

Electric Railway Progress

And the Growing Influence of
the Association



Address by

HON. JAMES F. SHAW

President, American Street and Interurban Railway Association

to the

Twenty-eighth Annual Convention

Denver, Colorado, October 5, 1909

Published by the Association

OFFICE OF THE SECRETARY

29 West 39th Street

New York N.Y.

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The State of Colorado is famed for its natural resources, climate and scenery, and the center of its industries, its politics and its social life is its capital, the city of Denver, named for Gen. James W. Denver, first governor of the Territory of Kansas, of which Colorado was a part when the city was founded. Denver, in half a century, has grown from a frontier settlement to a beautiful and prosperous city of 225,000 inhabitants, with an area of 60 square miles and with 1200 miles of streets, many of which are magnificent boulevards interconnecting its 14 beautiful parks. The city has nearly 2500 factories, with annual payrolls of over \$12,000,000, and 18 banks, with resources of \$75,000,000. Seventeen great railroad systems enter the city, and 120 passenger trains arrive and depart every 24 hours. Much of the development of Denver may be ascribed to the fact that many of those who amass their fortunes in Colorado remain at home and spend their money there. This accounts, in a considerable degree, for the city's modern business district and beautiful residences, and its well-paved, clean and brilliantly illuminated streets.

FACTS ABOUT
DENVER,

On account of the great distance to Boston, no representative of the Denver City Railway Company, as it was then called, was present at the organization meeting of this Association in 1882, but the following abstract from a letter by L. C. Ellsworth, president of the company, was read at the organization meeting:

EARLY
MEMBERSHIP
OF DENVER
CITY RAIL-
WAY COM-
PANY

If it were practicable, I should be glad to be present, but I hardly feel that I can see my way clear to meet with you. If I understand aright the objects of the Association, it has my hearty approval, and I shall be glad to do what little may lie in my power to advance its interests. I shall be glad to become a member of the Association, and trust that I may hear from you the result of the meeting.

The first annual report of the Association, however, shows that the Denver City Railway Company paid its initiation fee and dues, and by this act became a member of the Association on March 6, 1883, less than three months after the Association was formed, and it was represented at the first annual convention after the organization meeting, which convention was held in Chicago in October, 1883, by D. F. Longstreet, who was then a director of the company, and who, later, in 1892, when he was vice-president and general manager of the West End Street Railroad Company of Denver, was honored with the presidency of this Association. No better illustration of how faithfully the Denver street railway people have stood by the Association during this long period could be had than by the record of its representation at the annual conventions. Including the organization meeting and the present convention, there has been a total of 28 such meetings at which the Denver properties have been represented at all but seven. I doubt very much, indeed, if any other street railway property can show a better record. Another fact which makes this record even more impressive is that it has been necessary for the delegates of this company in attendance at previous conventions to travel an average round trip distance of nearly 3000 miles, and to several of the conventions the company has sent three, and even four, delegates. Surely the Denver City Tramway Company officials have earned the right to have a convention held in their own city. While Denver's record is undoubtedly unique, many of our other Western companies have constantly sent delegates to the conventions from very much greater distances, especially those companies located in Texas, California and the Pacific Northwest.

The center of gravity of the 27 annual meetings of this Association which have preceded the Denver convention lies about midway between the cities of Akron and Youngstown, Ohio, which is a distance of approximately 500 miles east of the Mississippi River. This is very close to the actual center, from a mileage standpoint, of that portion of the United States and Canada which lies east of the Mississippi River. Therefore we may say that, on the whole, the territory west of the Mississippi River has not been considered in the location of convention cities in the past. Those member companies located west of the Mississippi River have, for the past few years at least, constituted over 20 per cent of our total membership, and have contributed over 20 per cent

REPRESENTATION OF DENVER STREET RAILWAYS AT ANNUAL CONVENTIONS

CHOICE OF DENVER AS THE 1909 CONVENTION CITY

of its annual revenue. Is it any wonder our Western member companies have had the feeling for several years past that we should hold a convention in the territory in which they are located, and is it any wonder that many Western companies have felt that the Association was not national in its character, but was dominated by the wishes of the companies lying far east of the Mississippi River? It was a careful consideration of such facts as the foregoing which led the executive committee, through its convention location committee, to decide upon Denver as the 1909 convention city. One of the determining factors was the opportunity that this would afford to the representatives of member companies to become familiar with the most excellent system of the Denver City Tramway Company, which is recognized as being one of the very best in the country, and which has many features of interest to the street railway fraternity at large, among which may be especially noted its very light weight cars of distinctive design, all of which are built in Denver; its shops and yards, in which all special work for tracks is constructed, and its large and very complete storerooms for supplies.

**EXCELLENT
SYSTEM OF
THE DENVER
CITY TRAM-
WAY CO.**

MAGNITUDE OF THE ELECTRIC RAILWAY BUSINESS

The majority of those who are engaged in the electric railway business are so much occupied with their various duties that they seldom, if ever, stop to consider its magnitude. In round numbers, there are 1250 operating street and interurban railway companies in this country, with a total of 35,000 miles of single track and 75,000 passenger cars. The total number of passengers carried annually is 10,000,000,000, and the gross annual income is \$440,000,000. The total outstanding par value of stocks and bonds is nearly \$4,000,000,000, and there are 225,000 salaried employees and wage earners engaged in the operation of these properties, who receive annually more than \$150,000,000 in compensation for their services. In considering the magnitude of the street railway business there should also be taken into account the many millions of dollars invested in large and small manufacturing enterprises which supply the electric railways with their materials, and the many thousands of men who are directly and indirectly employed by these industrial concerns.

**GROWTH
OF THE
ELECTRIC
RAILWAY
INDUSTRY**

IMPORTANT EVENTS OF THE PAST YEAR

Financial and general business conditions have so important an influence on the traffic and earnings of electric railways that it is

IMPROVE-
MENT IN
GENERAL
BUSINESS
CONDITIONS
DURING 1909

possible to emphasize with great satisfaction the improvement which has taken place in the last 12 months. Ordinarily, the business of street railways is stable, and is not affected in the same degree as are industrial properties by fluctuations in general conditions. Gross revenues, under circumstances which usually prevail, should show a fairly uniform rate of increase year after year. With a street railway that is fairly well established in a district where there is good diversity of business and a reasonable amount of pleasure traffic, a diminished rate of increase or the failure of the gross revenue to show any enhancement over the previous 12 months, represents all that would take place under panic conditions of the character through which this country has recently passed. In certain districts, however, where the traffic is dependent almost entirely upon the operation of large industrial plants, serious curtailment of revenues follows decreased industrial activity.

PROMISING
CONDITION
OF THE
ELECTRIC
RAILWAY
INDUSTRY

During the Association year which has just ended, substantial recovery from the effects of the panic of 1907 has been manifest in the earnings of many of the companies. The recuperative powers of the industries throughout all parts of the United States are so great that slight improvement grows quickly into substantial gains, and the traffic of street and interurban railways resumed rapidly the position which it should hold in a country that has greater business vigor and more promising prospects for development than any other known in the history of the world. The effect of reduced traffic was apparent not only in the revenues of the company but also in the enforced suspension of improvements resulting from decreased earnings and the inhospitable attitude of the money market. The difficulties of borrowing funds at reasonable rates which were experienced in the year preceding that which has just closed were followed by accumulation of funds in banking centers, easy rates and an improving and eventually excellent market for bonds. This situation has permitted many companies to fund floating debts and has enabled resumption of improvements and extensions. The next logical step resulting from the present aspect of the business situation will be the creation and development on an extensive scale of plans for electric railway construction in all parts of the country where there are fair traffic prospects that it will be possible to establish such lines on a permanently successful basis.

A movement which will have profound effect upon the future of

street and interurban railways is that which originated in Massachusetts for the adoption of needed increases in rates of fare. While the fixed rate of 5 cents which was adopted as standard for urban street railways in their early history was believed to be adequate compensation for the risks involved in the enterprise, it was found in later years that the public demand and progress of the art required improvements which added greatly to the capital cost of properties of this nature. With the substitution in some cases of cable railways for horse car lines, followed by another change when the desirability of electricity as a motive power was made plain, the original investment was increased several-fold. The effect of these changes, so far as the public was concerned, may be realized by comparison of the old types of cars and equipment with those which modern practice prescribes and recollection of the character of service formerly rendered. From a few main lines, serving only the districts where the most inviting density of traffic prevailed, the companies have increased their investments until, in all large cities to-day, they reach into the outlying suburban districts, where the population and resultant traffic are small. In recognition of public demand, the railways have extended their lines, permitting settlement of outlying territory and decentralization of the population. Arising in part from the necessity of these changes and in part from recognition of the public convenience afforded, the transfer system has come. With the establishment of the transfers, there has been a steady dilution of the average rate of fare per passenger carried, resulting not only from the legitimate tender of transfers, but also from the illegal use and unjustified barter of this privilege which has been granted by the railway companies in many instances where they were not required by franchise conditions. High-speed interurban lines have also found increases in fares necessary to meet the larger expenses arising from greater costs of labor and material, and, in some instances, the failure of expected traffic to materialize. A general movement toward a rate of fare which shall be based more scientifically than has been the case in the past, upon the cost of operation, with allowances for unforeseen expenditures, is a just course for events to take.

**INCREASE
IN RATES
OF FARES**

**EXTENSION
AND IM-
PROVEMENTS
IN FACIL-
ITIES
OFFERED**

**HOW CON-
DITIONS
MAY BE
IMPROVED**

Present railway conditions may be improved in any one of three ways:

1. By increasing the present rates of fares.

2. By reducing the distances the passengers are carried under the present rates of fares.
3. By relieving the companies from certain forms of taxation, State or municipal requirements.

Recently, instead of being relieved, the corporation tax under the Payne tariff law of 1909 put an additional tax on our business. The constitutionality of this tax will be passed upon by the courts. Personally, I am opposed to such a tax, as it not only seems unjust to the corporations, but also to the owners of the capital stock, who are to suffer loss from their incomes while the owners of bonds are relieved from any additional burden. While undoubtedly many will disagree with me, I believe the proposition to amend the Constitution by giving Congress power to levy a tax on incomes (at least in cases of emergency) is much more just, as it will reach those who are possessors of large incomes, and will not materially affect others.

The point I wish to particularly emphasize is that the corporation tax penalizes the pioneer or developer of enterprises whose holdings are represented by capital stock, and that it relieves from taxation the owner of the underlying securities upon which there is a minimum of risk.

The Cleveland situation is still somewhat chaotic, but continued injustice has been done during the year to the company which owns the street railway system in that city. The people of Cleveland have now rejected twice at referendum elections projects fathered by Mayor Johnson. The number of years spent in fruitless negotiations have been prolific of benefit to the political agitators concerned, but equally prolific of injustice to the owners of the property affected.

Public service commissions are now practically active forces in the management and operation of street and interurban railways in the States of New York and Wisconsin. Whether or not these commissions will follow the conservative course which has characterized the attitude of the Board of Railroad Commissioners in Massachusetts is a question which can be determined only in the future. Reasonable public regulation on the part of the State may produce conditions which will prevent repetition of the disgraceful contests which political agitators have been able to wage in some of the large cities in the country during the last few years, notably in Chicago and Cleveland. To be effective, permanently, regulation of this character must safeguard the interests of the corpora-

CORPORATION
TAX

INCOME
TAX

CLEVELAND
SITUATION

PUBLIC
SERVICE
COMMISSIONS

tion and its employees just as effectively as it protects those of the traveling public.

The important influence of rapid transit systems on city development is being realized in New York as never before. Hardly had the present subway been completed than its traffic capacity was taxed to its uttermost. Since the initial trip, various improvements have been adopted by which the length of station stops has been reduced. This has proportionately increased the carrying capacity of the subway, but there has been no cessation of the demand for the development of further rapid transit routes, which seems as imperative as ever before. During the past year the Hudson & Manhattan Railroad, the most important as well as the longest subfluvian railway in the world, has been in operation, connecting the States of New York and New Jersey by four tunnels, and is the precursor of many other similar lines which will undoubtedly be laid under the Hudson River and other wide stretches of navigable waters.

DEVELOPMENT OF RAPID TRANSIT ROUTES IN NEW YORK CITY

No important trunk line railways have changed to electricity this year any portion of their suburban systems for which plans had not previously been made, but the officers of those companies which are now using electric power have expressed themselves as well satisfied with the service rendered. A new type of locomotive, differing from any used on the other trunk lines of this country, has been developed for the Pennsylvania Railroad tunnel, and several of the railroad companies in the Central and Far Western States are carefully considering the adoption of electric power for certain sections of their lines.

ELECTRIFICATION OF STEAM RAILROADS

Each of the sectional and state street railway associations has shown activity and growth and several new associations, designed in some cases to foster the interests of all public utilities, have been organized in various parts of this country. This willingness to co-operate in the advancement of mutual interests is a healthy sign and one that should be encouraged. Our own organization and its affiliated and allied bodies have never before been in so good condition and at no previous convention has there been such a volume of valuable reports and papers.

OTHER STREET RAILWAY ASSOCIATIONS

THE ASSOCIATION IN THE PAST

As many of you know, the American Street Railway Association was organized in Boston on Dec. 13, 1882, by the representatives of 56 railway companies. This was in the old horse-car

**EARLY
HISTORY
OF THE
ASSOCIATION**

days, before the advent of cable traction, when all of the companies were small and located in the more important cities, there being no interurban railways of any kind. The Association continued to exist through a period of nearly 23 years with a somewhat fluctuating membership and value to its member companies, although on the whole greatly increasing in its membership and its effectiveness over this portion of its life. At the 1905 convention its membership was composed of 183 companies in good standing, and it was recognized as an association of great importance to the electric railway interests of the country. For two or three years previous to the 1905 convention much consideration was given to plans for reorganizing the Association and combining with it the accounting, engineering and claim departmental associations which had been organized quite independently to carry on work in their respective branches.

**GROWTH
OF THE
ASSOCIATION
SINCE RE-
ORGANIZA-
TION**

During the three years after the reorganization in 1905 and immediately preceding the year just closed, the work done by the American Association and its various affiliated bodies fully demonstrated the wisdom of the reorganization. The bound volumes containing the reports of the various associations show the immense amount of work done during this time.

At the end of the first year the membership had increased to 200 companies and 113 associate members had been added. At the end of the next year the company membership had increased to 227 and the associate membership to 128. At the close of last year the company membership was 262 and the associate membership 249. The revenue the first year was \$22,800; second year, \$24,700, and the revenue last year was \$26,800.

THE WORK OF THE YEAR

The Association work of the past year, like that of the three years immediately preceding, may be divided primarily into three parts:

1. That done by the committees of the American Association.
2. That done in the general office of the Association.
3. That done by the affiliated associations.

In addition to several special committees, the American Association has Committees on Subjects, Membership, Insurance, Education, Welfare of Employees, Compensation for Carrying United States Mail, Public Relations and Interstate Commerce Commission Affairs, all of which will present reports at the sessions of this convention. The members of these committees are all prominent

**GENERAL
OUTLINE
OF WORK****AMERICAN
ASSOCIATION
COMMITTEE
WORK**

in the electric railway business and they have been selected for their peculiar fitness to serve on particular committees. They have devoted much time and thought to the work before them, and the reports which they will present should be fully discussed and given careful consideration.

Four years ago, when the New York office was first established, the office force consisted of the secretary, an assistant and a stenographer. Since then the work has increased so rapidly that at present there are eight people employed in the Association office, and even that number is not sufficient to accomplish the work which must be done without the necessity of some or all of the office force working several hours overtime a large portion of the year. Some of the many duties which have devolved upon the New York office during the past year are the following: Between 15,000 and 20,000 first-class letters written, signed and mailed; distribution of 23,000 data sheets, 15,000 bulletins, 16,000 pamphlets, 6,000 folders, 1,000 classifications of accounts, 2,500 city and interurban rule books, 900 copies of the engineering standards, 5,700 volumes of annual proceedings of the various associations, 5,000 copies of the convention advance papers, all of which were required to be prepared for printing and proof-read; 12,500 convention bulletins, the sending out of blanks and forms to various member companies, nearly 1,000 replies to requests for information from member companies, many of which required the preparation of special compilations, besides the routine work heretofore required of secretaries of the affiliated associations, all of which has been turned into the main office. In addition, the vigorous campaign for membership this year has naturally largely increased the work of the main office in the sending out of written communications and the working up and distribution of printed matter; and the resultant effects of this campaign, as shown in the large increase in both classes of membership, has also entailed a large amount of additional labor in the matter of written communications, distribution of literature, proceedings, etc.

I wish also to call attention to the very satisfactory increase in our active and associate membership during the past year. The active membership has been increased by 65 companies, and among these you will find some of the most prominent electric railways of the country. The enrollment of associates has during the present year been increased from 249 members to 817. This

GENERAL
WORK OF
THE ASSOCI-
ATION HEAD-
QUARTERS

INCREASE IN
MEMBERSHIP
DURING 1909

result has been brought about by various means, as, in addition to the work of the membership committee, thousands of written and printed communications, folders, etc., have been distributed in an endeavor to awaken that interest among individuals which is so necessary if our Association is to do the full good of which it is capable. You will recall that at the 1908 convention there was adopted an official badge or pin emblematic of our associate membership. The first lot of these pins was distributed toward the latter part of January last. The success of the pin was immediate, and to-day nearly 500 of our associate members are wearing it. As a means toward that publicity which is so essential to our work, I believe the adoption of this pin has been one of the best minor moves the Association has ever made, and unquestionably great good can be brought about through the open display of this emblem by each and every one of our associate members. All this has not been done without a great effort, however, and, necessarily, a considerable expenditure of money. Much praise is due to the members of the active and the associate membership committees, and I wish to take this opportunity of thanking them, not only on behalf of myself, but of the association and its executive committee as well. They have done excellent work, have spared no pains to accomplish the end desired, and the results speak for themselves.

I feel that I cannot let this opportunity pass without calling attention to the assistance given this year by the members of the Manufacturers' Association, not alone in the presentation of 1000 associate membership badges and the badges for the past presidents, but particularly with regard to associate membership itself. Three hundred and eight individuals, representing the members of our Manufacturers' Association, are enrolled as associate members with us. These represent 121 companies out of a total membership of 287 companies in the Manufacturers' Association, and 164 representatives of these members are wearing the associate membership pin. It is needless for me to call attention to the great good these associate members can do us in effecting a better understanding between the public service corporation and its patrons. They travel from place to place and are thrown in close touch with those who take advantage of the facilities which our transportation companies offer. They come to know them well and intimately, and their words can do much good for our business if raised in support of the work which we

**ASSOCIATE
MEMBERSHIP
PIN**

**CO-OPERATION OF THE
MANUFACTURERS'
ASSOCIATION**

**THE GOOD
ASSOCIATE
MEMBERS
CAN DO**

are doing, the service we render and the small amount of return we receive.

The attendance at this convention, located so far away from a large majority of our member companies, is in no small part due to the magnificent work of the members of the various transportation committees which have the sincere appreciation of every member of our association.

This year has also brought about a closer relation between our Association and the State and sectional organizations. It has been our endeavor to be represented at each of the meetings of these various associations, with the result that there is a strong tie existing between our Association, which is national in character, and these other bodies which are more or less local in their field of action. This is at it should be, as our Association obviously cannot take up those questions of detail such as the local organizations discuss, but must necessarily work along lines which are more general in character. Our vice-presidents and others who have officially represented the Association at many of the meetings of these organizations during the year just closed have done splendid work, and much credit is due them for the time and energy expended in our behalf.

CLOSE RE-
LATIONS
WITH SEC-
TIONAL OR-
GANIZATIONS

MEMBER COMPANIES MUST CO-OPERATE IN THE ASSOCIATION WORK

Former presidents have touched upon the necessity for co-operation among our member companies in the furnishing of information to the Association. Having been in close touch with the work during the past year, I have come to realize more clearly the need of this co-operation. Our member companies require at times certain statistical information to combat restrictive legislation, public ill-feeling and other adverse sentiments or conditions. The first thought should be, and in many cases is, the files of the Association's headquarters. The Association may or may not have investigated the particular subject in which the member company may be interested. If the subject has been investigated, certain data are, of course, on file, and if the subject has not been investigated, recourse is had to other member companies for such information as they may be able to furnish. These other member companies, however, may not have found the necessity for having the information asked for, either as applied to their own work or that of other companies, and oftentimes pay little heed to the requests from the main office. The consequence

STATISTICAL
WORK OF
THE ASSOCI-
ATION HEAD-
QUARTERS

NECESSITY
OF THE CO-
OPERATION
OF MEMBER
COMPANIES

is, that though there is on file a great deal of information, it is neither in quantity nor quality such as an association of the scope of our own should have. A committee has been appointed to suggest certain subjects of investigation for the ensuing year, and I ask you to assist in the upbuilding of the Association and the increasing of its value to the member companies in times of need by full co-operation in the furnishing of information when requested by the Association itself or by any of its committees. We cannot hope to reach the point of maximum value to our members without your aid, and I might also say that the information furnished by non-member companies (and for which they received comparatively little in return) in comparison with that furnished by the member companies is far in excess of what would naturally be expected.

Criticism may be made that much of the information has been asked for at one time, more particularly this year, and that this fact precluded some of the smaller companies and, indeed, many of the larger ones, from giving the time necessary to properly provide the data called for. It is hoped that the coming year will see this remedied, and that the information will be gleaned at different times throughout the whole year. Doubtless this will result in more generous responses, and I hope that you will each do your share toward giving as much of that which is asked for as you can consistently.

No doubt there are many of us who fail to realize the great extent of the committee work of the various affiliated associations. For your information I would state that last year 132 individuals were engaged in this work. The work of these specialists is fully set forth in the valuable reports which are being presented at this convention. In a way, every one of these committeemen has been added to the working force of your company. Surely the careful thought of 132 master minds upon important subjects in the various phases of the electric railway profession cannot be other than of very great value to every member company. Many railway officials fail to realize the handicap under which these committeemen work in not receiving full returns from the various companies covering the questions asked by the committee bearing on the subjects under consideration. Surely, when so many busy men, having important personal duties to perform, are willing to devote their time and energy to the welfare of the companies in general, these com-

panies in their turn should be more than glad to devote such time as may be necessary to supply the required information.

As indicative of the growing appreciation of the work of the headquarters of the Association, it may be stated that during the year just closed nearly 1000 requests for information have been received, among which I would call particular attention to the following: Inquiry relative to the practice of electric railways in connection with the use of air brakes on single-truck cars; request for wages paid by the different companies in connection with arbitration proceedings; request for information relative to taxation; request for information regarding the minimum headway of cars and passengers per car-mile for use in municipal investigation; requests for information regarding miles of track per population; information relative to the practice of different electric railway companies in connection with the handling of overages and shortages; information relative to compensation received by electric railways for carrying United States mail; information regarding the practice of different companies in connection with funeral-car service; information regarding the operation of mail boxes on street cars; information regarding agreements with city and interurban lines relative to the use of tracks; information regarding the practice of different companies in connection with the handling of coal shortages, in addition to which have been many requests for information regarding transfers.

VARIETY OF
REQUESTS
FOR INFORM-
ATION RE-
CEIVED AT
ASSOCIATION
HEAD-
QUARTERS

FINANCIAL STATUS OF THE ASSOCIATION

While great care was exercised by the officers of the Association in the matter of expenditures during the year preceding the one just closed, the report of the treasurer on Sept. 30, 1908, showed a balance of but \$3,365, which was a decrease of \$2,772 in comparison with the balance at the close of the preceding year. This resulted from the fact that the work of the Association was steadily increasing, while the receipts did not increase in like proportion, due to the financial conditions prevailing throughout the country at that time. The balance on hand for the year ended Sept. 30, 1909, was \$10,564.79, an increase of \$7,199.55 over last year, and a difference for the year of receipts over expenditures of \$6,828.70. To make the figures for the two years comparable, however, we should deduct the amount gained by the Association on account of better terms and arrangements for locating the 1909 convention in Denver, over those secured for the 1908 con-

IMPROVED
FINANCIAL
CONDITION
OF ASSOCI-
ATION

vention. With this deduction made, the balance would appear as \$5,564.79, or an increase of \$2,199.5 over the balance shown on Sept. 30, 1908, which, considering the deficit of 1908, means an actual gain of \$4,972.26. The expenses for 1909, as you will see, show a slight increase, but this is due almost entirely to the increased committee work and the necessary expenses of the newly formed Transportation & Traffic Association, which in 1908 was charged with expenses of but slightly over \$100, while in 1909 this association has been charged with \$1,668, some of which expenditure, however, was incurred in 1908.

THE WORK OF OUR AFFILIATED ASSOCIATIONS

I wish to dwell briefly upon the work of each of the four affiliated associations during this year.

The most important features of the work of the Accountants' Association has been the establishment, in connection with the division of statistics and accounts of the Interstate Commerce Commission, of a working basis for the consideration and determination of questions arising under the classification of the Commission, which, as you know, is similar to that of our own. The result of this arrangement is, that any questions coming before either the Commission or the Accountants' Association are passed upon by the classification committee of the Accountants' Association. The second matter which I believe to be of importance, is the consideration of the uniformity of interline accounts and settlements which has had careful consideration by the special committee and which will report to the convention of the Accountants' Association this year. Another matter is the taking up again of the work begun at the 1904 convention of the joint committee of the Accountants' and Engineering Associations looking to a clear understanding of the accounting requirements of the engineering officials. I feel this is a gratifying manifestation of the good the affiliated associations can do by joint action in establishing better relations and understanding between the representatives of the different associations in the same and different companies.

The work of the Engineering Association is done entirely by five committees which pay particular attention to equipment, power distribution, power generation, way matters and standards. The value of this method of conducting the work of the association is clearly shown by the admirable reports which are being

ACCOUNT-
ANTS' AS-
SOCIATION

ENGINEER-
ING ASSOCI-
ATION

presented by these various committees. I wish to call attention, also, to the value resulting directly to the company in permitting its men to serve on these committees. While a large amount of time is necessary, they are brought in touch with other men in their particular field of activity, and in so doing obtain a great deal of information, only a small portion of which, perhaps, bears on the subject in hand. The filling out of data sheets is also, in my opinion, of great value to the company, as it calls the attention of the engineers, as well as the higher officials, to the actual facts and conditions so far as their own property is concerned.

While the Claim Agents' Association has been active throughout the year in its particular line of work, I wish to call to your attention, especially, the interesting program which will be given consideration by that organization. In the past some managers have not given sufficient consideration to the claim department, but have looked upon it as an avenue through which possible dividends disappear, whereas there is no question but that, in many cases, a well-supported and well-conducted claim department will make it possible to pay these dividends.

**CLAIM
AGENTS'
ASSOCIATION**

The first convention of the Transportation and Traffic Association was held last year and the value of the work done more than justifies this organization. During the past year its work, like that of the Engineering Association, has been done entirely through committees. The reports of these committees will cover the training of transportation employees, passenger traffic, transfers and transfer information, freight and express traffic, city rules and interurban rules. These committees have been very painstaking in their work and our Association should take action in approving and recommending for adoption the reports of the committees on city rules and interurban rules.

**TRANSPOR-
TATION AND
TRAFFIC
ASSOCIATION**

I have already given consideration to the work of the different associations, the results of which are for the most part contained in the various papers and committee reports to be presented at this convention. Every railway man here should attend as many of these meetings as possible and should participate in the discussions. It is only in this way that the greatest value may be obtained from these convention meetings.

In closing this review of the Association work of the past year it is not only my duty but my pleasure to call to your attention particularly the great assistance we have received at all times

**ASSISTANCE
OF THE
TECHNICAL
PRESS**

and upon all occasions from the technical press. This has come not only in the wide dissemination of our notices, committee reports, papers, etc., through the columns of the weekly publications, but also in the loyal support given to us in editorials and in valuable suggestions and information bearing on various lines of the Association work.

THE EXHIBIT OF THE MANUFACTURERS' ASSOCIATION

It is with great pleasure that I call your attention particularly to the magnificent, comprehensive and valuable exhibit which our good friends, the manufacturers, have brought together for your benefit. I wish to forcibly impress upon you the desirability of devoting as much time as possible outside of the hours of the convention sessions in which you are particularly interested, to the inspection of exhibits. By so doing you will not only find yourselves fully repaid, but you will also show to the manufacturers your appreciation of the time, effort and money which they have expended in this connection.

COMMITTEE ON GENERAL POLICY

While I feel that much of value has been accomplished by our own Association this year in the gathering and disseminating of data required by member companies in specific cases, in the distribution of information covering the field in general, in the advertisement of the work of the Association through correspondence, the distribution of literature, representation at various meetings held throughout the country and the publication of notices of the many committee meetings, all of which were fully described in the columns of the technical press, in the adjustment of this committee work along certain well defined lines which the experience of the past four years has seemed to determine and in the added strength which our increases in membership have given us, personally, I feel that much has been left undone. The great difference of opinion which has always existed concerning the nature of the work the American Association should do makes it difficult for the presiding officer to settle upon any hard-and-fast policy for the prosecution of the work, and the realization that this condition should be immediately remedied has suggested to my mind the formation of a committee to consider and outline certain specific lines along which the American Association should work during the coming year. Your executive committee has appointed such a committee, and it is my hope that it

MANUFACTURERS' EXHIBIT COMPREHENSIVE AND VALUABLE

DESIRABILITY OF A DEFINITE PROGRAM OF WORK FOR AMERICAN ASSOCIATION

will submit to the executive committee a detailed program of just what work the Association headquarters should engage upon during the year 1910.

CLOSING REMARKS

In closing, I wish to briefly dwell upon the future of the Association. The affiliated associations have done much valuable work during the past four years, and if they continue to advance in the future as they have in the past, we need have no fear but that they will take care of their share of the work in the best and most efficient manner. The American Association should at all times assist its affiliated bodies and give them every possible encouragement. This may be done by officially approving the standards created by the Engineering Association, the classification of accounts of the Accountants' Association, and the books of rules of the Transportation & Traffic Association; and giving official sanction to other important matters which are taken up and acted upon by these various bodies.

**FUTURE
OF THE
ASSOCIATION**

I wish to impress upon you not only the desirability, but the necessity, of increasing the membership in the Association, and thereby increasing the revenue with which to carry on this great work. There have been many things left undone in the past simply because the Association did not have the necessary funds. Instead of a membership of 325 companies and 825 associate members, we should have a membership of at least 750 companies and 5000 associate members. Instead of an annual revenue of \$38,774.20, we should have an annual revenue of from \$60,000 to \$75,000. These figures may seem somewhat startling to those who have not given the matter careful consideration, but they are no larger in proportion than what have been secured and are being obtained in other great national organizations of this general character.

**NECESSITY
OF INCREAS-
ING THE
MEMBER-
SHIP**

Electric railways are now generally recognized as the most important agents in existence in reducing the congestion of the tenement districts and in permitting the city worker to bring up his family in the country, where his wife and children can enjoy plenty of light and air and a freedom not possible in city life. At no previous period in the history of the country have the interests and welfare of our fellow-citizens been so dependent as now upon the roads which we operate. A very large part of the credit for these results is due to the activities of this Association

**FAR-REACH-
ING RESULTS
OF THE
WORK OF
THE ASSOCI-
ATION**

and we may well be proud of what it has accomplished. Some claim that sentiment has no part in business. But it seems to me that every member of this Association can properly be considered as having assisted in the development and extension of our industry and having, by just so much, helped to make the world better and has thus improved the physical, moral and intellectual condition of his fellow men.