteen nominees for New York State offices and fifty for Senate offices. He gives the following list:

Six Democratic State office candidates, headed by Alfred E. Smith, nominee for Governor, answered a positive "yes" to the league's questionnaire.

So did five Socialist State candidates, headed by Charles W. Ervin, nominee for Governor; one Socialist Laborite and one Prohibitionist.

Governor Whitman and his associates on the Republican State ticket ignored the questionnaire.

Fifteen women candidates for State or Senate offices promised support. Twenty-five Socialist, twelve Democratic, eight Republican and five Prohibitionist candidates for the Senate also pledged their backing.

All candidates were asked if they favored public ownership and operation of water and sewage, street railroad, gas and electricity, and telephone systems.

NEXT LEGISLATIVE SESSION IMPORTANT

The coming session of the New York Legislature promises to rank in importance with even the legislature of 1907. In that year, under Governor Hughes, the Public Service Commissions were established. Upon the legislation of the coming session the future of New York's electric railways, in a great degree, depends. Between now and then the legislators must come to know the facts.

The elections in New Jersey and the coming session of the Legislature promises to be equally important. In New Jersey the Court of Errors and Appeals determined that the Public Service Commission had power to change the rate of fare regardless of rates stipulated in franchises. Acting under this decision, the Board of Public Utilities has recently granted increases in fare to the Public Service Railway and to the Trenton & Mercer County Traction Corporation. Both of these cases have been made the center of political battling of the greatest acridity. The awards are being fought in the State courts and may go even to the Supreme Court of the United States to determine the powers of the commission. An effort will be made in Trenton to shear the commission of power. A similar movement threatens in Pennsylvania and Maine.

Both parties have in their platforms come out for municipal ownership. Candidates are being pledged to vote for a revision of the constitution or for some measure which will shear the public utility board of its present legal powers.

In Illinois the settlement of the long-standing traction question in Chicago will be determined by a referendum. A "service-at-cost" proposition will be put before the people for their ratification and the reports are that the chance of this kind of settlement seems good.

PUBLICITY THE ONE PROTECTION

The situation can be met by the companies in only one way: complete, thorough and frank publicity. The message to be driven home—and it must be done in numerous ways—is that "service is worth whatever it costs," and in the word "service" must necessarily be included a return to the capital used in giving the public service. Once the public really understands the true bearings of the situation the purely political argument will fall upon deaf ears.

It Pays to Advertise

WITHOUT the filing of a solitary formal protest with the Pennsylvania Public Service Commission and with no complaint from the people affected, the new 7-cent fare on the Beaver Valley Traction Company and the Pittsburgh & Beaver Street Railway lines went into effect on Sept. 6. The company operates through thirteen boroughs.

The increased cost of labor, material and supplies have hit the lines hard. An increase of fares to offset this increase was granted last winter, and since that

Street Cars and Merchants

If the merchant can't make his business go, he quits. But there are always plenty of merchants left to serve you. If a street car company loses money it usually keeps on running, with the service getting worse every day.

And in the last three years many companies in this country have actually had to quit, have sold their cars, tracks, poles, wire, etc., for junk.

THERE HAS NEVER BEEN A DIVIDEND PAID UPON THE STOCK OF THIS COMPANY.

We Must Increase Our Fare Not to Pay Dividends But to Make Ends Meet

We can't even break even without an increase in fare

The Beaver Valley Traction Co. and Pittsburgh and Beaver Street Railway Co.
W. H. BOYCE, Superintendent

The Whole Thing In a Nutshell

THE COMMISSION OF MASSACHUSETTS SETS IN THE MIDDLE-CLASS RATE CASE SAID

"IT SHOULD NEVER BE FORGOTTEN THAT OUR PUBLIC UTILITY COMPANIES ARE NOT FINISHED. THEY ARE IN PROGRESS; THEY ARE CONSTANTLY CALLING FOR NEW CAPITAL, AND OF RECENT YEARS IN INCREASING AMOUNTS. THEY MUST BE KEPT ON GOOD TRADING TERMS WITH THE INVESTING PUBLIC OR THE WHOLE EXPERIMENT OF PRIVATE OWNERSHIP AND PUBLIC REGULATION OF THESE PUBLIC UTILITY COMPANIES WILL FAIL. IT IS AS NECESSARY TO ATTRACT CAPITAL INTO THE PUBLIC SERVICE AS IT IS TO PREVENT THE MISMANAGEMENT OF THESE COMPANIES OR EXTORTION BY THEM."

The Beaver Valley Traction Co.
W. H. BOYCE, Superintendent

Why ANOTHER Increase in Car Fares

I have been asked "Why another increase in car fares?" For the same reason that the cotton and woolen goods and the food you buy have increased several times during the past two years. The increase got into effect in January with one more our increase in fares.

During our fiscal year ending March 31, 1918, our revenues had increased \$14,000.00, while our expenses had increased \$17,500.00. On the 26th day of January our increased fare went into effect. We expected that this would increase our revenue by not less than 12%. Here are the facts however:

1918 RECEIPTS		1917 RECEIPTS	
January	\$30,800.48	January	\$32,300.00
February	30,521.36	February	31,992.00
March	36,523.36	March	36,162.21

Many of the young men of this community are serving in the army. These young people were great car riders. Many of them made six or seven times weekly. They loved, attended the theaters, dances, and all places of amusement. Consequently with their leaving, there comes a corresponding decline in our revenues. Automobiles reduce the gross amount of our business about 80%. Bad weather effects the number of riders at times, good weather sometimes in doors walking even though riding would save time.

Fares are decreasing in number and expenses are constantly increasing. An increase in car fares provides the only means of meeting these conditions.

The Beaver Valley Traction Company
W. H. BOYCE, Supt.

FARE-INCREASE ADVERTISEMENTS WHICH HAD EXCELLENT RESULTS IN PENNSYLVANIA

time the companies have been operating on the basis of single fares for 6 cents or ten tickets for 55 cents. The companies found this insufficient and a new schedule was filed providing for a cash fare of 7 cents and eight tickets for 55 cents.

Since the last of July the company has been advertising extensively to show the public why another fare increase was necessary. Some of the advertisements are reproduced herewith. The absence of protests against the increase, it is felt, speaks well for the value of the publicity work.

Trainmen as Witnesses*

Hearty Co-operation with Employers in Connection with Accidents Will Result in Justice to the Injured Person and the Railway

By M. FARIÑAS

Traffic Inspector Manila Electric Railroad & Light Company,
Manila, Philippine Islands

ACCORDING to definition a witness is a person who has seen or known something and is, therefore, competent to give evidence concerning it. One who has witnessed an accident should be able to tell in a clear and intelligent way all that he saw, describing particularly the nature of the accident, the exact date and time and place at which the accident occurred. A good witness should have good hearing, good eyesight and good judgment, so that he may answer accurately and quickly any question that may be asked him concerning an accident which he had witnessed. A clear and clean-cut declaration to the judge of what the witness has seen is a great help to the company in establishing responsibility and adjusting accident claims.

An employee acting as a witness for the company must be particularly careful in his statements to be sure that they can be substantiated, for it is more than likely that the judge will be more readily influenced by the declarations of witnesses for the plaintiff. Hence an employee giving evidence for the company is at a disadvantage, since he is very much in the position of a man giving evidence in his brother's behalf. One employee would naturally have an inclination to help another, and for this reason the judge may doubt some of his statements unless there is sufficient proof to substantiate them. The most valuable witness the company can secure in the case of an accident is one who is not employed by it in any capacity, because the judge will give his evidence more weight than he would the evidence of a witness connected with the company.

In the case of an accident to a passenger on one of the company's cars, or to anyone for that matter, it is the duty of the trainmen to secure a number of competent witnesses, being careful to get their names and addresses, no matter how slight the injuries to the person affected or the damage to the property may be. Care should be taken to secure such witnesses as in the opinion of the trainmen can give a clear description of the accident, because upon the evidence of these witnesses the company must rely almost entirely to defend itself and to establish beyond a doubt that the accident was not caused through the carelessness of any of the trainmen.

A great many of the accidents reported to the company are caused by passengers alighting from or attempting to board moving cars. Many of these accidents are not serious and in some cases the injured person says that it is not necessary to take his name as he considers the matter closed. However, the trainmen should not be influenced by this but should secure witnesses among the passengers or bystanders if there be any, because, although a person may be injured very slightly, he may later be influenced to bring suit against the company for damages. In this case the company

would be in a very poor position to defend itself if the trainmen had not secured competent witnesses.

Trainmen should promptly report to their superiors all accidents so that the claim department may be notified immediately to take proper care of the injured person and to secure all the evidence in the case. It should be borne in mind that the motorman and the conductor are held jointly responsible for securing such witnesses and such evidence as will enable the company to put up the best defense possible under the circumstances.

THESE DATA ARE DESIRABLE

The information they secure should contain the following: (1) The date of the accident, giving as nearly the exact time as possible. (2) The place where the accident occurred. (3) The conditions of traffic at that point. (4) The number of the car. (5) The names and numbers of both motorman and conductor. (6) The nature of the accident, whether a collision, a derailment, or an accident of some other nature. (7) The names and addresses of any of the persons injured.

In the case of an accident to a vehicle, the number of the vehicle should be taken, as well as the driver's name, address and license number, and the name of the owner of the vehicle.

After this information has been secured, the names and addresses of as many witnesses as possible should be taken. It is necessary that the trainmen secure all information possible before leaving the place where an accident occurred so that they may be in a position, due to their accurate knowledge of the conditions under which the accident occurred, to give a clear and intelligent description of the conditions causing the accident when they are put on the stand as witnesses.

One can readily see trainmen who secure information as outlined above can be of great assistance to the company in settling claims for damages and thus be instrumental in saving large sums of money which the company without such data might unjustly be required to pay.

Trainmen should make every effort to avoid discussions or arguments with passengers, should always be polite and courteous, and should seize every opportunity to make their passengers their friends, for you must remember that you may wish to have your passengers act as witnesses at any moment. No distinction should be made in the treatment of passengers, whether they be Chinese, Japanese, Filipino, or of any other race, and the passenger with 10 centavos in his pocket is entitled to and should receive the same courteous treatment and privileges as are accorded a passenger who may have 20 pesos. In this way the public will be satisfied with the service and will be willing and ready to help as witnesses in the case of an accident.

Trainmen should so conduct themselves as to win the friendship of the passengers, but by no means should they attempt to be familiar with them. In answering questions or explaining matters pertaining to the company's business to passengers, or in attempting to settle arguments, trainmen should not speak boisterously but in a quiet, even tone, intelligently explain the conditions to the passengers, thus securing their co-operation as witnesses if this be needed.

*Paper read before M. E. R. & L. Co. Section American Electric Railway Association, Feb. 12, 1918, and awarded the company section medal at the New York conference, Nov. 1, 1918.

Some Duties of a Carhouse Starter*

This Functionary Has Numerous Opportunities for Making Himself Useful to His Employer, to the Public and to His Fellow Employees

BY P. CASTILLO

Carhouse Starter Manila Electric Railroad & Light Company, Manila, Philippine Islands

THE duties of a carhouse starter are so numerous that it is necessary to select only the most important in order to bring this paper into reasonable compass. Let us begin with his first duty, which is to make himself thoroughly familiar with all of the schedules. By this I mean that a starter should read all of the schedules, study them and, if need be, commit them to memory in order that he may be familiar with every detail that they contain. His next duty is to keep extra lists properly in order to avoid unequal deals between his men. That is, he should see that the extra list is kept in proper condition so that each man gets a square deal, his *pro rata* share of the work. The starter should also keep an accurate record of those who are absent from duty, whether from sickness or on vacation leave. He should also keep a record of the men who are familiar with the duties on the several lines and several types of cars. He should so manage his department as to have sufficient cars and men on hand on holidays and at other times of rush traffic so as to be able to supply cars and men when called for by the various line inspectors to handle any increased traffic on their lines and thereby so render efficient service to the public.

The starter should inspect the motormen before they are allowed to go on duty, both in the morning and in the afternoon, to ascertain if they have their entire equipment for the service, such as watch, rule and time books, copies of special orders, insignia of service and clean uniforms. Conductors should be subjected to the same inspection, and they should have watch, punch, towel or rags for cleaning seats, rule book, copies of special orders, insignia of service and clean uniforms. The starter should further see that trainmen report promptly ten minutes before their cars are due to leave the carhouse.

He should also instruct all trainmen regarding defects which have been brought to his attention by the inspectors: namely, defects in trolley wires and tracks, excavations made by water and gas companies near the tracks, etc. He should watch for the notes on trouble sheets and study them carefully so as to be able to handle wisely any contingency which may arise. He should have an equipment list and see to it that all cars go out on schedule time in a neat condition, with a full equipment, including controller handles, reverse keys, coupling pins, turtle backs, and destination signs and screens.

One of the most difficult duties of a starter is the handling of men and work in such a manner so that all of the men will be contented, so as to prevent as far as possible trouble or disagreement which might arise among them due to the division of work.

The starter as well as the trainmen should give exact information to the public concerning such matters as car service schedules, time on transfer points, special fares, etc. It is the duty of all trainmen, and for that matter of all the employees of the company, to be courteous in their dealings with the public. Another duty of a starter is carefully to check and correct the comparative daily report of cars in service, both in the morning and in the afternoon. He should also report the hours of operation and take care of reports. By this I mean that he should see and correct all of the trainmen's reports and eliminate mistakes as far as possible. He should give a complete written report to the superintendent of transportation for all accidents, unusual occurrences and violations of the rules by the trainmen during the day and night around the car house, including the condition of tracks, switches, trolley wire, etc. This report should be made daily and should be as complete as possible.

In addition to the points mentioned above, there are many others just as important which the starter should bear in mind. For instance, he has to handle reports of accidents, derailments, blockades, "trolley wire down," fires, etc., each of which troubles should be reported to his superiors in the company as soon as he receives the information. If he is unable to locate any of his superiors at the time he must consider himself responsible and handle the trouble to the best of his ability.

Labor Board Should Raise Fares

Brief in Kansas City Case Urged Power and Duty of Board to Remove Limitations on Wage Increases

ALTHOUGH the National War Labor Board has thus far taken the position that it has no power to authorize electric railways to increase fares and can only recommend action by regulatory authorities in deserving cases, many believe that it is foolish for this board to "settle" wage controversies by making a wage award and then simply suggest that permission for fare increase be given to the companies to pay the award.

The legal points underlying the reasoning of those who believe the War Labor Board has authority to increase fares directly in order to back up its wage awards were well set forth in the recent brief filed by Frank Hagerman and Clyde Taylor in the Kansas City (Mo.) Railways case before the board. The decision in this case is noted on another page.

The arguments in the brief, fortified by citations, were based on these propositions:

I

1. The United States is empowered to wage war.
2. War is an appeal to force to maintain governmental existence and rights.
3. The power to wage war is the power to do anything necessary, expedient, convenient or conducive to its successful conclusion.
4. Maintenance of industrial peace in, and uninterrupted operation of, electric railway and certain other industries are essential to successful prosecution of war.
5. The government, therefore, pursuant to its war power, may and has empowered the War Labor Board to prevent industrial strife and avoid interruption of function in these industries by authoritatively fixing wages for labor therein.

*Paper read before M. E. R. & L. Co. section American Electric Railway Association, Feb. 12, 1918, and awarded "honorable mention" in the company section medal competition at the New York conference, Nov. 1, 1918.

Recent Happenings in Great Britain

Conservation Again a Foremost Topic of Discussion—Many Towns Stop All Cars on Sunday

(From Our Regular Correspondent)

The Glasgow Corporation Tramways Department is giving consideration to the various ways by which coal consumption can be reduced in order to comply with the requirements of the fuel rationing order. In regard to the possibility of effecting a saving by more careful driving, Mr. Dalrymple, the general manager, has already taken action. He has issued to the motormen a concise statement of the need for saving current, and hints as to how they may effect it. He says that before the war it was declared by those who had gone carefully into the matter, that a saving of from 10 to 15 per cent in current was easily attained by the careful handling of the car. It is believed that under the conditions prevailing at present even a greater saving could be effected. In illustration of this, Mr. Dalrymple states that during the last financial year, which ended on May 31, it took on an average 1.56 units, to take a car 1 mile. When it is realized that a driver who is exceptionally careful can drive the car a mile and use only a little more than one unit of electricity, it will be readily understood what an enormous saving would be effected if all drivers were doing their best. Last year the car mileage reached 26,261,231. This took 41,054,757 units of current. If it takes 3 lb. of coal to generate a unit and each driver took 1½ units per mile instead of 1½ the saving in coal would be about 10,000 tons per annum. This quantity of coal at 20s. per ton would mean to the department a financial gain of £10,000. At least 50 per cent of this saving should be handed over to the drivers.

LENGTH OF DAY REDUCED

To meet the demand for economy in the consumption of coal efforts are being made by the tramway undertakings all over the country to practice economies consistent with the requirements of the public. Services are being reduced by starting the cars later in the morning and stopping them earlier in the evening; by running fewer cars during the non-rush hours of the day, and by restricting or suspending Sunday services. The number of stopping places is being reduced as far as practicable, and more attention is being given to the question of careful driving.

It is stated that the total suspension of the Sunday service in Huddersfield together with the curtailment of the service at noons and nights, is effecting in that town the economy in fuel which the government has urged upon all municipal authorities. Huddersfield tramway passengers appear to be the only ones in Yorkshire so far submitting to this deprivation, but the Sunday service has been entirely suspended also at Sunderland, Preston, Swindon, Torquay, Bournemouth, Il-

ford, Exeter, Northampton, Nottingham, and Ayr, while no trams run on Sunday mornings at Salford, Blackpool and Hartlepool.

Sunday trams are to continue at Halifax, and no further restrictions of service are to be made at present. The feeling of the tramways committee there is that if the coal situation demands further economies from tramways the Board of Trade should accept the responsibility of reducing the facilities for tram riding below the existing services.

SKIP STOPS IN NEWCASTLE

In Newcastle the tramways committee in reducing the number of stopping places on the routes has made it compulsory that at the remaining places all cars, whether full or empty, must stop. Passengers are asked to assist the management by refraining from boarding full cars. Everything is being done to keep an adequate service of cars on each route such as present necessities allow due to shortage of labor and materials.

At a recent meeting of the City Council of Sheffield, when it was decided to adopt a recommendation of the electric supply committee that the price of current should be advanced in order to meet the increased cost of coal and wages, the chairman of the tramways committee stated that the tramways undertaking would be very seriously affected. That undertaking was one of the largest consumers of current in the city, and last year paid £95,950 to the electric supply committee. The increase in the price of current would necessitate changes in the tramway committee's estimates, and it seems inevitable that Sheffield's tram fares would go up. Almost all the other corporations in the country except Sheffield have found it necessary to increase tram fares.

INCREASED TRANSIT FOR DUBLIN

The necessity for increased transit facilities in the port of Dublin, and improved canal communications, was the burden of evidence given recently before the Irish sub-committee of the Parliamentary committee appointed to inquire into matters relating to inland transport. H. M. Dockrell, past-president of the Dublin Industrial Development Association, dealt mainly with the possibilities of promoting the expeditious and efficient conveyance of goods to and from the port and points within the city and suburbs. He said that better use should be made of the tramways, and that they should be linked up with the quays as far as possible, so that goods could be put on the tramway and distributed through the city. Replying to questions, Mr. Dockrell said that the tramways carried gravel from Howth to outlying

suburbs, and also carried parcels and delivered them in a very efficient way. He suggested that the trams should go down the quays alongside the vessels and deliver goods around Dublin and suburbs.

BIRKENHEAD PROFITS INCREASE

The annual report of the Birkenhead Corporation Tramways Department shows that the income for the past year was £97,837, or £17,090 in excess of that for the preceding twelve months. Expenses were increased by £11,708, and there is a profit of £44,023, or £5,382 more than in 1916. During the year, 20,538,476 passengers used the cars. This was an increase of 2,588,043 over 1916 and 5,370,518 over the pre-war year. These figures, however, do not include the many wounded soldiers and sailors, who are allowed free use of the cars. The collections on the cars for war charities have realized from February, 1916, to February, 1917, £3,021; from February, 1917, to February, 1918, £1,808, and from February, 1918, to July 1, 1918, a total to date of almost £6,338.

TRAMWAY ASSOCIATION CONFERENCE

The seventeenth annual conference of the Municipal Tramways Association was held during September at Leicester. Ernest Hatton, engineer and general manager of the Newcastle Corporation Tramways, read a paper "Some Notes and Considerations on the Post-War Position of Electric Power Supply." Mr. Hatton dealt with the Board of Trade proposal for taking over existing power-generating stations with a view to the establishment of a national system of supply. He hinted at the possible electrification of the railways of the country, in which case, he said, the whole policy with regard to electric supply would require to be treated from a much wider standpoint. In the discussion which ensued, the Board of Trade proposal was criticised. While some delegates favored the idea of a national system, others expressed the view that this would result in higher prices to consumers.

The Town Council of Edinburgh, which has had in hand the promotion of a provisional order for the construction of tramways to Queensferry, has resolved to withdraw the application for powers and postpone the scheme. The Admiralty had promised general support to the bill, but later withdrew because the corporation could not concede a 50 per cent reduction of fares to naval ratings, and the extension of the tramway to Port Edgar along the high ground to the south of Queensferry. At the special meeting of the Town Council the Lord Provost said that the attitude of the Admiralty was very indeterminate and that the proposal as regards the fares was impossible and preposterous. The present circumstances would not always be the same, and after the clearance of the situation in various respects the Town Council would proceed to an issue against all comers. A. C. S.

News of the Electric Railways

FINANCIAL AND CORPORATE • TRAFFIC AND TRANSPORTATION
PERSONAL MENTION

Attitude of New York Cities

Secretary of Mayors' Conference Tries to Explain Opposition to Rate Increases

In a statement issued by William Parr Capes, secretary New York State Conference of Mayors, at the request of the Empire State Gas & Electric Association, Mr. Capes says that "to interpret correctly the attitude of the municipalities of a state toward their public utilities is an exceedingly difficult assignment at any time, and it is particularly so just now when war conditions make necessary so many and unprecedented changes."

In an effort to explain the attitude of cities in New York toward utilities, Mr. Capes cites official acts of the Conference of Mayors, composed of the elected and appointed representatives of fifty-nine cities. His summary, excluding acts relating to other than electric railway utilities, is as follows:

It has asked the Legislature to place on the statute books a permissive municipal ownership law.

It has opposed the combined effort of many street railways to increase fares from 5 to 6 cents.

It has kept all cities informed of every proposal before the Public Service Commissions to change rate schedules.

It has asked the Legislature to amend the public service commission law so that the public will have the same protection under it that the public service corporations now enjoy.

M. O. BILL BEING DRAFTED

With regard to municipal ownership legislation, it is said that the conference has organized a committee to draft a bill. This committee has already held one meeting, and a sub-committee is now preparing a tentative draft of a bill. It will be the endeavor of this body to present a measure, permissive in character, that will give to municipalities authority to own, operate, acquire or lease any kind of a public utility, with at least one referendum on the question of establishment or purchase after the cost is determined. This legislation is desired in order that "a municipality may be in a position, if the necessity arises, either to force a corporation to give good service at a reasonable price or to provide that service itself."

PLATFORM OF THE MAYORS

In Mr. Capes' opinion, the attitude of the municipalities may be summarized in this way:

In the solution of rate and service problems the cities desire mutual co-operation.

They will oppose any subterfuge to increase the cost of service. Armies may camouflage their movements, but utilities cannot. The cities will insist on straight-forward dealings with the public.

The cities will continue to exercise an eternal vigilance over rate proposals and proceedings. They will insist that relief sought be granted by the proper officials,

in the proper way and only where and during the time it is needed.

They want authority to provide service under municipal ownership and operation when mutual co-operation is denied or fails, and when State regulation is not effective.

They will insist on the right of municipalities to obtain proof as to the merits of any claims for increased rates.

They will press their claim that whenever any doubt exists as to the reasonableness of a proposed rate increase, such proposal should not become effective pending a determination of the issue.

They will continue to oppose any effort to allow, seek, or compute a return on a capitalization basis. The by-gone evil practice of overcapitalization will continue to haunt the utility corporations until the excess shall have been eliminated.

CITIES WANT TO CO-OPERATE

Mr. Capes further believes that if the public service corporations would show the same desire to co-operate in the solution of utility problems as the cities have evidenced, rather than to seek by devious methods what may be only justice, there would be less delay and fewer controversies. The fact that the conference has accepted the invitation to explain the attitude of the cities on public utility problems is said to be evidence of the desire of the municipalities for mutual co-operation.

Seattle Men Appeal to Washington

The platform men of the Puget Sound Traction, Light & Power Company, Seattle, Wash., announced that unless the War Labor Board ordered before Oct. 26 a continuance of increased wages then being paid them, they would quit their positions and seek other work. The recent agreement, by which platform men are receiving 50, 55 and 60 cents an hour instead of 33 and 40 cents, expired on that date, and up to Oct. 24 officials of the company had not agreed to renew it. The men have been getting the higher pay since Aug. 1.

A. W. Leonard, president of the Puget Sound Traction, Light & Power Company, has joined with the local union in telegraphing the War Labor Board at Washington, D. C., asking an immediate hearing on the Seattle wage question, and pointing out that promise of an immediate hearing would do much to keep the men at work pending the wage readjustment.

The War Labor Board has already made a preliminary inquiry into the matter.

The employees of the Seattle & Rainier Valley Railway have also submitted an application for wage increases to the War Labor Board. The platform men on this line are receiving lower wages than Seattle trainmen, and they are asking for the same scale now being paid Puget Sound Traction employees.

Terminal Plan Approved

City Council of Cleveland Takes Action Toward Providing Union Station for Steam and Electric Roads

The ordinance providing for a union station on the Public Square at Cleveland, Ohio, for both the steam and the interurban railways entering that city was formally approved by the City Council on Oct. 24, after several amendments had been made to it. A special election will be held on Dec. 10 or Dec. 17 to pass upon the ordinance.

ELECTRIFICATION PROVISIONS

The Cleveland Union Terminals Company, to which the franchise is granted, accepted all the amendments suggested by the city with the exception of those relating to electrification of all steam and interurban lines within the city limits and the control of rapid transit and interurban rates of fare and service. Compromises were reached on both provisions.

Steam railways using the station are to be electrified between East Thirty-seventh Street and West Thirtieth Street within five years, under the compromise amendment, although the station itself is to be electrified when completed. Complete electrification of all roads within the city limits could not be accomplished, according to John L. Cannon, president of the company.

The amendment relating to control by the city provides that all local rapid transit service may be thus regulated within a zone of 15 miles from the Public Square, with the exception of trains of steam and interurban railways, already under State control.

COMPLETION WITHIN FIVE YEARS

Provision is made that the entire project shall be completed within five years after the close of the war. A municipal ownership clause was included after Mayor Harry L. Davis had declared that the entire ordinance would be disapproved if it was omitted. It seems the new charter requires this provision. The ordinance providing for a union station on the lake front will remain binding upon the New York Central, Big Four and Pennsylvania roads until they are actually using the new union terminal. They are also obligated to pay back taxes of several years on the Bath Street tract.

Beginning of construction of the improvement will depend entirely upon the United States Railroad Administration, Mr. Cannon said. The administration favors the proposed plan, but whether it will allow the construction of new tracks and depot buildings is a question that must yet be settled.

Labor Board Decides Brooklyn Case

**Permits Men to Join Labor Unions but Does Not Require Company to Deal with Unions—
Company Asks Departmental Trustees to Report on the Men Who Have
Been Recommended for Reinstatement**

On Oct. 24 the War Labor Board handed down its decision in the case of the New York Consolidated Railroad (a rapid transit subsidiary of the Brooklyn Rapid Transit Company). Earlier articles in this paper have given some of the testimony presented in this case. No question of wages, hours of labor or working conditions were involved, but the case arose because it was alleged that certain men were discharged because of their union affiliations with the Brotherhood of Locomotive Engineers. An abstract of the decision of the Labor Board is given below:

ABSTRACT OF LABOR BOARD DECISION

"There are but two questions involved in this case:

"1. The right of the workers upon this line freely to organize in trade unions of their own selection and to bargain collectively with the company through chosen representatives without interference on the part of the company;

"2. Discrimination against individual employees alleged to have been dismissed for exercising their right to join a particular trade union and the right of said discharged employees to reinstatement in their positions.

"The company denied the jurisdiction of the board either to entertain consideration of the controversy or to make an enforceable award, on the grounds that there was no controversy between the men of the New York Consolidated Railroad Company and their employers and because the matter out of which the question arose was itself in violation of the spirit and principles of the War Labor Board. The contention of the 'no controversy' between the men and the company was, in part, based upon statements filed with the board, signed, as claimed by the company, by all but four of the motormen on the subway and elevated lines, of date of Aug. 9, 1918.

MEN MAKE OUT A CASE

"On the question as to the existence of a controversy within the meaning of our principles, we find the following to be the facts: (a) That a strike vote, prior to the interposition of this board, was taken, which embraced a considerable proportion of the motormen admittedly employed on the subway and elevated lines of the company; (b) That the employees and former employees of the company have filed a complaint against the company in due form and have appeared as witnesses at the hearings in person and by representatives, setting forth in detail a number of substantial grievances which they desired to have adjusted; (c) That the jurisdiction of the board was invoked

by the Department of Labor, under the rules and practice of the National War Labor Board, after investigation by said Department.

"We have considered and weighed the evidence, consisting of signed statements of employees to the effect that no controversy exists, but an examination of the names signed to these statements shows that many of the signatories are employees and former employees now actually appearing as complainants against the company. The complainants charge, in effect, that these statements were in some degree procured as a result of coercion, and this claim would seem to have basis in fact on account of the anomalous situation presented of men who signed the statements to the effect that there was no controversy at the same time prosecuting their grievances before us with vigor.

"In view of the foregoing, it follows that the ruling must be that the case is one which comes properly under the jurisdiction of the National War Labor Board.

PRESIDENT WILSON QUOTED ON LABOR

"Among the principles proclaimed by the President of the United States in his proclamation of April 8, 1918, to govern the relations between workers and employers for the period of the war, is the following: 'The right of workers to organize in trade unions and to bargain collectively through chosen representatives is recognized and affirmed. This right shall not be denied, abridged, or interfered with by the employers in any manner whatsoever.'

"That this provision of the President's proclamation was violated by the company, it would seem to us admits of no doubt. We are brought to this conclusion primarily by the admissions of the president of the company and other high officials as to their attitude of opposition to the men joining the unions chosen by them as most desirable for their welfare, by the espionage of the officials of the company in the neighborhood of the meeting place of the organization and elsewhere, by the fact that the dismissals were abnormally large in number during the two months when the issue as to the unions was acute, as compared with dismissals for years prior to that time, and finally by the showing that the men who exercised their right to join unions admittedly opposed by the officials of the company were charged with demerits which accumulatively brought about their discharge with such rapidity and under such circumstances, after their membership in unions was disclosed, as to lead us to

the conclusion that dismissals, in a large number of cases, were caused by their legitimate union activities and not on account of inefficient service or improper conduct, the reasons assigned by the company for the dismissals.

CONSTITUTION OF BENEFIT ASSOCIATION CRITICISED

"The company seeks to avoid the charge of denying its workers the right to collective bargaining by pointing out that there is no opposition on the part of the company to membership in the organization known as the Brooklyn Rapid Transit Employees' Benefit Association. The employees claim, however, that this association is within the direct environment, if not actually under the control, of the company itself.

"The form of the Benefit Association seems to have been changed from time to time, but one feature which has persisted is that the president of the company has appointed the president of the association, and the president of the association has either himself conducted the elections or appointed persons to do so. It is claimed that this has never resulted in a suggestion of unfairness, but where the issue is acute and a company-formed association is offered as a substitute for an association of the voluntary formation of the men, the slightest suspicion of an opportunity for unfairness on the part of the employer is itself a reason for questioning the usefulness of such an organization.

MEN CAN JOIN ANY UNION

"Without further discussion of the merits of this last-named association, it is easy to see why it is not regarded by a considerable portion of the men as a satisfactory medium for their collective action; and under the principle hereinbefore set forth the men are free to join such organization as they may select themselves and to appoint such persons as their representatives whom they may regard as most suitable to them. Following the section of the proclaimed principles of the board above set forth, it must be ruled that the employees of the company who desire to become members of the Brotherhood of Locomotive Engineers, or any other legitimate labor organization, shall be permitted to do so without denial, abridgment, or interference upon the part of the company.

"To avoid a misconception of many employers we wish to say that we are not here deciding that the railroad company must recognize, deal with, or make a contract with the Brotherhood of Locomotive Engineers.

"We are not unionizing the employees of the company in the sense of making its organization a closed shop.

"Under our principles the company, not being bound otherwise by any contract or agreement with the union, may refuse to receive and deal with any committee but one of its own employees. But it cannot bar its employees from joining such unions and organizing such unions as they choose. If these employees see fit to follow a lawful course toward the company advised or directed by a national or international union including in its membership many others than their own number, it is their right, and the company may not prevent them from so doing and may not complain.

"For the foregoing reasons we make the following findings:

"1. *Right to Organize.* The right of the workers of this company freely to organize in trade unions, or join the same, and to bargain collectively, is affirmed, and discharges for legitimate union activities, interrogation of workers by officials as to their union affiliations, espionage by agents or representatives of the company, visits by officials of the company to the neighborhood of the meeting place of the organization for the purpose of observing the men who belong to such unions, to their detriment as employees of the company, and like actions, the intent of which is to discourage and prevent men from exercising this right of organization, must be deemed an interference with their rights as laid down in the principles of the board.

"2. *Reinstatement.* We therefore recommend, as the only just basis for a proper settlement of this controversy, that the New York Consolidated Railroad Company reinstate to their positions the following employees whom we find to have been dismissed primarily because of legitimate union activities, with full pay for all time lost from the dates of their several dismissals, minus any intervening earnings in other employments."

The board then gives the names of twenty-nine men whom it recommends for re-employment and the names of eleven whom it does not recommend should be reinstated. The board then says:

"We have reached these conclusions with the hope that they may be made the basis for accommodation between the employer company and the dissident employees. We think our principles may be misunderstood by both sides, and we have, therefore, set them forth with as much elaboration as seems proper. We leave to the company and its employees, without further specification, full opportunity to come to an agreement in the light of these principles, and our recommendations have been made with the hope that a just and full accommodation, satisfactory to both parties, in a proper spirit may be reached without interfering with the continued usefulness of the important transportation system

which the company has the responsibility for carrying on."

COMPANY ASKS DEPARTMENTAL TRUSTEES TO REPORT ON DISCIPLINE CASES

On receipt of this decision the company addressed a letter to the three departmental trustees who represent the motormen and motor-switchmen on the Benefit Association board. At the same time a copy of this letter with a copy of the decision and extracts from the statement made by President Williams at one of the hearings outlining the policy of the company was sent to each motorman and switchman. In this letter, which is signed by Vice-President Dempsey, the company explains that it desires in every way consistent with the safety and efficiency of operation and with the best interest of the employees to conform as far as possible to the recommendations of the board.

It explains that while it has never sought to influence elections to the office of departmental trustees, it is preparing changes in the constitution of the Benefit Association along the lines suggested by the War Labor Board and these changes will be submitted to the employees for approval.

The letter also refers to the recom-

mendation of the board in regard to the reinstatement of the men named and to the statement of the board that the company and its employees might come to an agreement in the light of the principles enunciated. With this sentiment the company expresses itself in hearty accord, and in accordance with the constitution of the Benefit Association it asks that the departmental trustees investigate carefully the facts as to the separation from employment of the men named. It adds that if the trustees find that any injustice has been done, the employee will be reinstated and allowed back pay from the time of his dismissal.

In conclusion the letter says:

"We sincerely trust that the cordial and helpful relations which have always existed between the management and its employees will be additionally strengthened by such a determination of this matter as will appeal to your fellow employees to be just and wise, so that, in the words of the National War Labor Board, 'a just and full accommodation, satisfactory to both parties in a proper spirit, may be reached without interfering with the continued usefulness of the important transportation system which the company has the responsibility for carrying on.'"

More Wages Increased

War Labor Board Hands Down Seven Decisions—Recommends Higher Fares in Memphis and Kansas City

The National War Labor Board on Oct. 23 handed down findings in several additional electric railway cases. Two of these, for the New York Consolidated Railroad (Brooklyn Rapid Transit System) and the Columbus (Ga.) Railroad, concerned the right of employees to join unions without molestation. The former case is covered above.

In the Columbus case the board found that the company, in discharging five men for legitimate activity in respect to the union, and in imposing upon other men who then struck the condition that they could return only upon the surrender of their right to organize, clearly violated the principles proclaimed by President Wilson. The board repeated in brief its policy as outlined fully in the Brooklyn Rapid Transit case and recommended the employment of all the men who offered to return.

Five other cases, however, had to do primarily with wages. In one instance, that of the Des Moines (Iowa) City Railway, the board ruled that the complaint of the men against existing wage rates must be dismissed because the men have not sought to avail themselves of the broad form of arbitration provided in their contract with the company. Should the men invoke this arbitration and the arbitration clause for any reason prove inoperative, they may then apply to the War Labor Board.

In the four other wage decisions the board pursued the policies laid down in preceding wage cases. A summary of the present decisions follows:

MEMPHIS (TENN.) STREET RAILWAY

New Wage Scale for Motormen and Conductors: First three months, 36 cents an hour; next nine months, 38 cents an hour, and thereafter, 40 cents an hour.

New Wages of Other Employees: Under the submission the term "repair men" includes only shop and carhouse repair men, as follows: Motor gang, electrical work, break repairs, car placing, air brakes, headlights, carpentry and painting. The rates now paid to these repair men are increased by 8 cents an hour, and all such repair men, except apprentices, will receive not less than 36 cents an hour.

Time of Award: Effective Aug. 1, for the duration of the war, with opportunity for reopening at six months' intervals. The company has until Feb. 1, 1919, to make back payments of wages.

KANSAS CITY (MO.) RAILWAYS

Conditional New Wage Scale for Motormen and Conductors: First three months, 43 cents an hour; second three months, 46 cents an hour; thereafter, 48 cents an hour; one-man car operation, 53 cents an hour. Rate of hostlers same as that for motormen and conductors.

Conditional New Wages for Other Employees: The wages of employees other than motormen and conductors are increased by the same per cent that the maximum of the wage scale paid to motormen and conductors is increased, provided that if this per cent increase does not bring the wage of any adult employee up to a minimum of 42½ cents an hour, he or she shall be paid such a minimum. Women employees receive equal pay with men for the same work, and the guaranteed minimum for women is increased from \$60 a month to \$75 a month, as now obtains in the case of the men.

Conditional Schedules and Hours: When the elapsed time consumed by swing runs exceeds thirteen hours, an addition of pay for the period excess consumed time is allowed, as follows: For the fourteenth hour, fifteen minutes; for the fifteenth

hour, thirty minutes; for the sixteenth hour, forty-five minutes, and for the seventeenth and each successive hour, sixty minutes.

These allowances are applied to successive periods of one half-hour each, less than one-half of such period to be neglected and more than one half of each such period to count as allowed time for the full allowed period. Whenever there is a break or lay-off time in any of the scheduled runs of forty-five minutes or less, such period is paid for at the rates prescribed in this award and is considered to be a part of the platform time.

For all time required in excess of the regular schedule time, time and one-half is paid. Night cars are all straight runs, with no more than eight hours' time and with ten hours' pay.

The employees asked that all employees running on schedule of less than nine hours be placed on a nine-hour basis, that nine hours be known hereafter as the working day, and that all those having a schedule of less than nine hours be paid for nine hours' work. This demand was not supported by adequate testimony or argument and is not in accord with previous decisions of the board.

Time of Award: This award takes effect as of Aug. 17, 1918, effective up to and including Aug. 17, 1919, or for the duration of the war. Either party may reopen the case before the board at six months' intervals. The company is allowed until Dec. 1, 1918, to settle for back pay.

KANSAS CITY & WESTERN RAILWAY, KANSAS CITY, MO.

New Wage Scale for City Motormen and Conductors: First three months, 38 cents an hour; next nine months, 40 cents an hour, and thereafter, 42 cents an hour.

New Wage Scale for Interurban Motormen and Conductors: First three months, 41 cents an hour; next nine months, 43 cents, and thereafter, 45 cents.

Time of Award: Effective Sept. 1, 1918, for the duration of the war. The case may be reopened at six months' intervals. Back wages must be paid by Dec. 1, 1918.

PHILADELPHIA (PA.) RAILWAYS

New Wage Scale for Motormen and Conductors: First three months, 41 cents an hour; next nine months, 43 cents an hour; and thereafter, 45 cents an hour.

New Wage Scale for Women Turnstile Operators and Cashiers: First three months, 32 cents an hour; next nine months, 33 cents, and thereafter, 35 cents. A lunch period of 45 minutes daily must be allowed.

New Wage Scale for Starters: Increased by same percentage that maximum rate for motormen and conductors is increased.

Time of Award: Effective Oct. 1, 1918, for the duration of the war. The case may be reopened at six months' intervals. Back pay must be settled by Dec. 1, 1918.

In the case of the Memphis, Kansas City and Philadelphia awards, the War Labor Board also decided that for the purpose of securing a proper interpretation, the secretary of the board should appoint an examiner to hear any differences that arise and promptly render his decision. From this an appeal may be taken by either party to the board. The effect of the appeal to stay the decision of the examiner is to be determined by the rules of procedure of the board.

OTHER HIGHER FARE AWARDS

In connection with the Memphis award the board said that the company is entitled to a reconsideration of the fare question by the proper authorities, and it recommends that the fare be increased at least 1 cent.

In Kansas City the terms of submission provided that the wage award should be limited to the financial ability of the company to pay. On this point the board stated:

The board finds that the company, under present revenues, is financially unable, and its general financial condition will not permit it, to pay the wages awarded to its employees, or to readjust its schedules as directed. Accordingly, the board finds that, in order to enable it to put this award

into effect, the company should be permitted to make such charges for its services as will produce sufficient income to pay the wages herein specified, as well as the other expenditures and charges necessary to the rendition of proper and uninterrupted service.

The increase in fares is only for the period of the war, and the general equities of the same do not turn upon the history of the relations between the local railways and the municipalities in which they operate. Nor does the claim for an increase in fare rest upon any right to a dividend upon capital long invested in the enter-

prise. The increase in fare is directed solely because of the immediate pressure for money receipts now to keep the electric railways running so that they may meet the local and national demand for their service and pay the just and fair scale of wages to their employees as herein awarded. Overcapitalization, corrupt methods, etc., if any there have been, are not relevant to the question of national policy in the present exigency.

In strict justice, the public must pay an adequate war compensation for a service which cannot be rendered except at war prices.

Service Restored in Buffalo

Strike Settlement Resolution of Council May Go Before the Voters for Their Approval

Local and interurban service was restored on Oct. 26 on all the lines of the International Railway in Buffalo, Niagara Falls and Lockport. An agreement settling the strike was reached between the City Council and the company on the day previous, but the platform employees of the company refused to return to work until all points in dispute between the union and the company had been settled.

Under the new agreement between the city and the company, the railway will operate its cars in Buffalo for thirty days for a 5-cent fare. At the end of thirty days a 6-cent fare will be made effective with a 1-cent rebate slip. The city in turn authorizes the Public Service Commission to investigate the company's financial condition and determine a reasonable rate of fare to continue until May 1, 1920. The company agrees to bond itself in the sum of \$150,000 to insure the redemption of the rebate slips should the utilities board determine that a 5-cent fare is a reasonable rate.

The resolution of the City Council settling the matter is subject to another referendum. Petitions are now being circulated and less than 4000 signatures are needed to force a vote on the Council's action. Under the city charter six months must elapse between referendums, so that the next referendum cannot be held until Feb. 20. If a sufficient number of names are signed to the petitions within thirty days, application can be made to a Supreme Court justice for an injunction restraining the company from putting a 6-cent fare with rebate slips into effect until after the referendum. It is generally believed that the 6-cent fare will be voted down a second time.

In the new agreement with its employees, the International Railway has the right to employ women on the cars if it is unable to secure a sufficient number of men. President Connette is already considering the advisability of employing women as drivers and conductors under the same conditions as men are working. The company's platform men will receive their back pay dating from June 1 as computed on the basis of the award of the War Labor Board amounting to approximately \$265,000, but the time of payment is left to the War Labor Board to determine.

The International Railway will name eight directors under the new agreement with the city. The City Council will name eight, and these sixteen directors will select the seventeenth member. The City Council will probably name among its directors, an expert electric railway operating man, probably some employee of the Public Service Commission. This board of directors will elect a president of the company and a general counsel.

The mandamus proceedings brought by the Public Service Commission against the company directing it to resume the operation of cars will be discontinued. The writ was upheld by the Appellate Division of the Supreme Court in Rochester, but the Court of Appeals sent the case back for a rehearing and additional evidence.

Cleveland Women to Go

Florence E. Allen, attorney, representing the women conductors of the Cleveland (Ohio) Railway, who are protesting against the decision of the Federal Department of Labor which would deprive them of their jobs on Nov. 1, has received the following communication from Chairman Taft, of the Federal War Labor Board:

"File your complaint in legal form against the company and the local Amalgamated Association, asking an order from this board against both company and union, that your clients be retained, or, if discharged, reinstated under the principles of the board. Upon that complaint a summons will issue, requiring the defendants to answer within a week. The issue will then be regular before the board and will be considered on the question of jurisdiction and its merits."

Miss Allen said: "This means that the question will be decided on the basis of whether the Cleveland Railway has exhausted every effort to obtain men for the positions in which they have employed women. It can be shown that the company did make every effort to obtain men and is still making that effort without result."

J. J. Stanley, president of the company, refrained from commenting on the matter further than to say that unless a modification of the recent order from the Labor Department was received, the company would be compelled to allow the women to go on Nov. 1.

New Orleans Labor Award

Settlement There Reported in Press, but Official Award Not Yet Available

On Oct. 21 a crisis arose in New Orleans, La., which threatened the closing down of gas, electric light and railway service, by a walkout of all engineers, firemen and shopmen of the New Orleans Railway & Light Company. This was due to the War Labor Board, which in July awarded a wage scale to the engineers, firemen and shopmen and on Sept. 20 suspended its scale of July for all except motormen and conductors.

By the decision of the War Labor Board of last July engineers and all shopmen received the same wage increase as the motormen and conductors—a 71 per cent raise. The company paid the carmen at the increased rate almost immediately, but only partially observed the award as regards the shopmen. Those who were paid, were paid only until the Aug. 20 pay day.

While the situation was serious on Oct. 21, the men in conference with officers of the company agreed to wait until Oct. 25 to receive the award of the War Labor Board. On that date the following press dispatch was received in New Orleans:

"The case of the Amalgamated Union vs. New Orleans Railway & Light Company, which involved the wages of the platform men, the mechanics, and workmen other than platform men, was heard in July and an award made on the thirty-first of that month. The wages of the platform men were increased from a minimum of 24½ cents an hour to a maximum of 42 cents an hour.

"The award, however, directed that the mechanics, other than the platform men should have a proportionate increase. This was an inadvertence and an error, in that the mechanics, other than the platform men, had really had a higher rate of wages than the platform men. The increase amounted to 71 per cent, and it was far too great, and led to excessive wages for the latter class of employees.

"We have given great consideration to this case, and have reached a conclusion that the platform rates should be as already found—38 cents an hour for the first three months; 40 cents an hour for the next nine months; and 42 cents an hour a year thereafter.

"We further set aside our award as to the mechanics and workmen other than the platform men, which was suspended in its operation early in September, and we now award for those employees an increase of 10 cents an hour, with the limitation that for all employees except apprentices, the minimum wage shall be 38 cents an hour, and with the further limitation that none of these increases shall operate to carry the rate for journeymen to a figure in excess of the present union craft rates in New Orleans.

"The section notes with satisfaction that the Commission Council of New Orleans has recognized the equity of

the suggestion of the section that the rates charged by the company for various services shall be increased to meet the added obligations imposed, by its award, upon the company."

Nelson H. Brown, manager of the railway department of the company, has stated that the back wages of the mechanics and other employees of the carmen's union, involved in the dispute, will be paid as soon as possible by the company.

Chicago Award Interpreted

Examiners appointed by W. Jett Lauck, secretary of the National War Labor Board, to interpret the award of the arbitrators in the case of the employees of the Chicago (Ill.) Elevated Railroads, have made their decision. The matter came up through an appeal filed by the Chicago Elevated Railroads. The examiners are Arthur Sturges and M. Joseph Chiesa. They have decided that flagmen and crossing tenders come under the jurisdiction of the United States Railroad Administration and are subject to the railroad wage, with back pay to Jan. 1, 1918.

Under their decision all ticket agents have been placed on an eight-hour day, with a minimum wage of \$3.05 a day. This reduces the workday of the bulk of the ticket agents from ten and twelve hours to eight hours. The former minimum wage paid women ticket agents was \$1.95 and men ticket agents \$2.11 a day. The minimum rate is now \$3.05 a day.

The request of the company for modification of the award on wages of porters, lamp men, extra guards and other miscellaneous employees has been referred to Messrs. Taft and Walsh, joint chairmen of the National War Labor Board, for a decision.

Coal Saving by Skip Stop

On Oct. 26 the United States Fuel Administration issued figures on the saving effected by the skip stop on electric railways. It said:

"Six months' operation under the skip-stop system adopted by the street railroads of the country as a coal conservation measure, shows a saving in coal, or its power equivalent, in twenty-four states of 687,122 tons, annually. Reports from the other states are not yet available.

"Massachusetts reported the greatest saving, of 191,000 tons; Pennsylvania comes next with 169,200 tons. Missouri was third with 52,422; New York 50,000; New Jersey, 30,000; Illinois, 25,000; Ohio, 23,000, and Michigan, 22,000. Other states showing a saving of 10,000 tons or more are: Tennessee, 18,000; Connecticut, 15,000; California, 11,000; Minnesota and Wisconsin, 10,000.

"While complete reports from the street railroads of the entire country are lacking, the skip-stop method of operation has, it is estimated by the Fuel Administration, effected a saving from old methods of about 10 per cent in power and consequently in fuel necessary to produce that power."

Seattle Purchase Vote

Matter of Taking Over Railway Lines There to Go Before Voters Informally on Nov. 5

The City Council of Seattle, Wash., by a unanimous vote, recently decided to secure from the voters of the city an "advisory vote" on the proposition of the purchase of the railway lines of the Puget Sound Traction, Light & Power Company, for \$15,000,000. This expression of opinion will be obtained at the general election to be held on Nov. 5.

VOTE MERELY ADVISORY

Councilman Fitzgerald, who introduced the resolution, stated that the result will be merely advisory, and that even if the people voted against the proposition, the Council could go ahead. It is the general opinion, however, that if the voters disapprove of the purchase project, it will be dropped. Mayor Hanson approves this attitude.

If the people refuse to sanction the purchase the Council will be placed in an awkward position. The city has offered to buy the railway lines. The company has agreed to sell. The United States Shipping Board, which demanded better transportation in Seattle as the price of future orders, is said to expect that the deal will be completed.

VOTE ON SEPARATE BALLOT

If the vote is favorable, the ordinance authorizing the deal will be passed as an emergency measure. This procedure will put the city in possession of the railway thirty days sooner than if the usual course were followed, for without the approval of the people, it is said it will be impossible to muster the seven votes necessary to pass an emergency ordinance.

It is stated by Prosecuting Attorney Lundin that the purchase question will have to be submitted to the people on a special ballot.

Councilman Oliver T. Erickson, a municipal ownership advocate and promoter of the present municipal railway system, is opposed to the purchase of the traction properties, on the ground that the price is exorbitant. In a statement to the public, Mr. Erickson indorsed the sentiments of an engineer who wrote to him about the purchase of the railway property. This man said:

A \$5,000,000 TRIBUTE

"Seattle cannot afford to do less than justice, even to the traction company, and \$10,000,000 would be ample, substantial justice. All over that is extortion, tribute, indemnity. Is it worth the price demanded? If it be so considered, then at this critical hour of paying such a price, at least make it clear that the \$5,000,000 of tribute shall not be a charge against public ownership, but a burden to be borne by the general taxpayer as the future shall demonstrate the street railway profits unequal to the load."

Wage Increase Refused at Worcester and Springfield

The request of car service men for a flat rate of 60 cents an hour and of other employees for a 40 per cent wage increase on the Worcester (Mass.) Consolidated Street Railway and the Springfield (Mass.) Street Railway was refused at a conference in Worcester on Oct. 23. Francis H. Dewey, president of the Worcester company, and Clark V. Wood, president of the Springfield road, informed the joint committee of employees that on account of the financial condition of each company it is absolutely impossible to consider wage increases at this time. The joint committee urged that the matter be submitted to arbitration, either by the War Labor Board or some other tribunal, but the companies declined.

The present maximum rate received by car service men at Worcester is 43 cents an hour, and at Springfield the maximum daily wage is \$3.87. On June 15, 1918, Henry B. Endicott, executive manager of the Massachusetts Committee on Public Safety, arbitrated the wages in the two companies, increasing the maximum rate at Worcester from 34.5 cents to 43 cents and raising the Springfield maximum from \$3.105 to \$3.87 a day. It is estimated that this award will cost the latter company alone \$400,000 a year in increased operating expenses.

Seattle Purchase Reports Made

In view of the prospective purchase of the lines of the Puget Sound Traction, Light & Power Company by the city of Seattle, Wash., unusual interest attaches to the report of E. G. Shorrock & Company, certified public accountants who, at the request of Mayor Ole Hanson, made an analysis of the earning power of the lines. Mr. Shorrock's analysis, which is based on a report on the earnings of the company prepared by Thomas F. Murphine, Superintendent of Public Utilities, indicated that Councilman Oliver T. Erickson, who predicted a deficit of practically \$1,500,000 a year in the operation of the lines, was grossly in error. The Shorrock report shows a probable net loss of \$135,000 a year, after an interest charge of \$750,000 a year had been deducted, whereas the average annual interest charge, assuming that the principal is reduced as per schedule, will be only \$87,500.

The report of Smith, Robertson & Moorehouse, public accountants appointed by the City of Seattle to list the property of the Puget Sound Traction, Light & Power Company, embraced eighty-one closely typewritten pages, consisting of some forty-three schedules. The report frankly states it is incomplete and suggests that a more thorough accounting of the property be made before the contemplated purchase is consummated. The report shows that according to the best evidence obtainable, the railway property of the company cost a total of \$15,302,000,

this being the production cost of the actual physical property. Much real estate is listed, as are numerous small items of property used in the operation of the lines.

The report has been referred to the utilities and finance committees with the understanding that these committees would call it up for consideration at the earliest practical date.

News Notes

Influenza Stops Another Road.—Railway service in Bowling Green, Ky., was suspended recently by William R. Speck, receiver for the Southern Traction Company, who stated that he had been operating with shop men, but even the latter were ill of influenza, and it had become impossible to man the cars.

Bay State Men Want More.—A sub-committee of the State conference board of the unions of men employed by the Bay State Street Railway, Boston, Mass., has served notice on Receiver Wallace B. Donham "that it will be impossible for the men to continue operating cars on the system at the present rates of pay."

Wage Dispute Compromised.—Motormen and conductors of the Springfield (Ohio) Railway and the management have compromised the dispute over increased wages. The new scale provides for the payment of 38 cents an hour for the first three months; 40 cents for the next three months and 42 cents thereafter.

Dinner to Newspaper Men.—On Sept. 15 W. H. Boyce, superintendent Beaver Valley Traction Company, New Brighton, Pa., gave his fourth annual dinner to newspaper men in the territory served by the lines of that company. A number of journalists from Pittsburgh also attended. The affair was held at Junction Park, New Brighton, Pa. Included in the entertainment was a program of singing, moving pictures and vaudeville.

Emergency War Courses in Employment Management.—The employment management division of the War Industries Board has established a series of courses for men and women in employment management. They are held in Harvard, Boston University, Massachusetts Institute of Technology, University of Rochester, Carnegie Institute, University of Pittsburgh, University of California and University of Washington. Courses are being arranged at the Universities of Cincinnati and Chicago, and in New York City the Bureau of Municipal Research has charge. The courses extend from six weeks to two months. There are no tuition fees.

Employees Object to Governor Acting.—Employees of the Kentucky Traction & Terminal Company, Lexington, Ky., recently refused to permit Governor A. O. Stanley, of Kentucky, to name an arbitrator to aid in settling a dispute between the operators and the company. In explaining their position, the men said: "In the minds of the men it is impossible for the Governor to make a fair and impartial appointment." It was claimed that Mr. Stanley was related to men connected with the company and that he was a close friend of several directors and officers.

Program of Meetings

A. S. M. E.

The annual meeting of the American Society of Mechanical Engineers will be held in New York Dec. 3 to 6 inclusive. Numerous general engineering papers will be presented and there will be a series of addresses by prominent engineers and government officials on the broad aspects of management and bearing on the general subject of "human engineering."

The machine shop sub-committee has arranged a session on engineering standards of measurements, and the sub-committees on gas power textiles are to conduct sessions. One joint session will be held with the American Society of Refrigerating Engineers.

U. S. Chamber of Commerce

All members of the country's more than 300 industrial war service committees will assemble at Atlantic City, N. J., on Dec. 4, 5 and 6 for a great war emergency and reconstruction conference. Announcement to this effect was made on Oct. 28 by the war service executive committee of the Chamber of Commerce of the United States. The main purposes of the conferences will be the determination of practical methods whereby industry may co-operate still more closely with the government through a more centralized scheme of organization. Questions of reconstruction, too, will be taken up. However far away the end of the war may be, it is necessary to begin to outline a general program of organizing business for the period of reconstruction.

Speakers who already have accepted invitations to appear include Secretary of Commerce William C. Redfield, A. C. Bedford, James A. Farrell and Paul Warburg.

The conferences will include general sessions at which questions common to all industries will be taken up, sessions of committees within particular industries at which specific industrial problems will be discussed, meetings of related war service committee groups, and conferences of individual war service committees. National counselors of the Chamber of Commerce also will hold separate sessions.

The main conferences attended by the delegates will be held on the Million Dollar Pier.

Financial and Corporate

July Railway Showing Unfavorable

Net Earnings and Operating Income for July Show Largest Decrease So Far Reported

The comparison of revenue and expenses of electric railways for the months of July, 1918 and 1917, as compiled by the information bureau of the American Electric Railway Association, in so far as the first of the two tables is concerned, presents a somewhat distorted view of the situation and shows a more favorable state of affairs than really exists.

STRIKE DISTORTS SHOWING

This is because there are included in the reports from the Western District the operations of a large and important company, whose earnings during July, 1917, were greatly reduced by a strike which prevented service for more than half of the month. In consequence the increase shown for this district, both in operating revenues and in net income, is an increase over the very much lowered earnings of last year and not above those of a normal period. The operations of the company are large enough to distort the entire table.

The company does not report taxes and is not, therefore, included in the second table, which gives those properties which do. This table, both of itself and when compared to that for June, published in the September issue, indicates an increasingly unfavorable state of affairs in all but the Western district. Net earnings show a decrease of 7.54 per cent for the country as

compared to a year ago and operating income a decrease of 12.08 per cent. This in spite of the fact that the Western district, which embraces about a third of the total mileage, indicates an increase of 4.40 per cent in the first item and 3.42 per cent in the second item, while the Southern district shows an increase of 2.52 per cent in the first and a decrease of only 0.17 per cent in the second.

BAD SHOWING IN EAST

This is accounted for by the extremely unfavorable showing made in the Eastern District. The net earnings for the 2154 miles of line reporting in this territory show a decrease of 15.29 per cent, while the operating income, at the same time, shows a decrease of 22.22 per cent. This is the worst showing that has ever been made in these tables, with the exception of that for January, 1918, when a decrease of 29.14 per cent in net earnings and 37.91 per cent in operating income was revealed. In this latter case, however, the cause was to be found in the unusually severe weather, which not only crippled service so that earning capacity was cut down, but added to the expense of operation.

EXPENSES JUMP \$189 A MILE

An increase of \$85 per mile of line in operating revenue, accompanied by an increase of \$189 per mile of line in operating expenses and of \$18 per mile of line in taxes is fully sufficient to account for this showing as far as the roads in the Eastern District are concerned.

The returns from the city and interurban electric railway companies, as

shown in detail in the accompanying tables, have been classified according to the following geographical grouping: Eastern District—East of the Mississippi River and north of the Ohio River. Southern District—South of the Ohio River and east of the Mississippi River. Western District—West of the Mississippi River.

Revenue Gains Lost

The income statement of the subsidiaries of the American Public Utilities Company, Grand Rapids, Mich., for the twelve months ended June 30, 1917 and 1918, follows:

	1918	1917
Gross earnings from operation.....	\$4,452,125	\$3,819,820
Operating expenses.....	2,794,743	2,151,001
Net earnings from operation.....	\$1,657,382	\$1,668,819
Miscellaneous income.....	80,702	100,354
Gross income.....	\$1,738,084	\$1,769,173
Expenses.....	111,580	80,764
Interest.....	1,376,854	1,217,471
Net income available for depreciation and dividends.....	\$249,650	\$470,937

The gross sales of all the subsidiaries during the last fiscal year increased \$632,304 or about 16.6 per cent, quite in excess of the showing of growth made in the two preceding years. The operating expense increased in greater amount, however, the rise being \$643,742.

During the year the subsidiaries secured rate increases which will add \$750,000 a year to the gross earnings. Of this amount \$300,000 was realized in the last fiscal year.

The Jackson Light & Traction Company, Jackson, Miss., had an increase in gross earnings from \$314,281 to \$331,093. The gross of the Wisconsin-Minnesota Light & Power Company, which operates the street railway system in Eau Claire and an interurban line out of that city, was \$1,773,874 for the last fiscal year as compared to \$1,532,347 for the preceding one.

COMPARISON OF REVENUES AND EXPENSES OF ELECTRIC RAILWAYS FOR JULY, 1918 AND 1917

Account	United States				Eastern District				Southern District				Western District			
	Amount, July, 1918	Per Mile of Line			Amount, July, 1918	Per Mile of Line			Amount, July, 1918	Per Mile of Line			Amount, July, 1918	Per Mile of Line		
		1918	1917	% Increase Over 1917		1918	1917	% Increase Over 1917		1918	1917	% Increase Over 1917		1918	1917	% Increase Over 1917
Operating revenues.....	\$12,226,031	\$2,198	\$2,009	9.41	\$8,034,712	\$2,286	\$2,141	6.77	\$1,228,708	\$1,709	\$1,526	11.99	\$2,962,611	\$2,229	\$1,902	17.19
Operating expenses.....	8,186,958	1,472	1,268	16.09	5,490,510	1,562	1,357	15.11	763,255	1,062	864	22.92	1,933,193	1,455	1,237	17.62
Net earnings.....	4,039,073	726	741	†2.02	2,544,202	724	784	†7.65	465,453	647	662	†2.27	1,029,418	774	665	*16.39
Operating ratio, per cent.....	1918, 66.97; 1917, 63.12				1918, 68.33; 1917, 63.38				1918, 62.14; 1917, 56.62				1918, 65.28; 1917, 65.04			
Av'ge number of miles of line	1918, 5,562; 1917, 5,477				1918, 3,514; 1917, 3,501				1918, 719; 1917, 665				1918, 1,329; 1917, 1,311			

COMPANIES REPORTING TAXES

Account	United States				Eastern District				Southern District				Western District			
	Amount, July, 1918	1918	1917	% Increase Over 1917	Amount, July, 1918	1918	1917	% Increase Over 1917	Amount, July, 1918	1918	1917	% Increase Over 1917	Amount, July, 1918	1918	1917	% Increase Over 1917
Operating revenues.....	\$7,527,642	\$2,118	\$1,992	6.33	\$4,554,490	\$2,115	\$2,030	4.19	\$455,920	\$1,914	\$1,612	18.73	\$2,517,232	\$2,167	\$1,998	8.46
Operating expenses.....	5,258,599	1,480	1,302	13.67	3,314,050	1,539	1,350	14.00	281,471	1,182	898	31.63	1,663,078	1,432	1,294	10.66
Net earnings.....	2,269,043	638	690	7.54	1,240,440	576	680	15.29	174,449	732	714	2.52	854,154	735	704	4.40
Taxes.....	508,695	143	127	12.60	319,943	149	131	13.74	37,221	156	134	13.87	151,531	130	119	9.24
Operating income.....	1,760,348	495	563	†12.08	920,497	427	549	†22.22	137,228	576	577	†0.17	702,623	605	585	3.42
Operating ratio, per cent.....	1918, 69.88; 1917, 65.36				1918, 72.77; 1917, 66.50				1918, 61.76; 1917, 55.71				1918, 66.08; 1917, 64.76			
Av'ge number of miles of line	1918, 3,553; 1917, 3,520				1918, 2,154; 1917, 2,142				1918, 238; 1917, 235				1918, 1,161; 1917, 1,143			

† Decrease. *Increase in net earnings in 1918 due to strike on one of the important lines in 1917 which cut the net of that year below normal

Tube Traffic Up 8 Per Cent

Owing to Heavier Burden of Operating Costs, However, Operating Net Gains Only Two Per Cent for 1917

During 1917 the traffic of the Hudson & Manhattan Railroad, New York, N. Y., continued to show an increase. The year's gain was 5,573,539 passengers or 8.4 per cent. The resulting increase in revenue was \$287,857 or 7.5 per cent. The other items of operating revenues—with the exception of the sale of power, which fell off \$103 or 0.5 per cent—showed gains as follows: Advertising, \$6,928 or 6.2 per cent; other car and

bond interest as compared to \$722,135 in 1916, a loss of \$35,288 or 4.9 per cent.

Last year, it will be recalled, outside engineers confirmed the judgment of the directors that it was urgently necessary promptly to set up an adequate cash reserve of at least \$1,000,000. Therefore an appropriation of \$340,000 was made to the reserve account for the period ended Dec. 31, 1916. An initial appropriation of \$50,000 to this reserve had been made as of June 30, 1916, making the 1916 appropriation \$390,000. During 1917 the sums of \$375,000 and \$310,000 were appropriated from net income for the first and

Brazil Lines Doing Well

Rio de Janeiro and Sao Paulo Companies Enjoy Large Traffic Increases—Exchange Burden Heavy

The income statement of the Brazilian Traction, Light & Power Company, Ltd., Toronto, Ont., for the years ended Dec. 31, 1916 and 1917, follows:

	1917	1916
Gross revenue from securities owned and under contracts with subsidiaries.....	\$6,005,138	\$5,764,764
Interest received on advances to subsidiaries.....	198,560	254,709
Total.....	\$6,203,698	\$6,019,473
General and legal expenses, administration charges and interest.....	937,180	344,831
Balance.....	\$5,266,518	\$5,674,642
Amortization reserve.....	250,000
Preferred dividends.....	600,000	600,000
Common dividends.....	1,064,136	4,251,488
Surplus.....	\$3,352,382	\$823,154

The revenue of this company's subsidiaries is received in Brazilian currency—milreis—and the exchange rates prevailing between Brazil and London or New York determined the revenue expressed in Canadian dollars above. The reduction in net revenue for the last three years attributable to the decline in exchange from the rate prevailing during the five years preceding the war is approximately \$9,800,000.

The gross earnings of the subsidiaries for the last year showed an increase of 8.54 per cent. The net earnings only slightly exceeded those of the previous year, owing largely to the increased operating expenses of the gas business on account of the high cost of coal.

During 1917 the company paid the usual quarterly dividends of 1½ per cent on its preference stock and in March one dividend of 1 per cent on its ordinary stock. Further payments on the latter capital are suspended, the undistributed surplus revenue being applied toward the liquidation of the floating debt and the provision of the necessary new property.

Furthermore, out of surplus revenues the Brazilian Traction, Light & Power Company, Ltd., set aside \$250,000 for general amortization; the subsidiary Rio de Janeiro Tramway, Light & Power Company, Ltd., \$500,000 for depreciation and renewals, and the subsidiary Sao Paulo Tramway, Light & Power Company, Ltd., \$250,000 for depreciation and renewals.

The gross earnings of the Rio de Janeiro company increased 8.24 per cent during 1917, the tramway earnings rising 4.27 per cent. The increase in the net earnings of the tramway department was larger than for any year since 1913. The passengers carried increased from 198,677,975 in 1916 to 207,925,034 in 1917, and the car-miles from 24,667,154 to 24,904,684 respectively.

In Sao Paulo the gross earnings rose 7.59 per cent. The gross and net in every department were greater than in any preceding year. The year 1913 had held the record for passengers carried, but for 1917 the tramway receipts advanced 3.97 per cent over those of 1913. The passengers carried

COMPARATIVE INCOME STATEMENT OF HUDSON & MANHATTAN RAILROAD FOR CALENDAR YEARS 1916 AND 1917

	1917		1916	
	Amount	Per Cent	Amount	Per Cent
Passenger revenues.....	\$4,110,435	92.8	\$3,822,578	93.6
Miscellaneous revenues from railroad operations.....	316,570	7.2	262,270	6.4
Total railroad revenue.....	\$4,427,005	100.0	\$4,084,848	100.0
Maintenance of way and structures.....	\$293,168	6.6	\$268,061	6.5
Maintenance of equipment.....	190,234	4.3	179,179	5.4
Power.....	476,819	10.8	275,986	6.8
Transportation expenses.....	742,338	16.8	679,464	16.6
Traffic expenses.....	2,335	0.0	3,308	0.1
General expenses.....	206,571	4.7	176,636	4.3
Total railroad operating expenses.....	\$1,911,465	43.2	\$1,622,634	39.7
Net railroad operating revenue.....	\$2,515,540	56.8	\$2,462,214	60.3
Railroad taxes.....	308,438	7.0	293,610	7.1
Net railroad income.....	\$2,207,102	49.8	\$2,168,604	53.2
Net income from outside operations.....	850,073	19.2	877,077	22.5
Total operating income.....	\$3,057,175	69.0	\$3,086,681	75.7
Non-operating income.....	78,013	1.7	55,398	1.3
Gross income.....	\$3,135,188	70.7	\$3,142,079	77.0
Income deductions prior to bond interest.....	280,807	6.3	264,582	6.5
Net income applicable to bond interest.....	\$2,854,381	64.4	\$2,877,537	70.5
Bond interest on N. Y. & J. 5's, first mortgage 4½'s and first refunding 5's.....	2,167,534	48.9	2,155,402	52.8
Net income available for income bond interest.....	\$686,847	15.5	\$722,135	17.7

station privileges, \$9,029 or 12.3 per cent; miscellaneous revenue other than transportation, \$35,850 or 83.4 per cent, and miscellaneous transportation revenue, \$2,595 or 20.9 per cent. The total increase in operating revenues was \$342,157 or 8.4 per cent.

This gain, as in the case of practically all electric railways, was largely absorbed by the higher operating costs. The operating expenses rose \$288,832 or 17.8 per cent. This was the result of increases of \$25,107 or 9.4 per cent in maintenance of way and structures, \$200,832 or 72.8 per cent in power expenses, \$62,874 or 9.3 per cent in transportation expenses and \$29,936 or 16.9 per cent in general expenses, together

the second half of the year respectively, and the balance carried forward on Dec. 31 was \$53,206. No interest has been paid on the company's 5 per cent income bonds since the middle of 1916.

The table below gives some comparative statistics for the last two calendar years.

Montgomery Property Sold

Ownership of the Montgomery Light & Traction Company, Montgomery, Ala., of which Richard Tillis has been president for a number of years, is reported to have passed on Oct. 25 to Isadore Newman & Sons, New Orleans. Aside from Ray Rushton, attorney for

	1917	1916
Passenger revenue per revenue car-mile.....	\$0.4943	\$0.4696
Gross railroad operating revenue per revenue car-mile.....	5324	5018
Operating expenses (excluding taxes) per revenue car-mile.....	2299	1993
Net railroad operating revenue per revenue car-mile.....	3025	3025
Passenger revenue per passenger.....	.0573	.0578
Gross railroad operating revenue per passenger.....	.0617	.0617
Operating expenses (excluding taxes) per passenger.....	.0266	.0245
Net railroad operating revenue per passenger.....	.0351	.0372

with decreases of \$28,845 or 13.2 per cent in maintenance of equipment and \$972 or 29.4 per cent in traffic expenses.

As the result of the increased expenses the net operating revenue advanced only \$53,325 or 2.2 per cent. Owing to the rise in taxes and income deductions and the decrease in income from outside operations, the final result was \$686,847 available for income

the company, no other parties were taken into the confidence of the signatories. It was stated that the sale represents an amount around \$2,000,000. It was announced that the Newman interests were prepared to spend \$250,000 in rehabilitating the railway lines. Isadore Newman & Sons for a long time were interested in the New Orleans Railway & Light Company.

in 1917 totaled 58,619,758 as compared with 55,154,564 in 1916, and the car-miles were 10,351,057 and 10,153,657 respectively.

New Income Tax Ruling

An income tax ruling dealing with the tax on undistributed net income of corporations was issued on Oct. 24 to all collectors of internal revenue and others concerned. The ruling follows in part:

In determining the amount of net income of the taxable year "remaining undistributed" six months after its close, and not "invested and employed in the business," there may in general be subtracted the amount of any interest paid by the corporation but not allowed to be deducted for income tax purposes, and also the amount of contributions properly made for charitable or war purposes.

A corporation unable to show by tracing into particular assets or into the decrease of particular liabilities the employment of undistributed net income in the business is permitted to claim a benefit of what may be shown by a balance sheet for the date of the expiration of six months after the taxable year, or by a comparative balance sheet.

If resort is made to the balance sheet in the effort to show the employment in the business of all undistributed net income of the taxable year or its retention for the reasonable requirements of the business, the net income for the six months after the taxable year is necessarily to be taken into account, and it must be shown that the undistributed net income of the taxable year as well as the undistributed net income of the six months is so employed or retained.

While a corporation retains profits without distribution of dividends, it may retain them in such form as it may elect, but when it makes any distribution of dividends the distribution must be treated as made from the most recent profits or surplus regardless of any previous designation of any portion of such earnings for investment purposes. The designation of an investment in obligation of the United States issued subsequent to Sept. 1, 1917, may serve to prevent the application of the additional tax of 10 per cent to the amount so invested, but it does not warrant the disregarding of the amount of net income for the taxable year so invested in determining the profits or surplus from which any dividends may be distributed.

Army Traffic Helps Augusta-Aiken

The gross earnings of the Augusta-Aiken Railway & Electric Corporation, Augusta, Ga., and subsidiaries for the year ended Dec. 31, 1917, were \$925,523 as compared to \$838,455 in 1916. The operating expenses and taxes were \$523,099 and \$431,721 in the two years, and the 1917 net earnings at \$402,424 were only a few thousand below those of 1916. The net surplus for 1917 was \$61,954 as compared to \$58,060 for 1916.

The earnings in the railway department increased \$75,797 or 20 per cent during 1917, and the expenses \$62,798 or 27.9 per cent. The earnings in the electric department rose \$68,777 or 17.4 per cent, and the expenses \$31,159 or 24.4 per cent.

The railway earnings for the first six months of 1917 were about the same as in 1916, but during the remainder of the year they were about \$74,000 greater. This increase was attributable to the establishment of Camp Hancock within 2 miles of Augusta.

Of the total increase in railway expenses approximately \$37,000 was caused by the increase in wages and in the cost of materials and supplies. The

remaining \$25,000 was caused by the giving of extra service to the army camp.

During 1917 all capital expenditures for construction not absolutely essential on account of the war were kept at a minimum. It was necessary, however, to expend \$53,434 for transportation and lighting facilities at Camp Hancock and \$34,253 for line extensions and transformers to connect new business.

Eastern Pennsylvania Has Heavy Expenses

The gross earnings of the Eastern Pennsylvania Railways, Pottsville, Pa., and its subsidiary companies for the calendar year 1917 amounted to \$995,182, a gain of \$71,351 or 7.62 per cent. The earnings from the railway department rose 2.75 per cent and for the electric light and power department 15.57 per cent.

The increase in earnings, however, was more than offset by the rise of operating expenses to \$659,745, an increase of \$90,590 or 15.91 per cent. The taxes decreased 11.8 per cent, but deductions for underlying companies rose 6.76 per cent and for the Eastern Pennsylvania Railways 12.63 per cent. As a result the balance available for renewals, depreciation and dividends at \$44,754 represented a loss of \$46,812 or 51.13 per cent.

During 1917 it was deemed advisable to increase the reserve for renewals and depreciation. In addition to \$39,000 included in operating expenses for this account, therefore, a further credit of \$98,744 was made by charging surplus. At the end of the year the reserve balance was \$150,249. The 1917 total for repairs and maintenance was \$174,281, of which all but \$12,049 was charged to the maintenance accounts.

Essential Industries Corporation Prepared

The Capital Issues Committee, it was announced on Oct. 30, has approved issues of securities to be put out by the Essential Industries Finance Corporation, the announcement of whose organization was made in the ELECTRIC RAILWAY JOURNAL for Sept. 28, page 590.

The company is incorporated under New York laws and its business is to finance public utility companies and industries necessary to the prosecution of the war and necessary to after-the-war rehabilitation.

Eugene V. R. Thayer, president of the Chase National Bank, is the president of the company and Frederick Strauss of J. & W. Seligman & Company, recently appointed a member of the Federal Reserve Board to take the place of Paul M. Warburg, and Gerhard M. Dahl, vice-president of the Chase, are the vice-presidents.

According to one of its officials, the company already has applications for loans from several companies. As stated previously it is proposed to

make the resources of the corporation available to existing utility corporations which need aid in enlargement of plant for essential purposes, but not to undertake construction for new enterprises.

Financial News Notes

Plans to Abandon Road.—The bondholders' committee of the Ocean City (N. J.) Electric Railroad has notified the City Commissioners that the company plans to "junk" the road because of its inability to meet running expenses, but that it will sell the road to the city for \$84,000. Mayor Champion desires the property owners and taxpayers to hold a public meeting to discuss the matter. The road does not traverse the main business section of the city.

Abandonment Hearing Held.—At Exeter, N. H., on Oct. 22, the State Public Service Commission heard the petition of the Exeter, Hampton & Amesbury St. Railway for authority to abandon the greater portion of its lines and service. Allen Hollis, president of the company, said he would not continue as president under existing conditions and thought a receivership and liquidation inevitable if the company's petition be not granted. The hearing was continued by the commission to a future date.

Wants to Abandon Conway Line.—James H. Hustis, receiver of the Boston & Maine Railroad, of which the Conway (Mass.) Electric Street Railway is controlled, has filed a petition in the U. S. District Court asking permission to discontinue the Conway line, which runs between Conway and South River, Deerfield—a distance of about 6 miles. It is claimed that owing to the construction of the new automobile highway the road is not a paying proposition. There will be a hearing on the petition before the District Court on Nov. 11.

All Indianapolis Public Directors Named.—Edward A. Kahn has been named a director of the Indianapolis Traction & Terminal Company, Indianapolis, Ind., by Mayor Charles W. Jewett, to serve as one of three members of the board chosen by public officials for appointment to the directorate of the company. The other two public directors are Alfred F. Potts, nominated by Governor James P. Goodrich, and B. A. Worthington, nominated by the directors of the Chamber of Commerce. These men, with Robert I. Todd, Ferdinand Winter, John J. Appel and J. W. Lilly, constitute the present board of directors. The public directors of the company serve only until Jan. 1, when new appointments will be made.

Traffic and Transportation

Bartlesville's Seven-Cents

Review of Advertising Campaign That Quickly Brought Result Desired by Interurban Line

The Oklahoma State Corporation Commission granted the Bartlesville Interurban Railway the right to increase its fares from 5 cents to 7 cents and upward, pro rata, for extended service, and this increase became effective on Aug. 1. The Bartlesville public is reconciled and this Doherty company is now enabled to make some needed improvements. Frank Johnson, superintendent of the company, in a report to the New York office said:

COMPANY A CONSCIOUS SINNER

"Before entering upon this campaign we realized that we were giving poor service. However, we knew that before making any extensive repairs or purchasing additional equipment, additional revenue must be obtained in order to better our service. With these facts in mind we launched an advertising campaign with a view to putting our case directly up to the people and convincing them of our difficulty.

"On June 11 we opened our campaign, running talks in both local papers. After the publication of six talks we found we were getting very little criticism except from some of the most prominent business men, and these criticisms were, for the most part, constructive.

"In view of the fact that the bulk of the people apparently were not reading our talks we had posters painted, reading as follows:

"Is the interurban justified in increasing its unit fare from 5 to 7 cents? Read "Pup" talks in both papers and offer your objection."

"These posters were painted on 14-in. x 22-in. cardboard and carried inside the cars. The appearance of this poster did the work. Criticisms both constructive and destructive were frequent. The 7-cent fare became the topic of car riders, several letters were printed by the newspapers and we also received some personal letters. Before entering our campaign we were prepared for a long series of talks and any criticisms that might develop. However, after running sixteen talks it seemed that we had accomplished our purpose and we closed the campaign.

INDORSEMENTS SECURED

"We then drew up three resolutions, the general form of which was listed as the seventeenth talk. W. H. Merritt, general manager, first obtained the approval of the Bartlesville Chamber of Commerce to one resolution; then

went to the Dewey commissioners and secured their approval and signatures to the second, and then went before the Bartlesville City Commissioners and secured their approval and signatures to the third resolution. This was a wise and judicious move, and without a doubt contributed largely to the speedy and favorable action of the State Corporation Commission. L. A. Ramsay, then secretary of the company, carefully compiled a very complete, concise and clear statement of financial conditions, which was embodied in the petition for our increase. After this was done Messrs. Merritt and Ramsay in person presented our petition to the State Corporation Commission. This presentation was made about July 2, and so pleased were the commissioners with the manner of presentation that we were permitted a hearing ahead of many cases filed before us. To be specific, our hearing was set for July 12, and at that time Messrs. Merritt and Ramsay again appeared before the commission. No opposition was offered and they were practically assured of the commissioners' approval.

FORTY PER CENT INCREASE

"On July 19 we received authorization from the State Corporation Commission to put a 7-cent unit fare into effect on and after Aug. 1. On July 27 painted posters were placed in our cars notifying the public of the increase. Only July 30 and 31 the newspaper ad. listed as our eighteenth talk was run and the fare became effective on Aug. 1.

"This we believe gives in detail our procedure in obtaining the 7-cent fare, and I can think of no higher compliment to pay Mr. Merritt than in citing these two facts:

"1. Within forty days after starting the campaign authorization was given for a 40 per cent increase in fares.

"2. The Corporation Commission said:—'Never in our history have we had a better or more complete petition presented to us.'"

Wants Staggered Hours Continued

In a letter to the Public Service Commission for the First District of New York, Dr. Royal S. Copeland, Health Commissioner of the city of New York on Oct. 30 informed that body that he thought he would soon be able to discontinue his regulations concerning the opening and closing of business houses. Dr. Copeland pointed out the advantages of the plan with respect to congestion of traffic and suggested that the staggered hours for business houses be made permanent if the city railways would adjust service to them.

Schenectady Case Heard

Company Wants to Charge Six-Cent Fare in City and Three Cents a Mile on Interurban Line

The fare case of the Schenectady (N. Y.) Railway was heard on Oct. 23 by the Public Service Commission, Second District, Chairman Charles B. Hill residing. The application of the company is for permission to increase its passenger fares to 6 cents within the city of Schenectady and for a 3-cent-a-mile flat rate on its interurban lines. The cross-examination of witnesses was deferred until Nov. 6.

COMPANY FORMERLY DID WELL

It was brought out by the testimony of James P. Barnes, general manager, and the auditor of the railway, that the company up to the end of 1917 had earned an average of \$225,000 a year net income and had from 1906 to 1917 inclusive paid an average of 4 per cent dividend and retained a surplus of \$682,894, most of which was reinvested in the property. Having already encountered a deficit for the eight months ended Aug. 31, 1918, and using this as a basis to estimate what the annual deficit would be, which was estimated at an average of \$116,735 a year, the company believes it is justified, because the War Labor Board imposed upon it very decided increases in the cost of labor, in asking for relief before it actually encounters another series of deficits estimated at an average of \$200,000 a year for the next five years. The increase in the amount of earnings devoted solely to labor is shown by the company's reports to be 33.65 per cent in 1910 to 52.21 per cent in 1918. Corresponding increases in the cost of material and other labor in the meantime make the deficit obvious.

The contention of the opponents was that this deficit resulted from the failure of the lines inside the city of Schenectady to earn an amount commensurate with the cost of their operation and should not be charged against the interurban lines which showed a net income last year of about \$115,000 or three times the net income received in the city of Schenectady.

SURPLUS ALREADY REINVESTED

There was some question as to whether or not the surplus of \$682,000 should not be used now in the lean years inasmuch as it was accumulated when the company was earning very much more than it can possibly earn under the present conditions. It was pointed out, however, that this sum was not available because it has been reinvested in rolling stock and equipment and does not truly represent liquid assets.

The Schenectady Railway operates 140 miles of line. In addition to the property in Schenectady the company operates to Warrensburg, Lake George, Glans Falls, Saratoga, Ballston Spa, Ballston Lake, Troy, Albany and Watervliet.

Transportation News Notes

Columbus Limits Car Capacity.—Patrolmen have been placed on all cars at Columbus, Ohio, to enforce an order to prevent crowding during the period of the epidemic of Spanish influenza.

Louisville Paper Suspends.—*Trolley Topics*, devoted to the interests of and for free distribution to employees of the Louisville (Ky.) Railway, has suspended publication temporarily as a measure of war economy.

Seven Cents for Owensboro.—The Commissioners of Owensboro, Ky., have authorized the Owensboro City Railroad to increase its fares from 5 cents to 7 cents, with four tickets for 25 cents. The new rate will likely not become effective until Dec. 1.

Indianapolis-Louisville Rates Increased.—The Indianapolis & Louisville Traction Company and the Interstate Public Service Company, operating between Indianapolis, Ind., and Louisville, Ky., were recently authorized by the Interstate Commerce Commission to increase passenger rates to 2½ cents per mile, an increase of ½ cent.

Injunction Against Fare Increase.—Judge Overton in Circuit Court at Lake Charles, La., has ordered a preliminary injunction issued without bond to the city of Lake Charles against the Lake Charles Railway, Light & Waterworks Company, which has raised fares to 7 cents. It is alleged the increase is contrary to a city ordinance fixing the rate at 5 cents.

Toronto Wants Flat Five Cents.—The Civic Board of Control of Toronto, Ont., has refused to consider the proposal of the Toronto Railway that it be permitted to charge a straight 5-cent fare. The company has forwarded to the Mayor a request that the city cooperate with the company in an application to the Ontario Railway Board for permission to charge a 5-cent fare.

Wants Operating Details.—The committee of the whole of the Board of Aldermen of Yonkers, N. Y., to whom was referred the petition of the Yonkers Railroad for an increase in fares will request the company to submit a statement showing the cost of operating the road for the two years prior to the entrance of the United States into the war and for the period up to Sept. 1 last.

Six Cents for Another Jersey Road.—The Board of Public Utility Commissioners of New Jersey has granted the Monmouth County Electric Company, Red Bank, N. J., permission to increase its fare rate from 5 cents to 6 cents on its lines. The 1-cent increase is expected to bring the company \$18,000 additional revenue yearly.

Plan to Relieve Freight Congestion at Toledo.—Chairman Charles Marshall and Inspector James C. Dugan of the Public Utilities Commission of Ohio, after a careful inspection of interurban freight depot facilities, have recommended the use of the Terminal Building as a consolidated freight station for all interurban lines at Toledo. Action is now awaiting word from the United States Railroad Administration.

Service Cut at Cleveland.—Fielder Sanders, Street Railway Commissioner, has ordered a reduction in the service on the Cleveland (Ohio) Railway after 7 p. m., and on Sundays until quarantine regulations are modified. Since the Spanish influenza epidemic, traffic has continued to decrease. Efforts have been made to reduce congestion during the rush hours by staggering the opening and closing hours of business houses.

Tacoma Fare Attacked.—The legality of the 7-cent fare charged by the Tacoma Railway & Power Company, Tacoma, Wash., has again been attacked. W. D. E. Anderson, real estate dealer, has filed information in the Superior Court against the company, alleging that the railway is collecting an exorbitant fare in violation of a State law and city franchises. He asks that a restraining order be granted prohibiting the collection of more than a 5-cent fare.

No Need for Government Action.—After an exhaustive investigation into transportation facilities in the City of Portland, Ore., Edward West, Pacific Coast director of the housing and passenger transportation branch of the Emergency Fleet Corporation, states "there is absolutely no transportation problem in the city which necessitates the government buying steam service for shipyard workers. There is no transportation situation here retarding construction of ships."

A Dissenter Repents.—The city of Ottawa, Ill., has capitulated to the Fuel Administration on the skip-stop matter. After the Chicago, Ottawa & Peoria Railway had adopted skip-stops there at the behest of the Fuel Administration the Council passed a resolution requiring the company to stop on signal. A letter to the Council from Harold Almert, director of conservation for Illinois, quoting the Lever act caused the members of the Council to change their minds.

Electric Will Handle Papers.—The *Daily News* of Galveston, Tex., has entered into a contract with the Galveston-Houston Interurban Railway for a special interurban car to leave Galveston at 4 a. m. daily for Houston to carry the *News*. The cars will also carry United States mail and passengers. The Galveston *News* heretofore has had a contract with the Galveston, Houston & Henderson Railroad, a steam line, which has operated a train leaving Galveston at 4 a. m.

Six-Cents for Winona.—Six-cent fares will prevail in Winona, Minn., under the provisions of a war-time

emergency ordinance to be passed by the Council. The Wisconsin Railway, Light & Power Company had made formal request for a 7-cent fare at a recent meeting. Since then conferences have been conducted between Manager R. M. Howard and members of the Council. A compromise proposition, which it is understood will be accepted, will afford an advance of 1-cent in the fares.

More Skip Stops in Brooklyn.—The Brooklyn (N. Y.) Rapid Transit Company announced on Oct. 26 that, beginning on Oct. 27 skip-stop operation, similar to that in effect in the lower Fulton Street, Broadway, and Flatbush sections, Brooklyn, would be started on all lines running from the Fifty-eighth Street depot. The action has been taken at the request of the United States Fuel Administration. Such operation will be extended to all surface lines on the system as soon as the work of indicating stops is completed.

Louisville Limits Car Capacity.—Following a conference between the State Board of Health and officials of the Louisville Board of Safety and Louisville (Ky.) Railway, an agreement was reached limiting the number of passengers to be carried by cars during the influenza epidemic. Double truck cars are limited to fifty-five passengers, and double truck cars to sixty-five, including platform and standing space. Double truck cars are to carry forty-four seated and twelve standing inside, with four on the front platform, and six on the rear. Single-truck cars will be distributed in the same way as to platforms, but with ten fewer seated inside.

Lower Steps Demanded Again.—Because Mrs. John Vallance, Spokane, Wash., complained to the State Public Service Commission that the steps on cars were too high, the commission has ordered the Spokane Traction Company to lower the steps to a height more easily negotiated by tight-skirted women. The complaint was originally laid before the commission some time ago. The commission wrote the company asking that the steps be lowered. Recently Mrs. Vallance again took the matter up, alleging that the company had lowered the steps on only a part of its cars in compliance with the first order. The commission has again written the company demanding that the steps be lowered.

Winnipeg Wants Six Cents.—Formal application has been made by the Winnipeg (Man.) Electric Railway to the Mayor and Council of Winnipeg for permission to charge a 6-cent fare for adults, with tickets for school children at the rate of seven for 25 cents. In its petition the company points to the wage award noted in the *ELECTRIC RAILWAY JOURNAL* for Oct. 26, page 755, and says that by that decision the payroll of the company will be increased \$361,952 annually. The total extra cost to the company for wages, advances in the price of materials, etc., will be increased \$600,000 annually.

Financial statements are annexed to the application showing the expected results in detail.

Columbus Investigation Halted.—City Attorney Scarlett of Columbus, Ohio, has made known the fact that the special committee, appointed to investigate the finances of the Columbus Railway, Power & Light Company in connection with its request for a higher rate of fare, can make no contract with an accountant to check up the figures furnished by the company until ordinances are enacted which provide for this and making an appropriation to pay for the work. The committee had arranged with Edward J. Bemis, Chicago, Ill., to do this work, and his remuneration was to be \$750. Mr. Scarlett stated that he had informed the Council of the situation several times, but no steps have been taken to get such ordinances through.

Toronto Service Order Stands.—Following the recent order of the Railway & Municipal Board of Ontario to the Toronto (Ont.) Railway to purchase 200 additional cars at once, the same body has instructed the company to place all of its cars in service forthwith. The company contended that cars were in the carhouses because it was impossible to secure men. New men are being offered \$90 a month. The company's plea for time was not heeded. Chairman McIntyre of the board insisted that the word "forthwith" stand in the order. It was also indicated that the board would proceed to enforce the order to buy 200 new cars. A representative of the union of motormen and conductors argued that the company did not make the best use of the men available. He said it was for this reason that the men had opposed the employment of women.

Rates in Jackson Before Court.—The matter of rates for the Jackson Light & Traction Company, which operates the railway, gas and electric light and power services in Jackson, Miss., is before the courts. About a year ago the company made a start toward increased rates. All of its efforts were fought by the city officials, and litigation was started. This litigation, however, involved only the electric and gas rates. An agreement was reached with the city whereby the company was permitted to increase its rates 33½ per cent for lighting, 40 per cent for power, and 25 cents per 1000 cu. ft. on gas, until the matter is finally adjudicated in the courts. Railway fares had never been fixed by city ordinance or franchise. At the time the company put the new gas and electric rates into effect, it also announced an increase of 2 cents in car fares. The city officials immediately passed an ordinance fixing the fares at 5 cents. The company then secured an injunction restraining the city from enforcing this ordinance, and it is probable that the railway fare question will be settled at the same time the gas and electric rate questions are settled. The matter will probably come up in court in November.

Personal Mention

Mr. Pardee, President

Elected to Head American Electric Railway Association, Succeeding
J. J. Stanley

John H. Pardee, who was elected president of the American Electric Railway Association at the conference of that association held in New York on Nov. 1, is president of The J. G. White Management Corporation, New York.

Mr. Pardee was graduated from Hamilton College in 1889, and is a member of the Theta Delta Chi fraternity. In 1891 he was admitted to the bar of New York, and began to practice law as a member of the firm of Petris, Zimmerman & Pardee, Buffalo. His entry into the public utility field was made in the capacity of general manager of the Ontario Light & Traction Company and the Canandaigua Gas Light Company, Canandaigua, N. Y. This was an administrative appointment, the result of his successful reorganization of those properties as attorney for the principal financial interests. In 1902 he was appointed general manager of the Rochester & Eastern Rapid Railway, with headquarters at Canandaigua, N. Y. At this time he discontinued entirely the practice of law in order to devote all his energies to utility management.

In 1907 Mr. Pardee joined the organization of J. G. White Company, Inc., New York, as operating manager of the public utility properties controlled by that company. In 1913 he was elected to the office he now occupies as president of The J. G. White Management Corporation, then newly organized by the J. G. White interests for the purpose of specializing in the management and operation of railway, gas and electric properties and industrial enterprises. He is connected with the following companies in the executive capacities as shown: president Associated Gas & Electric Company, New York, N. Y.; president Eastern Pennsylvania Railways, Pottsville, Pa.; president Southern Utilities Company, Florida; president Cayuga Cement Corporation, New York; vice-president Augusta-Aiken Railway & Electric Corporation, Augusta, Ga.; vice-president Manila Electric Railroad & Lighting Corporation, Manila, P. I.; vice-president Philippine Railway, Iloilo, P. I.; vice-president The Helena Light & Railway Company, Helena, Mont.; vice-president The Sheffield Company, Sheffield, Ala.; vice-president Central Sugar Corporation, Salamanca, Cuba; vice-president Cardenas-American Sugar Company, Cardenas, Cuba; vice-president Matanzas-American Sugar Company, Matanzas, Cuba.

Mr. Pardee has been actively identified in the affairs of the American Electric Railway Association for many years. He has been a member of several important committees, and during the past year was first vice-president of the association, having successively held the other vice-presidencies. He was president of the New York Electric Railway Association for the year 1910-1911, following an official connection with that association dating from 1903.

The many business interests with which Mr. Pardee is actively affiliated have given him an especially broad knowledge of the general utility problems throughout the United States. He is also particularly familiar with the utility situation in the Philippine Islands, having made several trips to those islands in connection with the management of the properties operated there by The J. G. White Management Corporation.

Mr. Pardee is a member of numerous social and technical organizations, including the Metropolitan Club and The Engineers' Club, both of New York.

Howard Channels has been appointed master mechanic of the Atlantic & Suburban Railway, Pleasantville, N. J., to succeed William Simmerman.

M. E. McGraw has been appointed auditor of the Cleveland, Southwestern & Columbus Railway, Cleveland, Ohio, to succeed H. B. Cavanaugh.

R. C. Guernsey has been appointed secretary of the Fostoria & Fremont Railway, Fostoria, Ohio, to succeed James D. McDonel, deceased.

L. L. Jacobs has been appointed purchasing agent of the Trans-St. Mary's Traction Company, Sault Ste. Marie, Mich., to succeed C. H. Speer.

L. P. Chaney has been appointed chief engineer of power station of the Pensacola Electric Company, Pensacola, Fla., to succeed J. M. Anderson.

F. W. Aiells has been appointed engineer maintenance of way of the Peoria Railway & Terminal Company, Peoria, Ill., to succeed J. Telfer.

J. P. Tischendorf has been appointed auditor of the Cincinnati, Milford & Loveland Traction Company, Cincinnati, Ohio, to succeed R. G. Ware.

H. C. Howard has returned to Winnipeg, Man., and has resumed his former position as publicity agent of the Winnipeg (Man.) Electric Railway, succeeding F. H. Williams, resigned.

William M. Butler has been elected chairman of the board of trustees of the Boston (Mass.) Elevated Railway, succeeding Maj. Louis A. Frothingham, who has entered war service. Mr. Butler has been a trustee of the Boston

company since the road was taken over under the public management, service-at-cost plan. He is president of the Boston & Worcester Street Railway and is a trustee of the Massachusetts Lighting Companies.

T. N. Naroshechitsch, chief engineer of the Moscow Tramways, has been spending some time in this country. He left Russia before the fall of the Kerensky government to purchase new rolling stock and equipment and placed orders for some cars with Japanese shops and for some motors in this country, but delivery has been delayed by the serious internal conditions in Russia.

Lieut. Augustus G. Reynolds, Third Battalion, U. S. Guards, has been promoted to captain and assigned to command Company A, Twenty-seventh Battalion, on guard duty at the Bath, Me., shipyards. Captain Reynolds has been an assistant in the office of the president of the Boston (Mass.) Elevated Railway for about twenty years. He is widely known in New England electric railway circles.

Matthew C. Brush, former president of the Boston (Mass.) Elevated Railway, and now vice-president of the American International Corporation, New York, N. Y., was elected chairman of the board of directors of the Boston Elevated Railway on Oct. 28. On the evening of Oct. 28 Mr. Brush was the guest at a dinner at the Algonquin Club given by officials and employees of the railway and officers of the Boston carmen's union. Russell A. Sears, attorney for the company, officiated as toastmaster at the dinner, which was entirely informal and at which there were ninety-two diners. Acting President J. Henry Neal spoke of his close association with Mr. Brush and the confidence that the latter inspired in those who worked with him. Thomas F. Shine, in behalf of the union, spoke of the good will of the employees toward Mr. Brush and their appreciation for what he had done for them. Mr. Brush was then presented with a grandfather's clock. In response, Mr. Brush spoke of the fine team-play and the family feeling that prevailed in the Elevated organization and called on all to give their best efforts to insure the success of the company under the board of public trustees.

Samuel L. Powers, has been appointed a trustee of the Boston (Mass.) Elevated Railway, succeeding Louis A. Frothingham, who has resigned to accept a commission in the United States Army. Mr. Powers is the senior member of the law firm of Powers & Hall, Boston, counsel for the New England Telephone & Telegraph Company, and has figured in many public utility court and commission proceedings. In addition he was a member of Congress in 1901-1905. Mr. Powers was born at Cornish, N. H., in 1848. He was educated at Dartmouth College and New York University and was admitted to the bar in 1875. He has practiced law in Boston since 1876. He was a dele-

gate from Massachusetts to the International Treaty Convention in Paris in 1878. He is a trustee of Dartmouth College and the New England Conservatory of Music; president of the Eastern Blaugas Company; chairman of the Massachusetts Advisory Council, George Washington Memorial Association; president of the Boston Art Club; and vice-president and director of the Algoma Mining Company and the Corbin Copper Company. He is a member of the University, Newton, Middlesex and Exchange Clubs, and of the Atlantic Conference. Mr. Powers' keen wit and unusual knowledge of public utility affairs and statecraft have made him in much demand as a public speaker. His home is at Newton, Mass.

R. L. Warner, recently elected vice-president of the United Railways, St. Louis, Mo., expects to spend most of his time in New York until about the middle of November, after which he will probably locate in St. Louis. Naturally Mr. Warner was pressed for an interview by the St. Louis papers at the time of his election. He said



R. L. WARNER

then that he had given some attention to affairs in St. Louis, but that he was not acquainted with all the moves that had been made there in connection with the franchise settlement. It seemed to him that there was a parallel between the cases of some of the companies in Massachusetts and the company in St. Louis. He then explained briefly the service-at-cost plan of operation. Mr. Warner was careful to insist, however, that he had no preconceived ideas as to what solution was best in the St. Louis case, but is reported to have said that some such plan as service-at-cost would seem to be applicable there. Mr. Warner will devote his attention to the financial affairs of the company and to the matter of public relations. He is at present a member of the firm of Warner, Tucker & Company, Boston, brokers, one of his associates in which is Randolph Tucker, a son-in-law of Col. E. M. House, confidential adviser to President Wilson. Mr. Warner's business career was reviewed in the *ELECTRIC RAILWAY JOURNAL* for Oct. 19, page 721.

Obituary

Howard H. Duff, for the past year assistant to Joseph B. Crane, vice-president of the Lehigh Navigation Electric Company, died on Oct. 24 with pneumonia superinduced by influenza. He was thirty-five years of age. Mr. Duff was a native of Jamaica and came to this country to engage in power engineering. Before he became connected with the Lehigh Navigation Electric Company a year ago he was with the Westinghouse Company at Philadelphia. He went to Allentown as an assistant to Mr. Crane with the Lehigh Valley Transit Company, the main subsidiary of the Lehigh Navigation Electric Company. One of his most creditable accomplishments in the past year was the rehabilitating of the Front Street power plant. He is survived by his widow and one child.

Charles C. Mumford, a federal trustee of the Rhode Island Company, Providence, R. I., former associate justice of the Superior Court of Rhode Island, died suddenly on Oct. 22 of heart disease, aged fifty-seven years. Mr. Mumford was graduated from Brown University in the class of 1881. He then studied law and served for many years in many offices connected with the courts, finally becoming associate justice of the State Superior Court. He also served in the House of Representatives, was United States commissioner and was for a time president of the Providence & Danielson Railroad and vice-president of the Sea View Railroad, both of which are now included in the system of the Rhode Island Company. He was later selected as a federal trustee of the Rhode Island Company.

Prof. William Leslie Hooper, head of the department of electrical engineering at Tufts College, died suddenly at his home in Somerville, Mass., on Oct. 3. Professor Hooper was associated with the electrical work in the development of the West End Street Railway at Boston and was often sought as a consultant by industrial and engineering concerns. For thirty-five years he had been a member of the faculty at Tufts. He was born at Halifax, N. S., in 1855, educated at Tufts, which honored him subsequently with the honorary degrees of Ph.D. and LL.D. From 1883 to 1890 he was assistant professor of physics at Tufts, under the late Prof. A. E. Dolbear, who founded the department of electrical engineering. Since 1890 Professor Hooper has been at the head of the latter department. In 1912 and 1913 he was acting president of the college. He was a Fellow of the American Academy of Arts and Sciences, a member of the American Institute of Electrical Engineers and past chairman of the Boston section. He was the author of a number of technical books.

Manufactures and the Markets

DISCUSSIONS OF MARKET AND TRADE CONDITIONS FOR THE MANUFACTURER,

SALESMAN AND PURCHASING AGENT

ROLLING STOCK PURCHASES

BUSINESS ANNOUNCEMENTS

Leather Up 80 Per Cent

Used by Railways Chiefly for Hand Straps—Demand Has Remained Fairly Steady

Leather for electric railways is confined to a comparatively few uses, but like leather for all other purposes, it has advanced considerably in price. In former years leather was used quite extensively for beil cord but has now been largely replaced by braided cotton cord. This change has been gradual, extending over many years and has been due to various causes, chiefly, however, because cotton cord is considered better for the service and at the same time it is cheaper. Leather bell cord is obtainable, however, for it is still used quite extensively by the steam railroads. Prices have advanced about 80 per cent during the past two years and as manufacturers carry little stock, it will be found that three weeks to two months are necessary for the filling of orders.

Probably the most extensive use of leather by traction companies is for hand straps. This demand is hardly more than 30 per cent normal due to the decrease in the construction of new rolling stock. The demand for maintenance purposes and for what new cars are being built has not changed very much because many of the sanitary straps on the market use leather as a foundation and cover it with such substance as celluloid. Leather for handstraps has advanced about 80 per cent in price during the past two years. No further advance is contemplated at present but if the war continues for another six months, it is predicted that there will be another increase in the spring. Manufacturers report that no stock is being carried and that due to the demands for leather for other purposes three weeks to two months are necessary in which to fill orders.

Another important use for leather on electric railways is in air brake packing and for gaskets. For this use trouble is being experienced in obtaining leather of the best quality as it is essential that for use in brakes the leather must be airtight. Due to the scarcity of leather, prices have advanced about 75 per cent during the past two years. Deliveries are reported as good, but the manufacturers urge that the railways advise them in advance of their month to month needs in order that the demand may be anticipated and the orders filled without delay. It is understood that there is a strong movement on foot to try to develop a substitute for leather for

use in air brake packing and for gaskets due to the present shortage, the possibilities of a future decrease in quantity available and a consequent further increase in price of the finished product.

Effect of War on Deliveries

Statement by Boston Elevated Shows Condition Affecting Shipments of Rolling Stock and Power Plant Equipment

In a recent statement by the trustees of the Boston (Mass.) Elevated Railway showing why the company is unable at present to increase its service materially, the following comment in part on delivery conditions was included: "The company's motive power is sufficient to operate only the surface cars now available for service. An accident last winter to the company's 35,000-kw. turbine at the South Boston power station has not yet been repaired. The General Electric Company expects that it will be in operation shortly after Jan. 1, 1919, but not before, because government war work has had to take precedence. A new 25,000-kw. turbine ordered from the Westinghouse Electric & Manufacturing Company for delivery in September or October, 1918, will not be installed until Feb. 1, 1919, notwithstanding the fact that the War Industries Board issued priority orders to facilitate to the utmost early delivery. Power will for several months be lacking to operate additional cars or new cars unless they are used to replace cars now in service.

"Nor are the new cars immediately available. The 200 new surface motor cars ordered by the trustees at their first meeting in July for delivery beginning between Oct. 15 and Nov. 15, 1918, have been delayed and will probably not be in service before early spring of next year. The fifty new trail cars are likewise much delayed by government war work so that they will not be in operation before next January. The balance of the new Cambridge subway cars ordered in October, 1917, has been indefinitely delayed by government war work so that there is no prospect of their delivery during the present calendar year. The same delay has occurred in much of the equipment which is needed for outfitting these same new cars upon delivery. The only way to facilitate the completion of turbines and equipment in less time would be for the government to consent to give the company priority over war work, which of course, no one would want to occur."

Nic Le Grand Changes

Joins the National Safety Car & Equipment Company and Will Specialize in Safety Cars in the Future

Nic Le Grand, for many years connected with the St. Louis Car Company and lately in charge of sales as general sales agent, left that concern on Oct. 31 to become affiliated with the National Safety Car & Equipment Company, 418 Pierce Building, St. Louis. Mr. Le Grand's attractive personality, combined with his country-wide work in the development and sale of electric railway equipment, has brought to him an exceptionally large acquaintance in the electric railway industry. In 1902, after having had a general manufacturing experience, Mr. Le Grand began work with the St. Louis Car Company. In 1906 he resigned to engage in the supply business and after two years renewed his affiliations with the St. Louis Car Company, becoming its Eastern representative at New York. In 1909 Mr. Le Grand returned to St. Louis and became manager of the supply department of the St. Louis Car Company, in which capacity he served until Jan. 1, 1913, when John I. Beggs, president of that company, appointed Mr. Le Grand general sales agent.

Mr. Le Grand's new affiliation with the National Safety Car & Equipment Company will offer him an opportunity to utilize his long experience in car design and construction work. This new company, organized in September by George H. Tontrup, formerly manager of the American Car Company, will specialize in the sale of Birney safety cars as complete, ready-to-run units. It has made manufacturing arrangements with the Cincinnati Car Company and has announced that it also will handle a general line of electric and steam railway supplies.

New Export License Rules

Procedure for Obtaining Licensees' Priority Certificates and Steel Supply Permits Simplified

The War Industries Board and the War Trade Board announce in a new ruling (W. T. D. R. 258) that they have jointly adopted a set of rules and regulations for the purpose of simplifying the procedure of obtaining export licenses from the War Trade Board, priority certificates from the Priorities Committee of the War Industries Board, and permits from the Director of Steel Supply of the War Industries Board. On and after Oct. 14, 1918, an-

plications for licenses to export iron and steel articles, a number of which are used in the electric railway field, should be filed with the War Trade Board.

The Priorities Committee of the War Industries Board has awarded priority classification C to all articles on which priorities are issued which are on the export conservation list of the War Trade Board and are covered by export licenses issued on and after Oct. 16, 1918. No class C certificates will be issued with such licenses. If the article specified on the license is one on which priorities are issued, and if no individual priority certificate accompanies the export license, the license itself will be evidence that the article covered by it has been automatically awarded priority classification C. If higher priorities are warranted, individual certificates will be granted.

Licenses issued on and after Oct. 16 for the exportation of iron and steel or the products manufactured thereof which are not covered by priority license application will in itself constitute a permit and approval from the Director of Steel Supply for the filling of the orders for the properties of iron and steel specified in such export licenses to the extent that such delivery will not interfere with delivery when and as required by priority orders.

The material cited under this order includes among other things cast and wrought iron and steel pipes, poles, rails and splice bars, frogs and switches, railroad tie plates, track spikes and bolts.

Preparedness Conference for Reconstruction

Meeting to Be Held in Chicago, Dec. 5 and 6, Under Auspices of Local Trade Press Editorial Conference

Preparedness for reconstruction after the war has come into the minds of business men very definitely in the past few weeks. Nor is there hardly another industry in which reconstruction is of so much importance as the electric railway industry, which for more than four years has seen its property deteriorate.

In order to discuss preparedness a conference of trade and technical editors of America will be held in Chicago on Dec. 5 and 6 under the auspices of the War Service Editorial Conference of the Trade, Class and Technical Press of Chicago.

The committee appointed to arrange the program has been in touch with some of the leading men of the nation and has already secured a definite promise from James W. Gerard, former ambassador to Germany, to participate in the discussion. It has been decided to carry on the discussion by sections, with a general meeting in the afternoon of the second day, at which the conclusions which have been reached by each section will be reviewed, and the formulation of a platform will be attempted by the conference.

Although it has not as yet been fully decided just how many sections there will be and what each will take up, it is understood that the following conditions will be considered: Credit standing

after the war; labor distribution and compensation; commodity price adjustment to avoid a period of depression; production curtailment and acceleration; market relations re-establishment to avoid demoralization; export questions on markets, prices, credits, etc.; the question of whether governmental participation shall be dictatorial, as a partner, or as a referee.

National Standard Catalog Size Proposed

Recommendation of 7½ x 10½ in. Adopted by Standardization Committee of the National Association of Purchasing Agents

At the third annual convention of the National Association of Purchasing Agents, held at Detroit, Mich., on Sept. 23, 24 and 25, a standard-size catalog to be known as the "national standard catalog size" was recommended and adopted.

The committee recommended that all catalogs meant for purchasing agents be made 7½ x 10½ in. or its half size, 5½ x 7½ in., saddle stitched so that they may be opened flat to full size for filing. Also that circulars and single sheets of either 7½ x 10½ in. or any multiple thereof may be folded for mailing.

Since the recommendation has become known, the National Retail Hardware Association of 15,000 members has adopted it as its standard, and several other associations have the matter under consideration through committees.

NEW YORK METAL MARKET PRICES

	Oct. 17	Oct. 31
Copper, ingots, cents per lb.	26	26
Copper wire base, cents per lb.	28.75	28.75
Lead, cents per lb.	8.05	8.05
Nickel, cents per lb.	40	40
Spelter, cents per lb.	9.05	9.10
Tin, Chinese*, cents per lb.		77.00 to 77.50
Aluminum, 98 to 99 per cent., cents per lb.	†33.10	†33.10

* No Straits offering. † Government price in 50-ton lots or more, f. o. b. plant.

OLD METAL PRICES—NEW YORK

	Oct. 17	Oct. 31
Heavy copper, cents per lb.	23.50 to 24.00	23.00 to 23.50
Light copper, cents per lb.	20.50 to 21.50	20.00 to 20.50
Red brass, cents per lb.	23.00 to 24.00	23.00 to 24.00
Yellow brass, cents per lb.	15.00 to 16.00	15.00 to 16.00
Lead, heavy, cents per lb.	7.50 to 8.00	7.50 to 7.75
Zinc, cents per lb.	7.50 to 8.00	6.25 to 6.50
Steel car axles, Chicago, per net ton.	\$41.52	\$41.52
Old carwheels, Chicago, per gross ton.	\$29.00	\$29.00
Steel rails (scrap), Chicago, per gross ton.	\$34.00	\$34.00
Steel rails (relaying), Chicago, gross ton.	\$60.00	\$60.00
Machine shop turnings, Chicago, net ton.	\$16.96	\$16.00 to 16.50

ELECTRIC RAILWAY MATERIAL PRICES

	Oct. 17	Oct. 31
Rubber-covered wire base, New York, cents per lb.	34	34
Weatherproof wire (100 lb. lots), cents per lb., New York	38.75 to 40.00	38.75 to 40.00
Weatherproof wire (100 lb. lots), cents per lb., Chicago	35.00 to 39.00	38.75 to 39.76
T rails (A. S. C. E. standard), per gross ton.	\$70.00 to \$80.00	\$70.00 to \$80.00
T rails (A. S. C. E. standard), 100 to 500 ton lots, per gross ton.	\$67.50	\$67.50
T rails (A. S. C. E. standard), 500 ton lots, per gross ton.	\$62.50	\$62.50
T rail, high (Shanghai), cents per lb.	4½	4½
Rails, girder (grooved), cents per lb.	4½	4½
Wire nails, Pittsburgh, cents per lb.	3½	3½
Railroad spikes, drive, Pittsburgh base, cents per lb.	4½	4½
Railroad spikes, screw, Pittsburgh base, cents per lb.	8	8
Tie plates (flat type), cents per lb.	*3½	*3½
Tie plates (brace type), cents per lb.	*3½	*3½
Tie rods, Pittsburgh base, cents per lb.	7	7
Fish plates, cents per lb.	*3½	*3½
Angle plates, cents per lb.	*3½	*3½
Angle bars, cents per lb.	*3½	*3½
Rail bolts and nuts, Pittsburgh base, cents per lb.	4.90	4.90
Steel bars, Pittsburgh, cents per lb.	2.90	*2.90
Sheet iron, black (24 gage), Pittsburgh, cents per lb.	4.90	*5.00
Sheet iron, galvanized (24 gage), Pittsburgh, cents per lb.	5.80	*6.25
Galvanized barbed wire, Pittsburgh, cents per lb.	4.35	*4.35

	Oct. 17	Oct. 31
Galvanized wire, ordinary, Pittsburgh, cents per lb.	3.95	*3.95
Car window glass (single strength), first three brackets, A quality, New York, discount †.	77%	77%
Car window glass (single strength, first three brackets, B quality), New York, discount.	77%	77%
Car window glass (double strength, all sizes AA quality), New York discount.	79%	79%
Waste, wool (according to grade), cents per lb.	15 to 25	15 to 25
Waste cotton (100 lb. bale), cents per lb.	13 to 13½	12½ to 13
Asphalt, hot (150 tons minimum), per ton delivered.	\$38.50	\$38.50
Asphalt, cold (150 tons minimum, pkgs. weighed in, F. O. B. plant, Maurer, N. J.), per ton.	\$42.50	\$42.50
Asphalt filler, per ton.	\$45.00	\$45.00
Cement (carload lots), New York, per bbl.	\$3.20	\$3.20
Cement (carload lots), Chicago, per bbl.	\$3.34	\$3.34
Cement (carload lots), Seattle, per bbl.	\$3.68	\$3.68
Linseed oil (raw, 5 bbl. lots), New York, per gal.	†\$1.80	1.52
Linseed oil (boiled, 5 bbl. lots), New York, per gal.	†\$1.82	†1.54
White lead (100 lb. keg), New York, cents per lb.	14	14
Turpentine (bbl. lots), New York, cents per gal.	64	64

* Government price. † These prices are f. o. b. works, with boxing charges extra. ‡ Bid price, no quotation.

Rolling Stock

Murphysboro & Southern Illinois Railway, Murphysboro, Ill. A. B. Minton, president, is in the market for a second-hand double-end interurban car.

Coatesville (Pa.) Trolley Company, is in the market for two 5-ft. 2½-in. gage used electric street cars.

Mansfield Public Service & Utility Company, Mansfield, Ohio, has ordered seven safety cars from the Cincinnati Car Company through the National Safety Car & Equipment Company of St. Louis.

Twin City Rapid Transit Company, Minneapolis, Minn., is disposing of its small-platform cars and will in the future purchase larger cars with triple gates it was announced last week. The company, it is understood, will soon place orders for a large number of trucks for the larger cars.

Seattle (Wash.) Municipal System has purchased twenty-five double truck passenger cars through the United Railway & Logging Supply Company, to be delivered on cars at St. Paul prior to Nov. 15 as previously reported. It had been expected that these cars would be shipped considerably earlier than this date, and would be in service about Nov. 1. The cars cost \$6,611 each. About \$150 each will be expended on the cars, to cover special features that the city desired. The original cost will be paid for by the Emergency Fleet Corporation, but the additional \$150 on each car will be paid by the city. Six one-man cars were purchased from the St. Louis Car Company. Four of these cars have been received, and two more will be shipped in the near future. These cars were ordered about one year ago. Six one-man cars have been purchased from the American Car Company. These were ordered recently and are being taken from stock. The sum of \$217,000 will be paid by the Emergency Fleet Corporation, this sum to cover six of the one-man cars, as well.

Lewiston, Augusta & Waterville Street Railway, Lewiston, Me., as noted in the ELECTRIC RAILWAY JOURNAL for Sept. 21, is expecting delivery on Oct. 25 of six passenger cars the specifications of which are listed below. The purchase of this equipment is being financed by the United States Shipping Board, Emergency Fleet Corporation, in order to improve electric railway transportation facilities at the Bath, Me., shipyards.

Number of cars ordered.....	6
Name of road.....	Lewiston, Augusta & Waterville Street Railway
Date order was placed.....	July 17, 1918
Date of delivery.....	Oct. 25, 1918
Builder of car body.....	J. G. Brill Co.
Type of car.....	Closed Passenger
Seating capacity.....	52
Weight.....	44,000 lb.
Booster centers, length.....	21 ft. 0 in.
Length over all.....	45 ft., 6 in.
Truck wheelbase.....	5 ft., 9 in.
Width over all.....	8 ft., 6 in.
Height, rail to trolley base.....	11 ft., 8 in.
Body.....	Semi-steel
Interior trim.....	Cherry
Headlining.....	Nevasplit
Roof.....	Arch
Air brakes.....	G. E.
Axles.....	Brill
Bumpers.....	Hedley
Car signal system.....	E. S. S. Co.
Car trimmings.....	Brill
Center and side bearings.....	Brill
Control.....	K-35-G-2
Couplers.....	Brill
Curtain fixtures.....	National lock washer
Curtain material.....	Pantasote
Designation signs.....	Keystone
Door operating mechanism.....	Brill manual
Fare boxes.....	International C-15
Gear and pinions.....	Westinghouse
Hand brakes.....	National staffless
Heater equipment.....	Peter Smith hot air
Headlights.....	C-H Imperial
Journal boxes.....	Brill M. C. B. type
Lightning arresters.....	Westinghouse M. P.
Motors.....	4-West. 514-C inside hung
Registers.....	International
Sanders.....	Brill
Sash fixtures.....	Brill
Seats.....	Brill
Seating material.....	Rattan
Slack adjuster.....	Gold
Springs.....	Brill
Step treads.....	Universal
Trolley catchers or retrievers.....	Wilson
Trolley base.....	U. S. 13
Trucks.....	Brill 77-E-1
Ventilators.....	Brill
Wheels.....	33 in. cast

San Francisco-Oakland Terminal Railways, Oakland, Cal., has purchased in addition to the cars reported in the *Electric Railway Journal* for Oct. 5, ten used cars for the Spokane street railway system for immediate shipment. These cars are to be used in providing transportation to and from the shipyards.

Trade Notes

Charles E. Goodnow, formerly assistant sales manager of the electrical and special wire department of the American Steel & Wire Company and more recently identified with building construction work in Washington and Brooklyn for the army and navy, is now with the Page Steel & Wire Co., 30 Church Street, New York. Mr. Goodnow's efforts will be devoted to sales and service on Armo iron welding rods and "Copperweld" electrical wire.

Walter A. Zelnicker Supply Company, St. Louis, Mo., announces the appointment of R. H. Wilson as assistant to the president, with office at St. Louis. Mr. Wilson has been with the company for years, latterly as Houston representative, and is succeeded there by E. O. Griffin, well known in Southwestern railroad circles for the past twenty years, first as storekeeper and assistant general manager of the International & Great Northern; and more recently as assistant to president, St. Louis Southwestern Railroad in charge of purchases.

The Underfeed Stoker Company of America, Chicago, is opening a number of new offices owing to the rapidly expanding business. A new district office has just been opened in Cleveland, at 604 Sweetland Building, in charge of H. F. Post, formerly connected with the home office. S. A. Williamson, until recently a member of the Cincinnati staff, has been chosen to take charge of a new office that is being established at Minneapolis. The address will be announced later. G. W. Bonnell, who formerly represented the company in the St. Louis territory, will shortly take charge of a new office being established at St. Louis. The address of this office has not yet been definitely decided upon.

New Advertising Literature

General Electric Company, Schenectady, N. Y., Bulletin No. 47702, which describes rheostat and compensator operating mechanisms, and bulletin No. 47133 describing isolated and small plant alternating-current standard unit panels.

Beaumont Manufacturing Company, Philadelphia, Pa. Catalog 37 descriptive of standard gates for controlling the flow of granular materials from bunkers and also illustrating design of ash pits under boilers and the correct gates to use for this purpose.

De E. C. & Alexandre Grammond, Lyons, France: Catalog on rail bonds showing various kinds, laminated and solid, also figure eight and various other sections of trolley wire. Methods of calculating the proper size of wire for transmission and the desirable section of rail bond, with other useful tables are included.

Charles E. Goodnow, formerly assistant sales manager of the electrical and special wire department of the American Steel & Wire Company, and more recently identified with building construction work in Washington and Brooklyn for the Army and Navy, is now with the Page Steel & Wire Company, New York. Mr. Goodnow's efforts will be devoted to sales and service on Armo iron welding rods and "Copperweld" electrical wire.

Franchises

Kansas City & Leeds Railroad, Kansas City, Mo.—After a clause has been written into the ordinance granting a twenty-year franchise to the Kansas City & Leeds Railroad, providing for the indemnification of Kansas City against damages resulting from the construction of the line, the upper house of the Council ways and means committee said recently that it would report favorably on the measure. It is planned to build the road, an interurban electric line, from Thirty-first Street and Hardesty Avenue in a southeasterly direction to Leeds and the Municipal Farm; later to continue it to Lees Summit.

Track and Roadway

San Francisco-Oakland Terminal Railways, San Francisco, Cal.—An addition will be built by the San Francisco-Oakland Terminal Railways to its building at Grove and Twenty-second Streets, Oakland. The structure will be doubled at the top to accommodate women employees.

Kankakee & Urbana Traction Company, Urbana, Ill.—The Illinois Central Railroad on Oct. 26 filed a petition with the State Public Utilities Commission asking for authority to construct a grade at the Kankakee & Urbana Traction Company crossing near Rantoul so that the railroad could facilitate connection with Chanute Aviation Field.

Indianapolis Traction & Terminal Company, Indianapolis, Ind.—Mayor Charles W. Jewett and the Board of Public Works of Indianapolis has ordered the Indianapolis Traction & Terminal Company to make improvements and extend the service on College Avenue from Fairfield Avenue to the city limits either by entering into a contract with the Union Traction Company for transfer privileges on its tracks in College Avenue or by the construction of new tracks.

Salem & Penns Grove Traction Company, Penns Grove, N. J.—It is reported that the Salem & Penns Grove Traction Company will construct an extension to Pedricktown to connect with the Camden, Gloucester & Woodbury Railway, passing through Bridgeport, Paulsboro and Gibbstown.

Trenton & Mercer County Traction Corporation, Trenton, N. J.—The Trenton & Mercer County Traction Corporation has informed the City Commission of Trenton that it will not extend its West State Street line past the State Hospital for the Insane because of the expense of \$10,000 for paving. The city contends that the company would save 2½ miles on a round trip to the state institution.

Binghamton (N. Y.) Railway.—The construction of an extension from Hill Crest to the Hiresville plant is being considered by the Binghamton Railway.

Texas Electric Railway, Dallas, Tex.—It is reported that the Texas Electric Railway contemplates the construction of an extension to the camp at Provident City at an estimated cost of \$25,000.

Ohio Valley Electric Railway, Huntington, W. Va.—The Ohio Valley Electric Railway will replace 5 miles of No. 0 trolley wire with No. 000 road wire. D. L. Evans, line superintendent, will have charge of the work.

Seattle (Wash.) Municipal Railway.—The city of Seattle, Wash., is preparing to begin construction of the proposed car line extension from Spokane Street along the west side of the Duwamish Waterway to the Seattle-North Pacific shipyards. This is one of the municipal projects ordered by the Emergency Fleet Corporation. The work will cost about \$75,000. The city will pay 25 per cent, the shipbuilding company 40 per cent and the government 35 per cent. The extension will eventually become part of a double-track line on the Lake Burien division.

Tacoma (Wash.) Municipal Railway.—Double tracking of the Municipal Railway to the shipyards, with money loaned to the city by the Emergency Fleet Corporation will be started immediately. The government has advanced \$50,000 as the first loan to get the work started.

Power Houses, Shops and Buildings

Interborough Rapid Transit Company, New York, N. Y.—The Public Service Commission for the First District has received bids for the construction of an addition to the shops of the Interborough Rapid Transit Company, at Lenox Avenue and 148th Street, provision for which was made under contracts entered into for the dual system of rapid transit. Owing to the larger number of cars purchased and operated in connection with the new lines, it has become necessary to make additional room for the repair and inspection of subway cars. It was determined that such room could best be obtained and the desired end achieved by building an addition to the existing shop plant, rather than to undertake the entire construction of a new plant. The lowest bidder for the work was the concern of A. L. Guidone & Son, Inc., whose proffer was \$182,999.