

Citizen Control of the Citizen's Business

TORONTO'S CITIZENS CAN CONTROL TORONTO'S AFFAIRS ONLY THROUGH FREQUENT, PROMPT, ACCURATE AND PERTINENT INFORMATION WITH REGARD TO TORONTO'S BUSINESS.

ISSUED BY THE
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STREET RAILWAY OPERATION

Other Cities and the so-called Service-at-Cost Plan

On May 29th, 1919, the Bureau of Municipal Research wrote to seventeen cities where the service-at-cost plan was said to be either in operation or about to be adopted.

The tabulation below gives the facts for fourteen cities, as presented by the Bureau's correspondents. Replies have not yet been received from Denver, Oakland and Muskogee. The information indicates that eight out of the fourteen cities have not inaugurated or decided to inaugurate the service-at-cost plan.

NAME OF CITY	INFORMATION OBTAINED
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Buffalo—

"Service-at-cost plan was on foot, but Governor Smith vetoed the bill."
(The Mayor.)

Chicago—

No service-at-cost plan in operation. "The Street Railway lines here are operated by private companies under franchises granted in 1907. A proposed plan to turn the properties over to a holding company that would undertake to provide the service at cost and to guarantee the present owners a fixed return upon the agreed valuation was defeated on a referendum last fall."
(Chicago Bureau of Public Efficiency.)

Cincinnati—

"The service-at-cost plan was inaugurated September 24, 1918. Fares were increased from 5c. to 5½c. on January 1st, from 5½c. to 6c. on April 1st, and will probably go to 6½c. on July 1st. We believe the arrangement is a great improvement over the old, since it reserves to the city entire control of the service."
(Director, Dept. of Street Railroads.)

Cleveland—

"The service-at-cost plan has been in operation in Cleveland since March 1st, 1910. The railway system is operated by a private corporation under a franchise granted by the city. The city prescribes the service to be run and checks the expenditures of the Cleveland Railway Company through the City Street Railroad Commissioner appointed by the Mayor. This plan has worked out very satisfactorily and is an improvement over the former mode of operation."
(City Street Railroad Commissioner.)

Dallas—

Service-at-cost plan inaugurated October 1st, 1917. "While the Dallas Franchise is frequently referred to as 'Service-at-Cost' Franchise, this is, to a certain extent, misleading. The Franchise stipulates the maximum fares and permits the Company to withdraw a return of 7 per cent. per annum on the Property Value, if earned. There is no guarantee, however, that the Company shall receive this rate of return."
(Supervisor of Public Utilities.)

Des Moines—

"No service-at-cost plan in operation. It has been suggested by the President of the Street Railway Company."
(City Supervisor, Dept. Streets and Public Improvements.)

Kansas City—

"No service-at-cost plan has been adopted here, and I do not believe it is even contemplated. The company last fall asked the State Public Service Commission for a six-cent fare, on the ground that the five-cent fare did not bring sufficient return to pay even operating expenses, to say nothing of return on investment. The city opposed the increase on the grounds that the franchise of the company provides specifically for five-cent fare."
(Dept. of Citics, Chamber of Commerce.)

Louisville, Ky.—

"No service-at-cost plan in operation."
(The Mayor.)

Montreal—

"Service-at-cost plan in operation."
(Contract, sent by Secretary to Mayor.)

New Orleans—

No service-at-cost plan in operation. Arrangements which were being made between the Railways Company and the city, to cover increase of operation expenses due to the war, did not materialize. Railways Company, which afterwards went into hands of a receiver, now working on a 6c. fare instead of 5c., as heretofore.
(Commissioner of Public Utilities.)

Philadelphia—

No service-at-cost plan in operation. "The city might operate its own high speed lines, now in course of construction, in the event that the transit company fails to accept a reasonable contract for their operation. The transit company is now spreading propaganda for fare increase, but as yet none has been allowed."
(Philadelphia Bureau of Municipal Research.)

St. John, N.B.—

"The service-at-cost plan has not been adopted between the Street Railway Company and the City. A Commission was appointed to adjust the differences between the City and the Railway Company. This Commission brought in a report which appeared to the City representatives to be so one-sided in favor of the Company that its adoption by the Legislature was opposed, and has been stood over for the present, but it is to be referred to the Judges of our Provincial Supreme Court to arbitrate."
(The Mayor.)

St. Louis—

"The Street Railway Company in this city has not adopted any special application of the service-at-cost plan in its operation, but is operating under the jurisdiction of the State Public Service Commission, which establishes such a rate of fare as will reimburse the Company for its expenses of operation, including taxes and depreciation, and will allow it a reasonable return on a fair valuation."
(Director of Public Utilities.)

Youngstown, Ohio—

Service-at-cost plan adopted and went into effect January 16th, 1919.
(City Street Railway Commissioner.)

The Detroit Bureau of Governmental Research writes, in reply to a letter from the Toronto Bureau as to the recent vote against purchase in that city, that the principal arguments against the acquisition of the railway by the city were as follows, the second argument being considered the more effective:

“The price was considered too high,” and

“Other methods of transportation must supersede the present street railway lines if the transportation problem, both as to relieving present traffic congestion and opening up new outlying districts, is to be solved.”

The vote was as follows:

Total number of votes cast.....	134,154
For the purchase.....	63,883, or 48%
Against the purchase.....	70,271, or 52%
Number votes required to pass, based on votes cast.....	80,293 or 60%

On January 1st, 1918, the following question was submitted to the electors:

“Are you in favor of taking over the Toronto Railway at the expiration of the franchise in September, 1921?”

The resulting vote was: 40,328 in favor and 3,725 against.

Assuming that the policy sanctioned by the citizens in 1918 is to be put into effect in 1921, it is essential that the Railway shall be well administered by the city, in the interest of all citizens.

Should it be administered like a city department—by Council, through a Commissioner directly responsible to the Council?

Or

By a Commission especially appointed for the purpose?

Or

By a Commission already in existence?

Who will have authority to fix the rates—the City Council, a Commissioner or a Commission?

What is being done to settle these points, and others equally vital, **now**?

AGREEMENTS AND OTHER DATA

relating to Street Railways in various Canadian and American cities are on file in the Bureau office and are available for reference.