

# ALD. RICHTER UNCHALLENGED WHEN HE PROVES THAT EVERY EXPERT SHOWS A DEFICIT

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into such a bargain when there is absolutely no need for so doing.

## DETERMINED EFFORT TO FORCE THE CITY.

"For some reason—what it is has never been explained to me and I am still looking for it—there is a determined effort being made to force the city into this unnecessary agreement.

As to the reports that have been submitted to the council on the question, the chairman of the committee has explained them, and I will, therefore, confine myself to the financial aspect only.

## FINANCES ARE NOT ENGINEER'S QUESTION.

"As to the financial aspect, while I am in the position that I would accept Mr. Warfield's opinion in matters upon which he is ordinarily competent to speak with authority, when it comes to a purely financial question, then it is not a question for an engineer.

"If any of you wanted an opinion on a financial question you would really go to an engineer. Similarly, if you had an engineering question you would hardly go to a financier. The report of Mr. Warfield is mostly an engineering one, and there is not the financial portance to be attached to the financial and as there is to other phases of the report, in so far as he is concerned.

## ALL BUSINESS OF TWO ROADS; 25 PER CENT. MORE.

"Taking up the question of revenues, Mr. Warfield estimates his passenger earnings at \$12,322, and his freight earnings at \$120,889, or total earnings of \$233,211. Just how he arrives at these passenger earnings it is not so easy to conclude. Judging from what the road has earned in the past, and what he estimates it will earn as a rehabilitated steam road, and as a rehabilitated electric road, it will have to carry more than the Traction Company now carries on an electric road, and 25 per cent. on top of that to secure any such earnings as he estimates. That is a very rosy and can hardly be accepted as the true figures.

## SAYS STEAM COULD DOUBLE THE BUSINESS.

"On the basis of the number of passengers carried in 1912 he estimates his earnings as very nearly double, for a rehabilitated steam road. We will all agree that if the road were properly equipped and run to commend itself to the people, it would carry more passengers. The facilities of the present lessees of the road are not conducive to any increase in traffic. This is particularly true of the past few years.

"It may be that the company has quietly let things run down so that easy terms could be secured at the expiration of its present lease. I wouldn't be surprised if such were the case. It also may be due to the financial conditions in which the road has been involved for some time, and which would leave the company in such a position that it would not be free to spend money under existing conditions. It may also be that the approach of the expiration of the lease has convinced the company that it was not worth while to keep up traffic and therefore it has spent as little as possible.

## WOULD EARN MORE WITH BETTER CONDITION.

"It is quite clear that the railroad has been running down, and Mr. Warfield therefore very properly estimates that under better conditions the road will earn considerably more.

"Assuming his estimates to be about double the present earnings, for a rehabilitated steam road, then he estimates that under electricification the earnings will be double that again. Using one, therefore, as a factor, you see that we double that for an improved steam line, and double it again for electricification making the passengers to be carried four times as many as now, if the rate is to be the same, 600,000 PASSENGERS REQUIRED BY REPORT.

"The legal rate for electric roads is only two-thirds that for steam. Mr. Warfield estimates that 50 per cent. and more of the traffic which the business of the city requires, and that the ordinary two-thirds rate, or 2 cents a mile, as against the steam road's 3 cents per mile, will prevail. Therefore, you will have to add another 50 per cent. to your fares, on that part of the business, a total traffic five times what it is now, or 750,000 passengers, in order to come up to the estimated earnings.

"Last year the London and Lake Erie Company carried between 600,000 and 700,000 passengers. Fully one-third of the traffic is inter-section traffic—that is, traffic between points other than those between which the London and Port Stanley would compete. This would leave 450,000 passengers as the number of those carried between London and Port Stanley, London and St. Thomas, St. Thomas and Port Stanley, or such points as would be on both lines.

## FIGURES DO SEEM "A TRIFLE EXCESSIVE."

"Add this to the 150,000 passengers carried by the Pere Marquette, and you have 600,000 passengers. In order to make up Mr. Warfield's figures, however, it will be necessary that 750,000 be carried. This figure, then, is, to say the least, a trifle excessive.

"In my contention that it is so, I am borne out by both Mr. Eastman and Mr. Marshall. Both these men are experienced railroadmen and are qualified and competent to be as good judges of the possibilities of the road as is Mr. Warfield.

"On the freight question Mr. Warfield is not excessive. I wouldn't be surprised if the earnings were more than he figures. This fact is borne

out by Mr. Marshall, so he is not so very far astray. His figures are arrived at, however, by a different method than by Eastman and Marshall. Warfield figures on a straight tonnage basis, on the assumption that the electrified road will haul all the freight. Eastman and Marshall have taken into consideration the rental of running rights to other roads that will pay a wheeltage tax or a tonnage tax to the L. and P. S. R. None of them come so very far different on the freight question.

## DIDN'T KNOW ABOUT COST OF CAR RENTAL.

"In Warfield's figures it is quite clear that he made no provision for any charge for car rental. Indeed, in conversation with me he was of the impression that no such charges existed. If he still maintains such a view he will have no trouble to convince himself that he is right.

"In the Eastman report this charge for car rental is placed at \$15,000. In my judgment this is not half as great as it will be if Warfield's estimates as to the freight business we will do are correct. If, as he apparently figures, we are going to haul practically all the freight ourselves, then practically every car handled will be subject to rental. From a rough estimate I secured from the local freight agents, this charge will run somewhere between \$30,000 and \$40,000 per year, for which no provision is made by Mr. Warfield.

## CHARGES SWITCHING AGAINST CAR RENTAL.

"Mr. Eastman places in his report the sum of \$15,000 for car rental. From Mayor Graham I learn that Mr. Eastman deducted from this charge factors that would go against it, and the net charge of \$15,000 is, at best, a very conservative estimate. The demurrage and switching charges are probably what Mr. Eastman has charged against car rental.

"As Mr. Warfield left the car rental question entirely out of his estimate of operating expenses, it would be quite proper to add the \$15,000 to his \$111,000 operating expenses, making a total of \$126,000, to be deducted from the gross earnings. This leaves to cover capital expense, \$107,000.

## ADmits 3 1/2 PER CENT REQUIRED FOR DEPRECIATION.

"The entire property of the London and Port Stanley is not non-depreciable real estate. There is a certain amount of bridges, and so on, and yet no provision has been made for depreciation in this connection, due to an oversight that anyone not probably might well be excused for making. Therefore, the charges have been placed at \$83,000 by him.

"In discussing with Mr. Warfield the question of depreciation he agreed with me that no radicals or steam roads made adequate provision for depreciation. Indeed he drew my attention to an article by a consulting engineer of St. Louis named Fisher, who declared that at least 3 1/2 per cent. should be allowed for depreciation. This is different from the 1.8 per cent that Mr. Warfield has allowed.

## WARFIELD REPORT WOULD ALSO SHOW A DEFICIT.

"Five per cent at least should be provided for that portion of the property that is depreciable. Such a provision would not be at all excessive. When divided so that it applied only against property that was not of the non-depreciable class, and the only question is whether even this figure would be adequate.

"After making such a division, however, and allowing \$600,000 for property that was non-depreciable, the capital charges, to properly cover the work, would be \$117,000. After making this allowance and deducting the \$19,000 that has been provided in various ways for this purpose by Mr. Warfield, his report that shows a surplus of \$38,000 would show a deficit.

"It is true that it would not be a large one, but just the same would be a deficit. Adding the difference between the estimate of revenues of Mr. Warfield and Mr. Eastman, plus the \$15,000 for car rental, it would show a deficit of \$25,000. With Mr. Warfield's figures it would show a deficit of \$31,400.

## EASTMAN REPORT DEFINITE IN SHOWING A DEFICIT.

"If that is the correct view, and I claim that it is a fair and reasonable one, and that it is fair to deal with the matter fairly, then electricification will not be justified. Certainly the financial aspect would be a very important one in the recommendation of the committee.

"In the Eastman report passenger revenue is placed at \$200,000, with freight rates at \$120,000. This makes a total of \$320,000. No provision in this report is made for capital charges. When from the total receipts the operation charges of \$134,500 have been deducted, it leaves \$185,500 for capital charges. At the very least, therefore, this shows a deficit of \$8,500.

"On the other hand, the proper capital charges of \$117,000, instead of \$83,000 were to be applied, it shows a deficit of \$42,000. Again I say, is there any justifiable reason why from a good business standpoint electricification should have been recommended?

## ACCEPT ONE PART WITH OTHER.

"In the Marshall report, passenger earnings are placed at \$50,000, the freight at \$122,000, or a total of \$202,000. This is lower than either of the others; the passenger earnings being greatly reduced. For many years Mr. Marshall was connected with the road, and therefore his figures may be a truer indication of the possibilities of the road than those of the others.

"However, he had a better opportunity to become conversant with the freight end of the business, and might not be so familiar with the passenger revenue as with the freight.

"Perhaps Mr. Marshall made a mistake, but if you accept his higher freight figures as being right, you cannot throw out the other section of his report simply because it does not come up to the standard of your expectations.

"When the Warfield operating expenses and capital charges are applied to the Marshall revenue, then

a deficit of \$8,500 is reached. With the more rational fixed charges of \$117,000, then you have a deficit of \$41,400. Take the lowest operating expenses—the \$125,000 of the Warfield report, as compared to the \$134,500 of the Eastman report, and apply it to the Marshall revenue. It shows a deficit of \$16,000. With the Marshall operating expense and the rational capital charges of \$117,000, it shows a deficiency of over \$50,000 per year.

## ALD. RICHTER READY FOR PEOPLE TO DECIDE.

"There is no justification for the recommendation of the proposal to the citizens as good business. While I have no quarrel with any of my fellow-aldermen who cannot see eye to eye with me, yet it is so clear that the Eastman and Marshall reports, of necessity, show big deficiencies that I again contend that the committee was not justified in its findings.

# ALD. BENNETT SAYS WARFIELD INTENDS TO MAKE PROFITS OUT OF WAGES OF THE MEN

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the necessary right-of-way would have to be purchased, and land in both London and St. Thomas is exceptionally valuable.

## Ald. Moore's Story.

Ald. Moore, in a resume of the course of the electrification issue up to the present, declared that the Warfield report had been prepared according to instructions which emanated from the council. Provision had also been made by the council for an alternative report on an electrified road, a steam road, and a storage battery road. Ald. Moore called attention to the Warfield report was conclusive evidence against a steam road. Messrs. Gaby, Storey, Murray, Warfield, Eastman and Marshall all agreed that it should not be operated as a steam road except as a feeder. The reports showed, he said, that the storage battery and steam road would be better than a straight steam road, but that an electrical road would be far ahead of either of the two alternatives.

Ald. Moore narrated how the famous engineers, Gaby, Storey and Murray, had been called in, and how their unanimous opinion had been in favor of electrification. He called attention to the "strategic" position of the road connecting with the fine lake port of Port Stanley. These reports had shown that for the city to operate a steam road to the lakeside was unquestionably an impossibility. As to releasing the road, he did not remember a member of the city council or a member of the board of trade who attended the early meetings on the question, but who had been of the opinion that it would be unwise to release the road to another railway. He referred to the offer of rental of the C. N. R. and the fact that the C. N. R. had refused to take the road, and that the C. N. R. had stipulated that the road must be "rehabilitated," and the P. M. and M. C. R., that it should be resteeled.

"If electrified," said Ald. Bennett, "you have just said that they were prepared to make another offer for leasing the road if it should not be electrified. Under the same conditions they would resteeled it themselves if they were given a 20 or 25 year lease."

It was pointed out that the P. M. Railway had not yet submitted a proposition for releasing the road.

"I understand they are prepared to make an offer," said Ald. Bennett, "if it is decided not to electrify," said Ald. Moore.

"What is the matter with the C. N. R. coming in over an electric road?" asked Ald. Spittal. "And why can't we draw a Wabash car up here for the Wabash people? They could go to Chicago and back. There is no allowance for any right-of-ways for any road except the P. M., but other roads will want it. Then there will be switching charges. Why I am told there were 1,000 cars owned by the P. M. on their sidings, and Ald. White sends 1,200 cars over the road."

Ald. Johnston said that his personal objection to the electrification plan last year had been a fear that the M. C. R. would be lost to London.

## Rails Good for Ten Years.

He had no fears on that account now, however. Another objection had been the \$300,000 at first asked for. He still thought \$700,000 was too large, and he objected to this amount being specified in the bylaw. Engineer Warfield told him at the committee meeting that the rails were good for ten years. They were the same rails as were used on the London, Huron and Bruce, and other branch lines throughout the country.

He wanted to cut another \$210,000 off the amount. Then the road could be resteeled out of its own earnings. If they were as great as the experts had led them to believe, The reports of Messrs. Gaby and Storey had been extravagant, Messrs. Eastman and Marshall were the real experts. They had the earnings at \$210,000 a year, and the operating expenses at \$134,500, leaving a surplus of \$75,500 a year for sinking fund, interest, etc., less than \$100,000 a year. Interest was now received from the P. M. Railway. He doubted if much more could be obtained from a steam road operated by the city. The Galt, Hespeler and Berlin, and the Toronto, St. Catharines and Niagara rivers made great earnings, although they carried less freight. He did not think the city would ever get a fair deal from the steam roads. But why were not the rails heavy enough to carry electric cars? Here Mayor Graham again pointed out that the P. M. Railway is tendering for running rights, had stipulated resteeled to St. Thomas, and had offered to pay half the interest.

## Ties in Bad Shape.

Replying to a question from Ald. Rose, Ald. Bennett said that there had been a slow order on the P. M. since last spring. It was not on account of the rails, but the condition of the ties and roadbed generally. Other branch lines in Canada had the same class of steel rails. Ald. Rose, objecting to Ald. Johnston's amendment

to cut another \$200,000 off the \$700,000 cost specified, said that the citizens had an idea the P. M. was in a dangerous condition.

Mayor Graham said that not to resteeled the road would jeopardize the city's position with the P. M. and M. C. R., and would give them an opportunity to withdraw.

Ald. White said that for safety alone they should use 80-lb. rails. Ald. Spittal claimed the rails on the L. H. and B. were a special make no longer to be had.

Ald. Richter thought that the 80-lb. rails would be also out of date in ten years, and that 110-lb. rails would be better.

## The Correct Vote

To submit the bylaw for electrification to the ratepayers:

For—None—Against—

Moore, Richter, Spittal, Johnston, Rose, Ashplant, White, Stein, Robinson, Steders, Glass, Bennett—12.

The vote: Favoring—Against—

Moore, Richter, Spittal, Johnston, Rose, White, Stein, Steders, Glass—8.

## No Foundation To This Rumor

Mr. R. G. Fisher stated this morning that as far as he knew there was no foundation for the report that he was to be elevated to the bench. Beyond the report from Ottawa published in the Free Press this morning, I have heard nothing of it," he said.

## BEEF WAS STOLEN

Man Charged With Theft Denies It, But Pays Lawyer's Fees.

Beef has advanced in price in some quarters; at least that is what D. Statti thinks, after paying \$5.40 for three pounds of it this morning. He did not buy it in a butcher shop, neither did he pay its money over to any dealer. Statti was charged with stealing three pounds of beef from S. Ginsberg, a merchant of the south end of the city. He admitted the theft, said he was sorry that he committed it, and that it was the first and last time.

Ginsberg said that he had had beef stolen on previous occasions and that he thought the defendant was the man who took it. This Statti denied. After considering the facts the court decided to let the prisoner go, providing he was willing to pay court costs and part of Ginsberg's lawyer's fees. Statti was willing, so he paid \$5.40 and was allowed to go on suspended sentence.

Three first-time drunks were allowed to go.

## WEDDING BELLS

DONALD—WATERS.

A quiet but very pretty wedding took place at St. Paul's Cathedral on Friday, when Marjorie Helen Edgar Waters, only daughter of Mrs. Joan Waters, of Hamilton, Ontario, New Zealand, was married to Douglas Francis Donald, of this city. The bride, presenting a pretty picture, dressed in white satin, trimmed with pearls and orange blossoms, and carrying a beautiful bouquet of white roses, entered the church on the arm of Mr. Rodney Meak Erskine, attended by Miss Helen Esdailie, a bridesmaid, and Madeline Erskine, very prettily attired, as flower girl. Rev. Mr. Hawkins officiated. After the ceremony a dainty repast was partaken of at the home of Mrs. Erskine, with whom the bride had been staying. A number of friends were present, including Mr. and Mrs. Ronald R. A. Emery.

The happy couple left by the 4:25 p.m. train for New York amidst the cheers and hearty good wishes of their numerous friends.

## SPEED.

Baptista, the waiter (yelling down the speaking-tube)—"Below, there! Madam! Send up a beefsteak! Zup customer has eaten up all the bread, all the butter, all the pickles, all the sauce while he has been waiting for it. We shall be ruined!"

MAYOR ARDOLPH D. KLINE, who became executive of New York on the death of the late Mayor Gaynor. Mayor Kline was vice-president of the board of aldermen, and succeeded John Purroy Mitchell as president when the latter resigned.



TOOK HIM DOWN A PEG.

During President Taft's reign of office he paid a visit to a town in Kansas, and the Kansas National Guard turned out in all the glory of gold braid and brass buttons to do him honor. One of the officers—in private life Senator Charles Huffman—discussed the weather and the President's coming visit and the circus that was visiting the town, and other local topics, his eye strayed to the senator's uniform. He commented on the grandeur of it, and the pleased senator stiffened with pride. Then the barber went and spoiled it all. "Which instrument do you play in the band?" he asked. "I suppose you're from the circus?"

## EIGHT HOURS ONLY.

The new school teacher in a rural town gave a boy a question in compound proportion for home work one evening. It included the circumstance of "men working ten hours a day to complete a certain task." The next morning the teacher, in looking over the little pack of exercises, found this boy's sum wholly un-

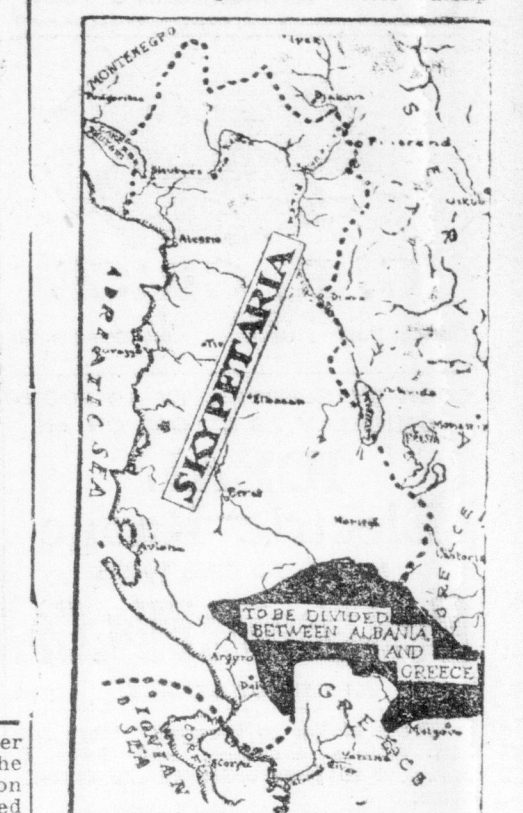
attempted. Calling him to her, she asked why he had not tried to do the sum.

"The boy after considerable fumbling around in his pockets, brought forth a note from his father and handed it to her. Unfolding it, the teacher read: "Miss—I refuse to let my boy do his sum you gave him, as it looks to me to be a shur at eight-hour sistum, enny sum not more than eight hours he is welcome to do but not more."

## OLDEST PEOPLE OF EUROPE NOW LIVE IN NEWEST STATE

The newest of European states was formed when the great powers made Albania independent. Skypetaria, as the modern Albanians call their country, has an extreme length of 200 miles and a maximum width of 100 miles. The area will be between 9,000 and 10,000 square miles, that is slightly less than that of Belgium and about that of the state of New Jersey. Its population is estimated at \$40,000.

The new state does not contain more than half of the Albanian living in the Balkans, and in its present limits it will prove a bitter disap-



A MAP OF THE NEW STATE.

pointment to the Albanian patriots who dreamed of succeeding the Turk in the Adriatic half of Macedonia as well as in Albania.

Skypetaria of today is the Illyria of the ancients, and its people are the oldest in Europe.

It is without roads, harbors, or any of the circumstances of a civilized state. Half its area is peopled by tribes who have never paid taxes to the Turk nor known any other form of justice than that prescribed by the feud and the vendetta.



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