

same: Too great a strain has been somewhere put upon human nature; obedience to the established order becomes impossible. Then chaos comes again; demons ride on the whirlwinds; image-breakers wreck the cathedrals; emirs on horseback burn Alexandrine libraries; the sands of the deserts cover gardens and vineyards; Vesuvius pours forth its lava on sleeping cities.

Safeguard against these disasters there is none, except the constant labor of those reformers whose watchwords are Education and Evolution, who fight to relieve the strain before it reaches the breaking point, who especially toil to so re-create and reinspire Law and Order that a loyal and joyous obedience is justified. In the last analysis this means the slow creation of higher and yet higher ideals of government, in which all take part, and to which all are willingly obedient.

Thus we arrive at a point of view where the Idealist and Reformer is in fact the only true Conservative, for he is transforming the ancient, out-worn order into the new order, without violent revolution. Also, as it appears, the person who opposes all change is the one who sows the wind and reaps the sirocco. He it is who fosters and brings to pass every revolution.



But, one asks, what is the reason behind every great change in human affairs? By what standard are the mighty forces of life measured? Ah! but that is an easy question to one who lives among men. The ultimate Court of Appeal dwells unseen, eternal, sleeplessly ready to give reply in the Hour of Fate. It is the Sense of Justice which abides within the Average Man's heart, and passes judgment in the end upon individuals and systems. It is that which when a man is dead fixes his place forever in the minds of his neighbors. It is that which sometimes says to human endurance: "It is enough—stand aside so that the old order may pass away." It is the "Reason behind Revolution"; but it is infinitely more, that which prevents revolution.

CHARLES HOWARD SHINN.



## FEDERATED CHURCHES.

Gatherings of religious people within recent years have been dominated more and more by the social-problem interest. A startling illustration in many respects is the inter-denominational Church Council held in Chicago during the week after December 3rd. The various Protestant bodies, held apart hitherto by differences in doctrine and

polity, are now for the first time coming together on the basis of a common interest.

The significant thing is, that the ground of their common interest is the social problem.

The rank and file of church people belong to the non-privileged economic classes; and it is the inarticulate pressure of the rank and file, reinforced by the growing indifference of the "working classes," that stands below the vast religious revolution which is going forward in our times. This revolution, considered as a "church" fact, is not significant by reason of the adoption of any fixed program of social reform. Such a thing would be practically impossible. The central emphasis of the new movement is upon the church as the sanctuary of an idealism which embraces the rights and welfare of the downmost man. Its fundamental meaning is the reassertion of democracy, in its broadest sense, as one of the ruling forces in religion.

The student of current history must therefore interpret the Council just closed, not in view of its specific "actions," but in the light of the awakening idealism and social passion which it represents. And inasmuch as we are living in a period of transition from one age to another, we should not be at all surprised to find that many divergent interests were expressed in the different gatherings and sessions of this Council.

All attitudes of mind were on exhibit, from advanced insurgency to reactionary standpatism.

Standpatism was exemplified by a politician who announced that preachers ought to have nothing to say about politics, and who held the church up to view as a hospital where sick souls are made well by a mysterious medicine administered by doctors who know more about the other world than they do about the one in which we live. This address, by the Vice-President-elect of the United States, was perhaps the most incongruous feature of the Council. But it serves as a kind of background showing the distance from which the church of today has moved.

Strongly in contrast with Mr. Marshall's attitude was the wholesome insurgency which found its most conspicuous representative in the Rev. Walter Rauschenbusch of the Rochester Theological Seminary and the Rev. Thomas C. Hall of Union.

LOUIS WALLIS.



## THREE CENT FARES IN CLEVELAND.

In its issue of September last, the Public Service Magazine, published at Chicago and devoted

to electricity, gas, water, transportation and telephones, printed this editorial statement under the title of "Half Million Deficit in Three Cent Fares":

Three-cent car fares in Cleveland, O., has shown a deficit of \$503,288.08 since the Tayler grant went into operation, March 1, 1910, according to Finance of that city. For 15 months of that time there was a penny charge for transfers. These figures were presented to the directors of the Cleveland Railway Co. at the August monthly meeting. The July report showed a book deficit of \$20,533.23 and an actual deficit of \$18,684.27. The actual book deficit under 3-cent fare has totaled \$76,156.81. This leaves the interest fund at \$423,843.19. The big deficit is in the maintenance and operating funds. Since the inception of the Tayler grant a deficit of \$293,936.51 has piled up in the maintenance fund, the allowances under the ordinance failing by that much to meet the expenditures. The operating fund has fallen short \$133,194.76. The two funds show a total deficit of \$427,131.27. The company is expected to ask the council next fall to increase these allowances, so as to make up these deficits. If such increases were granted 3-cent fare would be in danger. The directors extended the date before which subscriptions for the \$3,015,000 stock issue must be made, from September 1 to October 1. Treasurer H. J. Davies appears before the State Utility Commission at Columbus to show cause for the stock issue.

Widely published, that article has brought us inquiries as to its truthfulness, and we have obtained from Peter Witt, City Street Railroad Commissioner of Cleveland, the full reply quoted below.

Mr. Witt's reply is in substance, that *the article quoted above is false.*



Following is Mr. Witt's reply in full. It is based upon his official knowledge as Street Railroad Commissioner:

The article in the September number of the Public Service Magazine, to which my attention has been called, charging that the Cleveland three-cent fare railway system is burdened with a half-million-dollar deficit, is merely another one of those many idiotic lies that franchise interests and their subsidized newspapers have persistently peddled ever since Tom Johnson first began his fight to liberate American cities from the feudalism of privately owned public utilities.

The simplest answer is that there is not a grain of truth in it. It is an absolute, downright falsehood. If inquiries did not emanate from public-spirited people throughout the country who simply want the facts, I wouldn't dignify the obviously dishonest character of the article with a reply. But here are the facts, from the books of the Cleveland Railway Company, as briefly and simply as I can put them:

The company is allowed an average of 5 cents a car mile for maintaining and renewing its property—a larger allowance than any metropolitan system in America has.

The ordinance also provides that if this allowance

is not fully spent in a given month, it shall be credited to the Maintenance and Renewal Fund; if the allowance is exceeded, the excess shall be charged to the Fund. In other words, this Fund never loses its identity. It must always be used for keeping the system up to a high standard of repair, and it is automatically replenished or diminished as the monthly expenditures for maintenance are light or heavy.

At the expiration of the grant, or upon purchase by the city, the allowances and the actual expenditures for maintenance will be balanced. If the allowances exceed the expenditures, the capital value of the property will be diminished by the difference; if the allowances fall short of the expenditures, capital value will be increased to the amount of the deficit.

During the first two years, extraordinary maintenance charges, due to the fact that little had been spent by the Receivers who managed the property before the Cleveland Railway Company resumed control, caused a "deficit" in the Maintenance Fund. Lax supervision on the part of the then Street Railroad Commissioner also contributed to the overdrafts on this Fund. The company went through a transition period under difficulties which it never again will have to experience.

Hence, when the Baker administration took office January 1, 1912, there was this so-called "deficit" in the Maintenance Fund. That this "deficit" means nothing was soon demonstrated. The company had passed the stage of extraordinary charges due to the need of sudden and excessive rehabilitation. The property was back to the normal ratio of renewal.

As a result, the "deficit" of \$343,550.07, as of January 1, 1912, had been diminished in October to \$282,854.71, on account of monthly surpluses in the Maintenance Fund, and bade fair, in the course of 18 months, to be completely extinguished. After that, far from "deficits" in this Fund, we may almost certainly expect "surpluses," for the maintenance allowances of the present ordinance are undoubtedly too high for ordinary maintenance.

The so-called "deficit" in the Operating Fund (Sept. 1, 1912) of \$135,599.24 is also misleading. Far from there being a deficit in this fund, there is an actual surplus. For months the company has been arbitrarily charging off a fixed sum to meet its various expenses. Most of these charge-offs are consumed in actual expenditures; but in the case of at least two accounts, the accident and insurance accounts, the credits have been far in excess of actual expenditures.

Accordingly on September 1st of this year there were unexpended reserves in the accident account of \$159,548.63, and \$48,996.09 in the insurance account, or a total of \$208,544.72. In other words, this sum represents what has been set up, month by month, arbitrarily, as an operating expense, but which has not been spent and exists as an actual surplus.

Therefore, comparing the so-called "deficit" in the Operating Fund with the actual surplus of \$208,544.72, there was a net surplus in operation of \$72,945.48.

Nor is this subject to the objection that good financing requires reserves to be carried along in

these accounts. The traction ordinance has provided for unusual contingencies by establishing an Interest Fund of \$500,000 to be utilized in taking care of extraordinary operating charges. When this Fund is drained to the level of \$300,000, the rate of fare automatically goes up a notch; in the present case, the rate of fare would remain at 3 cents, but there would be a penny charge for a transfer. Conversely, if the Interest Fund is augmented by surpluses above operating and fixed charges, it produces a reduction of the rate of fare to the next lower notch. Finally, the fact that the company has agreed practically to extinguish the bookkeepers' operating "deficit" by utilizing the above-mentioned surplus, shows that there never was a foundation for these arbitrary charges against operation.

Lastly, we come to the so-called "deficit" in the Interest Fund. I have just explained the purpose of this Fund, and this "deficit" of \$78,301.55 represents the alleged amount by which the original sum in the Fund, \$500,000, has been diminished by deductions to meet excessive operating charges, which receipts were unable to take care of. I have just shown, however, that excessive operating charges were made up entirely of reserves which the company arbitrarily and without authority of law had set up and charged against operation. Since the ordinance states that all earnings over and above operating and maintenance allowances and fixed charges shall go into the Interest Fund, and since the above-mentioned reserves are in reality unexpended earnings of precisely the nature the ordinance specifies should go into the Interest Fund, the real condition of the Interest Fund is reflected thus: \$421,708.45 + \$208,544.72 = \$630,253.17.

In a nutshell, then, 3-cent fare had to contend at the beginning of the present franchise, with heavy financial burdens entailed by extraordinary maintenance requirements, due to the fact that the property had run down in part. This period is now over, and the surpluses that are now being shown indicate that the present rate of fare—3 cents and universal transfers—will be maintained. Certainly, the rate of fare in Cleveland will never be more than 3 cents and a penny charge for the first transfer. This the company's officers freely admit.

In the meantime, the fact that the car-riders of Cleveland this year will save \$4,000,000 in reduced fares, while getting transportation facilities and service that is not excelled in all America, ought to be ominous news to the army of mendacious franchise-hogs, and an inspiring message to the struggling citizens of the various municipalities where the fight is now going on against plundering public service corporations.



Since the Cleveland Street Railroad Commissioner's letter just quoted, the following report of the condition of the "Concon," as the Cleveland traction system is often called in Cleveland, appeared in the Cleveland Press of November 16th:

So successful, financially, was the Concon in October that prospect of any raise in fare was shoved into the distant future. An actual surplus of \$28,993.60 and an ordinance surplus of \$11,242.28 piled

up, Concon directors learned Saturday at their monthly meeting. October, 1911, returned an ordinance deficit of \$41,370.65 and an actual deficit of \$27,712.63.

This year's showing was in spite of the fact that more car mileage was added in October than in any previous month under the Tayler grant. The car mileage increase amounted to 5 per cent, or 108,329 miles. Passenger traffic, however, increased 11 per cent and receipts 10 per cent.

Most of the surplus for the month was gained in the maintenance fund over expenditures, over which Tractioner Witt has direct control. In the operating account, over which Witt hasn't direct control, there was a small deficit, the company having spent 11.97 cents a car mile, though allowed only 11.50 cents.

The interest fund is now \$420,887.04. No raise in fare comes until it sinks to \$300,000.

The total passenger revenue of the Concon in October was \$589,238.67. Allowances for maintenance and operating were \$429,195.20, expenditures \$411,443.88.



It has become almost habitual for Big Business organs to make such misrepresentations about the 3-cent fare system of Cleveland as that which we have here refuted. We have run down several of them before.\* This is another. Would it be unfair to suggest that all that class of misrepresentations are not only false in fact but false in intention and fraudulent in purpose?

\*See Publics of July 2, 1911, page 675; July 21, 1911, pages 697, 747; October 27, 1911, page 1092; November 3, 1911, page 1114; and January 12, 1912, page 27.

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## CONDENSED EDITORIALS

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### DEMOCRATS, LOOK TO YOUR ARMOR!

From an Editorial by Samuel Danziger, in the Press Bulletin of The American Economic League, Blymyer Building, Cincinnati.

The victors at the Presidential election will do well to bear the proverb in mind: "Let him not boast who puts his armor on as he who takes his off."

Their hardest fight must still be made.

The Democratic Party must prove itself worthy of the honor conferred upon it. This can not be done by hedging on solemn promises and catering to reactionary sentiment.

There is still a large Tory element within the Party.

If fear of displeasing that element and of driving it into the opposition camp makes the party less progressive than it otherwise would be, it will deserve to lose the confidence and support of every progressive voter.

In all probability the Party will be compelled to choose between Toryism and Progress.

The choice cannot be evaded by attempts at compromise.