

THE FIVE CENT FARE.

"The five cent fare has been buying more and better service for the Public every year since street railways were invented: while it is now buying for the Companies less than it ever did, of the labour and materials needed to give good service. In practically every city on the continent there has been wonderful improvement in service and distance covered for the same fare, yet the public has not been called upon to pay more until now, when costs are threatening to send many companies into bankruptcy."

"The baker is getting more for the loaf, because it costs him more—the milkman is getting more for milk, because it costs him more—the two-for-a-quarter collar is now 15 cents straight—and the old reliable dollar watch is \$1.35. Street Railways are not different to other lines of business. They can no longer sell transportation at the old rates and remain in business."

"The serious financial difficulties brought about by the alarming increase in the cost of materials, labour and power, is forcing the cutting down of street car facilities, when new lines and extensions ought to be undertaken."

"In these days, when the cost of labour, material and overhead work has advanced anywhere from 5 to 100 per cent., it is of prime importance that net earning power of public utilities be somewhere nearly maintained."

"There is only one way that this can be done, and that is, of course, by increasing the gross earnings more rapidly than they normally increase from the growth of population. With operating expenses increasing, the year's earnings must be increased also, and there is only one solution — a prompt granting by State Commissions of a fair increase in the price charged for gas, water, electricity, or street railway service. This seems absolutely essential.

The credit of a public utility corporation, in fact of every other company, is largely dependent on its net earning power.

Public utilities must continue somewhere near their normal service, and at the same time their credit must be maintained. In those cases, then, where the necessity has been proved, increase of rates should be promptly granted."

T. H. DUDLEY PERKINS,

New Jersey Utility Association, 1917.