

THE-UP IN COURT THREAT OF P. R. T. Openly Declare Company Will Fight if Legislative Bills Pass WOULD CURB CITY POWERS Lawyers Argue Measures Are in Direct Violation of 1907 Agreement

HARRISBURG, May 29.—The Philadelphia Rapid Transit Company, through E. T. Stotesbury, chairman of the board of directors, and a long array of attorneys, presented before the Senate Judiciary General Committee, in a public hearing here today, two main reasons why the Legislature should defeat the four pending transit measures sought by the city of Philadelphia as a means of solving the transit problem.

The first was a legal reason based on the argument that the bills, particularly the Hecht measures, are in direct violation of the 1907 agreement between the city and the Transit Company, and therefore unconstitutional.

The second took the form of an open threat that if the bills were passed and the city attempted to exercise its newly found powers the company and the underlying traction interests would begin a fight in the courts which would tie up indefinitely the city's transit development program.

When the opening hearing in the transit question was held here a week ago the transit company failed to put in an appearance.

Mr. Stotesbury, in order to make the chief plea for the Philadelphia Rapid Transit Company at the transit hearing here today, broke his rule of going to New York every Tuesday for a conference with J. Pierpont Morgan.

The array of legal talent the Transit Company sent to fight its battles was further evidence of the importance it attached to the hearing, which was held by the Judiciary General Committee of the Senate.

The P. R. T. attacked the four pending transit bills by which the city of Philadelphia would gain broader powers in the present transit lease negotiations.

A new element developed in the opposition to the bills when representatives of the Pennsylvania Street Railway's Association, which comprises more than 90 per cent of the mileage of the State, appeared before the committee to fight the measure. A. H. Butt represented the association as attorney. He was accompanied by Dr. Henry M. Binn, State Secretary.

Acting chairman Daix announced today that the committee would be called together on the morning of June 7, to take definite action upon the pending measures. As the Legislature adjourns today until June 6, this date will be the earliest that a committee could be called together; in spite of the unavoidable delay the legislative leaders declared that there would be ample time to pass the measures before the adjournment of the session. Senator Daix would make no prediction as to the success or failure of the bills.

The representatives of the company proceeded at once to the Senate caucus room, but as the Senate was still in session it was almost 2 o'clock before Acting Chairman Daix called the hearing to order. Ballard was called upon first.

He, in turn, called Mr. Stotesbury, who said:

"Six years ago I was asked to take charge of the property of the Philadelphia Rapid Transit Company. The company was being operated under the contract of 1907, which provided that the company should

pay out of its earnings all its fixed charges, including the rentals and fixed charges of the underlying street railway companies, interest on all new money provided for improvements of the city of Philadelphia, and 6 per cent cumulative dividends on its actually paid in capital stock; after which the city was to receive one-half of the surplus earnings.

"Under this contract the city had expressly agreed that it would not exercise any right to take over any of the properties making up the Rapid Transit system. After making up the surplus under this contract it now becomes necessary as a result of the city's decision to construct additional transit facilities to amend in some respects the relations between the parties, for apart from any contracted rights in the matter it has been recognized by every one that the citizens can be best served if the new city lines are operated in conjunction with the present system of the Philadelphia Rapid Transit Company.

"With this object in view, the city of Philadelphia and the Philadelphia Rapid Transit Company have been negotiating an operating contract and an amendment of the 1907 contract, in all of which negotiations the fairness and necessity of providing for the company's fixed charges as approved under the 1907 contract was recognized.

"While these negotiations were pending there were introduced into the Legislature the bills now before this committee, with the express object of relieving the city from the obligations of its contract of 1907.

"From our point of view, the unfairness of these bills must be apparent when you consider that the city of Philadelphia, in effect a partner under the 1907 contract with the Philadelphia Rapid Transit Company, is now seeking through their instrumentality to alter the terms of that contract in order to give a competitive system the use and benefit of the downtown terminals and the surface feeder lines of the Philadelphia Rapid Transit Company by permitting their joint use of the same by the competitor by means of through routing or free transfers with the consequent confiscation of the earnings that the Philadelphia Rapid Transit Company has developed under the agreement entered into with the city ten years ago.

"I leave it to the attorneys to discuss the legal effect of the proposed legislation, but I may be permitted to say as a layman that I consider the breaking of one contract a poor foundation on which to build a new one."

William N. Trinkle, former counsel for the State Public Service Commission, who was retained by the company to argue against the bills declared that under the provisions of the State constitution the jurisdiction over municipal street railways was logically vested in the local legislative bodies and the pending bills would deprive the local authorities of their rightful powers, he argued, and would be in direct violation of the implied conditions of the 1907 contract.

"To pass these bills," he asserted, "would be to regard this contract as Germany did her treaties with Belgium—as mere scraps of paper."

He sounded a warning note at the same time that should the city attempt to exercise its new powers of eminent domain in the event of the passage of the Hecht bills, the companies affected would carry the fight on the constitutionality of the measures as far as the Supreme Court of the United States.

"After all," Mr. Trinkle concluded, "these bills, should you pass them and I take it you won't, you will have the entire transit situation in Philadelphia tied up with endless litigation for years to come. We want to get somewhere, but if these measures pass we will get nowhere."

Supporting Eliza Ames Ballard, chief of counsel of the Transit Company, were former Judge James Gay Gordon, William N. Trinkle, of former Attorney General John C. Bell's office, former general counsel of the State Public Service Commission, and William Schaffer, of Harrisburg, where he is legal representative of the Pennsylvania

Railroad Company. They went to Harrisburg in Mr. Stotesbury's private car.

On Tuesday of last week Mayor Smith, Transit Director Twining, William Draper Lewis, the legal transit adviser of the Smith administration, and a delegation from the United Business Men's Association appeared before the committee to urge the passage of all four measures.

The hearing was held at the request of the Transit Company, and although notices of the meeting had been sent out in advance, the company less than two hours before the hearing was scheduled to begin made a request for another hearing at a later date at which to present its side of the case.

The action of the company in making this eleventh-hour request was denounced by Director Twining and Senator Daix, acting chairman of the committee, as a move for delay. It was pointed out that as the Legislature will adjourn within a month the company might accomplish the object of the bills, if it succeeded in delaying the hearings long enough.

Senator Daix promptly checkedmate the move of the company, however, by setting today as the date for the hearing. He, though Eliza Ames Ballard, chief counsel for the company, had requested that a day other than a Tuesday be set. This request, Mr. Ballard later explained, was to give E. T. Stotesbury, chairman of the Board of Directors of the company, an opportunity to appear before the committee. Mr. Stotesbury, who is the Philadelphia representative of the firm of J. P. Morgan & Co., goes to New York every Tuesday to attend a conference of that firm.

Four bills are under consideration at the hearing. They are:

The Gans bill, which would give the Public Service Commission the right to compel the Philadelphia Rapid Transit Company to through-route trains between the Frankford and the Darby "L" roads over the tracks of the Market street high-speed line, irrespective of whether the city's system is operated by the P. R. T. Company or independently.

The Satus bill, which includes the through-routing feature of the Gans bill and in addition would give the commission the right to fix a joint rate of fare at intersections of the city's, and the company's system in the event of independent operation.

The Hecht eminent domain bill, which would give the city the right to take over the franchises of the Philadelphia Rapid Transit Company and the underlying companies; and

The Hecht constitutional amendment giving the city the necessary borrowing power to exercise the eminent domain right provided in the Hecht bill.

SENATE RAISES SALARY OF STATE LAW MAKERS

Mechanicians of Machine Succeeded in Obtaining Enough Votes to Add \$1000 to Pay

By a Staff Correspondent
HARRISBURG, May 29.

By stretching a point or two and permitting a couple of Senators to change their minds once they had voted mechanics of the organization's machine in the Senate last night obtained a bare majority for the Reichensacker bill, boosting the pay of Senators and Representatives from \$1500 per session to \$2500.

Homscher and McKee voted "no" when their names were called. When it was found that two votes were needed, the call went out and Homsher and McKee switched to the yes column. Hackett, of Northampton, was the only Democrat to vote for it. Warner, Hindman and Tompkins did not vote. The result announced was 26 to 13.

The Senate passed the new game code with amendments that were rejected in the House. This will result in the bill going to a conference committee, unless the House concurs in the changes.

Bishop McFaul Takes Asbury Residence

ASHURY PARK, N. J., May 28.—Asbury Park will be the seat during the coming summer of the Trenton diocese of the Roman Catholic Church. Bishop James A. McFaul of Trenton, has taken a cottage in the North Asbury section for his occupancy during the warm season, according to announcement here today.

BRIDGE ACCIDENT AVERTED

MAHANAOY CITY, Pa., May 28.—An accident was narrowly averted this morning, which involved the lives of at least 130 passengers on the State-wide Express running between Pittsburgh and Easton, Pa., on account of a defective bridge at Kohnsior Junction. A six-mule team drawing a load of heavy timber to the Oxford washery was crossing a bridge covering the Lehigh Valley tracks, when the abutment gave way, suspending the load of timber above the tracks and imperiling the lives of the passengers on the rushing train.

The operator at Kohnsior Junction, James M. Riley, with rare presence of mind, immediately flashed the danger signal and stopped the express. A wrecking crew from the powerhouse at Girardville hoisted the wagon with its contents to a place of safety and allowed the train to proceed after more than an hour's delay.

Will Build Military Roads

Three hundred miles of Government military roads will be built under supervision of William H. Connell, consulting engineer, who on Friday will leave his present office of chief of the Bureau of Highways. The roadway is to be built "in jigtime," Mr. Connell said, at thirty-two of the camps planned to house the new army of 500,000.

'DRY' FORCES IN STATE URGE PROHIBITION BILL

Senate Committee Asked to Report Favorably Resolution for Constitutional Amendment

HARRISBURG, May 29.

State-wide prohibition as a war measure was argued before the Law and Order Committee of the Senate today. Senator Raymond E. Smith, of Crawford, asked that the committee report favorably a joint resolution providing for a "bone dry" constitutional amendment, which he has introduced in the Legislature.

Others who spoke in favor of the amendment, which has been in committee since its appearance in the Senate on February 6 last, were John R. Harris and William M. Lykens.

Senator Smith displayed a bulky petition indorsing his measure, which he said bore 70,000 signatures of Pennsylvanians.

Harris said every county in the State was being organized and it was proposed to carry the fight to the polls as well as to the Legislature. He argued that it "would be good politics" for the Legislature to allow the amendment to come before the voters of the State. Should it pass the Legislature it would also have to pass the next before it could be voted upon at the polls.

Senator Snyder spoke in favor of another resolution, of which he is the author, in which the provision is made that the Legislature appeal to the President and Congress to forbid the use of grain for the making of beer and whisky and to otherwise render the State, as well as the nation, dry.

U. S. Greatest Spending in 1917

WASHINGTON, May 29.—The fiscal year of 1917 will show greater financial activity on the part of the United States Government than any preceding year in the nation's history. Expenditures for the year will total almost a billion dollars in excess of those for the fiscal year of 1916. Disbursements for the fiscal year to date aggregate \$1,600,775,000, the Treasury Department announced this afternoon. Last year's total for the corresponding period was \$692,418,000.

Says "Glory Barn" Is Fire Hazard

LANSDALE, Pa., May 29.—Hiram C. Weachter, president of the Fairmount Fire Company, of Lansdale, who notified both the Borough Council and the Board of Health that the Lansdale "Glory Barn," which has been kept standing since the Weigle evangelistic campaign last December, is a fire hazard, says he will now appeal to the State fire marshal. Mr. Weachter says he will persist until some action is taken.

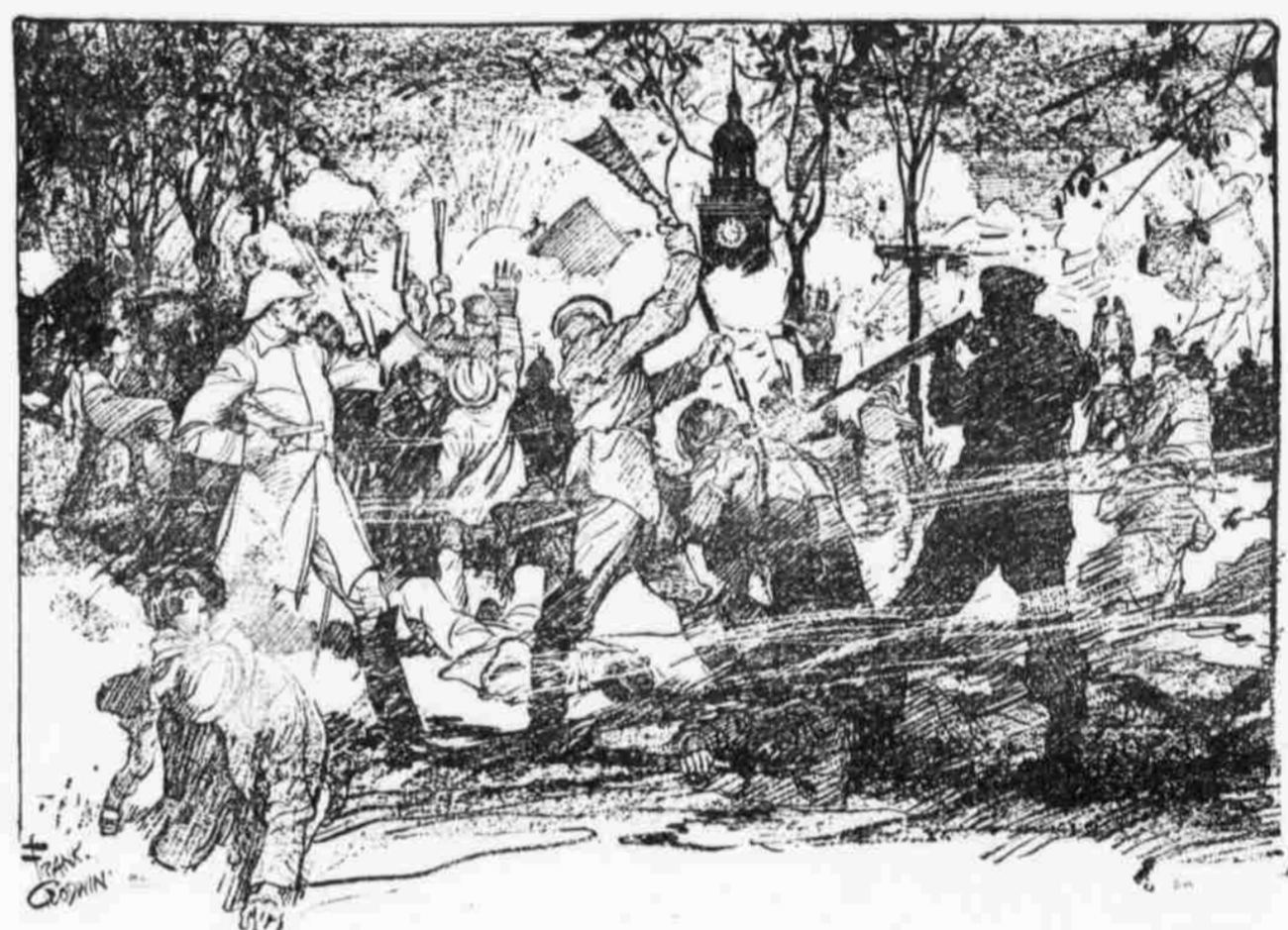
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city streets are looking us squarely in the eye and saying: "Will you match your loyal generosity with our willingness to charge up to mouths of cannon and there, if need be, make the last great sacrifice?"

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Plant Corn Plant Corn Plant Corn

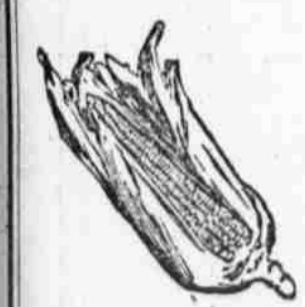
This country's greatest crop. Last year we raised 2,593,000,000 bushels of corn.

The crop must be largely increased this year to help make up the shortage of wheat.

We wired State College latest dates for planting. Agronomist Gardner wires this reply: "Earliest maturing varieties Dent Corn may be planted as late as June 10th; medium varieties not later than June 1st."

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