

To the Public

The Hammond Whiting & East Chicago Railway Company makes the following statement as to the street car situation:

Its trainmen and shopmen are members of Division 241, Amalgamated Association of Street and Electric Railway Employees, which includes all of the trainmen employed by the Chicago Surface Lines. The latter part of July, its trainmen and shopmen joined with the employees of the Chicago Surface Lines in demands upon the owners of both companies for an increase in pay from 48 to 85 cents an hour, an eight hour day, and time and a half for over-time. The demands were made through the officers of the Union in Chicago. The companies were financially unable to meet the demands and after negotiations submitted the following offer as a compromise,—a scale of 65 cents an hour, the eight-hour day, and time and a half for over-time, with sixty per cent of the runs completed within eight hours and forty per cent within fourteen hours, on condition that the Companies were given a sufficient increase of fare to enable them to pay the increased scale. The offer was accepted by the men. The Utilities Commission of Illinois after a hearing in Chicago authorized an increase of fare to seven cents on the Surface Lines, which went into effect in Chicago August 8th. To enable it to carry out its agreement with its men, the Hammond Line on the same day filed with the Boards of Public Works in Hammond, Whiting and East Chicago, an agreement amending its existing franchise, authorizing it to charge a seven cent fare.

Based upon computations from its present pay-roll, the 65 cent scale, together with the eight-hour day, and the other working conditions agreed upon, will add \$88,737.95 to the company's present operating cost. The company is financially unable to meet this increase on a five cent fare, and agreed to meet it only on condition that it was given permission by the public authorities to increase its fare enough to cover the increased wage scale.

During the period of the war, the cost of materials and labor have advanced enormously. The manufacturer, who is affected by this increase, adds the cost to the selling price of his product; the merchant covers the increased cost by the sale of his merchandise at higher prices. Not so with the street car company. It is required to haul the public for the same nickel that it did thirty years ago. Because of this fact, street railway companies the country over, are hard-pressed to meet the constantly rising operating costs, and at the same time give the public the transportation service it requires.

It will require a fare of seven cents if the Hammond Company is to be permitted to carry out its agreement with its men. This estimate is based upon a careful study of its present and prospective revenue and upon the results in many other cities where increases of fare were granted and comparisons were made from the receipts of the companies before and after the increases went into effect.

The Company is not asking for a permanent increase of fare. The proposal submitted to the

cities provides that it shall not be effective after June 1, 1920 (the date when the compromise agreement with its men expires), unless before that date the cities extend the time. The Company is asking for the increase only for the purpose of carrying out its agreement with its men and tide it over the present emergency. If the increase, as proposed, is granted, it will be possible to determine by actual experience before June 1, 1920, the amount of additional revenue that will result from the seven cent fare, and it will remain for the cities to say whether the rate shall continue after that date.

The Company is not responsible for the present emergency or for the suspension of service and the inconvenience and damage that is caused to the public thereby. It would not be asking for the increase if its employees had not demanded an increase of wage and voted to strike if the increase was not granted. It agreed to the compromise to satisfy its men and to enable it to continue operating its lines. As soon as the compromise agreement was reached and on the day it went into effect in Chicago, namely, August 8th, it filed its proposal with each of the Boards of Public Works in the Cities of Hammond, Whiting, and East Chicago, and its representatives appeared before the Boards of the three cities on the eighth, ninth and eleventh days of August and submitted its financial statements and estimates and all of the facts within its knowledge bearing upon the situation. Since then it has been continually pressing the matter with the authorities for the earliest possible action.

The Company is unable to meet the demands of its men unless it is given the necessary revenue. Its agreement to the increased wage scale was on the condition that it obtain an increase of fare. The increased scale and the seven cent fare have been in effect west of the state line since August 8th. The Chicago members of the trainmen's union since that date have been receiving 65 cents an hour. Under these conditions the Hammond Company's men on August 15th, voted to strike and have refused to operate its cars since the morning of August 16th.

The Hammond Company has been powerless to avert the present situation. It regrets the inconvenience and loss to the public resulting from the suspension of service. It is anxious to resume operations at the earliest possible moment. It is willing to comply with its agreement with its former employees if it is permitted to do so. It cannot give the public the service which it requires unless it is permitted to charge a rate of fare sufficient to provide that service. It firmly believes that an impartial consideration of the facts leading up to the present emergency will convince the public that the increase of fare as requested should be granted in the interest of the public, the employees, and the owners of the system.

Respectfully submitted,
CHAS. E. LAWRENCE,
Vice President,
Hammond, Whiting & East Chicago Railway
Company.