

STREETCAR FARES PUT AT 6 CENTS

Rise Approved by Public Service Commission Effective January 15, 1918.

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A material saving in operating expenses has been effected by reduction of the number of cars on many lines. Excessive loading of cars is declared to be harmful to both company and public, but a scientific study of the situation, which is being carried on, the Commission believes, will eliminate most of the present overloading, especially with the further adjustment of the hours of opening and closing commercial and industrial establishments. The Commission gives assurance that it will see that additional service is provided to the extent justified by existing circumstances.

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A revised budget has been prepared as to the company's expenses and included in the order, the budget being shown as a reasonably accurate forecast of the operating expenses for the year 1917 to 1918. The budget follows:

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"This valuation represents the original actual and rightful cost of construction, stripped of all elements of exorbitant profit, fictitious stock value and the like, but modified by changes in prices and values of the component parts between the time of construction and the date of valuation. Both in theory and in fact it represents the true present investment of the owners."

Commissioner's Duties Outlined.

The Commission includes in its order a brief outline of its functions in explanation of the position it assumes in granting the relief asked by the company, declaring that the Commission must see that the public gets what it pays for, no more, no less, than in the exercise of its judicial function. The Commission must see that the public gets what it pays for, no more, no less, than in the exercise of its judicial function. The Commission must see that the public gets what it pays for, no more, no less, than in the exercise of its judicial function.

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The Commission, referring to the power situation, asserts that it finds Portland in serious danger of a check to the growth of her new industries from lack of power, regardless of the fact that it is customary to think of water power being inexhaustible in this state. The Commission asserts that it is evident "that even at this time the power supply is but little, if at all, in excess of the demand after making allowance for a proper reserve."

"It is essential," the Commission continues, "if growth of industries is not to be blighted by inability to secure power for them, that the development of additional power on a large scale be undertaken in the very near future, and to this end it is necessary that the utilities engaged in the supply of power shall be maintained in such credit as will enable them to obtain the funds required for such development."

Receivership Is Feared.

Turning from a review of the situation as covered cursorily in the foregoing, the Commission says in part relative to the proposed relief: "It is evident to the Commission that if the company be denied relief it must inevitably go into the hands of a receiver, for on its interurban lines operating expenses equal receipts, and the earnings of the light and power department are insufficient to meet the bonded interest of the whole system or even to make a fair return upon the investment in that branch of the utility. The primary duty of the receiver would be to conserve the property and the public would receive service only so far as the interests of the property would permit. Having no means at his command other than the revenues from operations, and no power to increase the fares without the consent of the Commission, he would be compelled to cut the service, and the receipts would equal expenses. As we shall show elsewhere, such a reduction of service would be intolerable."

Relief Deemed Necessary.

"But this Commission believes that if it would be diligent in its duty it should refuse the proper amount of relief. The company, after having reached in 1912 a stage of development in which it was able to earn a return of 6 per cent, and having thus proved the soundness of its investment, entered a combination of adverse conditions which could not have been foreseen. Financial stringencies, the enormous increase in private automobiles, jitney competition and war prices forced an alliance against which the industry unable to protect itself by an increase of prices possibly could not contend. For five years the company struggled to overcome these difficulties; its stockholders have contributed \$2,500,000 to meet the constantly increasing deficits and to maintain the safe and reasonable service to which the public is entitled. There has been a marked reduction in overhead costs, and the Commission is satisfied that the utility consequently finds itself unable longer to carry the burden and appeals for that relief for which it might properly have asked at a much earlier period had it not been that its patrons were equally burdened.

"Under state regulation of rates no utility is permitted to earn a surplus during good times by which to carry itself over the lean years which may lie ahead of it. Rates must at all times be kept in conformity with the value and the cost of the service rendered. Justice, therefore, requires that when costs go up, rates should do likewise.

"The law forbids the establishment of rates whose effect will be the confiscation of the property of the utility. It has been shown that the existing rates, with the present cost of operation, are, in fact, confiscatory. What the Commission has no legal right to establish, it has no moral right to maintain.

"The manner and extent of relief require careful consideration and we shall suggest briefly the measures which have been proposed.

Service Reduction Considered.

"The possibility of reducing the expenses within the receipts at the 5-cent rate, by further curtailment of service has been suggested. At first thought this seems feasible. Operating expenses and bonded interest exceed receipts by only about 12 per cent. If this difference could be overcome, interest on the balance of investment would wait for better times. But it must be remembered that a large part even of the operating expense does not vary with service. Ties, rock, tracks, rust, car timbers decay, even if there is no service at all."

INTERESTING POINT ARISES

"It is urged that it is manifestly unfair to make the car riders on one line, or portion of a line, pay a part of the cost of operations elsewhere in addition to paying the cost of the service rendered to them. But this raises the question whether the city of Portland is to be considered as one community, having one common interest, or as a group of communities, whose interests are opposed to each other. It appears to us that the fostering of a public utility, the welfare together of the entire community into one body with common interest and united action is worth more than a saving of one or two cents on a fare."

Speaking about a transfer charge the Commission states that there are about 22,000,000 transfers used a year. It would require a 4-cent charge on each transfer to produce the revenue now needed, in addition to the 5-cent fare," says the order. "But such a charge would result in a great reduction in the use of transfers, making it necessary to raise the price to at least 5 cents, which would be equivalent to doubling transfers entirely."

The Commission also touches upon unprofitable extensions of the company, referring to complaints that subsidies have been granted for the construction of such extensions and that the attention is now being made to earn a return on these gifts. Stating that the subsidies amount to only about \$207,000, or less than the losses in early years on the lines for which they were given, the Commission says it requires but a little reflection to show that these two objections must partly neutralize each other.

Times Have Changed.

Referring to the control of utilities, the Commission says: "Few are aware, even among the best informed, of the revolution which has taken place in the past 10 or 15 years in the relations between public-service corporations and the community which they serve. The popular imagination still beholds the corporation seated at the people's neck, dominating the political situation, the officials using its streets and thoroughfares without compensation, and exacting enormous profits from fictitious investments. But, however true this picture may have been in the past, the public control of utilities has restored the authority of the people over public utilities. The principles of these utilities are now carefully examined and appraised at their true value. Any water in the public stock is disregarded and rates are established on the basis of reasonable cost to the consumer and fair return to the investor. Progressive corporations are no longer to be regarded as public enemies, but on the other side some who do not realize the changed state of affairs are prone to use their newly acquired powers in belaboring their ancient enemy."

"It is time for the public to realize that the power utility is a public service, a public utility, and that it should be controlled and upheld by the courts, are ample for the protection of the public against all the evils which have been fostered in the past. It is time also to realize that good service can be obtained only by just and equitable treatment."

Starved Horse Ever Pulled a Heavy Load.

The utilities have been unjustly profited, they must also be unjustly treated. If a utility is driven into a position where its credit is impaired and it can obtain money for operations and extensions only at an unreasonable cost, the public must share the loss.

Temporary Condition Fixed.

"Rate regulation under Commission control is elastic, responding readily to emergency conditions. While in this case both justice and policy demand that an increase in fares be granted for a time, it is the hope and expectation of the Commission that in the near future it will permit a restoration of the old rates, or at least a step in that direction. Relief of the company from the burden of its investment in the cost of city employees and excessive bridge tolls will do much to hasten the time when such restoration will be possible.

"In the meantime the utility will be expected to continue to render monthly reports of its operations under this order and the public may rest assured that any possible action in this interest will be taken without delay."

Tough consideration will reveal a community of interest between the three parties to this situation—the employees, the investors and the public. No fair-minded person will deny that it is for the good of all that the first should be well paid, the second should be fairly, but not excessively rewarded, and that the third should be served at the lowest rate possible consistent with the other conditions. At the same time, the incentive of personal reward must be retained or economical operation is impossible.

"The Commission hopes to bring about a state of affairs wherein the interests of all shall be guarded properly. The employees are now well cared for, the investors are receiving a reasonable amount sufficient to give the owners the minimum fair return on their investment, it will be the policy of this Commission so to regulate rates that, with the co-operation of the company, any further profits may be equally divided between the three parties, the employees receiving more wages, the company more revenue and the public better and cheaper service. Efficient management then will be rewarded by increased rates, while the public will profit from both by reduced fares."

BY SIX-CENT FARE

President Griffith Says Effort Will Be Made Not to Inconvenience Patrons.

Service to Be Unchanged

Reduced Operation Started October 15 Will Not Be Increased, at Least for Present—Council Action Undetermined.

Portland residents should have six cents ready when they board a streetcar on the morning of January 15, for the new fare on the city lines will go into effect on that date.

To make it easy for the traveling public tickets will be sold, both on the streetcars and in the company's offices, so that it will not be necessary to hunt a nickel and a 1-cent piece out of one's pocket when the conductor holds out his hand expectantly.

Morover, those who are forehanded enough to purchase books of tickets will effect a saving of something over 8 per cent on investment and will get tickets for 5 1/2 cents each.

The decision of the Public Service Commission was, of course, gratifying to President Griffith and other officials of the company. Mr. Griffith said it is, of course, regrettable that the necessity for increased fare arose, but the entire case has been based on the proposition that having but one source of revenue, the company must obtain enough from that source to pay for operating expenses.

President Griffith said: "The order of the Commission, which I have just received, will, when placed in operation, affect the traveling public in a very material way. It is estimated that the increased revenue to be derived from the operation of the order will, to a considerable extent, offset the increased expenses of operation, due to increased wages, reduction of hours of employment and increased cost of fuel and maintenance."

"It will be necessary, however, that there be a very material further increase in traffic at the new rates before the company will be able to earn a minimum return of 6 per cent upon the value of the street railway property as that value has been determined all the expenses of the very badly maintained street railway will be able to care for its absolute financial requirements, but this does not include dividends on the investment of our stockholders."

"No starved horse ever pulled a heavy load. The utilities have been unjustly profited, they must also be unjustly treated. If a utility is driven into a position where its credit is impaired and it can obtain money for operations and extensions only at an unreasonable cost, the public must share the loss."

5 Tickets for 30 Cents to Be Sold.

"We shall make every effort to establish the new fare basis with as little inconvenience to the traveling public as possible. Each conductor will be supplied with strips of five tickets to be sold at 30 cents per strip, the use of which by our patrons will obviate the necessity for the use of pennies, to which objection has been urged on the ground of annoyance to passengers in handling the small coins. Our ticket agents will sell books of 50 tickets each at all patrons desiring them at the rate of \$2.75 per book, which is the equivalent of 55 cents per ride. The company will endeavor to operate and maintain the very best service it is possible to do, in relation to the income. However, it could not be promised that the company will be able to do this."

Announcement Starts in August.

The history of the 6-cent fare case dates from August 14, last, when streetcar employees of the city asked an increased wage and an eight-hour basic day. Late in August President Griffith's agents stated a series of advertisements in the newspapers, the slogan of which was "We are partners," and which pointed out the close relation between the prosperity of the streetcar company and the city as a whole.

On September 6 the first hearing on the subject of an increased fare was held before the Public Service Commission, the employees of the company and the Central Labor Council being represented. On October 5 the decision of the company was rendered, denying the petition for 6-cent fare until certain economies and other ways out of the difficulty had been tried. On December 10 an informal presentation was made to the Commission by the company showing that the recommended economies had been unavailing.

It was on December 20 that the final hearing before the commission was held in this city.

"It is too early yet to say what the city will do," said John M. Mann, Commissioner of Public Utilities, last night. "When the Council is officially notified, then will be time for action, if any is determined upon in respect to the decision favorable to the 6-cent fare. I have no idea at this time as to what will be done."

JURY UNABLE TO AGREE

Twelve Men Deliberate 28 Hours in Chin Jung Hin Case.

Semi-Official Reports Indicate That Seven Jurors Stood for Conviction.

State Claims Victory.

After deliberating more than 28 hours, the jury in whose hands rested the fate of Chin Jung Hin, charged with complicity in the murder of Chin Hong, reported shortly before 9 o'clock last night that it would be impossible to reach an agreement. The jurors were then discharged from further consideration of the case.

This was the first time that a jury in Portland has been called upon to decide whether or not a tong officer is guilty or not guilty of complicity in a murder committed by tong gunmen. The defendant, who is president of the Sney Sing tong, was accused of conspiring to bring about the murder of Chin Hong, a wealthy and influential member of the Bing Kung, a rival tong.

Chief Deputy District Attorney Collier, who, with Deputy District Attorney Mowry, handled the prosecution, declared last night that he considered a jury disagreement virtually a victory for the state, inasmuch as it will have a big effect in keeping the Chinese tongue out of further hostilities.

From semi-official sources it was reported that the jurors stood seven for conviction and five for acquittal from the time they entered the jury room at 4:30 Friday afternoon until they were discharged last night.

Mr. Collier said he was still undecided concerning the prosecution of other murder cases against the allied Hop Sing and Sney Sing tong officers.

could do much good was originated by E. M. Underwood, of the underwriters, who based his opinion on the success of the recent fire-prevention-day campaign.

CARD OF THANKS.

We wish to extend our thanks to our friends and the members of the ladies' auxiliary of George Wright Post No. 1, A. R., for their kindness shown us in our bereavement in the death of Frank Read. (Signed) MRS. FRANK READ, Adv. HENRY READ.

Michigan Society to Meet.

The Michigan Society will meet Monday night at the Portland Hotel in the assembly-room. There will be election of officers and a programme.

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MEN!

My Upstairs, 2d-Floor Prices on

SUITS and OVERCOATS

pave the way to real clothes economy

Get the Upstairs Habit—It's a Mighty Profitable One.

Stairs or Elevator to the Second Floor

Hats at Upstairs Prices—\$2 and \$3

JIMMY DUNN

ELERS BUILDING

Broadway and Alder