

HIGHER EFFICIENCY NEED OF RAILROADS

Not Increased Freight Charges, Says Louis D. Brandeis, Traffic Commission Counsel.

COULD SAVE MILLION A DAY

Scientific Management and the Elimination of Questionable Practices to Increase Income.

Washington, Jan. 2.—Higher standards of efficiency, not increased freight charges, are the paramount needs to-day of American railroads.

This proposition is the essence of the brief filed to-day with the Interstate Commerce Commission by Louis D. Brandeis, of Boston, counsel for the traffic committee of commercial organizations of the Atlantic seaboard.

Railroad managers, Mr. Brandeis contends, in an effort to meet existing needs should not look without, but within.

"If their net income is insufficient," he says, "the proper remedy is not higher rates, resulting in higher costs and lessened business, but scientific management, resulting in lower costs, in higher wages and increased business. If their credit is impaired, the proper remedy is not to apply the delusive stimulant of higher rates, but to strengthen their organizations by introducing advanced methods and eliminating questionable practices. Thus they will maintain credit by deserving it."

The proposed advances in freight charges by the lines in official classification territory would affect only the class rates. The total freight tonnage of the lines for the calendar year 1909 was \$38,821,975. Of this tonnage less than 8 per cent moved under class rates, yet of the freight revenue of these railroads for the calendar year 1909 nearly 22 per cent (\$10,271,822) was derived from class rates.

Mr. Brandeis indicates that he considers the great question involved in the investigation to be the statement of President Willard, of the Baltimore & Ohio, that "the tendency of rates will be to continue upward," that is, that there will be a progressive increase in rates.

Co-operation to Reduce Costs.

"As an alternative to the railroads' practice of combining to increase rates," suggests Mr. Brandeis, "we offer co-operation to reduce costs. Instead of a dangerous makeshift, we offer a constructive policy—scientific management, under which, as costs fall, wages rise."

The consumer, he points out, should beware of the vicious circle of ever-increasing freight rates and ever-increasing cost of living.

The law places the burden of proof of the reasonableness of the proposed advances upon the railroads. Mr. Brandeis maintains that the roads "have failed utterly to sustain their burden of proof; have failed so completely that the application of the railroads for approval of the new tariff should be denied."

In a discussion of "scientific management," it is maintained that the possibilities of economy in railroading have been practically exhausted "is contrary to all human experience in other lines of activity. Advances in the art of transportation have been relatively few, and some of those have been forced by law against strenuous opposition."

It is indicated that scientific management demands the separation of planning from performing; changes the relations of the management to labor; demands preparedness; analytical study, records of industrial performance and standardized methods and equipment. It increases the efficiency of the individual, of the plant and equipment and of material. It also increases the emoluments of both capital and labor. It eliminates graft, too, in the opinion of Mr. Brandeis, in the purchase of supplies and in the cost of construction work.

Publicity, he argues, is an essential condition of freedom from graft.

Could Save \$1,000,000 a Day.

It is maintained, in the conclusion of this part of the brief, that "at least \$1,000,000 a day could be saved by the pursuit of methods of scientific management" of American railroads.

In response to the contention of the railroads that the proposed increases in class rates are reasonable, Mr. Brandeis urges that no evidence was presented to sustain the contention that no increase in any class rate properly can be made without giving the shippers an opportunity to be heard, and that the pending increases were fixed without affording the shippers such an opportunity. He argues further that "the injustice and inequality in the existing classifications are such that no horizontal advance in rates could be made without great hardship to the shippers in communities affected; that the proposed increase seriously distorts, on some railroads, the relation of long distance to short distance traffic; that the imposition of nearly the whole burden of the increased rates upon class rates appears to be unjust; that the proposed increase would seriously contract the market of the manufacturers and merchants of the Atlantic seaboard; that it would seriously increase the cost of living, and that it would reduce the volume of long distance tonnage, and hence the expected gross revenue of the railroads."

As to the argument of the railroads that they need additional revenues on account of required increases in wages, Mr. Brandeis submits three propositions:

First—Some railroads, at least, do not need additional income.

Second—In some railroads any existing

need of additional income is due to causes other than wage increases or acts of Congress.

Third—Every railroad which is properly undertaken and financed can meet any existing rate increases through the introduction of scientific management.

In support of these propositions, facts and figures from official reports of the railroads themselves are cited by Mr. Brandeis as taken from the testimony submitted. The roads which, he believes, need no additional income are the Delaware, Lackawanna & Western, the Philadelphia & Reading, the Pittsburgh & Lake Erie, the Lake Shore & Michigan Southern, the Lehigh Valley, the Delaware & Hudson and the Pennsylvania Railroad. Those lines which may need additional income for reasons other than necessary increases in operating expenses are put in the brief as the New York, New Haven & Hartford, the New York Central and the Baltimore & Ohio. These are given as examples of this class of roads.

Impairment of Credit.

The contention of the railroads that a greater income is imperative in order to secure needed new capital for extensions and improvements is met by the assertion that "if the credit of American railroads is in any respect impaired, the impairment is due either to the unwarrantable attack made upon it by the railroads and their associates, or to their individual mismanagement, and that it is not the result of any necessary increase in operating expenses or of government regulation."

As another reason for the impairment of the credit of railroads—if such impairment exists—it is pointed out that the car repair plant of the Illinois Central, the embankment of the treasurer of the Big Four, the graft on the Pennsylvania and the Baltimore & Ohio, and the Chicago & Alton scandal, following the great insurance scandals, "necessarily shake confidence, particularly as the controlling financial powers are largely the same in the railroads and the insurance companies."

"If any general distrust of railway investments exists, its cause will be found not in the increased burdens imposed by wage advances or by government regulation but in a distrust of the purposes and

judgment of those who control and manage the great railroad properties."

WOULD CONSERVE COAL

Develop Fields, but Avoid Monopolies, Dennett's Advice.

Washington, Jan. 2.—Development of the coal fields, both in Alaska and the United States proper, "with due adherence to the principles of conservation," is strongly urged by Fred Dennett, Commissioner of the General Land Office, in his annual report to the Secretary of the Interior. He wants the coal delivered to the ultimate consumer at the lowest possible price, but he also wants legislation to prevent the fields from falling into the hands of monopolies.

"It is imperative," he says, "that new legislation be passed covering the disposition of coal lands in Alaska and in the United States. The inadequacy of the present laws is universally conceded. The progress of advancement in the West is being retarded under present conditions by the difficulty in the successful opening of new mines under legislation as it exists today."

Competition has been checked. The consumer is having to pay, therefore, a greater price than it would be reasonable to expect he would have to pay if it were possible to open new mines under legislation which would encourage the development of this resource.

"Legislation, however, which would not retain in the United States the right of supervision over the marketing of the production is having to be made. To throw this right would be a mistake. To do this would ultimately pass into the hands of the monopolies and trusts would be to render the conditions worse than they are at present. Congress, therefore, should carefully guard the enactment of legislation, and see to it that the requisite control is retained in the United States, so that a combination for the purposes of unjustly advancing prices can be checked through government supervision."

The only reference to the Ballinger-Pinchot investigation is contained in a paragraph declaring that the amount of work performed in the last fiscal year was greater than in the preceding year.

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He sailed on the Lusitania on Wednesday, according to the reports in the Hungarian colony, and as he may begin the last leg of his journey from England today, it was deduced yesterday that the stirring developments may be expected in a few days now.

Kalman Geogrey, or George Kalman, as it is in the English version, came to New York eight months ago. He is incensed because malicious tongues and gossip pens spread tales in his native Hungary that he had violated some of the sacred tenets of the nobility.

One of the stories was that he, a blue-blooded Magyar of ancient stock, dating as far back as even Arpad's time, had forgotten his noble estate and not only descended to living in a dingy room in a tenement part of the East Side in this city, but also had associated with menials, whereas he had lived in a splendid apartment near Riverside Drive, where he and his friend, Eugene von Deuth, had their own servants and entertained friends in a most liberal manner.

The publication of the stories in the Hun-

SAILS TO FIGHT DUELS

Young Hungarian Nobleman Full of Rage Against Editors.

MAGYARS HERE IN FERMENT

Combat After Combat Is Expected to Follow His Arrival in a Day or Two.

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GALLAGHER'S TRIAL TO-DAY

Gaynor's Assailant Likely To Be Proved Insane by Alienists.

James J. Gallagher, who shot Mayor Gaynor on the deck of the Kaiser Wilhelm der Grosse in Hoboken on August 9, will again be arraigned for trial to-day in Jersey City on an indictment for shooting with intent to kill William H. Edwards, Street Cleaning Commissioner, of New York. It is expected that six alienists will report that Gallagher is insane.

There have been differences among the doctors as to the form of insanity, according to undated reports. Dr. Allan McLane Hamilton and Dr. Carlos F. MacDonald, the report says, think Gallagher has paranoia; Drs. John D. McGill, of Jersey City; William J. Arltz, of Hoboken, and Frank A. Cotton, of Trenton, see the symptoms of paresis, and Dr. George H. Sessmith, of Bayonne, if the report is correct, agrees with the doctors for the defense—Dr. John Reilly, of New York, and Dr. Britton D. Evans, of the Morris Plains Insane Asylum—that Gallagher's mind is diseased by senile dementia.

The proceedings will be before Supreme Court Justice Francis J. Swazey, who will preside, and Judges John A. Blair and Robert Carey, of the Common Pleas Court. The question of sanity will be first taken up. The court may rule on this issue of insanity if it is to a jury, as the judges think best, after the doctors have been heard. If Gallagher is not adjudged insane the trial will immediately proceed. Prosecutor Pierre P. Garven says the state is ready to try Gallagher. Thirty-two witnesses have been summoned, including Commissioner Edwards, Corporation Counsel Archibald R. Watson, Robert Adams, private secretary to Mayor Gaynor, and Dr. Ernest J. Lederer, the Health Commissioner. Mayor Gaynor's disqualification to appear saved him from a subpoena.

TAXICAB HITS TREE; 4 THROWN. Edwin Bennett, a chauffeur, of No. 89 Myrtle avenue, Brooklyn, was held in jail for examination on Wednesday by Magistrate Herzman in the Yorkville police court yesterday, charged with operating an automobile while intoxicated. Bennett had four persons in his taxicab, and at the street and Fifth avenue the machine swerved and crashed into a tree. The passengers were all thrown out and the taxicab was wrecked.

Under the circumstances George Kalman decided that he would leave the country to escape what he thought all sorts of intrigues, and New York was selected, his mother hoping that at the same time he would imbibe the American business spirit. Shortly after he settled here, however, information was sent to friends of his family at home that he was not doing well, and they renewed their efforts to have a co-guardian appointed.

Mr. von Deuth said that stories then were circulated in Hungary to create the impression that the young man, although in possession of a large fortune in his own name, did not receive sufficient funds to live as a nobleman should, and it was thus to array public opinion on the side of those who demanded a new guardian for him.

George Kalman comes from a fighting stock," he said, "and though his father was killed in a duel, this memory will by no means serve as a damper on the young man's spirit, but will add to his desire to show the world that he is as courageous as his father was."

According to Kalman's friends in this city, the present situation is the outcome of a dramatic complication in his family history. His father, Joseph Kalman, was killed in a pistol duel in 1894, leaving his wife a large dowry and his son a big fortune. The widow, these friends say, ap-

DULL KNIFE SAVES HER LIFE

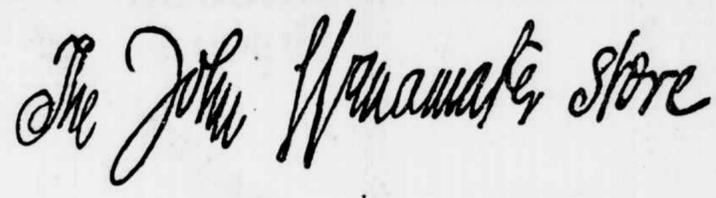
James Coyne, arrested on Sunday night for slaying his wife with a knife, was arraigned in the Morrisania police court yesterday before Magistrate House and held in \$2,000 bail for examination on Saturday.

Dr. Kutcher, of Lebanon Hospital, told the court that Mrs. Coyne would recover unless blood poisoning set in. He also said the dullness of the knife in all probability saved the woman's life. Coyne said he was once a member of the police force, but got out in 1888.

Some Sort of a Diary is Necessary to Self-Realization" Is One of the 365 Wise Saws Found in the Wanamaker Diary for 1911

446 pages of useful information, with map of New York, diagrams of New York theatres and other matter—bound in blue cloth.

Store Opens at 8:30, and Closes at 6 P. M. 1911 CALENDARS A Quarter of Original Price Block calendars, hand-painted, and framed calendars—first we cut prices in half and now we have again divided prices one-half, which means that you are paying one-fourth of the original price. Book Store, Main floor, Old Building.



Half Yearly White Sale Opens Today! Offering Bountiful Supplies of Beautiful Linen, Waists, Underclothes, Linens and Other White Goods at Much Less Than Usual Prices

Our Twice-a-Year Sale of Shoes Begins This Morning Shoes of Standard Quality for Men, Women and Children. New, Seasonable and Up-to-date at Prices Very Much Less Than Usual.



The Wanamaker White Sale Includes: Imported Lingerie, Domestic Underclothes, Corsets, Shirtwaists, Blouses, House Dresses, Children's Dresses, Negligees, Linen and Cotton materials, Children's and Girls' Underclothes, Table Cloths, Napkins, Sheets, Pillow Slips, Blankets, Bedspreads, Lace Curtains, Handkerchiefs, Laces, Embroideries.

The Wanamaker shoe business does not depend upon forced sales for its vitality. It is a live shoe store every day in the year, and every month (for many months back) has shown a great increase of business over the same period of the year before.



So well known are the Wanamaker White Sales—which originated with our Philadelphia Store, more than thirty years ago—that it seems to take little explanation. We plan this sale months in advance—working with manufacturers—going direct to the sources of supply to get things that are different and better—and to get them so we can offer price advantages without impairing quality.

Women's Shoes \$2.90, regularly \$3.90—Eight styles in seasonable weights; patent leathers, kidskin, gun-metal and finished calfskin. All sizes in the lot. \$3.65, regularly \$5 and \$5.50—Black velvet button; black suede button; gun-metal calf button, with black suede top; tan calfskin button; patent leather button, with black velvet top. All sizes 2 1/2 to 8, A to D widths.

Boys' Black Grain Storm Shoes, \$2 A discontinued style of our regular \$2.55 "Triangle" Special line. Double soles, viscolized to resist water or snow. Sizes 1 to 6. Main floor, New Building. B A S E M E N T Women's Shoes, \$1.65—Half of the lot are discontinued numbers of our regular Wanamaker "Two-Dollar" shoes in patent leather and gun-metal calfskin button pattern. The other half made up of regular \$2.50 and \$3 trade-marked shoes. All sizes 2 1/2 to 8, B to E widths.

Sale of Household Linens For more than a half century the store of A. T. Stewart has been famous for linens. For this sale we have been so sure of our linens—so confident that no competitor could match them—that we have publicly exhibited them for two weeks past where all might see the quality of the merchandise and its prices. We have been taking orders which will be filled on the opening day of the Sale.

Men's Shoes \$2.85, regularly \$3.90—From the "Wanamaker-Special" line. Black oil-tanned storm Bluchers; gun-metal calf Bluchers and button. Half double soles. \$3.65, our regular \$5 and \$6 shoes—Men's shoes for dress or street wear in patent leather or calfskin. Also several hundred pairs of U. S. Army shoes in tan and black, all perfect and approved by U. S. Inspector's stamp.

Men's box calfskin Bluchers, \$2—they are made with double soles, welted and stitched, and are well made and serviceable shoes; medium broad toe, tipped. This price is less than the regular wholesale price. Sizes 6 to 10, E width. Also a few hundred pairs of Tan Storm Bluchers from our regular Wanamaker Wear Well \$3 line. Girls' and Children's High-Cut Button Shoes, \$1.50. Sizes 9 to 1 1/2. Gun-metal calfskin. Basement, Old Building.

A Dark Picture To remind us of the Great White Sale which opens today at the John Wanamaker Store. Broadway to Fourth avenue, Eighth to Tenth street

JOHN WANAMAKER Formerly A. T. Stewart & Co., Broadway, Fourth ave., Eighth to Tenth street.