

**Fate of the Five Cent Fare.—Continued.**

another fact of importance. While in the majority of cases the right of a municipality to regulate fares is tacitly admitted it is often specified that the commission has the right of supervision over the fares of *interurban* street railway corporations. But even this principle is not universally accepted, as is evidenced by the ruling made by the Ohio commission and sustained by the supreme court, to the effect that the commission "had no authority to increase the rates of fare of interurban roads which have accepted certain rates in consideration of franchises from cities and counties through which they pass." (According to the secretary of the Ohio commission "while there was some talk of an appeal to the federal courts, nothing has yet developed.")

All things considered the question of jurisdiction (except perhaps, as previously indicated, in the states where home rule powers are greatly restricted) is by no means settled. The Maine commission bases its authority for action, first on the question of the *lawfulness* of contracts between city and utility and secondly upon the sovereign power of the legislature. In Indiana the commission declined to assume jurisdiction until ordered to do so by the state supreme court, which court based its order on the theory that emergency existed, thus giving the commission authority to act under Section 122 of the public service commission act.

**The Plea for "Emergency" Relief.**

The "emergency" argument has been worked to the utmost by the public service corporations as a justification of their claims. In fact in several states the commission was requested to grant *immediate* relief to the petitioning railways before the formality of an investigation! That this argument is by no means new and has been used in the past to extract valuable concessions from public regulatory and legislative bodies is shown by the following statement of Mayor Jacob A. Westervelt of New York city in his annual message of 1854: "I cannot but deprecate the practice which has grown into use of late years, of applying, almost annually, to the legislature of the state for amendments to the charter, whose necessity is urged to meet special emergencies, or alleged exigencies."

Propaganda on the part of interested utility corporations reached its height last spring when in a number of states much money had been spent in collective advertising and publicity campaigns. Then out of a clear sky, when all seemed to be going well, there came in rapid succession the decisions in New York, Massachusetts and New Jersey to dash previous hopes and change entirely the prospects for immediate grants of "relief."

**Crucial Events in Three States.**

In the North Shore railroad case over a year ago the New York commission of the second district had refused to act, on the grounds that it lacked jurisdiction. The commission was ordered to assume jurisdiction by the appellate division, and the increase requested by the company was granted. But in the case of *Quinby vs. Public Service Commission* the New York court of appeals, somewhat unexpectedly, ruled "that as to rates limited by the provisions of franchise contracts, the commission may not put the company in position to exceed the franchise maximum without first obtaining the city's consent."

Massachusetts came next. When the state legislature adjourned in May it had by its enactments stripped of its powers the state commission—referred to as "the oldest, as well as one of the most progressive of the commissions" in street railway periodicals—and provided for public control, with and without guarantee, "cost of service," plan, subsidies, and municipal ownership as substitutes. Editor Harlow C. Clark, of *Aera*, in commenting on this action, said: "It is scarcely too much to say that the theory of state regulation of electric railways, has by these acts of the general court, been relegated to the past so far as Massachusetts is concerned."

The final blow came from the "sure fire" state — New Jersey, where the principle of commission jurisdiction is well established. Largely as a result of the strenuous fight organized and directed by the New Jersey state league of municipalities, the \$3,700,000 "relief" applied for was practically denied — the award being \$860,000 (to be derived through a one-cent transfer charge) with the

stipulation that the company must live up to certain obligations and submit a plan for a zoning system before January 1, 1919.

**New Attitude Toward Municipal Ownership.**

At this unpleasant juncture a prominent street railway man, returned from a trip through the west, proclaimed that the failure of regulation by state commissions, demonstrated in Massachusetts, "was forecast in other states when the character of the personnel of the commissions began to decline." (More "horse thieves" in our midst!) The same gentleman pointed out that the street railway business was going to the "demnation bow-wows" and that although state ownership "may do violence to our preconceived notions of sound economics and politics" nevertheless "our troubles in the future may be lessened by having it now."

The fight, however, still continues. A war board of the street railway interests appeared before the federal war labor in June and it was suggested to the board that the President or congress might "take over the control of electric railways to a sufficient degree to regulate their rates, irrespective of state statutes or local franchises, for the period of the war." Following upon the hearing the board issued a statement pointing out the "necessity of action to enable companies to pay higher wages."

**The Situation To-day.**

A few months ago, according to *Aera*, street railway fares had been increased in 246 American cities, affecting more than one-quarter of the urban population of the country. In 43 cities, according to the same authority the seven-cent fare has been adopted, and the six-cent unit in 86 other municipalities. Three cities had even gone as high as ten cents. The zone system, viewed with such apprehension a short time ago, has been adopted in one form or another in some 27 communities. The increases, in many instances, have been obtained by the companies after surrender of their franchise rights and the problem of drawing up new agreements, or even the transfer to municipal ownership, is demanding much attention. Hard words are being bandied about in Chicago over the proposed street railway ordinance. Mayor Davis of Cleveland has gone on record as favoring municipal ownership, and Seattle and Portland are definitely attempting to take over the operation of their street railways. Perhaps the most extreme evidence of the tendency is the recent action of the Louisiana state legislature in passing an act authorizing municipalities to band together to build, own and operate interurban street railways.

**Effect of Increased Fares.**

It is difficult at the present writing to say just what has been (or will be) the effect of increased street railway fares upon the travelling public. In the cities where increases have been granted the financial results have been far from satisfactory. The United railways of St. Louis, finding that the six-cent fare is not producing sufficient revenue, are applying for a test of a three-zone system, with a minimum five-cent central area. In several other cities the results have been disappointing to the companies. To this should be added the information that the companies, disappointed in their expectations, are asking further increases, until it would seem that as far as they are concerned "the sky is the limit." On the other hand, as pointed out by Judge Ransom, fare increases may become a social factor menacing importance as regards certain of the laboring classes. Word comes from Detroit that "violence and bloodshed" followed the short-lived attempt to increase street railway fares, and echoes of this dire condition have come from a number of other cities. We may all be sure that the end is not yet in sight, and if this all-important problem of municipal economy is to be satisfactorily solved the constructive thought and action of every public official and civic worker is urgently demanded.

The National Safety Council of Chicago have elected as General Manager Mr. C. W. Price, who has been the Council's Field Secretary for some time, and who for the past fifteen years has been well known as a pioneer and leader in safety. Mr. Sidney J. Williams, formerly Manager of the Accident Prevention Division, was elected Secretary, and Mr. F. W. Pardee, formerly Business Manager, was elected Treasurer.