Head of Pennsylvania Reviews the Railroad Situation.

ALL LINES ARE IN BAD PLIGHT

Says Margin Between Gross Revenue and Operating Expenses to Decreasing - Money Needed for Improvements.

WASHINGTON, April 2.-President Rea. of the Pennsylvania system was the last witness to be heard today before the interatate Commerce commission, on behalf of the eastern railroads asking for an increase in freight rates. Oral testimony for the roads was concluded with his

Chairman Harian and Commissioners Clerk and Meyer were on the bench. Dr. Dumba, Austria-Hungarian ambassador, and his guest, Prince Munster of Derneburg, were interested auditors.

J T. Wallis, general superintendent of motive power of the Pennsylvania, interrogated by Clifford Thorne, explained that steel cars and heavier locomotives had induced an increase is repair cost, while higher wages materially had added to that item of expense

J. S. Rodgers, general superintendent of the Pennsylvania testified that the "charges to operating expenses on the Pennsylvania system, east of Pittsburgh, were \$24,855,624 in 1910, and \$39,411,310 in 1913, an increase of 18.3 per cent." He said that expenses for maintainence of way during 1913 were much greater than ever before and probably would remain at the present high level because of large increases in wages; the policy of regulatory bodies increased demands of the traveling and shipping public, the necessity for a higher standard of track structure and roadhed on account of heavier equipment and traffic, and the policy of eliminating grade crossings, establishing various safety devices and systems; straightening lines and similar works. He indicated, also, the higher cost of rails, ties and materials used in ballasting the road beds. He dwelt particularly on the cost of safety appliances, demanded both by law and public sentiment.

Need More Net Income.

President Rea said that not only the Pennsylvania, but all American railroads were confronted with the necessity of retrenchment, which might prove serious, unless they were permitted to increase their net income. He said:

"Unless the gap between receipts and expenditures can be widened, we must begin to retrench, and retrenchment must begin on betterments and improvements not directly necessary to the movement of trains. We should be very reluctant to do this, as it would be to run counter to our tradition and practice of half a century, and we are sure that it would not be in the public interests, and we do not believe the public desires it.

"Now we have as much public support as can possibly be given to a plan almost national in its scope and effect, and we firmly believe our application for a very moderate freight rate increase is in accord with the best public interest."

While he did not assert that the advance was "necessary to the maintenance of the Pennsylvania railroad company's dividends in the immediate future," Mr. Res. declared that "any general idea that the Pennsylvania's posttion was so strong as not to need any additional revenue is not correct." He added that the Pennsylvania had earned only 4.84 per cent during the fiscal year plan.

Look Into Future Developments. Discussing the desirability of the cessity to provide for future traffic demands, Mr. Rea said:

We also know that it is unwise and impossible to limit new facilities to actual and immediate necessities.

"Necessarily that involves a large expenditure of money that only gradually becomes productive. We know that judging from our past experience, many millions could be advantageously expended on the system in the next few years. We have confronting us a program of expenditures, which we believe to be easential, some of them mainly for the benefit of the public, but all of them necessary to properly accommodate the present and future traffic.

"It is unwise, as well as unnecessary, to commit ourselves to any large fixed program of expenditures, except to say that without assurance of adequate earnings they cannot proceed, and a reasonable portion of the cost of these future enlargements and improvements ought, in our judgment, to be provided from surplus earnings."

Conclusions of Mr. Rea. Mr. Rea's conclusions, which he indicated applied concretely to the Pennsylvanta and generally to all other roads, were these:

were these:

1—The margin of surplus is steadily diminishing and the company is not receiving any return either on the additional capital invested, or for the value of the service rendered and the facilities provided for public use.

2—Had there been no surplus in earlier years, and had the whole of the improvements been paid for out of the capital, the margin would now have reached the vanishing point.

3—If surplus steadily decreases, improvements, if made at all, will more and more need to be made out of new capital.

4—But if the margin of safety decreases, new capital will only be raised with greater difficulty and on more onerous terms.

5-Indeed, it is questionable whether, if new capital is to continue to earn no income, the directors will be justified in attempting to raise more than a modicum of what they believe necessary, as the effect must be to reduce the percentage return on the shareholders' capital already invested.

Pittern Verra' Comparison.

Fifteen Years' Comparison. President Rea concluded his direct statement with the following comparison of the condition of the railroads, in 1898

and 1913: "In 1898 the company was emerging from a period of prolonged and very severe Copression, whereas in 1913 it was at the end of a great period of growth. it would be natural under ordinary circumstances that the owners of the property should find themselves very much Letter off in 1913 than they were in 1898, the fifteen years between 1888 and 1913 the company had the benefit of the

"An advance in certain commodity rates.

"The abolition of rebates. "The expenditure of hundreds of millions of capital for improvement and enlangement of facilities and equipment. "A consequent great improvement in

efficiency and use of plant. "In the fifteen years, 1838 to 1913, property investment increased from about \$722,000,000 to almost \$1,587,000,000, or 75 per cent; operating revenues increased from a little less than \$145,600,000 to over \$382,000,000, or 163 per cent; operating revenue per mile of track operated increased from \$8,178 to \$15,261, or 87 per cent; the company thus had during these fifteen

MR. REA MAKES FINAL PLEA years all the benefits arising from a remarkable growth of business, both in volame and density, which ordinarily under the law of increasing returns should have materially improved the position of its

> Returns Are Decreasing. "But as a matter of fact, the return" n property investment in 1913 was only 5.48 per cent as against 5.43 per cent in 1898, and furthermore was the smallest return in any of the fifteen years of the period; the percentage of net corporate noome (plus interest on funded debt) on total capital obligations in 1913 was but 6.88 per cent, against 6.65 per cent in 1898, and with the exception of the year 1899 It is the lowest of any year in the fifteen-year period; the net corporate income per cent on capital stock outstanding held by the public in 1913 was only 9.64 per cent, against S.55 per cent in 1898, and here also the 1913 figure in the lowest for any year in the fifteen-year period, with the single exception of 1899, when the figure was 8.94 per cent.

"The conclusion to be drawn from these facts is that the increase of expenses and other outlays beyond the company's power to control has finally overcome the advantages thus far realized of advanced rates, abolition of rebates, increased volume and density of business, large expenditures of capital and improvement in plant and methods. The company is new confronted by a rapidly decreasing rate of return on property investment and capital obligations, and is unable to offset these tendencies by any methods which it can at present apply, or which seem to be practically possible other than an advance in rates.

Old Favorites For Everybody

All the Dear Old Songs Now Brought Together in One Volume.

Some people like old wine; many people love old friends, and everybody loves the old songs. As previously announced, The Bee is

offering a complete collection of all the old favorite songs brought together in one beautiful big volume called "Songs That Never Grow Old."

All of these songs have been compiled and selected with the utmost care by the competent authorities and are printed and bound all together, making seven song books in one volume. There are two styles of binding, one in paper covers and the other in heavy English cloth. The contents are the same, but, of course, the cloth binding is more durable and with ordinary care should last a lifetime

An innovation in this edition are the magnificent inllustrations. These consist of a rare galaxy of sixty-nine wonderful portraits of the world's greatest vocal artists, many in favorite costumes. The list includes Caruso, Tetrazinni, Melba Slezak, Farrar, Bonci, Goritz, Scotti, Fremstad and almost fifty others. None of these portraits have ever been shown in a work of this character, and they are all reproduced from copyrighted phiographs which have been approved by the artists themselves. Every reader will want to possess this rare and unique col-

In another collmn of this issue will be found a coupon in which is explained the plan of distributing this beautiful book of songs. The Bee will undertake to distribute an entire edition within a limited timt and readers are urged to lose no time in familiarizing themselves with the

Family Burned to Death. PITTSBURGH, April 2—Two policemen were seriously burned and an entire family consisting of the father, mother and three children were reported missing as the result of a fire early today. Four frame tenement houses were destroyed. Policemen and firemen rescued more than a score of persons.

BRANDEIS **STORES**

SATURDAY SALES

275 Dresses in Silk or Cotton. Worth up to \$20,

on Sale at an Extreme Low Price

Rose Bushes 10c Each

General Jacqueminot, Crimson Rambier, La France, Kiliarney, Yellow Rambier, Dorothy Perkins, Blue Rambier, Baltimore Bell.

Peonies, Hydranges. Honeysuckies,
Lilacs,
Clematis,
Phlox,
Shasta Daisy,
and others.

All 10c Each

Large Size Kid Body Dolls, worth \$1 and \$1.25, 49c

Sale of Drugs and Toilet Goods Saturday

Sale of Women's Handbags, Saturday at . \$1

Sale of 2,800 pairs Women's Gloves. worth up to \$2, 69c

32d Anniversary Sales in the Basement

Cotton Crepe

The most practical wash fabric for house dresses, waists, etc., in large floral designs. 30 inches wide, Regular 15c quality, yard.

Women's Hosiery

Fine cotton with

double heels and toes.

All black or black with

maco feet. Worth reg-

ularly to 10c. In base-

Women's Vests

Womens' shaped

cotton vests with taped

neck and arm eye.

Cuff knee pants to

Special Friday, gar-

Silk Boot Hosiery

Women's black fibre

silk boot hosiery. Wide

garter tops, double

soles, lisle spliced heels and toes. Worth

to 35c, at, pair-

Dress Goods

Importers' samples

of dress goods in over

200 styles and weaves.

Used as importer's

house samples. Spe-

Corsets

slender figures. Made

of coutil. Lace trim-

med. Long over hips,

with four garters at-

tached. Regularly 59c,

Messalines

Our 59c quality silk

including the

messaline in black and

wide range of color-

light tints. Special for

Lining Remnants

lengths of fine quality

lining satin in various

colors. Special Friday

basement,

2c, 5c and 9c

great lot of short

Friday, yard-

Friday-

For medium and

Samples

match.

Worth to 25c.

ment Friday at-

BRANDEIS STORES

Sale of Suits and Dresses

Worth \$12.50, \$15 and \$17.50

\$8.75

The Dresses—

Hundreds from which to choose, including taffetas, poplins, messalines, crepes, etc., in all new styles, with drapes, folds, tier skirts and other smart ideas. The latest styles in sleeves and collars. Many are copies of high price models All worth \$12.50, \$13.50 and \$15. Choice Friday at \$8.75.

Coats Worth \$7.50 to \$10, at \$4.85 Women's and misses' short spring coats of serges, satins and novelty cloths, with lace collar and cuffs; also long coats of silk, satin and serges. Actual \$7.50 and \$10 coats, at \$4.85.

\$3.50 Rain Coats, \$1.69 Women's excellent quality rubberized raincoats at a bargain price Friday. Very well made of cloth, with rubber inside. Values up to \$3.50. Friday \$1.69

Muslinwear Gowns, princess slips, drawers, skirts and combinations worth 75c to \$1; on sale Friday, 45c.

Child's Dresses Children's white lawn dresses, trimmed with embroidery. Ages 6 to 14.

wash waists of fine crepes, volles and tissues, a makers' samples, and all worth \$1.50. Choice Fri- 870 day in the basement at day in the basement at Wash Waists

Sample Wash Waists

Hundreds of white and colored

Women's white and colored wash waists with long or short sleeves and low or \$1 garments, Friday, 48c. high collars, Special, 38c. Anniversary Sale in the Basement Shoe Store

The Suits-

A wonderful group of women's

and misses' spring suits, including many worth \$12.50 to \$17.50, all

for \$8.75 Friday. Latest styles,

with jaunty short coats, new

sleaves and lace collars Fold.

drape and tier skirts. Fine serges,

crepes, diagonals, novelty cloths

and mixtures, in a complete selec-

Special Lots of Skirts \$2.39 & \$1.39

smart style features, folds and tiers. Made of excellent

quality materials. Extra sizes included. Very special Friday in Basement, \$2.39 and \$1.39.

Friday at

Women's and misses' new spring skirts with all the

Children's Rain Capes

ized rain capes for girls of 6 to 14

years of age. Made good and full, Have plaid lined boods. Ac-

tual \$2 capes. Special 97c

House Dresses

women's house dresses of

ginghams, lawns, madras

Twenty-four styles in

Plain color and striped rubber-

tion of the best new colors.

Odds and ends of women's pumps Hundreds of pairs of women's and oxfords in small sizes. Tans and pumps and oxfords in good spring black. Also satin slippers in colors. All worth \$2.50 or more. styles, in black or tan. Excellent Choice Friday 25c qualities; regularly worth \$1.50; on sale Friday..... \$1

Women's kid house slippers with straps and hand turned soles. Sizes up to 5 only. Regularly worth \$1.50 pair. Friday, Women's Juliet house slippers with flexible soles and rubber heels. Plain or patent tips. All sizes \$1

Special Friday at Boys' \$5 Serge Suits \$940 Boys' Sample Raincoats

For Friday in the Basement Anniversary
Sales we offer a lot of sample raincoats for
boys of 4 to 12. \$2 to \$3 garments, special. in Norfolk styles, for ages 6 to 14 years.
Regular \$5 suits on sale Friday in the base-

Men's \$1 Underwear, Friday,
Men's sample spring and summer 35c Men's sample spring and summer drawers, undershirts and union suits, of lisie and eilk lisle, worth to \$1, for . . .

Men's Union Suits Worth \$1.25, 60c Very fine quality spring weight short sleeve union suits, worth to \$1.25, Fri-day in the basement for only.....

Boys' \$3 Norfolk Suits \$189

Anniversary Sale Friday. Our hoys' \$2 Nor-folk suits, in blues, browns and grays, on sale at

Worth to \$2.50, for . . . 98c

The newest blocks in untrimmed hemp shapes in small medium and large sizes. Black, white and burnt shade. Also a large assortment of silk top hats. All worth up to \$2.50. Choice Friday at 98c.

Millinery Trimmings An immense line of ostrich pon poms flower wreaths, clusters, fruits and foliage, in all the season's best shades. Specially priced for Friday in the basement at-

39c, 49c, 79c and 98c

Fancy warp print ribbons, 4 and 5 inches

wide. Special at, yard.....

and worsteds—all sizes, 34 to 44. Worth up to \$2.50. On sale in the basement Friday at \$1.00.

Slipon Raincoats at \$1.98 Men's slipon raincoats of double texture, spot-proof, waterproof fabrics, with camented seams. All sizes, 34 to 44. Values up to \$5, on sale Fri-day in basement at \$1.98.

Pants to \$2.50 at \$1

300 pairs of men's work pants in tweeds

Union-made overalls, special in the base-ment at 40c.

4-inch messaline ribbons. Good colors. For trimming or rosettes, yard.....10c Remnants of colored oil damask. The 35c 50e quality. Special, yard..... Heavy, double ply Turkish bath towels, Regular 15c values, Special at Remnants of Rosemary table damask. 2 to 3-yd. lengths. Perfect. Yard.... Half linen huck towels, blue borders, 71/2C Worth 121/2c. Limit 1 dozen, each . . . Heavy double fleece table padding. Regular 50e quality. Special, yard... Mill ends dimity bedspreads. Some for full or 34 size beds Choice

Crochet bedspreads. 72x84-inch size. 66c Regularly priced \$1. Choice at ... All wool challies in new designs. The 49c quality, special at, yard.... 50c to 69c silk remnants, 2 to 8 yards.

Teaspoons, set of 6, 75c value, 39c.

Dessert spoons, worth \$1, set, 59c.

2,000 yards 36-inch serge twills. Navy, brown, garnet, etc. Worth 20c, yard. 40-inch silk and wool poplins, 27 desirable shades, very special at Corsets in odd sizes. Good styles. \$2 and \$1.50 values. Basement at .. Brassieres. Good quality muslin. Embroidery trimmed. 25c values Men's shirts. Negligee and outing styles. Values to \$1, special..... 17-inch corset cover embroideries and flouncings. Worth to 15c, yard..... Insertings and beadings of Swiss, nainsook and cambric. 3 to 6 inches, yd . . . 12 and 16-inch shadow corset coverings. Beading top and bottom, vd...... Women's swiss ribbed cotton vests. Reg- 81/2 C ular 121/2c values, Friday, special 81/2 C Men's heavy mixed coarse knit sox. Rockford style. Worth to 10c, pair......6c

Cable net, filet net and fine Nottingham lace curtains, Regular price \$1.50 to \$2 a pair. While three cases

Lace Curtains

Wide Embroideries

27-in. embroideries including floundings, allovers and waistings, in fine swiss and nainsook. Qualities worth to 50c, at, yard-

Bed Spreads

Fine Marseilles bed spreads. Scalloped with cut corners; also plain hemmed. Some slightly soiled. Regu-

Handkerchiefs

Fine sheer lineweave, with corded or fancy colored borders; also men's India linon. Some all linen. Slightly imperfect, at, each.

Kid Gloves

long and short kid Odds and ends gloves. Some are mended. Others perfect, but soiled, Formerly priced much higher, pair-

Genuine Soisette

Dress lengths mercerized soisette. Name printed on selmercerized spring shades. 32 in. 25c quality,

Wash Fabrics

An assorted lot which has accumulated during our March sales. Lengths from 1 to 20 yards. Worth to 35c. Friday at, yard-

Notions O. King's best

bread, 15c dozen. Dress snap fasteners. 1c card 3-in-1 machine oil. 6c bottle. Darning cotton, 4

balls, Sc.
Hair Nets, 10c dozen,
100-yard spools sewing silk, 345c.
Pins, 1c paper,
Coat hangers, 3 for Sc.

Cold meat forks, worth 50c, at 28c. Gravy ladles, worth 50c, each, 25c, Berry spoons, worth 69c, each, 25c. Orange spoons, worth \$1, set, 89c. Pickle forks, worth 25c, each, 14c.

Children's fine and heavy ribbed school 7

hosiery. Worth to 121/2c, pair.....

Wallace Silverware About Half Price A special purchase for the Anniversary Sales in the basement enables us to offer well known table silver at extreme low prices. French grey finish handles. Very artistic pattern. Pure white metal base heavily plated. The most reliable silver plate were were ever offered at a low price.

Table spoons, worth \$1.25, set, 69c. Sugar shells, worth 25c, each, 10c. Butter knives, worth 25c, each, 10c. Knives and forks to match, worth \$3 dozen. Special in this sale, dozen, \$1.79.