

# Utilities begin to see Light

Illinois Traction is an example of tendency of rate-regulating bodies in middle western states to commence the granting of reasonable fares—Illinois has made many concessions

FROM A SPECIAL CORRESPONDENT.

That the rate regulating bodies of the middle western states are appreciative of the necessity of increased revenues for public utilities has been strongly indicated within the past year. Although rate increases have not followed in direct ratio to increased operating expenses, and in many cases have been tardy, still the tendency of these regulatory bodies is to give more serious attention to the case of the public service utility and to turn a deaf ear to the political demagogue who until very recently has succeeded in keeping himself and his friends in office through a systematic heckling of the industry.

Not only have the rate making bodies begun to recognize the needs of the public service companies, but the public itself is accepting with a marked degree of fairness the increased rates that have been approved in recent months. This is probably due in part to the campaign of education that has been carried out by the companies themselves and exemplifies the theory that the public is fair when informed. In fact, it would seem that the public utilities which have had to meet the problems of readjustment following the war with the added handicap of regulated earnings and unregulated expense are beginning to see some light. What will be the resultant reaction on their securities is to be seen, but it is fair to suppose that it will be favorable.

A typical example of the tendency of regulatory bodies to show appreciation of the necessity for increased revenues is offered in the case of the Illinois Traction System. This is one of the largest operating companies in the middle west. In addition to an electric interurban system comprising 550 miles it operates street railway, electric light and power, gas and heating plants in Illinois, Iowa, Missouri, Kansas, and Nebraska. The greater number of these properties are located in Illinois, where the state Public Utilities Commission possesses rate making power over all local utilities. For this reason most of the rate cases presented by this Company have been brought before Illinois Commission. The public service commission in Missouri possesses the same power, while the Kansas and Nebraska Commissions are limited as to jurisdiction. In Iowa there is no state utility commission.

In common with other utilities of this class, the street railway properties of the Illinois Traction System felt the result of high operating costs growing out of and following the war period. On all of its city properties the time-honored 5 cent fare, with reduced rate tickets had been in effect, but early in 1918 the rate-making bodies approved elimination of the low ticket fares. In the case of a few smaller properties fares of 6 cents and seven cents were allowed at that time.

This relief was not ample to take care of continually rising costs, however, and in 1919 the following increased fares were approved.

Peoria (111) Railway Company, 6 cents cash.

Quincy (111) Railway Company, 7 cents cash with 4 tickets for 25 cents.

Urbana and Champaign (111) Railway, Gas and Electric Company, 7 cents cash, with 4 tickets for 25 cents.

Bloomington and Normal (111) Railway and Light Company, 7 cents cash, with 4 tickets for 25 cents.

Topeka (Kas.) Railway Company, 6 cents cash.

Competition for labor of all grades has continued unabated in 1920 in the Company's territory and this situation compelled the management to meet the general average of wages. These increased operating pay rolls, coupled with other increased operating costs, made it necessary for the Company to again appear before some of the regulatory bodies and ask for additional fare increases to take care of rising expenditures.

The first seven months of the year 1920 have seen the following increased fares approved.

Danville (111) Railway and Light Company, 7 cents cash, with 5 tickets for 30 cents.

Galesburg, (111) Railway, Light and Power Company, 10 cents cash, with 10 tickets for 75 cents.

Peoria (111) Railway Company, 7 cents cash, (temporary fare pending final hearing).

On the interurban railway lines the Interstate Commerce Commission in September 1918 approved a 25 per cent increase in freight rates, also an increase from 2 cents to 3 cents per mile in the passenger rate, in accord with rates put in effect on the steam carriers by the United States Rail-

road Commission. This rate was made effective within the state of Illinois by order of the Federal Court. Increases in special car, commutation, and milk and cream rates which brought these tariffs up to those of the standard steam railway were allowed in 1919. In the same year the company established its own express service which added materially to its revenues from this source. A marked increase in storage charges was also placed in effect in 1919.

During the present year an increase in passenger fares from 2½ cents per mile to 3 cents per mile has been approved for the Chicago, Ottawa and Peoria interurban division; as has an increase in the parlor and sleeping car tariffs on the Illinois Traction System; and also a substantial addition to the L.C.L. merchandise rates and in the tolls and passenger rates over the McKinley Bridge crossing the Mississippi River.

An increase in electric power and light rates for service from the Illinois Traction System of 3 cents per K.W.H. has also been allowed this year.

There have been no changes in the electric rates of the local properties since 1918, when practically all of these companies in Illinois were granted increased tariffs. There are quite a few rate cases pending at the present time. The same condition applies to gas properties, with the exception that the Clinton (Ill.) Gas and Electric Company was allowed an increase of 10 cents per 1,000 cubic feet in 1919.

It is anticipated that the recent freight and passenger increases granted to the steam roads by the Interstate Commerce Commission will shortly be made effective on the Illinois Traction Lines.

## About things in General

Victoria, B.C.—Steps are to be taken by the Provincial Government to secure specific information as to the number of settlers arriving in British Columbia, where they are locating and what they are doing, so that an efficient system of service to the immigrant on the land may be rendered.

Montreal, P.Q.—A messenger in the commercial telegraph department of the C.P.R. here has been awarded the scholarship offered for competition by the railway. This free scholarship, covering four years tuition in architecture, chemistry, civil, mechanical or electrical engineering at McGill University, was subject to competitive examination, to apprentices and other employees enrolled on the permanent staff of the company and under twenty-one years of age, and to minor sons of employees. Scholarships will be renewed from year to year.

Montreal, P.Q.—Over one hundred steamers left Montreal during the month of July, carrying full cargoes of produce, and merchandise of Canadian manufacture, to the European market. The high prices realized on produce gives farmers plenty of ready cash which circulates freely, and makes collections good.

Montreal, P.Q.—Plans are afoot in the theatrical world to establish a vast combine of all the legitimate theatre interests of the British Empire, to include the legitimate theatre owners and administrators of England under Sir Alfred Butt, and also of Canada, Australia, New Zealand and South Africa. This announcement was made by Mr. George F. Driscoll, vice-president of Trans-Canada Theatres, Ltd. The actual ownership of such a combine would include 1,200 theatres, but the bookings would affect from 5,000 to 6,000 theatres.

Montreal, P.Q.—Another direct trade link between Canada and Germany is to be established in the sailing of the freighter S.S. "Fanad Head," under the agency of McLean, Kennedy, Limited. The "Fanad Head" will leave this port at the end of this month for Hamburg with a full general cargo. She also has Rotterdam as a port of call, but what cargo she will bring back, is not known yet.

Quebec, P.Q.—The C.P.O.S. liner "Minnedosa" arriving in port last week, made the distance between Liverpool and Father Point in six days, nine hours—a record run. There was a heavy passenger list, made up of 500 cabin and 1,285 third-class mostly British and bound for the West.

St. John, N.B.—During the past week all root crops and the grain have shown a wonderful improvement due to the fine weather, which was badly needed. At one time it looked very much as if the potato crop was bound to be a failure, on account of the extreme amount of rain; in some localities the crop showed signs of mildew, but the hot sun of last week remedied the situation, and things look decidedly better; as a consequence speculators have dropped the price of potatoes from \$1.25 a peck to as low as 40 cents in some cases, which is a good omen.

Calgary, Alta.—Proof of the development of the Alberta coal industry is provided by official figures recently published showing production during first six months. To the end of June the output was three million forty thousand tons compared with two million sixty-nine thousand tons for the corresponding period last year. Figures include bituminous and lignite product. Operators state more coal has been marketed than in any other corresponding period in the history of coal production in Alberta.