# **ENEMY HARD HIT** TRANSIT LEASE WAR NECESSITY, **BY BRITISH RAIDS**

was begun Losses Are High as English Test Strength on Northern Front

# GUNNER SAVES HIS MATE

ime.

Pittsburgh.

### By PHILIP GIBBS Special Cable to Evening Public Ledger

Copyright, 1918, by New York Times Co. War Correspondents' Headquarters on the Western Front, June 4.

While the world's interest is centered on the battle now in progress above the Marne, it would be out of place in the scale of things to desuit the lease were determined to smash in the scale of things to describe in it, it would be no difficulty to find a much detail the small local attacks plan. and they are not without bearing on parties.

the general situation. It may often be useful to test the enemy's strength need of transit development, and unless on the British main sectors, and when small gains of ground are made they be unable to take its proper place as may hamper the enemy's plans by denying him observation or by cutting into his positions for future attacks. Sunday night and yesterday small

operations of this kind were under aken by British troops with complete success. In a raid west of Tillery near Arras, prisoners who have been brought back say a whole company was destroyed, and in a local attack near Strazeele and the forest of La Notte the enemy's losses certainly were heavy apart from prisoners, emounting to over 200 men and five officers

The German artillery has shown no abnormal activity against the British lines, but east of the Scarpe and Arras they have bombarded some sectors of the trenches, and also have been firng heavily into the ruins of Viller Bretonneux, on the Ridge above Amiens. There appears to be no special significance in these gun attacks, and we are still waiting for the enemy to attempt to carry out his plans on this front.

Although as a correspondent with the main British armies it is not within my province to narrate what is happening between the Aisne and Marne, I have obtained some details of the fighting in which the British troops are engaged down there which may supplement descriptions of correspondents on that front. This information relates particularly to the Fiftieth division, which had gone down from Flanders after its heroic fighting formed the basis of Mr. Ballard's argualong the Lys, strongthened by some drafts of young soldiers of fine spirit, tion although inexperienced in conditions sion of actual warfare. Their new experi-Twenty-first. Eighth and Twenty-fifth of supervisors, he replied frankly that "Six divisions, also fresh from the north- "The P. R. T. at first did not like the contract

ern battlefields, with many new boya board." among them. In re gulet and without any obvious menace think it would in the enemy's attitude. The German

little casual shelling, and the German are free to retain your powers." battery positions was carefully restricted, and the enemy brought up his divisions by night with the greatest possible secrecy and quietude, hid-

them by day in wooded country, must have left many of his gun He must have left many of his gun-ners to open their bombardment at the moment of attack without previ-salient features which must be considerous registration, and was careful to keep his special assault troops out of the line until a few hours before the battle in order to prevent the British getting identifications. But on the night before the attack,

I believe, it was expected. Every pre-caution was taken, although the thinness with which the line was held must have given anxious thoughts to held the officers and men as they stood to all night, and the field artillery and

Continued from Page One to grant unlimited and perpetual franchises upon the streets and to approve and recognize the turning over of those franchises for operation to companies mission by Mr. Lewis before argument Supporters Closely Questioned which have furnished the new capital

Lawyers representing those favorable to the lease were questioned closely by members of the Commission as to the necessary to transform the old horse car lines into modern electrical systems. "The testimony of Director Twining desirability of the proposed lease at this shows that the total rentals and payments, including the 5 per cent dividend on Rapid Transit stock, is equal t

**ATTORNEYS TELL UTILITIES BOARD** 

time. The questioning was led by Commis-sioner William A. Magee, recently ap-pointed by Governor Brumbaugh to the vacancy caused by his resignation last but 8.6 per cent upon the actual cash capital invested in this property. Among the other points brought out by Mr. Ballard were: fail to become a candidate for Mayor

"If the obligations of the P. R. T. The questioning began with the first Company are a bar to the making of the present lease they are a bar to making any lease at all. speaker, James Collins Jones, who was asked by Commissioner Magee as to the manner in which the lease might be "Those who inveigh most loudly

broken. Mr. Jones replied that nonpayment against these rentals profess to have no animus against the P. R. T. Comno animus against the P. R. T. Com-pany and admit that the return which the company is asking on its full-paid stock is a reasonable and proper re-turn. The loss of fourteen years' in-terest and the restriction of future re-

and raids on the newthern British front, although to the men engaged they have all the importance of life. Commissioner Magee then referred to turns to 5 per cent is the penalty the condition complained of-a condi-tion which, with respect to high rentals paid to all the underlying street railway Mr. Jones, in closing his argument. companies, it is in no way responsible

for Says City's End Wonldn't Pay,

"It must be remembered that neither the present contract nor the situation which led up to it is of the company's A s a foremost municipality. He said he believed the P. R. T. was own choosing. The city determined to supplement the company's system by a number of high-speed lines, designed to instified in priority in the provisions of the least to protect its stockholders. Mr. Ballard followed Mr. Jones.

develop "The war," he declared, "has made Philadelphia the most active spot Philadelphia the most active spot on the face of the globe today. We are This never was a business venture No one has ever pretended that the lines would pay in a business sense, and the record before you shows that they can making 33 per cent of the merchant ma-rine of the country, and the city has fallen down not be made to pay with five-cent

Mr. Ballard referred to the lack of r a seven-cent fare, or in fact at any cars and other transit equipment to emphasize his remarks. He declared rate of fare. "They are a municipal enterprise, and

emphasize his remarks. He declared that last Sunday the receipts of the P. R. T. were \$4000 more than on any previous Sunday in the history of the company. He declared "They are a municipal enterprise, and they will serve the municipality best if poperated in conjunction with the com-pany's system, and therefore the city presents to the company a form of con-Dr. Lewis replied that the commission Dr. Lewis replied that the commission

which provides that the city must "You." he said, speaking to the commission, "have ordered us to buy more cars next year. We have got to have them this year."

ssured future.

"How many millions of the P. R. T.'s

follows

When Mr. Ballard began to speak. somewhere. It will come partly from an increase in fare and it will come partly from the earnings of the Phila-delphia Rapid Transit Company's sys-Magee interrupted him to ask how much power the P. R. T. made itself. "We buy about 75 per cent of our

ower from the Philadelphia Electric.' replied Mr. Ballard. 'Wouldn't it save considerable money if you made all your own power?" asked

Magee. Mr. Ballard replied that that was proposition the company had not cared put up to the city.

Fare Too Low, Says Ballard

ment. He declared that the fare ques-tion was the vital one in the lease deci-When questioned by Commissioner

In reply to a question whether the The Fiftieth were holding their board would interfere with the powers well afford to postpone the increase of the commission he said he did not fares until that surplus had been used

in the enemy's attitude. The German "I can't think you will fight the will artillery was inactive, apart from a of the Ccuncils of Philadelphia if you

underlying companies. "For once, I believe I am on the popular side." he added.

Must Raise Fare, Says Ballard

ed in determining the validity and desirability of this contract as follows: First. The City of Philadelphia as determined upon a program of nunicipal construction of high-speed

Second. It has determined that the public can best be served if the operation of these lines is turned over to the P. R. T. Company and the present system of that company and the new lines of the city are operated as one system.

**U-BOATS SHOW NEED** ARGUMENTS ON TRANSIT LEASE BY CITY AND COMPANY LAWYERS OF INLAND WATERWAY

DR. WILLIAM DRAPER LEWIS

system

(General Counsel for the F. R. T. Co.) (Special Transit Advisor to Mayor Smith) It would be not only unwise but Philadelphia's transportation fapractically impossible to construct cilities have not kept pace with its the city's system as planned, if it is gigantic war industries. The only to be operated as an independent remedy is the ratification of the lease

The proposed city system is not It is not practicable to operate the a business enterprise. Operated alone city's system and the company's it canot be made to pay at any rate system as a unified system unless of fare.

ELLIS AMES BALLARD

the city leases its system to the The joint operation as proposed and desired by the city and as cov company. It is not practicable to negotiate ered by the contract under consida lease of the city's system to the eration cannot be successful at a

company, securing to the city the five-cent fare. payment by the company of a rental Even after the entire city system equal 'o the interest and sinking is completed at a present estimated fund charges on the bonds issued to cost of perhaps \$125,000,000, the surpay for its construction, unless the face system, which represents an excompany has reasonable assurance penditure of an equal amount of of being able to charge a fare which money, will be called upon to take will enable it to meet all its obliga- care of 74 per cent of the traffic tions and pay a dividend to its only 26 per cent being handled by the city's lines. stockholders.

the afternoon. Dr. Lewis was questioned city's system as planned in a reason-a number of times by members of the commission concerning minor legal operated as an independent system.' utility the peril of our shipping and the operated as an independent system.' "It is submitted that your petitioner

Wake of Letter

mans Bombarded Paris

have negotiated a lease the funda-mental features of which are legally A statement from Dr. Lewis that if have the commission did not allow a fair return in dividends upon the outstand-ing obligations of the P. R. T. the Suthe city's industries and serve preme Court might regard the ruling as confiscattory, brought objections from Chairman Ainey and Commissioner Ryan, of Philadelphia. Both insisted on the commission's

right to make a "fair" valuation. Com- unified operation of all transit facilities. missioner Ryan said that as a matter of law the commission was bound to fix a fair value and a fair return. and to the city the ability : as planned. He cited instances where the physical

**BROTHER KILLED IN FRANCE** tract which provides that the city must always have a full return upon its in-vestment, although the investment it-self cannot earn that return. "Of course the return must come from somewhere it will a source from the stockholders of the underlying com-the stockholders of the underlying com-Death Tidings Reach Sister in

panies were assured certain returns Discusses Fare Increase

### Doctor Lewis, in argument to show the

tem, which earnings otherwise would go to its own stockholdern. I have a stockholdern would be a stockholdern with in the go to its own stockholdern. The worst thing about this contract is that it does not face the fare ques-tion bravely, but starts in with an at-tempt to decrease fares to the extent of contracts now pending are dealt with in the 1997 contract which was authorized at- by act of Assembly, April 15, 1907. He tempt to decrease fares to the extent of pointed out that the constitutionality of \$1,000,000 a year in the face of facts the Act of 1907 has been upheld by the understood by every one that all costs. Supreme Court, which also held the 1907 Supreme Court, which also held the 190 contract to be "a contract within the particularly wages, have advanced and will advance to a point which has made every necessity of life virtually double in cost. The proper way of meeting power of the city to make under that act.'

Answering the various objection that question would have been fo which had been filed against the pro-posed lease at previous hearings. Doctor contract to have substituted a higher fare for the present fare in connection with the elimination of the exchange Lewis touched on the fare increase

"The Public Service Commission." h "Six months ago, however, when this contract was being drafted conditions were not as serious as thew are today, declared, "under the public service company law of this State, in exercising its jurisdiction over rates, has the right to were not as serious as they are today establish a system of rates based on pany with its large cash surplus could the practical assurance to the company of a return sufficient, but not more than up to the extent of half a million dol. sufficient, to enable the company to pay a stated rate of dividend.

### Argument of Doctor Lewis

Lays Difficulty to City infantry refrained from sniping, as though encouraging the British to show themselves. Registration from came effective, and have compelled it to ask Councils for permission to file an increased schedule of wares forthwith. First. If the city or an independent

First. If the city or an independent company operates the city's system as an independent system, it will be im-possible on any rate of fars for the city to receive a net return or rental on each operating section as it is placed in operation equal to the interest and sinkine fund charges on the index The failure of the city to complete its lines within schedule time, the rapid growth of the city's population, and the importance of serving the Government industries there located, have raised transportation problems in the city of Philadelphia which must be met by the sinking fund charges on the bonds ssued to pay for the construction of chiladelphia Rapid Transit Company, and which can only be met by that cor

sisued to pay for the construction of the section. Second. The city cannot build its high-speed system as planned in any reasonable time if it receives from each operation only the net return or rental which would be received if the city's system was operated independ-ently--the constitutional borrowing capacity of the city is not sufficient Third. The city can build its high-speed system as planned in a reason-able time if it receives from each op-erating section, as it is placed in oper-ation, a net return or rental equal to the interest and sinking fund charges on the bonds issued to pay for its con-struction--with such return or rental the constitutional borrowing capacity pany if it has an adequate fare and an The argument presented by C. Oscar Beasley in opposition to the lease re-viewed the case, and embodied opposi-tion to the lease on three points, as

Moore Tells House His Proposed Channel Would Serve Well Now

Present Peril

## By a Staff Correspondent

man submarines.

strategy

Washington, June 4 The attention of Congress and the country was today called by Congress-nan J. Hampton Moore, of Pennsylvania, to the advantage American shinbing would now have in cluding the ferman submarines lying in wait off he Jersey coast if the plan for an inland waterway from Boston to Beaufort, N. C., had been carried out in the past oped. rstead of much valuable time being Dotas.

This attack of the German U-boats But the next few hours or the next ong our coast line," said Congressman funda-

have negotiated a lease the funda-mental features of which are legally round. Furthermore, that in view of week to rumors of German submarines the need of the city for the extensive high-speed facilities which the city plans to construct, is the only kind of and I said then it was possible we would contract and lease which can be nego-tiated, which will give to the citizens here to nov I told you so but 3 am here of Philadelphia the advantages of a in love and devotion to my country to wak in behalf of what I beller necessary to properly propare to meet such situations as we now face." money needed to construct its system such

Moore, who as president of the 31+ tlantic Deeper Waterways Association has been an ardent advocate of the onstruction of an inland waterway of the latest submarine activities in long the Atlantic coast for many years spected to be greatest. rought a map of the court in the House Increased Convoy Means Delay and pointed out the course American shipping could take to clude the Gernan submarines if the inland waterway take longer in the future to had been completed.

### Moore Recalls Warning

A report received from the American expeditionary forces in France states that Rowland Biglow, twenty-nine years old, Barrington, N. J. was killed in action on May 15. Shell shock was the cause of his death. Mrs. Dorothy Glenum, Barrington, a I have said before that a submarine attack would not come on the Pacific. "But it has come just where it was ex-pected to come. Now, are we prepared lalong the Atlantic coast for this foreign invasion". I have said before that a submarine are of his death. Mrs. Derothy Glenum, Barrington, a inter, received notice of his death a ew hours after receiving a letter from im, in which the wrote that he was

well. Rowland Biglow was a member of the Rainbow Division. He was drafted into the service last fall and left for France a few months later. Biglow lived in Asbury Park when he entered the army. "Are we prepared to meet the enemy on our own shores, while we are attack-ing him abroad? I have pleaded for preparation in the United States. We tudy the map of Europe every morning, n the name of God, why don't we study BRITAIN'S HOLY DAY PLEDGE

he map of our own country "Here is the problem now : Along the Air Forces Kept It While Ger-Jersey coast a large number of ships were sunit between Philadelphia and New York Most of our shipbuilding is London, June 4 — The promise of An-drew Bonar Law, Chancellor of the Exchequer, that British air forces would not bomb German cities outside the war zone on last Corpus Christi Day was made after consultation with the Air Ministry with France, it was announced today. congested along the Delaware River in the vicinity of Philadelphia. The only way for these ships to get out is down the Delaware river, down Delaware bay and out to sea.

ande after consultation with the Air Ministry with France, it was announced today. The British Government has called the attention of the Vatican to the German long-range bombardment of Paris on that day. The appeal for a cessation of British air attacks was made by the Pope at the instigation of the German Archbishop of Cologne bility of a further plan to concentrate U "What would the boat work against American transports This war is now largely a war upon comenems: anted to forestall the use of those hips, stop our transportation and stop he sending of supplies and troops to nunleations. For more than a yea many has been striving to cut England France? It would be to hover outside France? It would be to hover outside Delaware Bay and stop the ships coming out, to lie in wait and sink them as fast as they are built by the shipping way, a blow at American lines of comout, to lie in wait and sink them as front, both in a moral and fast as they are built by the shipping way, a blow at American lin munication seems inevitable. As to Germany's capacity to conduct get to the ocean

LIGHTS TO BURN AS USUAL I have urged time and again that we should cut through the inland chan-nel from the Delaware to New York and undersea warfare off our shores, the best naval opinion is that German U-boats can operate in American waters Philadelphia Won't Be Darkened, southward to Chesapeake Bay, making without a base on this side of the At lantic and without a mother ship A submarine with a steaming radius of

**ON U. S. TRANSPORTS EXPECTED** Navy Sees Blow at War Plans in Submarine Raid-Effort to

**CONCERTED ATTACK BY U-BOATS** 

**Block Communications and** 

**Cause Delay** 

By CLINTON W. GILBERT

BRINGS DANGER HOME Staff Correspondent Evening Public Ledger for supplies, remaining there only twen-Washington, June 4. The American coast and the West In-

Says Course From Boston to North Carolina Would Avert The American coast and the West Inof a few hours' sinkings of American ships off the American coast by Ger. One of the U-boat.

One of the submarines making the present attacks is said to have been 290 Germany is trying to terrorize this country, perhaps. Perhaps she has the larger idea of interfering with our lines of communication and slow-

our lines of communication and slow-ing up our war plans. It is impossible posed to be of about 1200 tons caparity. to tell until more is done and the A submarine of that size might readily scope of the German plan is devel- mount six-inch guns, and it might have a steaming radius of 7000 to 8000 miles

The hasty sinking of unsuspecting rey looks like terrorism, a well-estab-ished principle of German warfare MAY HIKE TROLLEY FARE

few days may reveal a concerted at-tack upon American transports or upon American or Allied supply ships

and show the full aim of German Wilmington, Del., June 4 -- Seven cents for a single ride, the traction company All that is necessary is for Germany to constantly send submarines to American waters, forcing the Allies to sell four tickets for iwenty-five cents. may be the trolley fare in Wilmington hereafter. This decision was reached by the Public Utilities Commission after a session lasting all day. Later, the commission decided not to put the new rate in effect at once, but to consider it to convoy all American transports and all supply ships in both directions all the way across the Atlantic. There is reason to believe that since the sinkng of the President Lincoln Ameri-

th. The time can transports have been convoyed throughout in both directions, so that the full effect of a larger range of German U-boat activities has been al-ready feit, so fair as troopships and concerned. Upon supply ships and food ships for the Allies the influence

## FLAG GIVEN AMERICANS

# An increased watchfulness on the Marquis Rochambeau Makes Presenta-

tion in Tours Sector Paris, June 4.—The presentation of an American flag by Marquis Rochamb's au to the American units quartered in the region of Tours was the occasion of enthusiastic speeches, according to 4 dispatch to the Havas Agency. General Filonneau, chief of the French mission and the head of the American units at Tours, spoke. than it has in the past. It is easy to exaggerate the impor-

The probable hope of Germany is to slow up our progress in the war by making shipping less effective, and per-haps by terrorizing coastwise shipping and coast towns, thus causing a demand for the recall of American destroyers from European waters to protect our vessels and people. By delaying ship-ping the U-boats would aid Hindenburg his effort to win the war this summer While this is the most probable pro-gram, it is not well to overlook the possi-APONICA GARDEN When you're 21 stories above the street, with appetizing food, good service, fine music and beautiful surroundings - well,

> there really isn't very much left in the world to wish for!

 dimmed, as in New York, for fear of German raids.
 New York, or south at Norfolk.
 Submarine

 This statement was made this after-noon by Director Wilson, who said he had received no instructions from Mayor Smith to order lights out in this city.
 "If this inland channel was cut through, then ships built in the Dela-though, then ships built in the Dela-tork, could pass in and out of the other fock, could pass in and out of the other hour orders arrive from Washington.
 "If this inland channel was cut through, then ships built in the Dela-tork, could pass in and out of the other fock, could pass in and out of the other hour orders arrive from Washington.
 "If this inland channel was cut through, then ships built in the Dela-tork, could pass in and out of the other exit when the cnemy is known to be parture to the open.
 "Would be much greater if she had a hovering at one end and make their de-parture to the open.

 We have received no orders from Washington to extinguish all but ab-folutely necessary lights. When such word is received we will comply im-mediately. Until that time all lights may continue to burn."
 "If that inland waterway were com-havy yard to navy yard inside when the enemy was known to be outside.
 The Navy Department rejects a pop-ular theory that Germany probably has a hase in Mexico. Such a base would be too far away to be of any gractical importance, say naval officers. U-boats operating from there would be able to visit northern waters a little longer than they would if they came from Germany, but the

Says Director Wilson Philadelphia's lights will not be immed, as in New York, for fear of an outlet from Philadelphia, north of New York, or south at Norfolk. "If this inland channel was cut

tursci

On Our

Daylight

Second Floor

Another wonderful group of charming slik frocks just ar-

Satins

\$10.00

BASEMENT

Silk and Wash

DRESSES

\$5.00

\$7.98

wonderful group of

special selling

new summer styles

25 different models

for choice in silk pop-lins, taffetas, satins, volles, lincens, ging-

for

trench mortar sections were ready to reply as heavily as possible to any German bombardment and attack that might be launched.

It was 1 o'clock in the morning when the enemy opened a terrific bombar ment on the British line with high explosives. Presently he switched off his explosive shells and for a time flung over great numbers of gas shells. Thus he alternated high explosive and gas until his final canonade shells of all calibers. The British field guns and trench mortars opened a heavy fire as soon as the enemy's bombardment began and maintained it at the fullest possible intensity. The trench mortars were especially effective and fired continubusis at the German trenches, where a mass of men were assembled as we now know, so that their casualties must have been heavy under this close and must have been heavy under this close

and murderous fire. The German trenches in the Craonne region were about 2000 yards distant from the British, and across he stated that the commission had never yet approved a contract which fixed a that No Man's Land it is said there rate of fare.

came about a hundred German tanks with waves of infantry. At the same time, or at least very early in the battle, squadrons of enemy airplanes cnme over—they bad been carefully hidden during the preceding weeks-and dropped many bombs and fired at low range with machine guns at the men of the Fiftieth division. poration asking that its fare be fixed, even that the basis of its fare be fixed

**U. S. AVIATOR IS MISSING** 

One Enemy Machine Brought Down in Series of Air Raids

Washington, June 4. - One enemy American plane failed to return fol-lowing raids, it is reported in the communique from the American Ex-peditionary Headquarters in France.

The statement follows: Patrolling was active in Picardy and in Lorraine. Artillery fighting and in Lorraine. Attuine and in the occurred in Lorraine and in the Woevre. At a number of points there were air raids. In these com-bats our aviators shot down a hos-tile machine. One of our planes is missing.

CALLS 50.000 IRISH TO ARMS

### Lord Lieutenant Asks 2000 to 3000 Monthly

Dublin, June 4. — A proclamation asking for 50.000 volunteer recruits, and thereafter 2000 to 2000 monthly to maintain the Irish divisions, has been issued by the Lord Lieutenant. The first call is to men eighteen to twenty-seven years of age, and special inducement is offered of legislation to twenty the lord chall be available for insure that land shall be available for the men who fight for their country.

POPE THANKS BRITISH

## Sparing Cologne From Air Raiders on Corpus Christi Wins Praise

Bome, June 4.—Count de Salis, British minister to the Vatican, has been asked by Cardinal Gasparri, papal secretary of state, to convey to the British Gov-rument the thanks of the Holy See for the willingness with which it accepted the Vational proposal to spare Cologne the Vational Proposal to spare Cologne

"Facts not a business enterprise. Operated alone it cannot be made to pay at any rate of fare. Fourth. The P. R. T. Company is earning a substantial return upon its capital stock over and above a 5 per cent dividend upon capital actually

ublic pelicy. cent divident and the paid in. Fifth. The joint operation as pro-posed and desired by the city and as covered by the contract under con-sideration cannot be successful at a five-cent fare. Sixth. Even after the entire city mission completed at a present Attorney Beasley attacked the pro-osed lease after Mr. Ballard had conluded He charged that \$11,000,000 of th

mideration cannot be successful at a five-cent fare. Sixth. Even after the entire city system is completed at a present estimated cost of perhaps \$125.000,-000, the surface system, which repre-sents an expenditure of an equal amount of money, will be called upon to take care of 74 per cent of the traffic, only 26 per cent being handled by the city's lines. \$30,000,000 represented as the capital of the P. R. T. Company was invested in the stocks of underlying companies. He asserted that it was wrong to ask dividend on it, as not one dollar f it had been spent for improvement of service. "That is not true," interrupted Mr. Ballard.

### City Gets Most, Says Ballard Mr. Ballard called attention to the fact

noney is invested in the stock of the that no such contract had ever before underlying companies?" asked Mr. Beasbeen presented to the commission. He recalled the remarks of Commissioner Ryan, made at a former hearing, when

"Not any," replied Mr. Ballard. "Then the report of the controller is misleading," was the retort of Mr. Bessley. rate of fare. "It can readily be seen from the fore-going statement of facts," continued Mr. Ballard, "that no such a contract as this has ever been before the commis-Commissioner Ryan, of Philadelphia, indicated interest in the proposal of the opponents of the lease for a physical valuation of the P. R. T. property. "Do you ask for a valuation of the

"This is not the case of a gusiness corentire property?" asked Commissioner Ryan. "Absolutely," Mr. Beasley answered even that the basis of its fare be fixed

lease.

'or how could you determine a rate of for a long period of years. It is a case in which a municipality spending a very large sum of money, estimated at \$125.fare equitable to the car riders." The commission took a recess until o'clock at the conclusion of Mr. Beasley's argument.

000,000, in an enterprise which cannot possibly be productive of sufficient reve-nue to carry it, has asked a prosperous private company engaged in the same line of business to amalgamate this business with its own and to give up all chance of earning more than 5 per cent upon an actually paid-in cash capital. "The city seeks this unification of the

two systems with the fact staring both parties in the face that the rate of fare now in effect will not even meet operat-ing expenses. Yet the experiment is to start with an actual reduction of net revenue to the extent of \$1,000,000 through the elimination of the exchange ticket.

"The question of the exchange there." "The question that presents itself to this commission is whether under these circumstances it is ressonable and proper first, that the municipality which is making the large investment and which is in the first instance account-able to its own citizens for the mainwhich is in the first instance of main-tenance of satisfactory transportation pervice along its streats, should be as-sured that during the continuance of the contemplated arrangement the fare will always be sufficient to support such

will always be sufficient to support such service so that its taxpayers shall not be called upon to make up the deficit; and, secondly, is it reasonable that the company, which is asked to subordinate its interests to the general interests of the public and to carry the municipal load, should also be assured that the tribunal charged with the fixing of fares will approve a contract the basis of will approve a contract the basis of which is that the fare shall always be sufficient to show a return of 5 per cent upon actually invested private capital.

## Can't Unscramble System

"There has been injected into the public discussion and into the record of public discussion and into the record of this case the question of the reasonable-ness or fairness of the rentals which this company is paying to its underlying com-panies. That is a situation, unfortu-nately, which cannot be untangled. It has grown up under a series of grants and agreements going back over a pe-rice of grants pairs.

should not be approved; legal object-tions to the approval of the contract; cconomic and social objections showing that the lease is violative of a sound the constitutional borrowing capacity of the city will be sufficient. Ballard Refutes Beasley

of the city will be sufficient. Fourth It is possible to operate the City's system and the company sys-tem as one unified system, and estab-lish from time to time a rate of fare which will enable the City to receive from each operating section of the city's system, as it is placed in oper-ation, a rental equal to the interest, and sinking fund charges on the bonds issued to pay for the construction of the section.

Fifth It is not practicable to oper-ate the eity's system and the com-pany's system as a unified system, unless the city leases its system to

ate the city's system and the system, unless the city leases its system to the company. Sixth. It is not practicable to nego-tiate a lease of the city's system to the company, securing to the city the payment by the company of a rental on each operating gradient of the city's system (as it is placed in operation) equal to the interest and sinking fund charges on the bonds issued to pay for its construction, unless the company has reasonable assurance of being able to charge a fare which will enable it to meet all its obligations and pay a dividend to its stockholders. Seventh. Under existing law, in view of the certainty that economic conditions affecting the cost of the service rendered will never remain static a lease giving a practical as-surance of a return to the company sufficient to enable it to meet its obli-gations and pay the rental indicated to the city and a dividend to its stockholders, cannot be made except such lease embodies a provision for the filing from time to time of new schedules in accordance with the pro-visions of Articles XX and XXI of the pending contract and lease. Other points brought out by Doctor Lewis were: "It would be not only unwise, but

of color tone with planty of white

"It would be not only unwise, but He was followed by Dr. Lewis, whose argument took up the greater part of virtually impossible to construct the



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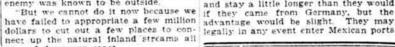
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Man Cuts His Throat Despite Efforts to Prevent Him

to Prevent Him Washington, June 4 — Despite desper-ate efforts of Justice Samuel S. Barney James Dixon, a messenger of the Court of Claims, succeeded in killing himself by cutting his throat in the justice's room here today.

by cutting his throat in the justice's cur forces on the other side. And yet Dixon had been a court employe for over twenty years. He was recently observed to show signs of instantly.







Debate On Valuation. Edward B. Martin, of counsel for the United Business Men's Association, was the first speaker when the hearing was resumed. Mr. Martin opposed the Lewis were:

