URGES UNIFORMITY IN RAIL CONTROL

Robert S. Lovett Says Laws Should Be Enacted to Give Capital a Chance.

U. S. TO REGULATE RATES

Head of Union Pacific Sees Need for a Department of Transportation.

"If Congress will enact the necessary laws giving railroad capital a business chance I believe capital will take a business risk and the money required to provide the requisite railroad facilities for the future will be forthcoming."

Robert S. Lovett, president of the Union Pacific Railroad, thus sums up the second instalment of his appeal to Congress for a solution of the present railroad problem in America.

Judge Lovett says that in his opinion "the choice of this country with respect to its railroad transportation ultimately is between:

"1. Inadequate and impoverished railroad transportation facilities, or

"2. Government ownership of the railroads, or

"3. A guaranty by the Government of a reasonable return upon railroad capital, or

"4. Rates that will be reasonable under all the circumstances determined by a Government agency that will consider the needs of the traffic and the needs of the carrier, with the right to each carrier to keep whatever profit it can make out of such rates so established by good management, good service, economy, wise investment and success in competing for business."

Offers Several Remedies.

Then from the plan of the committee of railroad executives which was submitted to the Senate Committee on Interstate and Foreign Commerce Judge Lovett sets forth the following remedial suggestions

"1. The rule of rate making to be provided by Congress itself, which should require that the rates be sufficient to enable the carriers to provide the requisite service and facilities, protect existing investments and provide the new capital necessary in the public interest.

"2. Compulsory Federal incorporation of all railroad carriers.

3. Exclusive Federal regulation of railroad securities.

"4. Exclusive Federal regulation of railroad rates.

"5. Creation of a department of transportation with power to act quickly and deal with emergencies, and the distribution of the regulatory powers between such department and the Interstate Commerce Commission, with the creation of such regional or other subordinate commissions and agencies as may be necessary.

"6. Modifications of restrictions upon railroad consolidations and provision for the merging of lines when in the public interest and approved by the commission."

"Our railroad transportation system," Judge Lovett says, "which is essentially national, should be rescued from the irresponsible and conflicting State agencies and brought under uniform control and regulation in the national interest, except as to strictly local matters."

Must Give Capital a Chance.

Calling upon Congress to give railroad capital a business chance, he says:

"If, as many propose, the return upon railroad capital is to be limited at best to a low fixed return, even by the most successful and best managed roads, with no hope of anything more for good management, inherent earning capacity and all other considerations ordinarily influencing values, while all misfortunes are to be borne by the investors, the necessary capital will not be obtained.

"Under rates prescribed by the Government, or with its approval, and applying to all alike, why should profit be denied a stockholder of the wisely built, well managed railroad any more than to the owners of bank stock or steel stock or brewery stock or any other stock?

"It is about time we were introducing common sense into some of our theories about railroad capital. No money except that devoted purely to benevolence is employed more in the public interest or is entitled to more encouragement or fairer treatment and consideration than that which is invested in the development and upbuilding of our railroad facilities.

"Among the most important of the needs of the situation is compulsory Federal incorporation of railroad carriers. The very first feature of the problem is the credit of the railroads—the means by which this is to be established and maintained in order that the requisite capital may be secured. This involves at once the most important corporate function—the power to raise money and issue stocks and bonds.

State Regulations Conflict.

"Hitherto Congress has left that power exclusively with the States, no two of which have the same laws or regulate the subject in the same way. They have, however, in the last ten years enormously multiplied their laws upon the subject—all of them restrictive—until, generally speaking, it is not too much to say that railroad systems which traverse several States are tied hand and foot when it comes to the issue and sale of stocks and bonds, and too often they are thrown back upon short term borrowing, with dangerous and often unfortunate consequences.

"The necessity for the exclusive Federal regulation of the issue of railroad securities seems now to be generally recognized, yet it is so vital to railroad credit and to the success of any system of regulation which may be adopted that it must not be overlooked.

"If a railroad company is compelled to go to half a dozen State railroad commissions for permission to make an issue of stock or bonds and to encounter delays running from weeks to months on account of numerous hearings before different commissions and in meeting their conflicting policies and views before it can deliver the securities, it will be impossible to have the issue underwritten, or if underwritten at all the cost will be excessive.

"But worse still, the chances are that differences between the commissions will arise or that the inexperience and perhaps the financial theories of some of the many commissioners may require changes that will upset the plan entirely.

To Make Securities Sound.

"What the Government and the people wish to prevent is the issue of stock, bonds or other railroad securities for improper or unnecessary purposes and without adequate consideration—'watered' or otherwise fraudulent securities.

"What is needed is a governmental agent or agency with the ability and authority to take hold of each case and deal with it in a businesslike way and without regard to forms or methods of procedure. A Cabinet Minister assisted by two or three experts would be the best agency, but if that is not possible, then some executive commission consisting of not over three men commanding the public confidence.

"It is notorious that many of the State commissions grossly discriminate in favor of their own citizens in the matter of both passenger and freight rates, and in favor of merchants, manufacturers and producers in their own States against citizens of other States. This discrimination is not only unjust as between the particular individuals concerned, but rate adjustments are often such as to relieve the intrastate traffic of some States from contributing its just share to the transportation expenses of the nation. The effect moreover has often disturbed and disarranged the structure of interstate rates and fares.

"It is not too much to say that the present interstate and foreign rates on traffic of immense volume and importance from very large sections of the country have been practically dictated by State commissions.

"Discrimination is not the only feature of the system. It is the evasion of the obligation of all the traffic to bear as equitably as possible a just share of the burden of transportation which is a matter of national concern.

U. S. to Regulate Rates.

"My conviction is that the only way to accomplish this is to give the Federal Government exclusive authority to regulate all railroad rates, intrastate as well as interstate. I do not advocate the abolition of the State commissions. There are many important functions for them to perform. I believe that the head of the Department of Transportation should be a member of the Cabinet.

"Recent experience has demonstrated the necessity for a national Government officer to meet emergencies resulting from exceptional congestion in traffic or through blockades of transportation by quickly mobilizing the transportation resources, and by the arbitrary diversion, if need be, of traffic from lines which cannot handle it to lines which can, and by other instant and heroic methods.

"A power so vast should be committed to no commission employee, and to no officer of less rank than a Cabinet member who is a part of the Administration and is in direct touch with the President and can change his orders instantly to meet changing conditions.

"A stronger reason still why a Cabinet member should be at the head of the transportation department is that the railroad business is unrepresented in the Government—is without any 'friend at court.'"

TWO DEAD, 1 DYING IN YACHT EXPLOSION

Accident Takes Place in Boiler Room of Sherwood Aldrich's Craft.

Sherwood Aldrich's yacht the Flyer was wrecked and three men aboard were injured fatally yesterday by a mysterious explosion in the yacht's boiler room. Two of the men died on the way to the Southampton Hospital. The third is dying in that institution.

The Flyer was lying off the National Golf Club dock in the Peconic Bay near Southampton. Frank Carhart of Seacliffe, L. I., the chief engineer; John R. Greene of Ridgewood, N. J., Carhart's assistant, and Daniel Hutchinson, 192 Garfield avenue, Brooklyn, the fireman, were in the boiler room. Mr. and Mrs. Aldrich and their guests were not aboard.

The yacht has been in commission all summer and was known as one of the best crafts of its size on the Sound. She recently had been inspected and was pronounced in excellent condition. Whether the three men in the boiler room were working or not could not be ascertained. There was a terrific explosion and the Flyer's deck and superstructure were blown into the air as though by dynamite.

Almost immediately a dense volume of steam began rising from the rolling hull. Several attempts by men from other yachts to climb into the wreckage was frustrated by the steam, but at last entrance by way of an after hatch was effected. Carhart, Green and Hutchinson were hauled out of the hold by ropes. Each was so badly scalded that Carhart and Greene died soon after the ambulance started toward the hospital. Hutchinson was still alive when the ambulance reached Southampton, but the doctors declare his chances of recovery amount to nothing.

The Aldriches live at Great Neck, L. I. Mr. Aldrich is the president of a large copper mining corporation and is an expert in mining operations.

HIGH LIVING COST CUTS RAIL INCOME

Cost of Producing Transportation Up 80 Per Cent., Rates Only 35.

WAGES NEARLY DOUBLED

U. S. Income Guarantee Only Salvation, Asserts Frank H. Fayant.

An analysis of railroad earnings for the first five months of 1919 made by Frank H. Fayant, assistant to the chairman of the Association of Railway Executives, reveals how the high cost of living has raised railroad operating costs for labor and materials and cut deeply into net income. Mr. Fayant notes that the yield on the $18,000,000,000 of railroad investment has fallen to about 2½ per cent. or less than half the rate considered as the danger line in 1914 by the Interstate Commerce Commission.

"The Government war guarantee of income alone stands between the carriers and bankruptcy," Mr. Fayant states in the analysis presented yesterday, "and an early readjustment of freight rates to the new level of operating costs is inevitable.

"Commodity prices have gone up 100 per cent. since the beginning of the war. Wages have advanced 85 per cent. The average unit cost of railroad labor and materials has advanced 50 per cent. as a result of the war. Steadily increasing efficiency of the transportation machine was all that prevented unit cost of operation from rising the full 90 per cent., the average trainload increasing from 452 to 597 tons, or 32 per cent. Last year it was raised to 625 tons, a further gain of 5 per cent. Therefore the actual cost of producing transportation may be figured as having risen about 80 per cent.

Rate Raise 35 Per Cent.

"During the same period the rates charged for carrying freight and passengers have advanced about 35 per cent. It is this wide disparity between a 35 per cent. rise in rates and an 80 per cent. rise in costs that has cut the net income down to a figure that would spell bankruptcy if the deficit were not being met by the public treasury.

"Comparing the earnings for the first five months of 1919 with the average for these same months in the Government test period, the three years ended June 30, 1917, it is seen that operating expenses have risen 79 per cent., while revenues have risen only 41 per cent. The figures, as reported by the Interstate Commerce Commission, are as follows:

	1919.	Inc. Over Test Period.	P C Inc.
Operating revenues	$1,928,978,000	$566,178,000	41.6
Freight	1,328,474,000	238,774,000	26.8
Passenger	487,241,000	177,013,000	68.1
All other	101,271,000	50,391,000	77.6
Operating expenses	1,733,643,000	795,046,000	79.
Maintenance	750,710,000	359,432,000	94.6
Transportation	866,781,000	248,890,000	74.8
All other	96,109,000	17,214,000	36.
Taxes (and rents)	81,096,000	17,853,000	76.8
Net oper. income	195,215,000	*212,437,000	*66.7

*Decrease.

Total Traffic Increased.

"The total traffic handled in these five months of 1919 was 5½ per cent. larger than the average for the test period. The gain was entirely in passenger traffic, the freight movement showing a decline of 1½ per cent. Due largely to the troop movement the passenger business increased 32 per cent.

"The full effect of the rise in prices is seen in the 94 per cent. increase in maintenance costs, about equally divided between labor and materials. Maintenance of equipment expenses are up 99 per cent., while maintenance of way costs are up 88 per cent. The advance in operating expenses charged to transportation, 74 per cent., is due to the great increase in the cost of locomotive fuel and the new scale of wages for the train brotherhoods; but greater operating efficiency has kept this expense from rising in the same degree as maintenance.

"Railroad employees are earning an average of $1,505 a year, as compared with $875 in the test period and $810 before the war. This is an increase of 86 per cent. during the war and 70 per cent. over the test period average. Some 400,000 employees are now averaging more than $2,000 a year. A comparison of railroad wages with the Government monthly reports of the cost of living shows that during the great war rise in prices railroad wages have advanced somewhat more than the cost of living.

"The five months earnings statements show that the Eastern roads, serving the more congested industrial region from Chicago to the seaboard, are most in need of relief through higher rates. This condition is similar to that in 1914 and 1917, when the Interstate Commerce Commission gave these carriers the bulk of the rate advances. In the five months the Eastern lines have earned a net operating income of but $17,523,00, as compared with $124,543,000 in the same months in the test period. The twelve months average income in the test period was $260,574,000. In five months they have earned only one-twentieth of this. It is not improbable that the deficit for the Eastern lines this year will be as large as the total deficit for all roads of the country in 1918.

Operating Income Table.

"The five months net operating income figures by traffic territories are as follows:

	1919.	Deficit.	P.C. of Guarantee Earned.
Eastern roads	$17,423,000	$107,130,000	14
Southern roads	23,237,000	51,900,000	42
Western roads	52,554,000	72,299,000	46
Totals	$106,215,000	$232,427,000	31

"With returns before us for nearly half the year it is now possible to take some measure of the rate relief that will probably be necessary to keep the roads self-supporting. The Eastern roads for the five months would have earned their guarantee had the rates on freight averaged 20 per cent. higher, while 15 per cent. higher freight rates on the Southern and Western roads would have brought them out even. It is plain that transportation is now being furnished at much less than cost, because the increase in labor and material costs have been much more than double the increases in rates for service."

SHOOTS MAN AND HIS WIFE GUARDING GIRL

Paperhanger Uses Gun to Force Way Into Home.

George Planke, a paperhanger, of 53 West 105th street, has been trying for a long time to pay attention to Miss Christina McCann, who lives in 32 West Ninety-eighth street with William Guthrie and his wife. After he had tried yesterday afternoon to take her home from a restaurant where she is employed, the girl and Mrs. Guthrie made a trip to Jersey City to avoid him.

But when they returned to their home about 8 o'clock Planke was sitting on the doorstep. Miss McCann told him to go home and he left. But about 9 o'clock he knocked at the Guthrie door and told Guthrie that he wanted to see the girl.

"She is not at home," said Guthrie.

"Don't lie to me," said Planke. "She's here and I'm going to see her."

He pushed open the door and when Guthrie tried to stop him he drew a revolver and fired. The bullet struck Guthrie in the neck.

Planke then rushed into the dining room, where Miss McCann and Mrs. Guthrie were preparing supper. Miss McCann dodged behind a door and Mrs. Guthrie hid under a chair. Planke did not see Miss McCann, but he fired at Mrs. Guthrie, the bullet striking her in the back.

Guthrie and his wife were taken to Knickerbocker Hospital. Both were severely wounded. Planke was arrested and locked up in the West 100th street station.

FIFTH AVE. MERCHANTS CITED.

U. S. Makes Awards for Reemployment of Ex-Soldiers.

Merchants belonging to the Fifth Avenue Association will display in their shop windows to-day the citations awarded to them by the War and Navy departments, through Col. Arthur Woods, because they have "assured the War and Navy departments that they will gladly reemploy everybody who formerly worked with them and who left to serve the army or navy during the great war."

"This is the beginning of a nationwide movement," said Col. Woods yesterday, "to enroll employers into the army of post-war reconstruction. These citations will be displayed as proudly and conspicuously upon the walls of offices and factories as the D. S. C. medals on the blouses of soldier heroes. Between 70 and 80 per cent. of the discharged men have offers of their pre-war jobs. This shows how loyally the majority of American employers are cooperating with us."

COURT AID INVOKED IN DRIVERS' STRIKE

Ward Company Charges Milk and Express Employees Fight Their Product.

The Ward Bread Company of Brooklyn has asked Justice Charles H. Kelby of the Supreme Court to grant a permanent injunction restraining the union milk wagon drivers and employees of the American Railway Express on the Long Island Railroad from interfering with the company's business in connection with the strike of the Ward drivers. Argument on the application will be heard Friday and in the meantime a temporary injunction will operate to prevent the defendants from participating in the striking bakery wagon drivers' warfare against their employees.

It is alleged by the company's officials that since the strike has been in progress drivers employed by the big milk distributing concerns have sent notices to grocers and delicatessen dealers warning them not to handle Ward bread. In some cases, it is claimed, the warnings were oral. This alleged interference, the complainants aver, followed an appeal for help by their striking drivers to the Brooklyn local to which the milk wagon drivers belong.

The express employees, it is alleged, refused to handle baskets and packages sent to express stations by the baking company. Many of these baskets were lost or allowed to remain just where they were, the papers set forth, because the express handlers declined to touch them. The company has suffered a big loss, it is contended, owing to this manifestation of sympathy for its striking drivers.

The Ward drivers have prosecuted their strike operations with much vigor. Many strike "incidents" have found their way into the police courts. Men who took the places of striking drivers have been beaten up. In some of the cases in which the police were compelled to act it was alleged that assaults were committed by strikers working in "entertainment committees" of three.

SOCONY
MOTOR GASOLINE

Tonic food for motors-a powerfull "kick" in every drop . . . . .

WE SELL SO CONY MOTOR GASOLINE
STANDARD OIL CO. OF NY.
The sign of a reliable dealer and the world's best Gasoline

Macy's

SERIOUS READING

For the students who refuse to waste their time during the summer months

Students who really value their opportunities make use of the summer months for serious reading. For these earnest souls the Modern Students Library was instituted. The cloth bound books are of handy size, carefully edited and low-priced at **68 cents.** Don't wait, buy today! Here are some of the titles:

Adam Bede ... *George Eliot*
Ring and the Book ... *Robert Browning*
Scarlet Letter ... *Nathaniel Hawthorne*
Pride and Prejudice ... *Jane Austin*
Filgrim's Progress ... *John Bunyan*
The Heart of Midlothian ... *Sir Walter Scott*
Essays ... *Francis Bacon*
The Ordeal of Richard Feverill ... *George Meredith*
Pendennis ... *William Makepeace Thackeray*
The Return of the Native ... *Thomas Hardy*
Boswell's Life of Johnson
Past and Present ... *Thomas Carlyle*
Essays on Comedy ... *George Meredith*
Essays ... *Robert Louis Stevenson*
The Essays of Addison and Steele
Essays ... *John Ruskin*

Macy's—Book Dept., Main Floor, 35th Street, Rear.

R. H. Macy & Co. Inc.
Herald Square New York

Sale starts 9 A. M. today!

6,847 MEN'S Linen Handkerchiefs At 47c

Regularly would be 59c, 74c, 98c

THIS is the fourth of the series of seven economy sales we are featuring for this, the seventh month—and it's a lucky seven for those who take advantage of the savings offered.

These Irish linen handkerchiefs have a history worth the telling. The history had its beginning three thousand miles from 34th Street, in our Belfast office, from which they have just arrived. That accounts for their Irish lineage and their Irish linen-age. The department manager wanted to put them on sale at 49c—thought he could go no lower, but we wanted to include the handkerchief event in the series of seven and he agreed. So we made the price 47c and added seven handkerchiefs to the 6,840 we were going to sell. The mere 2c subtracted from 49c cost us $136.94.

So that the running reader may learn where lie his profits we briefly sketch the selling points of these handkerchiefs—

They are good Irish linen.
They are the odds and ends and overproductions of a large manufacturer.
They are free from all imperfections.
They have hand-embroidered initials which vary in style and size.
They have all letters except Q.
They are plain hemstitched in some cases, corded and hemstitched in others.
They are handkerchiefs any man would be glad to carry.
They vary in size, style and quality but are all worth considerably more than 47c.

Women Will Come!

As in the case of other sales of men's things, a great number of thrifty women will attend and save money for their men folk. When we invite women to this sale, we must know our handkerchiefs are good quality for we have a keen respect for the discrimination of the women folk.

6,847 handkerchiefs may seem a great number, but the wise man or woman will come early and obtain the pick of the lot. The variety of styles, sizes and qualities demands quick action and also makes it impossible for us to promise to fill mail orders for any one style or size. Watch for the remaining three of the lucky seven!

R. H. Macy & Co. Inc.
HERALD SQUARE, NEW YORK.

R. H. Macy & Co's Attractions Are Prices—Quality—Service
Macy's
Herald Square, Broadway, 34th to 35th St.
We Sell Dependable Merchandise at Prices Lower Than Any Other Store, but for Cash Only
Store Hours 9 A. M. to 5:30 P. M. Store closed Saturdays during July and August.

COMPARE

the two men sketched at the top of this column and you have the gist of a comparison of the charge account and a cash-payment, one-price system such as this store's.

The man who pays cash pays and is through with it—"gets it off his chest." For him the sunshine of an easy conscience gives out its joy-rays. Then take the man who puts off to-day what he may not be able to do to-morrow. The man who charges his way out of the ranks of the economy army. A dark cloud of debt hangs over him and he must always carry his umbrella of worry for fear of the showers of financial difficulties.

This poor chap not only worries about paying his bill, but when paying, he sees added to it an additional tax for the privilege of worrying.

The Case in Point

We have just received, from a store that features a charge account system, an announcement of a sale of perfumery and toilet requisites.

There were over one hundred items all told and in the majority of them our regular prices were lower than our competitor's sale prices!

For example

They feature Pond's Extract in their sale at 87c. We sell the same thing for 70c. We, by our cash payment policy, are enabled to sell the article for 17c less than their sale price. Glancing at the price list we see—Depilatory, $1.00 size bottle, sale price 85c. Our regular price is 50c. If you pay 85c for a 50c article in a sale, what will you pay for a 50c article when there is no sale?

Our regular prices are consistently lower than other stores' sales prices.

Ru-stella
R—resonance
U—universality
S—strength
T—thoroughness
E—expressiveness
L—latitude
L—labor
A—artistry
?
What is it?

To-day is Bastille Day. Fly a French Flag.