

To The Public:

The Common Council rejected our proposal for increased fare and has made it impossible for us to carry out the agreement with our men. No one denied that the company was entitled to more money or that the agreement with the men was just. Our figures and estimates as to the added cost from the increased scale and the revenue that a seven cent fare would bring were not disputed. The Council arbitrarily refused to grant relief unless the Company would agree to build extensions and make changes in the present method of operation that would cost the Company over \$400,000.00.

The Committee of the Council, which met with us on Monday, presented eight written demands, none of which had any connection with the question of increased fare to provide money to pay the increased scale. We were and are financially unable to comply with these demands, and at the meeting the Committee served notice on us if we did not build the line on Calumet avenue and comply with the other demands they would force a receivership.

To build on Calumet avenue under the present high price of material and labor would cost \$70,000.00. The Company has built, within the last year, the Columbia avenue extension on the east side of Hammond, for which it has assumed an indebtedness of \$150,000.00. This extension has been in operation since July 1st, and is being operated at a loss of \$2,000.00 a month. The Calumet Avenue Improvement Association attempted to force the Company to build on Calumet avenue in 1918 through the Public Service Commission. That Commission heard the evidence in full in June, 1918, and gave its decision that the facts showed conclusively that they were not warranted in ordering the construction of the line. We are only asking for an increase of fare to June 1st, 1920, and the entire receipts from the additional fare between now and that time on our estimates, which have not been disputed, would not be sufficient to build the Calumet avenue line. If we had to use the extra two cents for this purpose we could not pay the 65-cent scale and operate the Lines under the wage agreement with our men. Why the Council in the face of the existing emergency, which is depriving the public of street car service, should require us to do this impossible and unreasonable thing, it is difficult to understand.

Another of the written demands is that we pave Indianapolis Boulevard from the State Line to the Whiting limits. Our franchise requires us to pave the part of the street occupied by us when the city paves. The City did not pave Indianapolis Boulevard. It was paved by the County three years ago and paid for out of the general tax fund, to which our Company contributed. Our annual tax bill is \$25,000.00. The Company, therefore, contributed to the existing pavement on the street. The additional pavement would cost \$50,000.00. Our franchise does not require us to do this paving. In attempting to force us to do so, the city is attempting to tax us twice. When the County paved Indianapolis Boulevard and paid for it out of the general fund, if an individual property owner abutting on the street was required at his own expense to stand

the cost of the pavement in front of his property, it would be illegal and unjust. The City is attempting to do this identical thing to the Street Car Company in total disregard of the provisions of its franchise.

Other demands made are for ten minute service over the principal part of the Lines in Hammond and East Chicago. This is in violation of the franchise. It would require the purchase and addition to our equipment of at least twelve cars at an outlay of \$180,000.00. To operate this additional service would add more than \$200,000.00 to our present annual operating cost. This unreasonable and arbitrary demand is beyond the power of the Company to comply with.

The Council also demanded that we route cars the old way on Sibley and State streets. They made this demand notwithstanding last August the question of routing cars on these streets was fully considered at several meetings of the Board of Public Works and the present method of operation was agreed upon and written into the existing franchise, which was ratified by the Council.

To get the relief to which the Council agreed we were entitled and which is necessary to get the men back to work and start the cars moving, we were required to consent to demands that would add over \$400,000.00 to our expenses. This is the price we are required to pay in order to continue service on our Lines. The penalty for our refusal is action by the City to forfeit the franchise, bankrupt the Lines, appoint a receiver, and indefinitely tie up the service.

The Committee of the Council appointed to discuss matters with us had its plan to resort to these extreme measures laid before the meeting. At its invitation the attorney for the Calumet Avenue property owners was present at the meeting and participated as a member of the Committee. The demand of the Committee was that the Company agree to all eight of its exactions, regardless of the cost, the possibility of accepting them, or the relief that all parties were entitled to in the present emergency. Written demands and notices of court action prepared in advance were served upon the Company at the meeting. And the action of the Council last night in directing that a suit to appoint a receiver be started at once indicates clearly that a majority of the Council is determined to resort to force rather than reason in settling the controversy.

Since an assault in the courts is to be made upon the Company for the purpose of bankrupting it and throwing it into the hands of a receiver, it has no choice except to protect its rights. We are anxious to resume operations at the earliest possible moment. In the meantime I hope the public will understand the position into which we have been forced and will know that we are not in any sense responsible for the present tie-up in the service.

Respectfully submitted,

CHARLES E. LAWRENCE,

Vice President, Hammond, Whiting & East Chicago Street Railway Company.