

THE ECONOMIC CLUB
of New York
EIGHTIETH MEETING
Monday Evening, March 28th, 1927,
NOTEL ASTOR.

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Subject for Discussion:
"THE TRANSIT SITUATION".

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Presiding Officer:
MR. WALKER D. HINES,
President of the Club.

MR. HINES: Gentlemen, and Guests of the Economic Club, before outlining the subject for this evening, I wish to call the attention of the members and the guests to the fact that the next meeting of the Club, which will probably take place in the early part of May, will be the Club's 20th Anniversary. The Club has had a remarkably successful career, and I believe, I have been a member of it for a great many years, that year by year the interest has increased. The attendance has been maintained at a very high level and we look forward to entering upon our 21st year with every confidence for continued success.

When the Club started almost twenty years ago I think it may be said that the subway problem was beginning to take shape for the subway, the original subway, had been in operation then, I believe, for very few years. The problem then began to take shape and it has been taking more shape ever since. The general transit problem, however, was with us a long time before that. We thought it would be a subject that would interest every citizen here, to make this our topic of discussion tonight.

We have made a departure from our usual practice, which has been to have four or five speeches on a subject, and instead of that tonight we are planning to have ten set speeches, each of ten minutes. The idea is that we want to give an opportunity for an expression of public opinion on this standpoint from the point of view of the various civic organizations. We are fortunate enough to have representatives of the civic organizations of all five boroughs of the city, and they are going to present to you the views which are entertained by their organizations, and which they are authorized to express here on behalf of their organizations.

The Club has arranged this symposium, we might

call it, with a view to giving opportunity for the expression of every point of view. The Club has always maintained an absolutely non-partisan character with respect to the subjects to be expressed. We are not here to advance any theory, to support any criticism. We are here to give everybody an opportunity to hear the views to be expressed from all these different points of view. After the speeches are completed, if there is time, as we believe there will be, because from past experience we know the speakers will adhere to the time that has been fixed, we wish to give an opportunity for questions and discussion from the floor, so long as time remains for that purpose.

I take great pleasure in introducing as the first speaker Mr. Edmond E. Lincoln, who is Chairman of the Transit Committee of the Merchants' Association of New York (applause).

MR. EDMOND E. LINCOLN: Mr. Chairman, Members of the Economic Club, and Guests: Presumably the principal job of the first speaker of a program of this length is so to conduct himself that the audience will be very eager to listen to the speakers who are to follow.

This transit situation seems to have been getting on our nerves now for a great many years. There

has been a great deal of suspicion, recrimination, and the calling of names. It reminds me of two neighbors, one of whom had a hen, and the other had a rather vicious dog. The hen broke loose and scratch up the garden of the owner of the dog. The owner of the hen went over to give his apologies in due time. The owner of the dog said, "Never mind that, my dog just ate up your hen". "Oh," said the owner of the hen, "is that so? I just ran over your dog in my automobile", and then the real fun began (laughter).

It is very difficult to say anything either interesting or new on the transit situation to an audience such as is present this evening. To attempt to do so would make one run the risk of misrepresentation or exaggeration. So at the very outset I bespeak your indulgence and wish to forestall any adverse criticisms by the speakers who will follow by reminding you of what one rather famous member of the British Parliament said regarding the speech of another equally famous member. He said, "The Honorable gentleman has said many things which are true and many things which are new, but, unfortunately, those things which are true are not new, and those things which are new are not true (laughter).

Now, what are some of the outstanding facts in

the New York transit situation? In the first place we find that the subways are carrying a traffic several times as great as that for which they were originally designed. We find the rapid construction of skyscrapers in the most congested districts until it begins to look as if no amount of additional subways would be adequate to carry the traffic at the rush hours. We find a universal 5-cent fare in New York City, even though the cost of material and labor needed in the operation has on the average increased 100 percent or more since the time when the original contracts were entered into; even though it will now cost two or three times as much to build new subways as it cost to build the original subway, even though the average fare in other cities of the United States is about 7-1/2 cents, and the investment costs are higher in New York City than in any other city, I believe, yet if anyone raises a question regarding the cost of service fare; if anyone suggests that the subways be made in the economic sense self-supporting, political issues have in the past been raised.

We find, further, that the legislature has just passed the buck, if you will, to New York City voters next November, by authorizing the extension of the city's non-sustaining debt limit by \$300,000,000 in order to provide

for additional subways according to the independent city plans, although a plan of coordination with existing facilities has not yet been worked out.

We also find a good deal of misapprehensions regarding the bus situation; surface lines and the relations of those lines to the existing subway system; and, of course, the question of metropolitan and suburban traffic is also much discussed. In order to save your time and to avoid misquotation or misunderstanding, I will follow my manuscript closely in trying to outline very briefly the position which the Merchants' Association has taken on some of these vital matters.

The Merchants' Association deems relief from existing subway congestion the vital present objective, and with respect to this phase of the problem has come to the following conclusions:

1. No valid reasons exist for an independent competing city subway system. The following are urgent reasons against it:

(a) The present plans will afford only a very limited degree of relief from present congestion, and if unchanged would ultimately reproduce conditions of similar congestion.

(b) They ignore and therefore sacrifice a very considerable additional and now unused service capacity, which could speedily be made available at relatively small cost, by the adoption of plans designed for that purpose. Such plans would speedily and effectively relieve present congestion, avert future congestion, and increase the effective service capacity of the subway system as a whole by over 50 per cent. These results can be attained at a relatively early date by an outlay of approximately \$300,000,000.

(c) The plans for an independent subway system commit the City to an outlay of \$580,000,000 by about 1931. The City is now annually paying from taxes for its fixed charges upon its present subway system, \$13,845,000. If its present plans are carried out, it will have to provide from taxes in 1931 and annually thereafter for the payment of fixed charges of \$43,845,000.

(d) It will be extremely difficult for the City to finance so huge an expenditure as the present plans require. No practicable plan, at once economically, financially, and legally sound, has yet been devised. To proceed without a fully considered and practicable financial plan, would involve the City in financial disaster, and

make impossible the provision of funds for schools, hospitals, parks, playgrounds, bridges, street widenings, and all other urgently needed public improvements.

For these and other reasons of equal force, it seems clear that in place of an independent competing city subway system, a plan should be worked out as soon as possible to consolidate all existing and future subways, and that revisions in present plans should be made to conform to this principle of unification. With this end in view, the Merchants' Association in a recent report made the following recommendations:

I. That the Board of Estimate and Apportionment (as the body having final jurisdiction) be requested to direct the Board of Transportation and to request the State Transit Commission, jointly to confer with the proper officials of the subway operating companies, for preliminary consideration of consolidation of existing and future rapid transit facilities.

II. That the Board of Estimate and Apportionment empower the Mayor to designate eminent counsel having intimate knowledge of the subject and acceptable to the conferees to prepare a preliminary and tentative plan for consolidation, such tentative draft to be the basis

for initial consideration and for such modifications as may be mutually agreed upon.

III. That such preliminary and tentative plan should (so far as at present practicable) make due provision for all clearly ascertained equities, including

(a) The rights of both the City and the companies to a fair return upon the value of their respective properties employed in the service of the public.

(b) The right of the public to adequate service at the lowest possible rate of fare.

IV. That after due consideration of such tentative plan, and any alternative plans which may be offered from any source, they be made public, and after public hearings thereon the Board of Transportation and the State Transit Commission, acting jointly shall report their conclusions and recommendations to the Board of Estimate and Apportionment for such action as it may deem proper.

A bill has just been passed by the Legislature at Albany providing for a \$300,000,000 extension to New York City's non-sustaining debt limit subject to a referendum of New York City voters in November, in order to make possible the speedy construction of additional subway lines

in accordance with the so-called independent system hitherto advocated by the city government. On this matter the Merchants' Association has taken the following position:

1. Effective relief from present congestion can probably be secured with a saving to the city of more than \$200,000,000, provided new construction is co-ordinated with existing rapid transit facilities in such a manner as to make possible the most economic utilization of all present and prospective subway facilities.

2. Until some plan of consolidation along sound economic lines shall have been worked out, and at least tentatively adopted by the City Administration, in cooperation with all parties at interest, it does not seem wise to provide this additional \$300,000,000 for carrying on a public service which can readily be made self-sustaining provided a cost-of-service fare is charged - a service which in practically all other cities is self-sustaining.

The Merchants' Association has not yet made any definite recommendation regarding the coordination of metropolitan and suburban transportation.

The Association has also felt that the question

of surface lines and omnibuses is at present of secondary importance -- the most important transit question before the public of New York at the present time being the need for adequate and economic subway construction. In general, the Association's position on the bus question as outlined in a recent report is as follows:

1. We do not believe that the granting of new city-wide franchises is essential or desirable.
2. All disinterested studies which have been made show that it is not practicable to replace surface lines in New York City by bus routes in any wholesale fashion. On the contrary, a sufficient number of buses to carry all existing traffic would generally lead to hopeless congestion of the streets.
3. The public should be clearly informed that any attempt to develop a city-wide system of independent bus operation is a distinct movement away from the principle of unification which this Association and many others have consistently advocated. Practically all proposals now before the Board of Estimate and Apportionment provide for a zone system of fares, with a five-cent charge for shorter hauls and higher charges for longer hauls.

4. Surface railways are now forced to operate at a flat five cent fare, irrespective of distance, even though the actual cost of transportation on these lines is considerably in excess of five cents. Any attempt to introduce competing bus routes would still further deplete the earnings of the surface lines and render more complicated the present transit situation in our City. It is of questionable legality under existing surface railway franchises for the City authorities to introduce competitive bus transportation, and any attempt in this direction will inevitably lead to higher transportation costs, which must be borne directly by everyone through the payment of higher fares, or indirectly through heavier taxation.

5. We believe that existing surface, bus and subway lines should be encouraged to develop motor bus lines within their territories as auxiliaries and feeders whenever circumstances render such action desirable or practicable. Any other method of handling the question of surface transportation will merely lead to increased cost and further complications which would inevitably postpone a solution of the transit problems of New York City.

The position of the Merchants' Association may be briefly summarized as follows:

1. Let us first provide for the speediest possible relief from existing congestion -- then for extension.
2. In order to avoid wasteful duplication of investment and unnecessarily high operating expenses -- to gain a maximum of service at the minimum of cost to the car rider -- there should be a consolidation of all existing and proposed rapid transit lines.
3. Municipal ownership of subway facilities is recommended, but with private operation -- the interests of the public and the city being fully represented (applause).
4. On sound economic and business grounds a rate of fare should be charged sufficiently high to pay for the cost of service.
5. Bus lines should be regarded as feeders and auxiliaries to existing surface and rapid transit lines, rather than as an adequate substitute for existing surface lines.
6. No satisfactory solution of the New York transit problem can be hoped for until the question is taken out of politics and handled as a business and

economic proposition (applause).

Gentlemen, there are obviously three hurdles to cross. The first hurdle is the consolidation of existing and proposed rapid transit lines. The second hurdle is the working out of a plan of consolidation between surface and bus routes, and the third, the working out of a plan between metropolitan and suburban traffic. In order to work out a solution along sound economic lines, the cooperation of all parties at interest is essential. There is reason to believe that the city administration is getting ready to meet the rapid transit companies at least half way. There is also reason to believe the rapid transit companies are now ready to make reasonable concessions and meet the city half way. For perfectly understandable human reasons it is a little hard to back down from positions earlier assumed, and that seems to be a place where organizations such as is represented here this evening can be fitted into the picture. The moral support of the civic and business associations is needed. It seems to be a time for forgetting about local interests, special interests, and specific routes and forgetting together on a few principles which apply to the entire situation in New York City.

Without getting together in the past we have got to a chaotic state of affairs. To get out of that state of affairs it is necessary to get together, and in conclusion in this connection it seems pertinent to refer to the incident which is said to have happened in an insane asylum not so long ago. A man was visiting the institution for the first time. He noted a large number of inmates strolling around the grounds watched by only one guard. The visitor remarked to the guard, "Isn't it dangerous for you to be here alone? Aren't you afraid that those crazy people will get together and overpower you?" "Oh," he said, "those fellows? Why, they can't get together; that is the reason they are here!" (laughter and applause).

MR. HINES: I take pleasure in introducing now Mr. W. J. L. Banham, President of the New York Board of Trade and Transportation (applause).

MR. W. J. L. BANHAM: I feel, Ladies and Gentlemen of the Economic Club, now that I am very sorry that the first speaker took a little more of his time than he ought to. I saw the secretary kind of almost drag at his tail, and I, too, have got in a little paper that I am going to read, and I am not going to take very

long before I pull it out of my pocket.

But this is a very, very large problem that you are going to discuss tonight, and with ten speakers of ten minutes each, I feel kind of sorry for the last four or five (laughter), and particularly for those of you gentlemen that are going to debate this subject later, after hearing what all of the ten speakers have got to say. He is going to have a very lovely time. I think you will have to debate it down the subway (laughter).

This is not a new problem. I don't know of any other problem that has been before more of you and less been done than the transit problem. I am very glad that the Merchants' Association are taking this matter up in the way they have. There are a great many phases attached to the transit problem. Most everybody has a remedy. So much has been said about it and so little has been done. I am going to treat the problem from a little different viewpoint from what Mr. Lincoln has done, because there are a great many different ways to tackle this problem. And yet I don't know what the other eight speakers are going to do if they get a chance to speak. But I don't think we will be very far apart. I know my friend, Dr. Schieffelin, I can almost visualize what he is going to say, and I know what I am going to say he is going to

agree with. He is going to hear my paper first. What he says I am going to agree with. I don't know what it is but I don't think we will be very far apart.

In dealing with the problem of this kind, the question of appointing a commission or one man, and that is one of my suggestions tonight, that is not going to solve the problem at all. You gentlemen are, most of you, connected with large industries. Some of you are presidents or vice-presidents, and what would you do without your organizations? How many of you men are presidents of great, big corporations? And how long did it take you to build up an organization to support your presidency? That is the problem with the subways. We should have started 20 years ago to build up an organization that could take care of our subway problem today, not only from 20 years ago, but 20 years hence. Have we such an organization today? Just ask that question yourself, and then if any of you gentlemen want to discuss this matter a little later, be prepared to answer that. Take some of our principal industries. Take the steel trust. I suppose Judge Gary is one of the men that is pretty well known in this city or any other city in the world. But what could he do without his organization?

Suppose that Judge Gary and any man of his kind should come and handle our transit problem in New York without an organization, I mean, a trained organization? That is the question we have got to face today as business men. Business is not run today by individuals. It is run by trained organizations and trained men. It takes a long time to build up a real organization to run a big business, and the transit problem today in New York City is not a small business. It is one of the largest businesses that we have at the present time.

Now, it will take me just five minutes to read my paper.

So much has been said about the transit situation that I have reached the conclusion that further conversation should cease and the citizens of New York should undertake to see that something definite is done.

There is more to the transit problem than the 5¢ fare. Our political friends take it upon themselves to speak loud and long during their political campaigns, viz., "Elect me and I will guarantee a 5¢ fare".

After election is over and in discussing this important problem with them as to whether or not the 5½¢ fare is a reasonable fare, the answer I usually get is

"I was elected on the basis of a 5 $\frac{1}{2}$ fare."

This is not the correct procedure. I know of no reason why our political friends should not establish prices on commodities over which they have no more control than the 5¢ fare. The public I am satisfied are willing to pay for services rendered. The 5¢ fare may be too nigh in a number of instances and too low in others. Is this a problem to be settled by our politicians or is it a question to be settled on its merits backed by sound public opinion?

We have spent numberless years in preparing plans with the result that we have been led to believe that the last plan is the final plan. Immediately, however, it becomes a political football and a year later it is finally decided that the plan is not any good and our City Fathers again go through the motions of preparing another plan with like results.

The public heretofore have seemed to be satisfied to complain about our subways but little has been done along constructive lines.

If the present City administration is unable to produce a definite plan that will satisfy the public, they should with good grace step out of the picture and

give the business men of the City an opportunity to find a real solution. The longer we postpone action on the transit problem, the more difficult it will be to find a solution. This is the position we find ourselves in today. A good business man, and this is not unusual, before placing his goods on the market ascertains what his real costs are. These costs plus a reasonable margin for profit controls his selling price. If he sells his goods below cost, his existence as a business man will largely depend on the amount of surplus cash he has on hand and is willing to spend to market his goods in an unprofitable market.

Our subway companies however are not selling merchandise. They are selling a commodity known as Service. The cost of the service should largely control the amount charged for the service. There is nothing unusual about this. Practically all transportation companies base their rates on the amount of service rendered.

For instance, no reasonable man would expect to ride 20 miles on a railroad train for the same amount charged for a ride of 5 miles or less. Take the taxicab. If you ride for a mile, you pay for a mile. If you ride two miles, you pay for two miles. Nothing unreasonable about this.

The subways, however, appear to have been placed in an entirely different class and regardless of the amount of service rendered, the rate is the same. This method of rate making is unsound to the last degree. It should not be a difficult matter to ascertain the cost of the service if all parties in interest will put the cards on the tables, face up, and state the facts of the case.

If our political bosses are unable to reach a decision with the parties in interest, why not give the business man an opportunity to **decide** and recommend what is fair and right both to the operating companies and the riding public.

For some reason it seems that some of our political friends do not desire to take the business men into their confidence with respect to the problem now under discussion. This has resulted in the public becoming not only further dissatisfied but have placed them in a doubtful state of mind, as to whether or not the problem will ever be solved. There is a solution to every problem. Many more difficult problems have been solved by the American people when given an opportunity to do so. What we need today is to find the correct answer and then apply

it without fear or favor.

I doubt very much whether some of our political friends know the real condition which now exists in our subways other than securing their information from the daily newspapers. It has been suggested that the public should compel our city officials to ride in the subway instead of in automobiles paid for by the long suffering individuals who are compelled to ride in the subways without any choice on their part (applause).

There is no reason why our subways should not be placed on a sound business basis and that they be allowed to charge a reasonable fare for service rendered which would give the riding public high class service and also pay the stockholders a reasonable profit. The transit business is just as much of a business as any other kind of business and requires the same treatment.

I strongly recommend the creation of a non-partisan body to be known as the New York City Transit Authority Commission which commission shall have sole supervision and control of all transportation facilities within the city limits.

It shall have jurisdiction and control over all land and properties of the City of New York employed

in or to be hereafter employed in transportation.

It shall have sole responsibility of plan and scope of present and future transportation lines in New York City.

It shall have authority to issue bonds or other securities for the financing of its undertakings, which securities shall stand as a lien against the properties to be financed.

It shall have sole financial jurisdiction over the operations of all common carriers within the City in the matter of fixing the routes, rates and schedules, safety and sanitation of operation.

Its general powers, authority and legal status shall be worked out on a basis similar to that of the Port of New York Authority and the former Water Supply Commission, and in view of the interrelation of problem it is recommended that one of the five Commissioners that shall constitute the New York City Transit Authority Commission shall be selected from the staff of Commissioners of the Port of New York Authority.

The personnel of the New York City Transit Authority Commission shall be selected from men of practical experience, in subway management and operation and other

necessary departments such as finance and their staff compensated in proportion to salaries paid to an equal type of men in private employ.

It is my belief that the creation and functioning of a non-partisan Transit Commission such as I have described is the solution of our present and future transit needs.

I have long been of the opinion that the subway problem is a business problem and should be settled by business men. When our political friends reach the same conclusion our subway problem will be a matter of past history (applause).

MR. HINES: We are now going to receive the point of view of the Borough of Queens. Mr. R. W. Higbie, ex-President of the Chamber of Commerce of the Borough of Queens, and who is now Chairman of the Transit Committee of that Chamber of Commerce, will address us (applause).

MR. R. W. HIGBIE: Mr. Chairman, Members and Guests of the Economic Club: The transit problem is like the poor, it is always with us. Furthermore, if our public officials whose duty it is to present a solution of this problem are endowed with the wisdom of Solomon and blessed with the proverbial patience of Job, and if

they were permitted to live to the mythical 900 years of Methuselah, they could not hope to propose a plan which would meet with anything like unanimous approval. The very nature of the problem makes that true. We have six millions of people scattered over five boroughs, and every part of each borough has its own need and its own wishes, most of which are both reasonable and just, and each part of each borough thinks that its problem should be attended to first. This has been recognized during the nearly 30 years since the City of Greater New York was created, for it is almost thirty years ago since our legislature established the Rapid Transit Board. There have been changes and now we have reached the Board of Transportation, whose duty primarily is to lay out the routes, subject to the approval of the Board of Estimate & Apportionment; make contracts and build subways. This is the problem that I am asked, along with ten or a dozen other speakers to solve in ten minutes, and here goes (laughter).

The Chamber of Commerce of Queens was organized something like 14 years ago. Among its standard committees it has a committee on transit composed on the average of 15 members. I have been a member of that committee all of those 14 years, and the Chairman for about seven years. We

have worked steadily for those 14 years to get some better transit in Queens. We have succeeded partially, because during those years we have had it extended out into Queens, a short way, four elevated lines which the late Mayor Gaynor was pleased to call "The corn field routes", and while statistics show that the density of traffic today on those four lines is equal probably to that of any other four lines in the city.

But the one thing which we wanted to get was embraced in a resolution which we adopted about two years ago, which, in substance is, that the Borough of Queens is entitled to and will not be contented with anything less than a four-line subway starting at the lower end of Manhattan, going out through the center of Manhattan, and extending out to the heart of the Borough of Queens to Jamaica. When we put that problem before our 15 members we found that we could not agree upon the routes. Why? The Borough of Queens is a large borough. As a matter of fact, in area it is almost equal to the combined area of Brooklyn, Manhattan and the Bronx, and naturally, every part of the borough thought it was the heart and the center of the borough and it wanted the subway to go that way. So what did we do? We adopted this general plan and passed

it on to our city officials, and the more I think about it the wiser I think we have been. Why? In these two years, or thereabouts, we have practically secured the thing for which we have been working. The much-discussed and I think unjustly criticized 53rd Street tunnel is almost a reality. The contract has been let by the Board of Transportation and approved by the Board of Estimate & Apportionment, and the details having been worked out, the shovels will begin working there in a very few days. That subway, in a few years, possibly five or six, will have reached Jamaica.

I am going to put to this intelligent audience and ask you, would it not be wise for you to take a leaf out of our experience, and leave this matter with our city officials whose duty it is to solve it? I think it is perfectly right. I think it is the duty of every citizen to make suggestions to our city officials, but in the final analysis, gentlemen, the city officials must act. That is always the case in any important matter. It is somebody's duty. It must be somebody's duty to act. We may not agree with what our city officials do, but I ask you in all sincerity, isn't it better to get something than nothing?

This talk of an independent subway to my mind, and I trust the preceding speakers will pardon me, does not make any impression on us over in Queens. We want a subway and we will go further and say it don't make any different what it cost, because it will be worth all it costs. I make this prophecy based upon past experience, that when this subway is built the increased taxes poured into the city treasury from the increased value of the land and the improvements put on the land will very much more than make up any deficit which accrues to the city from the building and operation of that road, and what is true of that road is to my mind true of any subway that any responsible board of city officials will build.

I have just two minutes left and I am going to stop in two minutes. To my mind there is only one reason why the 5-cent fare should be considered at that time, and that is that it will release from the debt limit \$250,000,000 which the city now has frozen in the subways. The question of the 5-cent fare is less important today than it has been any time in five years. One of the two operating companies is already paying 4 percent dividend on its common stock, and in six years will have earned

enough to pay the accrued deficit, and will then put its common stock on a 6 percent basis. The other operating company is not quite in as fortunate a position. But, gentlemen, the main thing for this city, in the opinion of the association which I have the honor and privilege to represent, is that we should get more and better transit, and there is only one way to get it in our judgment, and that is to get right square behind the responsible officials whose duty it is to build those subways, so that they may know that you are prepared to support them. I hold no brief for the city administration or any official in it. I am not a member of that political party, but I want to say that the Borough of Queens is going to uphold the hands of Mayor Walker and Chairman Delaney and their associates to the last drop of the hat (applause).

MR.HINES: Gentlemen, we are going now to another borough that has a long way to ride, and that is the Bronx. I am very glad that we have here, and that I can now introduce to you, Professor Haring, who is President of the Bronx Board of Trade, and who is also Professor of Railroad Engineering of New York University (applause).

PROFESSOR ALEXANDER HARING: Mr. Chairman, and

Gentlemen of the Economic Club of the City of New York. The average strap-hanger's complaint is that of long standing (laughter and applause). The strap-hanger of the City of New York is not interested in economics, particularly economics of transportation. He gives very little consideration to what it costs to carry him on the subway. He doesn't care whether it costs five cents or fifty cents to give him a ride, so long as he pays only a nickel (laughter). He pays his five cents and that ends his thought about it.

We are very much interested in the topic of the density of population. The location of the density of the straphanger population of the City of New York seems to be just above the ears (laughter). It may be that there are some here tonight who would be interested in just a few facts with regard to why it is that we have such terrible congestion. On the average day, that is, day in and day out, there are 2500 persons more who ride than rode the day before. This increase in traffic is equal to the total traffic of a city of the size of the City of Buffalo. At the busiest hour of the day there are over 700,000 persons traveling in one direction. On our subways a person can get a ride for 28 miles for five cents, the

longest nickel ride in the world.

The increase in traffic in this city is twice as fast as the increase in population. In the last fifty years traffic has multiplied forty times, while transit facilities have increased only 5-3/4 times. In 1862 the average ride per year per person was 43. In 1926 the average ride per person per year was over 432. We have a subway in the Bronx, the Jerome Avenue Line, which, in the short time of the last seven years has had an increase in traffic of over 200 percent. On our subways and elevated in the Bronx the total traffic in one year, to say nothing of street cars, is 57 percent more than the whole population of the United States, in fact, we might throw in the population of Canada, Mexico and of the entire British Dominion, United Kingdom, I mean, and then have a few to spare.

The cost of a ride on the subways in New York is 7.3 cents. This amount will pay 6 percent on the company's investment and the actual interest on the city's investment. The straphanger pays 5 cents. The difference of 2.3 cents is paid directly by the taxpayers and indirectly by the rent-payers in the cost of clothing and food. The great mass of people in this city who get away with just a

five-cent fare are the commuters and the transients who come here from outside of the city every day to the extent of about 1,000,000 people. The taxpayer, when he takes his ride, pays 5 cents at the turnstile and 2.3 cents when he pays his taxes. The investor in stocks and bonds of transit companies, when he takes his ride, pays 5 cents at the turnstile and 2.3 when he pays his taxes and some more cents when he considers his losses on his stocks and bonds in those transit companies in the last ten years.

There seems to be plenty of taxpayers perhaps ignorant of the fact, that are willing to go on paying for the rides of our visitors. It is interesting to know that the straphangers of this city have failed to pay the costs of carrying them in the last ten years to the extent of \$85,000,000. When I think of the insistence of the people along this line, I think of a definition that I heard of love the other day. Love is like a cafeteria. You grab the thing first that looks best and pay afterwards (laughter).

Before the dual contracts were signed back in 1913, the City was engaged in a project known as the Tri-Borough system, without the funds to build it completely, and without any definite system of coordination with other existing subways at that time. The work was

stopped. The dual contracts were signed and at the time they were signed, there were pieces of construction work carried along to such a point that millions of dollars were lost, and in some instances I understand that holes had to be filled up again.

At any rate, there are points in the city where the traffic congestion problems are worse today where there was an attempt made at an adaptation of the old scheme with the new scheme. In this subway work we find history repeating itself. We find that the city now is undertaking another subway called the new city system, without the money in sight, and evidently without due regard for the adaptation to the present subway lines.

The city's annual deficit for its investment in the existing subway lines is something like \$13,845,000. By legislative act this new city system must be operated for three years at a five-cent fare. According to the figures of the Board of Transportation the loss at the end of the three years would be something like \$62,000,000: From the years 1926 to 1933 the city's deficit in the existing subways will amount to \$110,800,000, and if we add these two we have something like \$172,800,000 which must be passed on to the taxpayer and the rentpayer to pay.

There is a science of levying taxes which is
should
that you/obtain the feathers by the least squawking of
the geese. If the taxpaying geese of this city keep quiet
enough plenty of feathers can be obtained. I sometimes
think that this terrific burdenis going to place the
taxpayer of New York in the position of a man who was
reported upon once by a station agent of the New York
Central road. This new station agent had been given some
blanks to fill out and one was for the return of property
destroyed. One day a cow was killed on the line and the
station agent filled out the blank. When he came to the last
line which had the heading "Remarks", he put down, "Kind
and gentle." A little while later a man was killed on the
line, so the new station agent filled out the blank and
when he came to the last line which had the heading
"Remarks", he put "He did not make any," (laughter).

I sometimes think that if we keep on paying this
enormous burden of taxation that we are going to be very
much like the charming young lady who was given a diamond
ring by her suitor. She took the diamond engagement ring
and looked at it and said, "Take back your diamond, it is
paste." Whereupon the suitor replied, "Girlie, a paste
on the hand is worth two in the eye" (laughter).

In the Bronx we do not believe in municipal operation of subways. In the Bronx we believe that the subways and elevateds should be self-sustaining. We believe that the city's frozen credit of \$265,000,000 should be released. We believe that the city authorities and those interested in the construction of subways should get together. The only sane solution is the consideration of the whole problem at one time (applause).

MR. HINES: Gentlemen, Professor Haring's remarks suggest to me a question of fact upon which I might testify briefly without giving offense to any advocate of any plan, of a solution for the transit situation. I had a good deal of experience before the war with railroad operation by the companies. I had considerable experience during the war with railroad operation by the Government. I never found any way in which we could have railroad service without paying for it. I found that if it was not paid for by the road it had to be paid for by taxation, and while during the war for a period I, as Director-General of the Railroads, deliberately refrained from increasing the rates, I did it because that under the circumstances it was better that during that temporary period for the cost to be borne in part by taxation out.

of the public treasury, and I never for a moment deceived myself into thinking that we could get service without paying for it either one way or the other.

I take it everybody, no matter what plan of solution he favors, would admit that proposition and would not for a moment deny it, so I think I can testify to my personal experience without giving offense in any direction. But some time I have the impression that frequently the individual taxpayers and voters do not figure that out, and they seem to assume that they are entitled to get their service simply by paying the fare, even though that may not cover the cost.

Our next speaker is from the Staten Island Chamber of Commerce, Mr. W. Irving Lewis, who is secretary and manager of that organization, and he will now present the point of view of that borough of our city.

MR. W. IRVING LEWIS: Mr. Chairman, and friends of the Economic Club. A magazine published recently by the Queensboro Chamber of Commerce showed Father Knickerbocker and his five sons, each one representing one of the boroughs, and one little ragged urchin, the smallest of all, illly clad, and not even willing to show his face, was Staten Island (laughter). I want to say to you, sirs, that

the ugly duckling is growing up, and while it would seem presumptuous for me to try to offer a suggestion in the face of the splendid ones that have been made from this rostrum, I do wish to suggest that somehow to me it seems that a de-centralization might be better than trying to move so many people from an impossible situation, and that it might be better, perhaps, to have self-contained units in different boroughs instead of trying all to get to Manhattan as they do. On our beautiful island many workers come from Brooklyn and Manhattan, particularly the laboring classes and the stevedores from the lower section hurry over to work on our docks, and another large group hurries over to work in Manhattan, and it would seem to me, therefore, that we cannot separate the transit problem from some of our other social and economic problems.

Early this afternoon, seeking for a moment to get my wits together after a busy day, I drove to the top of Toad Hill, that elevation more than 250 feet above sea level, and the highest point on the Atlantic Coast, and from the top of it I could see four out of our five boroughs. I saw those mighty examples of man's engineering faintly through the fog, towards which we all seem to go to get to this, the very heart of the world, New York, the greatest

city in the world; here, the very cross-roads of the world. Here in this room, this auditorium, the very heart of the world; and here we have concentrated tonight the best brains in the city.

Can we not solve that problem? Mr. President, I think you have taken the first step to have gathered together this evening to exchange ideas in this way.

Then as I looked about, I noticed a missing spoke in the wheel. Queens is connected with Manhattan. Bronx is connected with Manhattan. Shortly Jersey will be united by the mighty bridge with New York. The bill has just been signed, as you know, in Albany, so that that vast span between Bayonne and Port Richmond is now assured. Two of the structures connecting Jersey with Staten Island are well under way, one at Perth Amboy and one at Elizabeth. But there is nothing connecting that beautiful island on the south with Brooklyn or with Manhattan. Some years ago they did start, and \$3,000,000 have been spent in acquiring lands for approaches, and in sinking a shaft at St. George preparatory to sending a tube to Brooklyn, and then it got into that political fix, that status quo; somebody said, "What is this status quo?" "What does that mean?" And a fellow said, "Why," he said, "I think it means in a helluva

fix", and I rather guess that we are there(laughter).

When I say that is the thing we need, it is the thing we must have, it is the thing that must be completed, and there are many reasons why that is so, particularly in our island covering, as it does, a vast territory, and recently the steam road has been electrified until we now have one of the best equipped rapid transit railroads there is anywhere in the country.

We want bus lines to feed to it, because in the opinion of the Staten Island Chamber of Commerce, in the name of efficiency and economy, we must have unification, the same lines issuing transfers from one to the other at intersecting points, working it out so that one will feed to the other.

We are trying to approach this in the logical way, and I cannot close without expressing appreciation that the least among you shall have been given this opportunity. I thank you (applause).

MR. HINES: I am glad now to be able to introduce Mr. Henry H. Curran, who was former President of the Board of Aldermen, Commissioner of Immigration for the Port of New York, and I suppose in that capacity he contributed a great deal to the present transit problem by

passing so many immigrants into this country. At present he is counsel for the City Club and will undertake to put before you the views of the City Club on this subject (applause).

MR. HENRY H. CURRAN: Mr. Chairman and gentlemen. So many titles have been tacked on to me in the last ten seconds that I feel somewhat the way I did when I first became an Alderman some 15 or 20 years ago. In those days the Aldermen of New York had the power to marry, that is, to marry other people to each other, and the first couple that came down from Greenwich Village, in my district, was standing up on the other side of the George Washington desk in City Hall while I stood on this side and repeated the marriage ceremony that I composed myself, so beautiful that it invariably brought tears to the eyes. When we got to the point where I looked the bridegroom sternly in the eye and addressed this question, which I always did with telling effect, "Do you know any reason whereby you may not lawfully wed this woman? If so, you will now speak," and at that point I forgot my lines. There was a bad pause and the bridegroom stepped forward and said, "No, I don't know any reason. Do you?" (laughter), and then I remembered my lines, which I am

going to try to do now.

Of course, the last speaker is right. There is too much transportation. Twenty-five hundred new rides every day. No subway system, no city financial system, could possibly stand it. Everybody trying to get into the middle of Manhattan at nine o'clock in the morning to get to work, and to get out of the middle of Manhattan at five o'clock in the afternoon to go home.

The subways will never catch up with coagulated sky-scraper made Manhattan. We have got to solve the problem at its source, and decentralize, and I have an excellent speech on that subject which I won't make, because I have made it so often that all the skyscrapers look upon me as a mono-maniac. Of course, the 5-cent fare is the whole question: It is the difference between subways that are sick from political doctors and that need business doctors. A 5-cent fare and a separate municipally operated subway make good politics but bad business. A self-sustaining fare - I think 6 cents would do it - and a unified system make good business but poor politics (laughter). The city government has taken the political road instead of the business road. As long as the evil results of this

course remain invisible to the mass of the people, we must expect more politics and less business in the subways. As soon as the evil results begin to appear so that most people can see them, we may hope for a change. I think this time is coming soon. Until then our talk will be of no avail.

The subway situation today pivots principally about this question of whether the subways shall sustain themselves on their own revenues, or whether they shall be run for a 5-cent fare with the deficit paid by the people of the city through the budget. There is no sanctity to my mind as to which city-owned utilities should pay their own way and which should not. But I am convinced that the time has come when subways must be made to pay their own way.

We have about \$600,000,000 worth of subways already built, owned by the city and operated by the Interborough and B.M.T. Companies. The city and the companies have shared the cost of this system half and half. The system is only partially self-sustaining.

Now we are building a new and third subway system, also at a cost of about \$600,000,000, at the least. But in this case there is no operating company yet in sight, and so the city pays the whole cost, and pays it at a rate

of more than twice the cost per mile of the old subways built before the war.

To begin with, this hoists the city's non-revenue producing debt of about \$1,200,000,000 to more than \$1,800,000,000, which is an increase of about 50 percent. Our per capita debt will jump from \$200 to \$300 within five years. The thirteen American cities besides New York, which have a population of over 500,000, have an average per capita debt of \$50. New York's per capita debt is already four times as great. Now it is going to be six times as great. Unless this kind of finance is necessary, it is inexcusable. Always our debt grows greater. Always we borrow. In this case, we do the biggest borrowing in our history, and we do it in a time of general prosperity.

But there is more to this. The new subway might sustain itself if run on an 8-cent fare. But the city government is committed to a 5-cent fare, and the Mayor repeats that over and over again. So the new subway, whether run by the city itself or by a company,
run
will without doubt/for a 5-cent fare. This means that interest and amortization to the tune of a total of 5 per cent on \$600,000,000 must be paid out of the budget.

This means \$30,000,000 a year out of the budget. I think the new subway will cost more than \$700,000,000 rather than less than \$600,000,000, so that the budget charge will come nearer to \$40,000,000. Add to this the budget charge of our present subways' deficits, and you have a total of \$50,000,000 a year. This is more than 10 per cent of the present budget. This is the interest on a borrowing of a billion dollars. This is money that we need for other things - or that we might even save, in part.

With these figures in mind, there are still those who think the carfare is the controlling factor, and that we should have a universal 5-cent fare on the subways, no matter how far that falls short of the cost of carrying each passenger. This contention is essentially unsound today because it means that not only do we dump all the money we can borrow into this one new subway, but that we also overload our budget, so that from both sources the supply of money for other needs of the people is shut off completely.

There is going to be no money for schools, parks, playgrounds, beaches, waste disposal and other vital necessities of the city's growth. For these things there will be no money at all. Every one of these needs is sacrificed

on the altar of a 5-cent fare. It goes without saying that a ride on the subway for only 5 cents is not the one overwhelming need of the people of New York. But it is supposed to be a vital political need of the individuals and organizations who do the governing of the City of New York. And so we are to sit by and see a new subway built, with valuable contracts and valuable possibilities of municipal operation, as a 5-cent fare road, while every other big improvement is laid away on the shelf. This is politics. It is not business. And it is not healthy for the people of the City of New York. But it is just what is now happening.

The obvious thing to do is to adjust the old subway agreements as to carfare, and also as to other provisions, so that these old roads will become self-sustaining on their own revenues. I think a six-cent fare, with concessions from the companies, will do it. When that happens, the enterprise breeds a revolving fund so that we can borrow and spend more money on new subways without bulging out our debt limit, and without skimping other city necessities. If we do that, we can enlarge the present dual system, looking toward ultimate unification with transfer privileges and other advantages that can never come from

the present opposite trend toward three uncoordinated separate subway systems. This is the thing to do. But it is business. It is not politics. And so it is not done.

The price we pay for politics in the subways is the double penalty of a reckless borrowing of money, and then blowing in the borrowed money to maintain the 5-cent fare, instead of spending it on the important needs of the people of the city. In two ways we cut off our nose to spite our face(applause).

MR. HINES: Our next speaker is Mr. J. Irving Walsh, who is ex-President of the Real Estate Board of New York, and whose address, from a familiarity with this problem, entitles him to careful hearing (applause).

MR. J. IRVING WALSH: Mr. President, and members of the Economic Club: I feel more or less like a song and dance man following about seven other song and dance men and not having any particularly new steps. I have got a beautiful canned speech here. But I don't think there is a word in it, however, that has not been touched on by one of the other seven song and dance men, so I will carefully deposit it there and promise you that I will not, after having spoken ten minutes, pick it up, and then read for ten minutes.

I agree with most of the other speakers, with the exception of my very dear friend from Queens, Mr. Higbie, and it is not my privilege to have the sublime love and devotion to the city administration that apparently he has. As a matter of fact, I was somewhat disappointed when our worthy Mayor went to Albany the other day and spoke for the \$300,000,000 of bonds to be released, that there he admitted that he did not have the transportation or transit problems solved; that he did not have any idea what the solution was in the City of New York, and that with a problem that is as large and as big -- in fact, I can think of nothing that would be bigger at the moment than the transportation problem that we have-- that it should be a special study.

My organization takes in all of the five boroughs. We are not looking for tunnels to Staten Island or elevated roads through the cornfield of Queens or subways in the Bronx, but we try in our way to take care of all of the interests of all of the boroughs, and we surely believe that the 5-cent fare is uneconomical. It cannot go on, as Major Curran has said. It is merely throwing us into more debt and more debt. Some of you men realize that in the last five years the assessed valuation

in the City of New York has gone up from \$1,000,000,000 to \$1,500,000,000 in 1927. The assessment rolls show a billion and a half increase.

Now, we know that the city is growing. We know that the values, and I, as a real estate man, hope that they will continue to grow, that the values of real estate are growing, but with thought for the future, and a cautious thought for the future, it may just be possible that something may come along that is going to arrest temporarily the growth of the increasing value of real property, and if it does, and the City of New York cannot increase each year by a billion dollars, and after all, a billion dollars is an awful lot of money, where are they going to be with this deficit that is being created in these sums of millions of dollars on the subways.

As a matter of fact, it is my own personal opinion that there is nobody that rides in the subway that would object to paying seven or eight cents for a ride. I venture to say that if they created one subway and charged ten cents, that you could not get a ride in that subway. My experience with the people of New York now is that nobody seems to care whether they spend five cents for a ride or ten cents for a ride. That is why the taxicabs are more numerous than they are in Paris.

Nobody has asked specifically for this audience to do anything except listen to them. The doors having been closed you cannot very well do anything else. But I wish that you men would take a deep interest in this subject, and if you don't know about it, you should. There is plenty of opportunity to learn; there are plenty of organizations that will give you concrete facts and figures. I wish you would interest yourself in it. This 5-cent fare is a lot of humbug. It is a political football that has been carried around, and no politician has the nerve, or something down here, that makes him stand up and say it is all wrong economically, and if he did, he could get away with it. John Hylan deliberately bluffed the people into it. Jimmy Walker is afraid of it. You men who are the backbone of this city, who control big business, why don't you start a little propaganda, because that is all we need. Everybody is taking it for granted that there is nothing to be done. If they find they cannot cross the street at times, and taxis cannot go down Eighth Avenue because they are digging and building a subway, he may think a little about it, but please take some interest in being citizens, and mention it to yourselves and your constituents and see that something is done about this.

This Fall they are going to vote on this \$300,000,000 proposition of these bonds. They are going to exempt that. That is something more than they can blow in. I do not ask you, without knowing anything about it, to vote against it. I wish you would. But please look into it (laughter), and if you can vote for it, if you find on the facts that you want to vote for it, go ahead. But don't vote for it like you do these constitutional amendments, and you don't even read them. This is a very serious proposition. \$300,000,000 is a lot of money, and please look into it and if your conscience tells you to vote for it, vote for it, but I am sure if you look into you will vote against it. The City of New York and the contractors cannot hire enough mechanics to spend the money they already have to build the subways. Thank you (applause).

MR. HINES: Our next speaker represents the Borough of Brooklyn. Mr. William Stanley Miller is President of the Brooklyn Chamber of Commerce. Mr. Miller tells me that his Chamber of Commerce has a membership of about 9,000, which is the second largest membership in the United States. So he represents a great many individuals that ride on the subway, and they represent hundreds of thousands of others that ride on the subway. So he comes

on a real mission in this matter. Mr. Miller (applause).

MR. WILLIAM STANLEY MILLER: Mr. Chairman and Members and Friends of the Economic Club of New York:

As I understand it, the Economic Club is a non-partisan, non-political body, not taking sides on any problem. But we have a problem here tonight, else we would not be discussing it, for sane men do not discuss matters which are already settled and which do not require discussion, and it is because we are dissatisfied with present conditions and the way in which this great problem has been handled, that the men here tonight have assembled to listen to speakers from various parts of this great city who are deeply interested in its solution. I do not pretend to have a solution of the problem. I came here tonight to tell you some of the difficulties which we have faced in Brooklyn for the past 20 years in the effort to relieve the long-suffering public from indifference and of neglect, and I do not share the confidence/my distinguished friend from Queens in this or any other administration that does not exemplify its actions or its words with deeds.

I remember about 15 years ago in the Borough of Brooklyn, when a great many of us were much concerned over transit conditions at that time, that we organized what

was called then the Crosstown Subway League, and so we invited the then President of the Borough, Lewis H. Pounds, and the then Public Service Commissioner, Frederick V. S. Williams, to address us on that all-important subject, and at that meeting which was held somewhere in a hall in central Brooklyn, one wag in the audience presented Commissioner Williams with a brand new shovel because, you know, some man had an idea that the subways should be built with shovels. You know for eight years during the Hylan Administration it was generally considered that a subway could be built with a Waterman pen, and so in the last campaign the Republicans chose the manufacturer of Waterman's pens to dig the subways, because they realized that he, of all men, might recognize the futility of digging a subway with a fountain pen. On that particular occasion at the presentation of that shovel to Commissioner Williams, he then and there definitely promised that immediate action would be commenced in the digging of the crosstown subway. Fifteen years have come and gone. Commissioner Williams has been gathered to his fathers, together with the late Mayor Gaynor, and the beloved John Purroy Mitchell. Eight years of the Hylan administration have come and gone, and now we are on the second year of

Mayor Walker's Administration, and I ask in all fairness, what has been done?

The ten minutes allotted to the speakers here tonight would seem to me to be plenty to cover the situation, because we might remember that Lincoln's second Inaugural Address, and the Gettysburg Speech were delivered in the space of three minutes, and nothing could be more eloquent, than the answer which I could give to that query, what has been done in the way of transit facilities for Brooklyn during the past ten years? Absolutely nothing, except a little spur consisting of about a mile and a half of the 14th Street Subway through a section of the city that could be well served by some other means of communication.

The crosstown line through Brooklyn,-- reams of specifications and plans have been drawn; hundreds of meetings have been held; promises have been made by the dozens; but nothing has been done. We are told that there is no definite route laid out for the crosstown subway in Brooklyn today, because some of the civic organizations along that line have not definitely decided on that route.

Why, my friends, we of the Brooklyn Chamber of Commerce hold that it is no part of a civic organization to

lay out routes; that once meetings have been held, hearings have been held and all sides have had a fair opportunity of being heard, that then it is incumbent upon the men holding responsible offices in the Board of Transportation or the Board of Estimate & Apportionment, as the case might be, of deciding where these routes shall go, and of doing the job vested in them of immediately, without any delay, commencing the digging of those subways.

It is the opinion of the Brooklyn Chamber of Commerce that no amount of activity at the present time could possibly repay them for the delay of the last ten years in giving them the transit facilities which they so long have been entitled to. But yet all is not dark, because I attended a dinner of the Municipal Club of Brooklyn just about three months ago at which Commissioner John H. Delaney was present. There were also present Mr. Frank Hedley, of the Interborough Road, Mr. Travis H. Whitney, former Public Service Commissioner, and vice-president of the B.M.T. Railroad, and several directors of both of those railroads, and the suggestion was made by Mr. Delaney that he would be willing to sit around the table with these men and use his best endeavors, if possible, to modify the dual contracts, with the thought in mind of

creating out of these consultations and negotiations a workable agreement that would inure to the best interests of the City of New York, and so we have something to live for.

I hope that these gestures of these gentlemen were made seriously and with an idea that they would/put them into operation, because some day, somewhere in this great City of New York a man will arise who will have vision enough to see that unification of all these great systems is absolutely necessary, and that the plans which we are now drawing should fit into those unification plans so that when all the barriers have been burned away and all the obstacles which now confront the men who are charged with settling these great problems are overcome, that the unification will exist, and we of Brooklyn will get the relief which we have so long sought (applause).

MR. HINES: Gentlemen, our next speaker will be Mr. Stewart Browne, President of the United Real Estate Owners Association. He has had occasion to study this matter professionally, and we are fortunate to be able to hear his remarks (applause).

MR. STEWART BROWNE: Mr. President, and Gentlemen of the Economic Club: I never know what I am

going to say when I start out to speak. There is one point I should like to mention as a starter, and that is Rip Van Winkle, I think we have all heard of, but there seems to be a great number of Rip Van Winkles here tonight. The study of this question ought to have been taken up during the Hylan Administration and not left until now. There are now 125 organizations in the City of New York, and there are a number around this center table here, but very few of them appeared before the Hylan administration when the question of subways was being discussed and were being laid out. They said they did not want to be insulted. They did not want to be called names. They did not want to have faces made at them, and therefore they stayed away and they allowed the Hylan Administration to lay out the subways as they saw fit, without any criticism, or very little criticism, on the part of the organizations of the City of New York.

I remember as a youngster in Scotland, if I went to my mother to complain that Johnny Jones made faces at me and called me names, I was told to go out and punch him and not to accept the situation and run away from it. That is the unfortunate part of the different organizations in the City of New York. They had their day in court and

they can only blame themselves if the Hylan administration laid out subways that are now objected to by some of the organizations.

I read in the newspapers the other day about Kerensky having been here. Kerensky, when he was at the head of the Russian Revolution, had the men in the trenches vote as to whether they should fight or not. They were going to send a questionnaire out and that, unfortunately, is about the way some organizations who shall be nameless, do now. When they want to find out what they think about, what they should do with some question that is imperative, they send out a questionnaire to their members and in about one to three months, they decide what they intend to do. In the meantime the battle is over and it is won by the opponents. That is the unfortunate part of some organizations that shall be nameless.

I have heard some papers read. While I think that probably the organizations around this table would have a difference of opinion on all of these things, they all suggest modification, coordination; for the city and the subway companies to get together. But I have never been able to find that the organizations of the City of New York have gotten together on anything. They are at sixes and sevens. The gentleman on my right suggested tonight

that the presidents of the several organizations might have a meeting every week so as to exchange viewpoints on the different problems that come up in city government. That ought to be done. But I have never seen it done. It never has been done. The only coordination you have and the only man you have that is attending to his business is John Delaney. He is going on in the even way, digging subways and whether you know about them or not makes very little difference to Delaney. He is one man in power, and he represents Tammany and also the Board of Estimate, if that is really Tammany. It is a little bit mixed up, you know.

I can tell you -- there is no secret about it -- what this Walker Administration intends to do with the subways. They are going to retain a five-cent fare. They are going to buy out in whole part the B.M.T. and the Interborough and the Fifth Avenue Coach Company. They are going to have unification and they are going to lease those lines to one operating company on a five-cent fare. They are going to have nothing in the tax levy. There is going to be no deficit at all. How they are going to arrange it, of course, I don't know, but that is what they intend to do (laughter).

Take, for instance, the busses. I have heard talk about busses down in Staten Island. I asked Mayor Walker one time about busses, and his answer was, "I am not going to sign any franchises that don't go to the Equitable Coach Company. That is the franchise I am going to sign and I am not going to sign none other excepting up in the Bronx and down in Staten Island," and it don't make any difference what you do. You get no power with the administration because you are not one. You are all divided, on every question, no matter what the question is.

You take the problem that came up this morning in the Committee of the Whole. How many organizations were there? There was Mr. Wallstein, representing the Citizens' Union on one question only. But there were a great number of items there on the calendar that ought to have been taken up by the different organizations that I see around this table. Where are they? Where are those organizations up in Albany? They are seldom there except the Citizens' Union. It has its representative there for the end of every session. But blame yourselves for the situation of the subways. Don't blame the administration. Major Curran had a lot of titles tacked on to him. Nobody

tacked any titles on to me. I will tack on my own titles. I am president of the United Real Estate Owners Association. I am the only unpaid member of the Board of Estimate for 15 years, and I am an unpaid member of the legislature for 15 years. I am up there every week. We introduce bills. We draw up the bills and they are introduced for us. There is one bill that it took us four years to get passed, and it ultimately did pass and was signed by Governor Miller, and that was to take away the power from the Board of Estimate to increase salaries between budget periods, and no sooner had we gotten the home rule into existence, which my friend of the Citizens' Union helped to father, than they repealed that State law, and they have been grinding out increases of salaries almost every week, without any opposition on the part of business interests or taxpayers. Even today, or last Thursday, you had a one million dollar distribution given to the little fellows of the city government, and when we went there to ask either the Board of Estimate or the Mayor or the Comptroller or anybody there, to let us have a copy of that schedule which we might examine, their answer was, "We haven't got any schedule." "You cannot see them", said the Comptroller, "we haven't any. You cannot check them up."

I believe I got one tonight; I don't know how I got it, but I believe I have got one tonight. That, I understand, that question is coming up on Thursday again. But where are all the people in this room? You don't find them there. You don't find even the organizations down there at the Board of Estimate meetings. So blame yourselves for whatever happens. I don't know what is going to happen, and nobody else does (laughter and applause).

MR. HINES: Gentlemen, even according to the pessimistic utterances of the last speaker, the Citizens' Union seems to have been on the job quite a lot, and I am very glad indeed to be able to introduce Dr. William J. Schieffelin, president of that important body (applause).

DR. WILLIAM JAY SCHIEFFELIN: Mr. President, Ladies and Gentlemen, Mr. Browne has set the example of speaking on several other topics than the transit problem, and I am going to ask your indulgence if I speak for possibly a minute and a quarter on one other topic.

There are two persons who have served notice on me to be silent on two subjects - the Governor has invoked the Grand Jury to muzzle me on the subject of graft in the Health Department and an anonymous letter writer, claiming to be a workingman, has said he would kill me if I again advocate the ten cent fare. Such attempts to

stifle public discussion of public subjects invariably increase publicity. Therefore, under the circumstances, I would like to speak on both topics.

I don't think Governor Smith would willingly protect any graftor but he has shown bad judgment in side stepping this issue and in trying to shut me up. I intend to continue, in behalf of the Citizens Union, to demand an open impartial and adequate investigation of the Health Department scandal and also to support a ten-cent fare at least for express trains.

The Grand Jury said I presented no evidence that implicated a Tammany official in the graft cases. I stated to them, as we had stated to the Governor and as I now reiterate that Commissioner Harris told three Citizens Union representatives that the graft was of vast extent and that the trails led very closely to a prominent Tammany politician.

Our protest has been that there has never been an adequate attempt to get such evidence as may be obtainable. When the Governor and the Mayor received our request for the designation of the Attorney General they were keenly in favor of such an independent investigation with unlimited jurisdiction and with power of subpoena. But

some influence intervened and the ineffective Kelby investigation was substituted and also Mr. Olvany's personal investigation. Think of the leader of Tammany Hall having the veto power to prevent an investigation which may reach a Tammany politician. The results of Mr. Kelby's interminable, gently, quiet investigation have been very meager and if the object was to sit on the lid it appears to be attained. Is it not time for the Kelby report? It has been repeatedly promised, but it is not forthcoming. How soon will it appear and how much will it disclose? We will keep hammering at this graft issue because it is of far-reaching importance.

With regard to the ten-cent fare I would like to point out how much better off the working people would be and everybody else too if we had a unified system with transfers and belt line subways so that we could go in a short time to any part of the city.

The other day in Boston I noticed that with the ten-cent fare, there were lots of working people traveling and they were apparently satisfied for I was told that the transfer system was satisfactory and complete. No satisfactory subway development can take place under the five-cent fare which today, as far as

purchasing power is concerned is really only a three-cent fare.

A couple of weeks ago Mr. J. K. Hencken showed me a picture of a plan for solving the transit problem, which as I studied it, seemed to me to be so far ahead of anything that had been heretofore proposed as to put it in a class by itself because it not only provides ample transportation of passengers without crowding, without turnstiles and without guards shoving them on board, but it actually carries them free at a rate of 21 miles an hour and the project, which is a combination one, would bring in a profit of over 16 percent.

This picture shows a structure 12 stories high which is planned to run through the center of the block on the east or west side where property is now least expensive, say between Ninth and Tenth Avenues, and between 14th Street and Yonkers.

It shows that the roof is an express roadway for motor travel and in the center a parkway where children can play. Below the basement is the freight subway with a continued freight platform. On the main floor one flight up by escalator there are free moving platforms with seven speeds. The moving belts are only 15 inches

wide and each one moves three miles an hour faster than the one next to it, so anyone can easily step from one to the other and having taken 7 steps reaches the moving platform, which is 4 feet wide and has comfortable seats and travels 21 miles an hour. As passengers can enter or leave at any point there will be no stations and no crowds by these platform seats capable of transporting over 90,000 people pass a given point per hour in each direction.

The plan, as far as its practicability, desirability and engineering feasibility is concerned, has been endorsed without reservation by Mr. E. P. Goodrich, consulting engineer of the Russell Sage Foundation.

I wish I had more than five minutes to enlarge upon its many valuable features. I will merely say that the revenue from the rentals will probably amortize the investment within 8 or 10 years. This estimate is based on very conservative rental prices. Of course, the floor between the two moving platforms will have 90 feet available for exhibition purposes. It will be like a continuous railway station, with department stores, ten-cent stores, soda water and orange juice stands, and

an endless variety of merchandise exhibits.

The plan is so good that the one objection I have heard advanced is that it will take away the real estate values from the rest of the city but on reflection you will see that this is absurd because at present crowds on the sidewalks, in the busses and in the subways do nothing to enhance the values. On the other hand, if the streets of Fifth Avenue were emancipated and all the people subtracted who wished to be transported without paying any fare, there would be a natural segregation and old Fifth Avenue days would return when people went there to show their handsome clothes and to spend their money.

During the past two weeks I have shown this plan to a number of men and women well versed in conditions now existing in New York and they agree that it would not only solve the transit problem but also that of the insanitary tenements and shortage of school seats and last but not least, the traffic jams of motor cars and motor trucks. This would of course make a marked reduction in street accidents as well as poisoning from motor car gases, also contagion of diseases from the insanitary and indecent crowding.

I think the city ought to own these structures and the legislation authorizing them should provide that when the original investment has been amortized, the structures will become the properties of the city. I believe the money for this purpose can be obtained without any difficulty and looking ahead 20 years we will not only have a healthier, happier city, but our taxes would be reduced on account of the income from these transit buildings.

The New York Central finds that it cannot possibly put in any more commuting trains from Yonkers. They are just as close together as safety will permit now, and they cannot put on more cars. They are trying to put on seats that will hold three people instead of two people, and the people are standing up in the aisles. When you have a condition like that, and while, by the way, the population is increasing, you might just as well look ahead and try to find some way of doing it.

At the Paris Exposition there was a very comfortable moving platform with seats and the fastest part, that was only in three steps, and which, I think, only went about ten miles an hour at the fastest part. Yes, this thing is perfectly feasible. More than that, it

is very cheap. It takes only two and a half horsepower. They are going to have 25 horsepower motors every 100 feet to furnish the power, when this thing takes only two and a half horsepower, and what I suggest is that it should be tried out, a few miles of it, in some of the new subways that are to be built in the outlying districts, and then if it does work out, let us at once put it up east and west in the city, and we would find that traveling would be a pleasure instead of a penance (applause).

MR. HINES: Gentlemen, we have a few minutes left, and it seems to me proper, in view of the widespread interest in this proposition, to say that we are willing to hear brief remarks or questions from any gentleman who wishes to speak. If he wishes to ask a question I would be very glad if he designates the speaker to whom the question is addressed,

MR. STONE: There is one point that has not been touched upon tonight which is rather interesting. Commissioner Delaney has made it a point that the present tracks in the downtown and mid-town subways are so crowded with trains as to have reached a point of saturation, especially during the rush hours. He therefore claims that

to attempt to connect the new subway with the existing subways would not solve the problem, but would only add to congestion and further delay traffic. For that reason he is for an independent subway. I wish Mr. Lincoln or Professor Haring would comment on that point.

MR. HINES: Can you give an answer to the question that the gentleman has asked?

MR. LINCOLN: It is very difficult to answer that question briefly. However, it has been clearly worked out by the engineers, I believe, to show that in many cases existing facilities are not being used to their utmost capacity, and that a connection of the proposed routes with the existing lines would make possible much greater service capacity in these routes now under operation. The details can be gone into, but there is hardly time to do it this evening. Perhaps Professor Haring might have something definite to say on that point.

MR. HINES: Are there any further observations or questions?

MR. COHEN: One of the suggestions was to double the length of subway trains and stop each section at alternate stations, and so get greater use out of the

present trackage.

MR. HINES: Do any of the speakers care to comment on that question as to the practicability and feasibility of doubling the length of subway trains?

MR. LINCOLN: That matter has been very carefully considered. Our association went into it together with the presidents of the two operating companies. It is a physical impossibility and highly impracticable from the operating point of view.

MR. LISMAN: There had been some talk about the five-cent fare. I want to put before this audience something about the cost of the new subways. It has been stated that they would cost two and a half times as much per mile as the existing subways. That is the present estimate. Before they are finished interest is likely to run up. But even if they do not cost more than two and a half times the present subways per mile, these new lines would have to do as much business and have to carry as many passengers as the present congested subways in order to pay the interest charged on the city's debt. I have seen the estimates of Mr. Delaney. He figures that at the end of five years the new subway lines will carry more passengers per mile of track than the existing lines. In other words, conditions

will be still worse, and even though it will not earn on a five-cent fare more than 4 percent interest, the law says it should be tried out for three years to carry people for a nickel. No man with common sense needs to try out to see whether he can do a thing when it is obvious that he will have to carry as many people as the present lines do in order to pay his interest charge, without operating expenses.

MR. SAUNDERS: You have been talking of the foreigner who rides on your subways. Over 300,000 of them come from New Jersey. It is the plan of the North Jersey Commission and also of your own Westchester County Commission, to carry these outside riders through New York in a deep level tunnel which we hope will be built jointly by the two Commissions or by the Port Authority. That is the hope at the present time. Why is that important? The important point is that the tunnel is in our plans and that will keep the Jersey riders and the Westchester riders out of your subways and greatly reduce your congestion.

How those tunnels are to be built, who is to finance them or what the other questions are that will be asked, are still to be worked out, only do keep that picture before you in your whole New York transit situation,

because it is a vital one to us. There will come a time when there will be a decentralizing, and a lot of our people and a lot of Westchester people will not come to the heart of New York, but you will always need that tunnel as an element in your regional transportation system. We should expand our view so that we are thinking of New York's transportation in terms of its fitting into the regional picture.

One other point. You have been talking about financing your subway extensions. In New Jersey we are taking into account what they are doing in other places, that is, assessing part of the cost of the subways and rapid transit extensions upon the property benefitted. Mr. George McAneny told our Commission that at the cost of the property owners and taxpayers of New York City you had put, by reason of your subway construction, billions of dollars into private pockets. In Jersey we propose that we will not do exactly that thing. We are planning to take part of that for the cost of our rapid transit construction. They are doing it in Detroit. They are doing it in San Francisco, so why can't we take a leaf out of their books?

MR. HINES: I would like to ask Dr. Harris if he

has any other observations to make. He is the originator of the automatic lights at street crossings. It has been suggested here that we can probably charge it up to him that a great many people get tickets to call at court. He was Deputy Police Commissioner at one time and he is an expert in these matters, and I am sure we would all like to hear from him.

DR. HARRIS: Mr. Chairman and Gentlemen of the Economic Club: The best thing that we can say, perhaps, at this time of the evening is to refer to several of the interesting stories or jokes that some of the speakers had occasion to refer to. It would appear at the moment that the real cause of the transit situation, or the cause that exists at this time for more rapid transit situation, has not been touched upon at all. I believe that as doctors believe, when you remove the cause of a disease the patient gets better. Our trouble is not so much concerning more subways, but it is in handling traffic conditions upon the surface roads of this great city. Nearly every point has been touched upon than that, and perhaps if I may be permitted to tell some little stories that have come to my attention when I was Special Deputy Police Commissioner in charge of traffic,-- it reminds me of the diplomacy that

has to be used, particularly after all these different speakers have told you that you should get together with city officials, or they should get together with the organization.

I recall very distinctly having had the privilege and the honor sitting next to Cardinal Hayes who was then Archbishop Hayes, and I told him of a little story. On the corner of 42nd Street and Broadway was a great, big husky officer, and coming up the street at a very rapid rate of speed was an automobile, and the officer raised his hand and the automobile stopped, and the officer said to the chauffeur, "Where do you think you are going? Do you take this street for a race course?" The chauffeur was very quiet. He did not answer the officer, and he said, "Have you got a pair of ears? Do you hear me talking to you?" And then Archbishop Hayes put his head out of the window and he said, "Your Grace, I was telling your chauffeur to be a little more careful. There is a Protestant cop at the corner of 43rd Street" (laughter).

That little story reminds me of the passing of the troubles and difficulties of the different transit situations from the city administration up to the different organiza-

tions or the individuals, as the case may be, and so it will always go on. I believe as the other speakers have intimated to you tonight, that we are just as much in the dark and the problem is just as great as it was 20 or 15 or 10 or 5 years ago. I also believe that the gentleman from Queens has indicated some method. If Mahomet cannot go to the people then the people must go to Mahomet, and I don't think we are going to get anywhere as long as we are going to fight it out to a finish. The sooner we get down to a point of solution and reconciliation, if I may use that word, the better it will be, and it reminds me of another story. You all know big Pat McDonald, who, for many years, stood at 43rd Street and Broadway, and on one occasion an automobile came mighty near running over his foot, and it irritated him a bit, and in all the years he was on the force he never had occasion to issue a summons, but this night he told him to pull over to the right, and he walked over with his great, big mass of muscles and he said to this man, "How long have you been driving?" And this fellow, in a very meek voice, said "Four years." And he said, "Well, now, what is your name?" And in a very meek voice this fellow said, although he was a Hebrew, "My name is Tom McDonald".

"Well, my good man, be a little more careful." (laughter).

A VOICE: I had not thought to say anything until I heard Dr. Harris speak, because I was afraid I would be a little out of order. My name is Lancaster. I am a highway engineer of the Columbia River Highway Commission of Oregon, and I was feeling something like the Irishman that walked into a chicken fight, and he had a duck under his arm, and they said, "What are you doing here with that duck?" "Well," he said, "I want to see if we cannot trip him up", and so, if I come in here now and ask you something about the express boulevard that I have been reading about for some time, the one that is going to be built from 59th Street down to Canal Street which, it seems to me, is going to do as much or more than anything else to relieve congestion in your auto traffic, and also to say something about the need for terminal facilities. I am not going to take very long. I hope I will show you that I have some terminal facilities myself. But you do need terminal facilities for automobiles that come on your streets. When I get downtown here, I come here two or three times a year, and I have been studying congestion in New York City. I had the honor of being in Europe for some time with Nelson P. Lewis, and I see him here quite

frequently, and when I get into this coagulated skyscraper district and try to get somewhere, I surely know that you need terminal facilities for automobiles, and something will have to be worked out that will permit you to have a type of building which is now in some of the large cities. For instance, at Detroit they are erecting a building 83 stories high, and of the first 27 stories there is to be a garage that will permit you to drive into the building, park your car, and go into your office, and when you come out, take your car and get away. Something of that sort will have to be worked out in New York City. I learned that a hotel had a permit for a garage which will house 1722 cars, back of the Roxy Theatre. I don't know whether that is in the right place or not, but instead of being built of 30 or 40 stories high, which the ground would carry, I don't see why it should not be permitted to put up such a structure, instead of them confining themselves to 12 stories. Detroit has found they can put up this building 44 stories with a garage inside of it. The same thing is being done in Chicago, and I think something like that has got to be worked out in New York City.

MR. HINES: If there are no further remarks, the meeting will stand adjourned.

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