

The Pre-Exposition Period

It might be supposed that consolidation of the three principal street railway systems of Omaha into one organization simplified the problem of financing electrification and other improvements. This was true only in a measure. Immediate advantages were almost nullified by other conditions affecting city, state and nation.

The eight years preceding the Trans-Mississippi Exposition constituted the most disheartening period in the entire street railway history of Omaha. A brief recital of general facts will make this statement clear, even to those who cannot verify it by personal knowledge.

This city, from the final collapse of the real estate boom until the Trans-Mississippi year, was veritably in the "slough of despond." Business slackened, factories closed down, firms went bankrupt, people moved away, fortunes in land and other property were lost, the unemployed grew great in numbers and dire in necessity, and the incomes of those lucky enough to retain incomes were seriously diminished.

At first, sectional and local, the depression soon paralyzed the entire country. The panic of 1893 is historic and its aftermath long and dreary, ineffably impressed in the memory of those who endured. The days of the public soup houses will be remembered long.

Hard times in Omaha beginning fully three years before the crash of 1893, gave this city much more than its full share of privation compared with the country as a whole. Capital for any purpose was next to impossible to obtain.

The Omaha Street Railway Co. at this particular time, found itself confronted with the problem of installing an electric power system over about thirty miles of line, and raising money to pay for the power machinery, new cars, motors, trolley wire and poles, new track and roadway, the necessary engineering expenses and labor and the hundreds of incidentals involved in such a work.

Once having seen and used the electric cars the public was satisfied with nothing less. The horse car, long in high disfavor, became absolutely tabooed, and the costly cable tramways no longer received even a particle of admiration. The demand for electrification of the entire system was so strong that the management could not have resisted it, even had it so desired.

In the face of financial difficulties that seemed insurmountable, the company succeeded in changing over all the horse lines to electric lines within three years. The cables were taken out in 1894 and replaced with trolleys, the greater part of the cable investment having been made valueless in less than eight years. Besides the loss of capital in the tramways, operation never paid. There were times on the Harney line, for instance, when every nickel collected represented an expenditure of 8 cts.

Directors then, as now, held frequent meetings. Stock, for financing the improvements, could neither be sold or used for collateral in borrowing money. Bonds, however, were sometimes marketable **provided they were sold for much less than their face value.** Many urgent demands for funds were met by making short time loans with bonds as security, but there were occasions when this expedient failed and individual stockholders and directors were compelled to guarantee loans personally in order to secure money for the company. Credit is due certain local banks which tided the Company over many an emergency.

The revenues of the company suffered severely, not alone from the hard times, but from the bicycle competition during

the fad of 1893-96. The bicycles were used for several years by men, women and children as a common mode of transportation. Demands of the city for paving between and outside of the rails increased in volume and added materially to investment costs.

It is almost needless to say that during this time there were no profits, real or imaginary, in dividends or otherwise. Neither was the company able to establish a depreciation fund to pay for renewals. It was hard to make necessary betterments and maintain the existing property.

Tracks and rails, suitable for the horse cars were unavailable for the heavier electric cars, and a 45-pound girder rail, bonded, was submitted. The horse cars were too frail to hold the heavy motors and mechanism of the electric cars. A few of the better ones were remodeled, but the remainder was scrapped and sold for junk prices—less than \$10 a car. Some of the cable trailers were converted into trolley cars, but the grip cars could not be changed over because of their peculiar construction.

In addition to electrifying the system, the company made material extensions of lines, built the car house at Twenty-Fourth street and Ames Avenue, started to vestibule all cars for the protection of motormen, practically re-constructed the entire track and roadway, and took over, electrified and operated a number of small suburban horse car lines. These lines included the following:

Metropolitan Street Railway Company—Incorporated January 5, 1891, by John A. Creighton, John A. McShane, W. A. Paxton, E. S. Rood, W. C. Albright, E. A. Cudahy and T. J. Mahoney. The company built a small line in South Omaha. An old financial statement shows that from November 28, 1891, to September 30, 1892, the road lost \$658 in operating expenses.

Metropolitan Cable Company of Omaha—Organized by Kansas City people in connection with a land company. It built the original line in Dundee and operated it by horses.

Benson and Halycon Heights Railway—This was a horse car line giving a half hour service between Forty-fifth and Grant streets and Benson. It was built by E. A. Benson as a private venture in connection with his real estate interests and was operated at a loss from the start. When the burden became too heavy for Mr. Benson he transferred the property to the Omaha Street Railway Company. It continued to be a money loser for a number of years.

The Southwestern Street Railway Company—The company built a small horse car line on West Leavenworth street and operated it in connection with real estate interests. Like other outlying lines it was unprofitable from the start.

During the period of financial depression, electrification, reconstruction and absorption, a reasonably good service was given by the company over a city which had spread out over an immense area considering the size of its population.

The Trans-Mississippi Exposition, as is well known, was a great success and restored Omaha to its progressive course. The Omaha Street Railway Company contributed its full share towards this success in handling the people to and from the Exposition and about the city, besides subscribing liberally to the enterprise.

By the exertion of determination and heavy expenditures the company placed itself in good condition for transporting the crowds which visited Omaha in 1898. The principal routes used to haul passengers to and from the Exposition were by way of North Twenty-fourth Street and through Sherman Avenue. These lines were looped in the business district and an excellent service provided. The Dodge line cars were run direct from the railroad stations to the grounds.

It was the general verdict that the company acquitted itself creditably during the Exposition and assisted materially in the convenience and comfort of visitors, and also to give them a good impression of the city.

The revenue of the company in 1898 was more than twice as great as that of the preceding year. For the first time in the local street railway business—30 years—there was a surplus in the treasury greater than the immediate financial demands.

G. W. WATTLES, President,
Omaha and Council Bluffs Street Railway Co.

(The Installment Next Sunday Will Outline Briefly the Development up to the Present.)



Grand Court Trans-Mississippi Exposition