

PUBLIC HEARING

before

SPECIAL SENATE COMMITTEE TO STUDY PASSENGER AND FREIGHT  
RAILROAD OPERATIONS WITHIN THIS STATE AND THE ADVISABILITY  
OF PROVIDING FOR THE CREATION OF A PUBLIC AUTHORITY WITH  
POWER TO ACQUIRE AND OPERATE PASSENGER AND FREIGHT RAILROAD  
FACILITIES, CREATED UNDER SENATE RESOLUTION NUMBER 4.

Held:  
October 15, 1965  
Park Hotel  
Plainfield, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Senator William E. Ozzard (Chairman)

Senator Thomas J. Hillery

Senator John A. Lynch

Senator C. Robert Sarcone

Senator Nelson F. Stamler

Senator Milton Woolfenden, Jr.

Also:

Samuel A. Alito, Secretary

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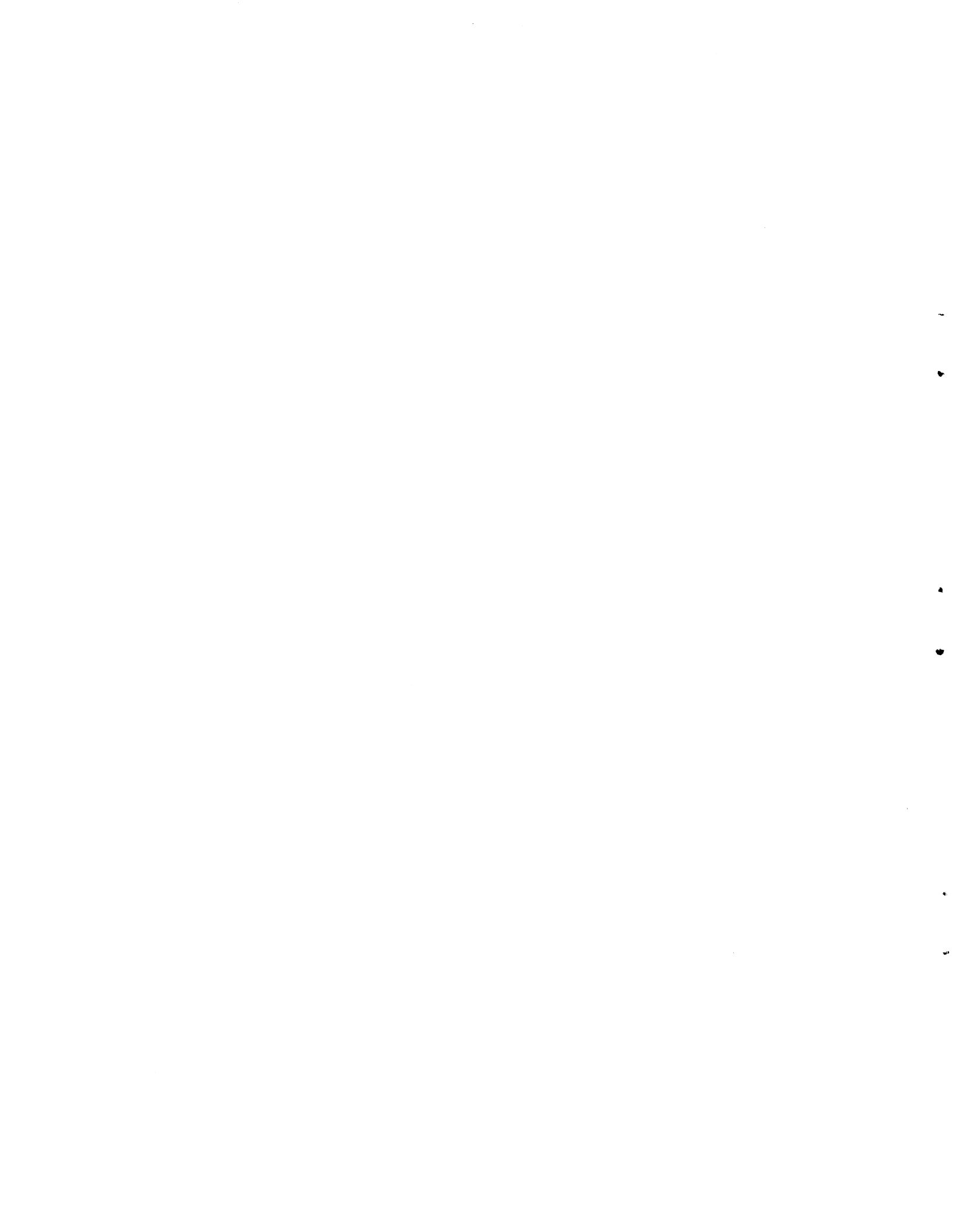
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SENATOR WILLIAM E. OZZARD [CHAIRMAN]: I would like the meeting to come to order and I would like to welcome all of you and thank you for appearing this morning.

The members of the Committee presently here are: Senator Thomas Hillery of Morris County, Senator Stamler of Union County, Senator Lynch of Middlesex County, and I am Senator Ozzard of Somerset County. There should be two other members here shortly, but I would like to proceed. The list of persons to appear is rather lengthy and I am concerned about the time element for all of you as well as ourselves.

Mr. Alito, our Secretary, did send out letter requests to everyone, I believe, suggesting that prepared statements be submitted and I find that we have a rather large number of them here this morning. I am going to suggest that the statement be made a part of the record. In other words, it will be transcribed by the stenographers and made a permanent part of the record. That being so, I would request that persons appearing not read the statement in full nor for that matter give us a statement in full similar to what is in the written preparation, but rather give us an oral summary of it so that we can congest this a bit. The written statement will, as I say, be part of the permanent record and the record will be available to all of you within about ten days.

Senator Sarcone of Essex County has just arrived and he is also a member of the panel.

SENATOR STAMLER: Mr. Chairman, before you proceed with the hearing. I would like to suggest that the record show that Mr. Albert Stender, the owner of the Park Hotel, has made

this room available at no charge. We can at least give him a vote of thanks.

[Motion was passed expressing the Committee's appreciation to Mr. Albert Stender, owner of the Park Hotel, for providing a meeting place for the hearing.]

SENATOR OZZARD: I would like first to call on Mr. Thomas Taber, Chairman of the Morris County Board of Public Transportation.

T H O M A S T. T A B E R: Senator Ozzard and gentlemen: I would like to thank you for this opportunity and your suggestion is excellent. You have copies of my statement so it is not necessary for me to read it.

I would like to offer to you gentlemen something which I think is very apropos and appropriate and something which I think well symbolizes the thing that you are trying to prevent. [Mr. Taber exhibits poster.] We all know what the red lantern signifies - "Trains Stop." And I think that the work of this Committee in taking suitable action to prevent the waving of the red lantern and the resultant consequences is most appropriate. If I may offer this to you --

SENATOR STAMLER: I suggest that be put in evidence. I don't know how we can do it.

[Poster submitted by Mr. Taber placed in evidence.]

SENATOR OZZARD: Thank you, Mr. Taber.

MR. TABER: All I would like to say is just this, gentlemen: As our railroad corporations have their boards of directors to protect the interests of their security holders, we the people of New Jersey have our board of directors too,

our elected representatives in the State Legislature. You gentlemen are the Board of Directors of the State of New Jersey and I feel that this matter is in good hands.

We, of course, are very happy to assist you in any way that we can to find a fair, happy solution of this problem in the public interest. And I don't think now, gentlemen, that I can add much to that. You read what I have to say at your convenience. Time is of the essence now. You have many people to hear and if at any time I can answer any questions or be of any assistance, our Board of Public Transportation of Morris County, which as you know has no self-serving interest in this, will be glad to help.

[Mr. Taber's complete statement can be found at page 85 of this transcript.]

SENATOR OZZARD: Mr. Taber, I want to thank you for coming and I would like to express publicly my appreciation - this is not the Committee's, but my own - for the efforts you personally have put into this matter of rail transportation in the past several years and perhaps longer, at least the years I have known you. I think you are to be commended for your efforts. Whether everyone agrees with all of your proposals or not is not important. The fact you have offered so much, given so much time and kept us in the Legislature so well informed for so long is something for public commendation.

MR. TABER: Well, I appreciate that, Senator, because I was brought up to believe that part of your citizenship is to try to serve the greater community and this in my little way I have tried to do. But I also want to say to you gentlemen that

your understanding of, interest in and working for the problem is also much appreciated by the people who elected you.

SENATOR OZZARD: We trust we can find a solution. Thank you, Mr. Taber. Are there any questions?

SENATOR HILLERY: Mr. Taber, is it your belief that the present setup in the State of the Transportation Division in the Highway Department is a wrong setup? The original intent, as you recall when Senator Lance introduced the legislation, was to have the department separate from all areas of government and it was forced into the Highway Department through the efforts of Governor Meyner who insisted it must be there. What are your views on that?

MR. TABER: My views, Senator Hillery, are this, that the subject is so important - it affects so many people in the State -- I think I can point out that we are not only concerned with the commuters themselves, that is, those who use the service, but we are very much concerned with the people whose economic welfare depends on the purchasing power of the commuters' income and what that means.

Now to make our State attractive, it must be easy for people and goods to move freely. We know that. And certainly here in New Jersey - and I speak particularly for our northern counties, but this applies anywhere - everybody knows that our commuters are good citizens. They serve on boards. They assist in government in any way they can. They raise their families and they contribute greatly. Now in New Jersey we cannot afford to have these good citizens leave our State and

go to Long Island or Westchester County because they don't have adequate rail service.

Now at the time the Division of Railroad Transportation was set up in the Highway Department, was created, it was to meet an emergency need. As we look back over what has happened during the past five years - and that is mentioned in my statement - we have been forced to the conclusion that the importance of the subject, the proper administration of it in the public interest, now requires that this must be handled independently because we have seen too many instances where rail transportation has been subordinated to highway projects. Right up in Passaic County we have seen the Boonton Branch of the Lackawanna, which was a heavy-duty, high-speed rail line, torn up. The State paid \$50,000 an acre for that abandoned right-of-way. There was no need of this because the new highway, 80, and the railroad could have lived side by side and you would have maintained an important rail line, as you know, Senator.

Unfortunately today our existing railroad rights-of-way in New Jersey are probably our most important and valuable assets and among the least appreciated. I do not quarrel with any business which wants to discontinue a line which it considers unprofitable. That is their business. That is why they have a board of directors, to set policy. I am critical of our railroads because in my opinion they have not tried to make this service pay, if it ever could. But the point is, you are never going to know until you make an effort, until you make studies, until you determine what the potential is. If all of your studies

are directed to the advantages of getting out of business, how are you ever going to find out what advantages might accrue from staying in business?

Now again to make a long story short, during the past five years when the State of New Jersey has put some \$30 million, I guess, into the rail subsidies which was a good thing -- it certainly kept the trains going. It gave us breathing time. But we cannot keep up this dole operation indefinitely. Time has run out on it. We have seen that the mandate of the Legislature that the service should be maintained and approved has not been carried out. The service is worse today than it was five years ago. And in this present Mass Transportation Demonstration Project, which you have heard of, which the State Highway Department has set up for the Erie Lackawanna Railroad, of the money which is available for actual projects which are intended to improve service, about fifty per cent of that money is devoted to bus projects and the project also includes the taking off of a number of trains and substituting buses. Now, gentlemen, once you take a train off it never comes back on again.

So all I say is, I feel very strongly. I think the record proves it. I think you will find that I am not alone in this. All of us who have studied this problem, with no selfish interest at all, as you gentlemen know, have come up to the same conclusion, that we must have a free, independent agency which is not going to be subordinated ever. Gentlemen, we have four types of public transportation in the State: air, water, highway and railroad. Each of them is important. Each

is essential. Each has its own job to do. But we cannot afford to subordinate one in order to help another.

So all we ask is fair play and proper recognition for each of the four methods of transportation in order to protect our rail transportation not only for today but for the future. Senator Ozzard and all of you gentlemen who live out in the hinterland know that the megalopolis population increase predicted in the next decade or two is going to put unbelievable demands on transportation, whether it is highway, railroad or anything else.

So as I see it, gentlemen, the people of New Jersey look to their board of directors to make sure that one of our greatest assets is not inadvertently lost.

San Francisco and Los Angeles threw away - tore up - two of the finest electric interurban systems in the United States. I don't have to tell you anything about conditions in Los Angeles. But I can say that in San Francisco the counties which approved the tearing up of those electric lines are today committed to the expenditure of somewhere around one billion dollars, a large part of which is going to be used to replace what they threw away. Now we can't afford this in New Jersey. We can't build new highways as fast as Detroit can turn out motor vehicles. Furthermore, gentlemen, there isn't a county in the State of New Jersey which can indefinitely put up with this loss of taxable ratables that occurs every time you cut a super highway through the town. You just can't do it. Therefore, common sense and sound economics, our future, our welfare, says that we don't want less rail service; we need

more and better not only to meet our existing problems, but those of the future. To do it properly, Senator, we must have an independent department.

SENATOR HILLERY: Thank you.

SENATOR STAMLER: I have a short question to ask Mayor Taber. How many commuters, if you know, are there out of Morris County into Newark and how many into New York?

MR. TABER: Senator, I do not have that figure available. I can get it for you and I will be glad to mail it to you.

SENATOR STAMLER: Will you? It might help the Committee to at least come to some decision as to the need - and I am not talking about the hinterlands - to do something about the commuter problem. Figures are important.

MR. TABER: You have two situations. Senator Sarcone has one. He is very familiar with it. Senator Stamler, you have one. And that is, when you get into suburban passenger service there are two types: There is the so-called rapid transit type, which would encompass more the subway, short interval operation, like Newark, Elizabeth and so on. You could draw a circle of not more than 15 miles - 14 miles is what London, England, thinks - and in that you have more like a subway, rapid transit. Then when you get beyond that, you get into the suburban area. I can say to you this, that we do have a large number of commuters to and from Newark on all the lines. Newark, as you know, is a rapidly growing city.

SENATOR STAMLER: Senator Sarcone will be glad to hear that.

MR. TABER: I had a little difference of opinion with

Mayor Addonizio on it when I told him that I thought if the Newark City Subway was properly developed and expanded, that the economy of Newark would be greatly improved as well as the ability to move around.

SENATOR STAMLER: Well, can you get us the figures? I think it would be kind of important.

MR. TABER: Yes, sir. And I think you can safely be sure, Senator, that that number is going to constantly increase. I would also like to say that as you see a revival of building and a resurgence of Lower Manhattan south of City Hall, the Brooklyn Bridge, you are going to see more commuters from New Jersey flowing down to Lower Manhattan.

SENATOR STAMLER: To the World Trade Center?

MR. TABER: Well, the whole thing because if you look, Senator, at the new construction that has gone up south of the Brooklyn Bridge in the last five years and see the areas which are still susceptible to the same type of high-rise office development, there is no question about a revival of the lower end of Manhattan Island as a business and trade center.

SENATOR STAMLER: If you can get these figures to Mr. Alito down at the State House, it would be helpful.

MR. TABER: We will do that within the next few days.

SENATOR OZZARD: Thank you, Mr. Taber.

Mr. Joseph Harrison.

J O S E P H     H A R R I S O N:     Mr. Chairman and gentlemen:  
I have a short statement that I have prepared to accompany a number of proposed amendments to Senate Number 292.

[Mr. Harrison's complete statement can be found on page 96 of this transcript.]

I am special counsel to the Morris County Board of Public Transportation and the Board over the last ten years has made constructive recommendations to State agencies and others having responsibility in this whole area. One of its recent contributions was the initial sponsorship of what is now Senate 292.

Now the proposed amendments that I am presenting to your Committee here today are to Senate 292. Senate 292, as you gentlemen know, provides for a separate and distinct state agency to be known as the New Jersey Transit Agency which would be authorized to take over, if it should become necessary, the ownership as well as the operation of such railroad facilities in the State as may be needed to continue the essential passenger rail service between New Jersey and New York City.

Now the matter of financing the State's purchase of the necessary passenger rail facilities which is not developed in S 292 is the subject of a preliminary draft of a bill or of a number of amendments that I have prepared for presentation to your Committee at this hearing and which have been presented to you.

In effect the bill provides three essential things. It goes to what I consider the jugular vein of the whole problem. The three aspects ~~that~~ this proposed amendment would incorporate in the bill are:

1. A bond issue of \$100 million (a figure which could be increased upon further study before the bill is actually enacted);

2. The guaranty of such bonds by the State, on the assumption that revenues and income from the State's operations would not be sufficient to amortize the bonds and pay the interest thereon;

3. Finally, the sources of the funds to support the State's guaranty would be: the revenues of the present tax on interstate commuters (R.S. 54:8A); the surplus fund reserves of the New York Port Authority; and the surplus fund reserves of the New Jersey Turnpike Authority.

I think sooner or later, as distasteful as the matter of either buying the passenger rail facilities or enacting or presenting a bond issue - distasteful as those two items may be, the fact of the matter is that sooner or later you are coming to it. You hear rumors. Well, this Committee heard Mr. White, the chief executive officer of the railroad, tell you two things at your hearing in Morristown. In the first instance he said that if he doesn't get some relief, they are going to quit after December 31st. You hear rumors that he has already made that indication to the Governor and the people down at the State House. Two, he has disparaged the proposal, the Demonstration Project, whereby Commissioner Palmer would hope to get in about \$6 million from the Federal government, and this under Senator Sarcone's questioning and your questioning, Mr. Chairman, in which you indicated - well, you are just getting a good fat subsidy - all that they are going to give you - and Mr. White admitted that. Now this is having very tough sailing down in Washington at the present moment. Months have gone by and nothing has been done with respect to

an approval. As a matter of fact, the Division of Rail Transportation has had to submit a revised proposal, apparently to try to meet the patent objections of Director Kohl of the HHFA down at Washington, so that the prospect is pretty glum. And you have been told in no uncertain terms - we have all been told in no uncertain terms by the management of the railroad that they are going to apply to discontinue all passenger service and thereby very seriously adversely affect the people of Bergen, Essex, Somerset and certainly Morris County.

SENATOR STAMLER: And Union.

MR. HARRISON: And Union very definitely. But with these stark facts facing us, we might as well face another stark fact and that is that it is going to cost money and that if S 292 needs beefing up, needs to be amended to provide sources of it, we have studied and prepared a draft of amendments that would serve that purpose.

SENATOR OZZARD: Mr. Harrison, I am curious about one of your suggestions, in that I am not quite certain as to the legal right of the State to commit the surplus fund reserves of the New York Port Authority and the surplus fund reserves of the New Jersey Turnpike Authority. I am concerned there with the bond obligations and the bond contracts.

MR. HARRISON: Well, let's take the surplus funds of the New Jersey Turnpike Authority. Now in '59, the matter was presented - it was gone into and it was presented on the ballot and it was turned down by the people. A lot of us feel that it wasn't properly presented at the time, that the administration didn't quite give it its all as it might have at that time. In

any event, constitutionally I believe a defeated amendment may be presented after the third year and that time has certainly passed so that with a proper presentation and the situation having become aggravated with the passage of time, I would be hopeful that such an amendment could pass.

Now with reference to the Port Authority surpluses, you may have noticed that over in New York this has been a suggestion to help bail them out - that is, at least their share - and keep their fifteen-cent subway fare. Now that suggestion has been made by responsible people there. I would think that with proper legislation, proper constitutional provisions, but we would have to go through those - I foresee that - I say there is a source of funds that very properly, very properly, could be used for this purpose. Since the Port Authority itself will not assume the obligations for which it was really established, one of the obligations for which it was really established, it seems very fair, eminently fair, that any surplus funds that they get from their other operations should be used to accomplish purposes for which they were originally established.

SENATOR OZZARD: Mr. Harrison, from the statement of the sponsorship by the Morris County Board of Public Transportation of S 292, I am correct in stating that your association, your body, sees us at the point of taking over the railroad operation - is that correct? - going into a State agency to operate the railroads.

MR. HARRISON: This is on the premise that the railroad - that Mr. White isn't bluffing, that he really intends to

discontinue service.

SENATOR OZZARD: I don't think that Mr. White is bluffing.

MR. HARRISON: Well, this is our premise, sir.

SENATOR OZZARD: Thank you very much, Mr. Harrison.

Any other questions?

SENATOR STAMLER: I have one. You are still the editor of the New Jersey Law Journal, aren't you?

MR. HARRISON: Yes, sir.

SENATOR STAMLER: And since you have been discussing law here today, what do you think of the constitutionality of the law under which we now give subsidies to the railroads?

MR. HARRISON: Well, as I read the Constitution, the language is very clear. If you can go by the clear meaning of the Constitution which prohibits any State grant or gift to any private corporation, it is my definite opinion that the subsidies have been and are unconstitutional and this is another reason why we have proposed this situation. Now if the constitutional provisions require amendment, then let's amend the Constitution. But I feel that it is not good government to distort, pervert, the clear meaning of language of the Constitution to come to some result and this is clearly what is being done with the subsidies. This was decided in '41 where the railroads were pleading bankruptcy and that they were going out of business; in the case of Wilentz versus Hendrickson, this whole matter was gone into and the then Court of Errors and Appeals said that this is unconstitutional and the whole history of that provision of the Constitution which prohibits the grant to private corporations stems from a railroad situation which

existed in 1875 when this amendment was incorporated in the Constitution. In that case the court clearly spells out the whole reason for the prohibition against such grants and the case was even weaker then. Then it was a matter of forgiving interest on taxes due and they said, "Oh, no, that's a grant." Here we are making an outright grant and to me it is very clear, if you read the clear language of the Constitution, that is, the clear, undistorted, unperverted, un- [quote] "interpreted", construed language of the Constitution and you can't square the subsidies with the Constitution.

SENATOR STAMLER: Thank you very much.

SENATOR LYNCH: Mr. Harrison, is it not a fact that under the terms of the law providing subsidies for the railroads, the railroads enter into a contract with the State for services?

MR. HARRISON: This is the form of language used. You understand, Senator, that they are already bound to give us that service under their franchises. They are not giving the State anything that the State isn't entitled to.

SENATOR LYNCH: Well, under the recent passage of law in Congress can't they go before the ICC and abandon commuter service if they want to?

MR. HARRISON: Not entirely. The most recent case is a case in the Supreme Court of the United States which involves the Southern Railway against -- well, it was in South Carolina. The Southern Railway Company wanted to discontinue, abandon completely, service between two small towns, Greenboro and Goldboro, and the railroad did exactly that. They went under

Section 13A before the ICC. Now the ICC --

SENATOR LYNCH: 14B or 13A?

MR. HARRISON: 13A.

SENATOR STAMLER: 14B - That's the Labor Law.

MR. HARRISON: Oh, excuse me, Senator.

SENATOR SARCONE: Didn't you read the editorials this week?

SENATOR STAMLER: I am glad I told a constitutional lawyer something.

MR. HARRISON: That's right. Thank you very much.

I am sure 14B wouldn't do what 13A does to us.

Under 13A, the ICC doesn't have to call a hearing and can let the discontinuance go into effect. Now that case was taken up by the state authorities and when I read that case, I looked up the population of Greenboro and Goldboro. Well, Greenboro had about 31,000 and Goldboro had about 18,000. So I read on and you read on to the last paragraph, the last few paragraphs, of that Supreme Court decision and the Supreme Court said - well, now, of course - they affirmed in that case - but they said - of course, if this discontinuance, this total abandonment, involved an abandonment between metropolitan areas where you had large numbers of people involved - well, of course, the ICC might be justified in permitting that. So in view of the language of that case, I say it is not open and shut that the railroad can go there. They still have an obligation to serve under their franchises. They are a public utility. They have certain rights which were given to them that other private corporations don't have and it seems to me that a lot of people are forgetting that they are operating

under privileges and grants that have been given to them by public authority, by the government, by the State of New Jersey and by the Federal government, and when it comes to applying that to New York City and all of North Jersey, I don't think it is that open and shut. They still have that responsibility and, therefore, I think it is an illusory contract.

SENATOR LYNCH: Just one more question: I haven't had the opportunity of reading the statement you filed with the Committee. Do I understand from what you have said today that you believe the State of New Jersey should purchase the commuter facilities and operate the same?

MR. HARRISON: This is the only honest, direct way of doing it if they really go out of business. If they threaten - not threaten - if they really abandon and can get away with it, then this is the only way to do it. I mean, to try to arrange with them what they want - I have heard what they want. I have heard them testify not only before your Committee here, but I have heard them testify elsewhere. They just want a cost plus proposition and I question the constitutionality of that.

SENATOR LYNCH: Thank you.

SENATOR STAMLER: How about the freight service? Do you think we should get into that?

SENATOR HILLERY: What about the freight service?

MR. HARRISON: Well, when you come to the freight service, you come into the matter of division of cost. Now you have a rail---

SENATOR STAMLER: No. We are running it now. The State of New Jersey is now running the service. We are not talking

now about the railroads running it. We know about their divisions. The State of New Jersey under some agency, some authority, is running it. Shouldn't we also take the good with the bad?

MR. HARRISON: I am very sympathetic to that view on the one hand. On the other, I have another basic political tenet which is that the State should just get into these things of private enterprise only to the extent that it is absolutely necessary. But I can see and I can justify even with that kind of ingrained belief that I have in our private enterprise system getting into all rail transportation as long as we have to take over the passenger. It is all one. The matter of cost is quite a difficult thing to arrive at really, honestly. I don't care what the ICC formulae are. They have never been tested and they are there because they haven't been able to get anything better. That is how difficult the problem is. That is all that that shows. But I would say that we definitely should take over the whole thing - I mean, if that's the way the industry itself wants it.

Now, of course, I think White or some of the other members of the railroad have said, "We will give you everything east of the Delaware."

SENATOR STAMLER: Not the freight.

MR. HARRISON: I think at one time he said the freight.

SENATOR OZZARD: He said they made no money in New Jersey.

MR. HARRISON: That's right. But if I may say so, I just wonder whether he thought the matter all the way through.

As you pointed out, Mr. Chairman, New Jersey is the gateway to a lot of these railroads and their mere bare cost within the State does not tell the story. It is very misleading and it is unfair of them to try to tell you so.

SENATOR OZZARD: Well, what Mr. White was being was a bit practical. Even if we only got in the passenger service, Mr. Harrison, they would no longer be able to run an engine or locomotive until its wheels were ready to fall off on the freight line and quickly transfer it to passenger service and then assess the passenger line for the repairs to a worn-out locomotive.

MR. HARRISON: Right.

SENATOR OZZARD: So they would have some problems, you see, once they were separated anyway.

MR. HARRISON: You are so right.

SENATOR OZZARD: Any other questions of Mr. Harrison?  
[No response.] Thank you very much.

SENATOR STAMLER: Senator, on behalf of Assemblyman Peter J. McDonough of Union County, who was supposed to appear here - he has asked me to give his statement to the Committee. I think there are sufficient copies.

SENATOR OZZARD: The statement of Assemblyman Peter J. McDonough will be spread upon the record and made part of the transcript.

[Statement of Assemblyman Peter J. McDonough  
can be found on page 107 of this transcript.]

Senator Woolfenden presently of Sussex and soon to be jointly representing Sussex, Warren and Morris with Senator

Hillery has joined the Committee.

Mayor Hulsizer of Fanwood, please.

E. S. H U L S I Z E R: Mr. Chairman and members of the Committee: I thank you very much for this opportunity to be here today.

I had prepared a statement which has been given to Mr. Alito and now that this is supposed to be just an informal summary, let me say I have been greatly impressed by the testimony that has been given here by Mr. Taber and by Mr. Harrison. These men impress me as being very much expert in the field, which is more than I can say for myself.

Nevertheless, I have been very interested in this mass transportation problem as mayor of my community since such a large number of our citizens do use the railroads for transportation to New York and Newark. Consequently I have been very much interested in the Inter-Municipal Group for Better Rail Service which has been formed here in Union County with the communities in our area.

We have arrived at a position in our Inter-Municipal Group which I would like to just summarize here. We have felt for a great many years that this mass transportation problem could probably best be handled by the Port of New York Authority. I recognize that it is the feeling of this Committee that the Port of New York Authority could not very well be cajoled or even persuaded in any way to take over this problem.

One point I would like to point out, however, is this: We have supported the purchase and operation by the Port of

New York Authority of the Hudson and Manhattan Railroad -- we have never supported it, I should say - inasmuch as this is not in accordance with the intent of the statute creating the Authority. We believe that the Port of New York Authority should construct and operate rail terminal facilities and coordinate rail traffic in the Port District in the same manner that they now do in the fields of vehicular, air and water facilities. In other words, our position is that while we do not expect the Port of New York Authority to take over and operate the railroads of our State, we do feel that they have the responsibility to create the facilities, the terminal facilities, which would accommodate these rail lines. They have done it with the airports and they have certainly done it with water facilities in the Port of Elizabeth and a few of these other places. And if this much of the job is taken over by the Port of New York Authority, then I think that a large measure of it has been taken care of, to coordinate and to plan the operation of the railroads.

Aside from that, gentlemen, I don't think I have anything to say except to once again endorse the fine testimony that was given by Mr. Taber and Mr. Harrison. I think that they presented the problem in a very clear, concise way. They have certainly studied it and I think they have come up with some fine recommendations for your Committee to consider.

If there are any questions that you would like to ask me -- Let me just point out this: Our Inter-Municipal Group endorsed the Aldene Plan so-called simply as a stop-gap measure. We never did and we don't now feel that this is going to be

the solution for the mass transportation problem in Union County. I don't want to appear to be pessimistic, but as I envision this thing, being a commuter who goes to New York every day, the confusion and the jam-up that is going to occur in Penn Station in Newark is going to be just simply awful. I have had the occasion in the past when the ferries were out of operation or during the Central Jersey railroad strike of going to Elizabeth and transferring to the Pennsylvania Railroad in order to get into New York and I know how bad that was and that was just a temporary situation. But unless facilities are improved at the Pennsylvania Station in Newark, I just look forward to this thing as being something that is going to be unbearable.

So with that, that concludes my testimony aside from the prepared statement which I have offered. Are there any questions you would like to ask me?

[Complete statement submitted by Mayor Hulsizer can be found on page 110 of this transcript.]

SENATOR OZZARD: Mayor, I would like to clear up one point. You state that your position or that of the Borough of Fanwood is for the Port Authority to operate terminal facilities. You also endorse the position taken by Mr. Taber and Mr. Harrison which was in the ultimate a State authority or State agency taking over the whole operation. Aren't these two positions a little in conflict?

MR. HULSIZER: Perhaps they are. What I meant to say there was that it has always been the position of our group that the Port Authority should operate the terminal facilities. I still think that this is so. But I think that Mr. Taber

and Mr. Harrison -- I think it seems to be the feeling of this Committee that the Port of New York Authority cannot be persuaded to do this sort of thing. It is my feeling that the State of New York and the State of New Jersey in creating the Port of New York Authority have created a monster which seems to be something they cannot control. I don't necessarily subscribe to that theory that the State of New York and the State of New Jersey cannot control the Port of New York Authority. I don't know whether any serious efforts have been made. They probably have. But it seems to me that there must be some means whereby the two legislative bodies of the two great States of New Jersey and New York can control an authority which they created. I just can't conceive that an agency that has been created can be more powerful than the agencies which created it.

SENATOR STAMLER: I think the record ought to show, Senator, that Congress created the Port of New York Authority.

SENATOR OZZARD: Not entirely.

SENATOR STAMLER: The original legislation came from the Federal government.

SENATOR OZZARD: I would say that the two states were slightly involved in its inception and I am not going to go into a further use of words in a description of what took place.

SENATOR STAMLER: I have one question. How many people live in Fanwood?

MR. HULSIZER: Nine thousand.

SENATOR STAMLER: How many commuters do you think you have to New York?

MR. HULSIZER: I would say that there are close to a thousand.

SENATOR STAMLER: A thousand.

MR. HULSIZER: Nearly nine thousand live there, but the nine thousand includes the housewives and the children. We have lots of kids.

SENATOR HILLERY: Mr. Chairman, I might advise the Mayor, to my knowledge the Port Authority has been blocked, but they have never been controlled.

MR. HULSIZER: Well, let me say, Senator Hillery, I realize that this isn't an easy thing. But the point is that there must be some means - I don't know whether they have all been explored - whereby proper pressure could be brought on this agency to be more cooperative.

SENATOR LYNCH: Mayor, you suggest the Port of New York Authority operate terminal facilities.

MR. HULSIZER: Yes.

SENATOR LYNCH: Just what do you mean by terminal facilities?

MR. HULSIZER: Well, what I mean by terminal facilities are such things as their operating the airports, the Newark Airport, for example. They are operating LaGuardia and they are operating the bus terminal in New York City. It seems to me that the terminal facilities, for example, that I envision as far as Union County is concerned would be the creation of a terminal facility somewhere in the Jersey City area which would replace this Aldene Plan business where all the trains are going to go into Newark. I just don't think Newark can do it. I think if a large terminal facility were

established in the Jersey City area into which all the passenger lines could feed and then be transported to New York or to whatever other destination the passenger may want to go, this would be a much better solution. And if they provided that, it would seem to me that either the State or the passengers themselves who use the transportation facilities should pay sufficient revenues to make this not a losing proposition for the Port of New York Authority.

SENATOR LYNCH: Thank you.

SENATOR OZZARD: Are there any other questions of the Mayor? If not, Mayor, thank you very much.

MR. HULSIZER: Thank you, gentlemen.

SENATOR OZZARD: We appreciate having your statement.

Mayor Hagen of the Borough of Chatham, please. I sort of called you out of turn here, Mayor, because you have such a delightfully short statement. [Mayor Hagen's written statement can be found on page 112.]

D E W E Y     A.     H A G E N:     Mr. Chairman and Senators: We in Chatham are very much concerned with the railroad problem, particularly the commuter problem. Our town is suburban. It is very similar to many of the towns along the Lackawanna - Madison, Summit, Maplewood, South Orange, Morristown and so forth - and we certainly are looking forward to a solution of this problem, as to how it is going to be resolved, because we all feel in our area that the railroad is a means of transportation for taking the bulk of the people from our town and the surrounding towns into Newark and New York.

I might say that our service is good. It is so good that most of our people that ride on the railroads are not even concerned whether the railroad is going to stop or not. It is very hard to go to work and create enough sentiment to get this railroad problem resolved.

Now I am not an expert on transportation. That is not my line of business. But we do know that we need transportation. In view of all the news that I read in the paper about what the railroads want to do - stop the trains and care nothing about what goes on - I am looking forward to our people in the State of New Jersey - we might call them the politicians, but nevertheless the people that run our State - stepping in here and resolving this problem. I don't know what your real answer is. As I say, I am not a transportation man. But I certainly urge that you as our representatives move on this and establish some type of an authority, a body or whatever it requires to keep our railroads running because the railroads are there. They can handle the people. The service is good, particularly in our area. There are no complaints about that. The main thing is to keep it going. That is the thing that we are concerned with. How you are going to do it - I am sorry I have no comments to offer on that. I think Mr. Taber has covered that situation very carefully with you in the past and I think you all know what our real problem would be because the suburban area of Jersey is going to continue to grow, the population of the State is expanding by leaps and bounds and we must have some means of rapid transit to transport these people. No matter how many highways

we build, we are going to reach a time when we will have the law of diminishing returns. If you build enough highways to transport all the people in the morning and evening hours to get them out and back, there won't be any place for the people. This is true not only in San Francisco, but particularly Los Angeles, you will see that situation. There are more freeways there using up the land where business ought to be than there is room for business at the present time and still they have nothing but a jam. I think probably most of you have been in Los Angeles and seen the situation. I know that California is not in sympathy with highway transportation for transporting masses of people. Certainly in Jersey with our highway system as it stands today, we are in no condition to transport these large numbers of people that go into Newark and New York every day.

Now in our own town we have about 1500 people that commute from the Chatham Station. I have estimated that there are about 1200 of those right from Chatham Borough. The rest come from Chatham Township, some from Harding Township and Florham Park.

SENATOR STAMLER: What is your population?

MR. HAGEN: The population of Chatham Borough is about 10,000, just under 10,000.

SENATOR STAMLER: I am sorry, Mayor.

MR. HAGEN: That's all right. The building of highways, putting buses on them or driving your own personal car, is not in my own estimation the way to handle mass transportation. High-speed transit lines, no matter how they are, whether elevated,

underground or on the surface, is the way to transport people. I think you will observe that in all of our cities that have a good transportation system. I think even in our European countries, if we take a look at their railroads, they are designed to do that very thing. There are plenty of roads in Europe being built very rapidly, but they are not designed to handle people getting from one town to another. It is the railroads that are handling the bulk of the traffic over there and I think our own salvation lies in maintaining the railroad and keeping it going. It may be an expensive item for us. Just how much it will cost us as taxpayers, we don't know. But I still think it is one of the things that must be done.

I might say that roads are not cheap by any means. We are spending millions on roads. We are working on it. It is very slow. But every road that has been built in my time here in the State, within five years after it has been built, it has been so overtaxed that nobody could move on it. Take our New Jersey Turnpike and our Garden State Parkway, two of the best roads probably in the United States. Can you make time on them today? Going through Essex County on the Parkway today, morning and night, it is jammed to the hilt. You can't move. I don't say that the railroads are going to take all that crowd off the parkways. But if we stop the railroads, you will have a bigger jam. It is going to be chaos.

SENATOR OZZARD: Mayor, in your statement you suggest that there be no delay in creating a suitable public agency to insure that trains continue to run - and this part interests me -

and that the service be adequate to encourage expanded use of the railroad facilities. Now as the mayor of a suburban town, do you really believe that we can increase the use of the railroads by the members of the present population in your area?

MR. HAGEN: Well, I certainly feel this way, that the number of commuters is going to increase due to the growth. That is where it is coming from. By good train service, you can also encourage more people to use it. We have half-hour service at the present time through our town. I think it runs from about seven o'clock in the morning until 8:30 or 9:00 o'clock at night and I think that our local trains through the day are pretty well patronized even today, much more than they were a few years ago when we only had hourly service.

SENATOR OZZARD: I hear a great deal about growth, Mayor, and our lines at the present time are all oriented around the City of New York, the Manhattan area. I have been doing recently a rather sketchy study of the growth pattern of Manhattan and I am a little surprised to see that it is almost nonexistent. There isn't a real growth pattern in Manhattan. Why would the growth pattern in suburban Jersey make any difference if there isn't a comparable growth pattern in the City of New York? I mean, you are not going to take any more commuters in there. Or are we talking about something different? Are we suddenly at the brink of transporting people within New Jersey from point to point?

MR. HAGEN: I think we are talking about transporting people from New Jersey into New York, which is the hub of

business. That is what we are talking about. The people in New York want to get out. They don't want to live in the crowded city any more. They want to live in the suburban areas.

SENATOR STAMLER: In line with that, Senator, if you will forgive me, in a certain instance a neighbor of yours, Chubb and Son, moved into your area. That has brought a great number of commuters who normally would have commuted each day to New York who would now reside, I would assume, in the general area. I think this is what the Senator is talking about.

SENATOR OZZARD: I don't mean to put you on the spot.

MR. HAGEN: That's all right.

SENATOR OZZARD: I am trying to find out whether you have a feeling in your community there are more people that would use the railroads if we could give more service - mid-day service, for example, and so forth. Are there women who want to use the trains to New York? Are we going to struggle only with the peak hours of commuter operation? Can we expand service and make it practical?

MR. HAGEN: Well, as I say, with the service that we have on our line today, it is widely used. It would still, if that service were not available, that is, the off-peak hours - it would clutter up the highways just that much more. More people would go. There is no question but what we are having a great change in the metropolitan area of certain types of business, particularly our commercial enterprises, stores and so forth. They are moving out into the suburban area to

attract more trade. They realize that people are not going onto Manhattan Island to do their shopping. It is economically not feasible. I don't think any of us would go into New York if we could find the same thing at our back door.

SENATOR OZZARD: You get the point that has been bothering me through most of these hearings, Mayor, and I use you as my vehicle of getting it on the record because of your position as municipal official, and that is, I wonder if we are not looking at something that is much too narrow in this matter of rail transportation. I wonder if we shouldn't be looking at this not only to get people in and out of Manhattan, but to get people in and out of various parts of New Jersey, to the growing shopping centers and so forth, and make public mass transportation a sensible and realistic thing for the northern part of New Jersey.

MR. HAGEN: I think it is highly essential that we do that. It is a terrific job to control where the centers are going to develop. Most of them today, as you realize, are all on our major highways because we have to depend upon the automobile. The railroad isn't there. This still clutters up our roads just that much more, particularly in the urban areas.

SENATOR OZZARD: All right. Thank you very much, Mayor. Any other questions of the Mayor? [No response.]

I have two persons listed together here for the Board of Realtors of the Plainfield area, Mrs. Wilner and Mr. Schwartz. I would prefer taking just one unless there is some reason for both persons speaking. Mrs. Wilner -

MRS. WILNER: I am left with this, gentlemen. Mr. Schwartz

left.

SENATOR OZZARD: I saw you trying to duck, but I wasn't going to let you.

MRS. WILNER: I don't know why not.

M R S. B E A T R I C E W I L N E R: Senators and gentlemen: I also would like to reiterate what some of the other people have said, that the people before me, of course, are far more equipped than I on rail service and its enormous problems in the State of New Jersey.

Our Board, as the Plainfield Area Board of Realtors, has a specific need, of course, for better rail service in our community. We, like other communities along the Central line, are greatly affected by it.

I heard just before I got up, Senator Ozzard, you ask did we honestly think that we could encourage more commuter service if we had better rail service and we are of this opinion that our people in Plainfield, namely perhaps 2,000 commuters or a little better, would increase rather than decrease. I don't know the figures. I don't have them. But I am sure within the last ten or fifteen years, this figure that I just gave you is a smaller one than that of ten years ago when the service was perhaps a little better.

I know for a fact that we in our particular Board have lost many potential home owners to areas where the commuting service by rail was better than our community had to offer. Also, of course, we have been like a little orphan as far as spurs for highways and we don't have a direct highway or Garden

State Parkway that goes through our community. Therefore, we have no access within our State as well as without our State, except perhaps by rail and an indirect line.

Of course, in my short summary, I did mention that we would not like to be forgotten as far as our double -- We have four stations in Plainfield now, but Grant Avenue and Clinton Avenue have one or two stops in the morning and one or two stops in the afternoon and they are almost nonexistent. But the Plainfield area Central Station and our Netherwood Station which handles the largest portion of our commuter traffic - we have been led to believe that they are hoping to get rid of both of these and have a central station which is non-central. We would like to go on the record hoping that this would not happen because in Plainfield the traffic flow is such a problem at the area that they intend to put the station that it would be like an enormous bridge without a place to get off. This is what we have had in other areas and we hope not to have it here.

We feel that considerable damage has already been done by the poor rail service that we have here now and we would like to go on record as not having an answer unfortunately because we are not qualified to have an answer, but in effect that it has affected the entire general real estate values in the entire community, whether they be residential or commercial.

[Statement submitted by the Board of Realtors of the Plainfield Area can be found on page 113 of this transcript.]

SENATOR OZZARD: Mrs. Wilner, in your statement you make a reference to 3,000 responses to a survey. Would you kindly

tell us who took the survey and the type of sampling that was made if you know?

MRS. WILNER: Actually I don't have that here in front of me. I can get it for you and give it to you.

SENATOR OZZARD: Was it a professional survey?

MRS. WILNER: Yes, it was a professional survey done by the rail people themselves. In other words, this was not the Board of Realtors. These questionnaires were put on the seats of the commuters from Raritan on in to Newark and there were only 3,000 responses to perhaps many more questionnaires that had been distributed. From that survey done in 1960, approximately 22 per cent of the commuters stated that they would leave the general area. Now they are not all from Plainfield. In other words, the 3,000 were not all from Plainfield, but they are on this same line. We are not only concerned with Plainfield, but also with our sister and brother communities up and down the line. That is all on that.

SENATOR HILLERY: Mrs. Wilner - through you, Mr. Chairman - you said that people who came here to purchase property in some instances went to other areas where there was better commuter service. Could you name some of those areas where they felt there was better commuter service?

MRS. WILNER: Yes. I can only speak for myself, but in our own area we have lost several to the Metuchen area which is on the Pennsylvania line, several to New Brunswick area - not New Brunswick itself proper, but in the vicinity of New Brunswick so that they could get into New Brunswick and use that line.

SENATOR LYNCH: Mrs. Wilner, your loss is our gain in

Middlesex County.

MRS. WILNER: Well, I am happy for that, only we don't like to see them leave.

SENATOR OZZARD: Are there any other questions of Mrs. Wilner?

SENATOR STAMLER: You mentioned, Mrs. Wilner, the Netherwood Station and the Central-Plainfield Station and apparently you suggested that there is a possibility that both of them are going to be discontinued.

MRS. WILNER: Well, we have been led to believe from the railroad that they will condense and take our Central Station and move it up to Richmond. This is the proposal that has been made to the city fathers of Plainfield. We as a Board are very much against this. We do not feel that the traffic flow from studying it with the Parking Commission would be adequate to handle it, no matter what they did in that particular area, and also would defeat the purpose of upgrading our community, namely, we are now in the process of an urban renewal development downtown. And if the city's Central Station were moved, I think it would affect the general business and, of course, the general business affects all real estate values in the area.

SENATOR STAMLER: Doesn't a portion of Somerset County or the people who live in Somerset and the people who live in Middlesex use your station too?

MRS. WILNER: I am very glad you asked us that because we do service, of course, North Plainfield and North Plainfield has a population of some twenty odd thousand, which is Somerset County, and they would be using the Plainfield Station and

likewise perhaps South Plainfield which had the Lehigh Valley and no longer has that rail service. They too would be coming into Plainfield. So while we have lost some of our people to Middlesex, those close to us would like us to be able to offer a good service.

SENATOR STAMLER: Well, when they move to Somerset, you don't consider them lost?

MRS. WILNER: Oh, yes.

SENATOR OZZARD: I take personal offense to that remark.

MRS. WILNER: That is if they go up in the hinterland, up into Senator Ozzard's area.

SENATOR OZZARD: This matter of stations, Mrs. Wilner, is possibly just a trifle aside from the basic problem. But since it has been raised, you know in Senator Lynch's county, they have what was an experimental Park 'n Ride operation which has proven to be quite successful, I believe --

SENATOR LYNCH: That is true.

MRS. WILNER: I would like to hear about it; I really don't know anything about that.

SENATOR OZZARD: [Continuing] -- where the station is just on the outskirts of town, but has such large parking facilities that they can centralize there and presumably people are willing to drive and get decent parking facilities and then take a train from there. Wouldn't a central station with adequate parking facilities meet the Plainfield problem since cost is a factor in maintaining these several stations and even the State might find that consolidation is necessary?

MRS. WILNER: I think that the main hope, of course, in

Plainfield is that they keep it a suburban kind of community and therefore the Netherwood area, being the suburban area of the town, it makes it that much easier for the people to commute. And when you are thinking in terms of commuting, if you are a commuter, you know that you are thinking of portal to portal, more or less from your home to your office, rather than the rail service saying it would be simpler because we could have one station and therefore it would take ten minutes less because we would have two less stops or four less stops along the line. But the gentleman that is going to New York has to think about how long it is going to take him to get from his home to this bus ride or whatever you speak of to an area station and then from that station on into New York. So we would like to think in terms of it being a suburban kind of community and the gentleman going from his home to his office in the least amount of time. I am not convinced that a central station, if one were large enough and the area large enough for parking and what have you, would not be the answer, but that doesn't seem to be an opportunity because the area that they have chosen is not one of large area that they would be able to get the spur and direct lines from the community into the station. Our town wasn't laid out so, unfortunately, and therefore it would make it more difficult.

SENATOR OZZARD: Are there any other questions? If not, I want to thank you and I want to compliment you on your hat. It is a welcome relief from the bald spots.

MRS. WILNER: Thank you very much.

SENATOR OZZARD: I would like to take a five-minute break before our secretary's fingers go totally cramped. Let's give her some relief. In five minutes, we will be back.

[Short Recess]

SENATOR OZZARD: Gentlemen, can we call the meeting back to order, please. We would like to break for lunch at 12:30 for one hour. Now I have still a rather lengthy list here. I want each of you to be as honest with me as possible. If there are any persons who must leave for other engagements - and I am sure all of you have other things to do - I would like to give those persons that are in a critical situation priority. But if not, I would like to take them in the order that we have them, which means that some of you will be here after lunch. Is there anyone that has any critical situation that requires any immediate handling? [No response.]

All right. I have here a very brief written statement from Mayor Hewson of the Township of Harding in Morris County. I have been asked to see that this is made part of the record and I will give it to the Secretary to see that it becomes part of the transcribed record.

[Statement submitted by Mayor E. H. Hewson can be found on page 114 of this transcript.]

I would like to ask Mr. John Kraus, Chairman of the Inter-Municipal Group for Better Rail Service, to come forward, please.

J O H N F. K R A U S: Mr. Chairman and honorable sirs: It gives me pleasure to appear before you again.

I will only attempt here to give a brief resume and to

bring up a point that will clarify statements of the past which in the interest of brevity have always been brief and perhaps not included all the facts.

SENATOR OZZARD: Can everyone hear? [Members of the audience indicate they cannot hear.] Pull the mike back just a bit, please, Mr. Kraus.

MR. KRAUS: We have in the past issued these statements, but in the interest of brevity at times perhaps we haven't been complete enough in support of the necessary details.

Briefly, back in 1946 after about a year's study, the group determined that one of the keys to the long-range solution of the rail problem was the consolidation of wasteful and expensive duplicating terminal facilities. And as the years have gone by, this has become more evident, particularly with our recommendation that the Port Authority is the only experienced, existing agency to provide the terminal facilities which in our case have been the number one "Independent Loop" Plan recommended by the Metropolitan Rapid Transit Commission, supported and subsidized by the Port Authority after the expenditure of some one and one-quarter million dollars.

We think that the Palmer Plan, as Mayor Hulsizer has indicated, is merely a stop-gap arrangement and we think it is kind of foolish to go into a stop-gap arrangement of the magnitude of dollars that have to be expended both in recurring costs and in capital costs to provide a stop-gap solution without the determination of a long-range plan, particularly in this case too where the rights-of-way may be lost as a result of going into this plan.

We also have said over the years that since the operation

of the railroads by the Highway Department our service on the main line of the Jersey Central has deteriorated percentagewise at a faster pace than before we started to spend in northern New Jersey some \$30 million through subsidies and another \$15 to \$20 million for studies by today five different agencies in the State.

I don't think there is any question that rail service is a requirement, particularly with the ever-increasing numbers of cars and the increasing costs of building highway facilities. The last statement I heard from Commissioner Palmer was that it was costing an average of some \$7 million a mile for modern highway construction. This nowhere meets the cost requirement when we talk of the heavily populated areas such as the Oranges or Newark or the other points of the State.

Therefore, we urge the Governor and the Legislature of the State of New Jersey first to create a State Department of Transportation, consisting of four divisions - Highway, Rail, Waterway and Airway.

Two, direct the Port Authority to take immediate steps toward the implementation of their sponsored Metropolitan Rapid Transit Commission's recommended "Independent Loop" Plan as the long-range plan for the solution of the terminal facilities in northern New Jersey and New York.

Three, maintain existing rail and ferry services until the "Independent Loop" Plan is in operation.

Four, abolish existing State rail study agencies. We have just about studied the rail problem to death. I recognize that if we study it for a few more years, we will have solved

the problem because there will be no rail problem - there won't be any railroads. We have had during the last twenty to thirty years sufficient studies. The Metropolitan Rapid Transit Commission study, as I indicated earlier, supported and subsidized by the Port Authority, cost over a million and a quarter and there are other numerous studies, too many to mention at this time.

We also recommend that we return the regulation of the railroads to the Public Utility Commission where it had been and where it rightly belongs.

Just to clarify the point on the Port Authority, there have been times when some have thought that we have knocked the Port Authority. We never have. We consider them one of the most efficient quasi-judicial operating agencies in this part of the country. Both in our reports to you and included in this report as well as in Mayor Hulsizer's report are many reasons, both legal and other, that indicate the Port Authority is a natural agency to do this job. We know if we create a new agency, we will have an inexperienced, higher-overhead cost group competing with an existing agency.

In addition to those items that support this position, and there are many, I would like to quote from the study completed by the Regional Plan Association, which took three years and cost well over a million dollars, relative to the solution of the mass transportation problem:

"Mass transportation facilities nominally under private management have become largely a public responsibility.... Existing regional institutions, including the Port of New

York Authority, were created as public corporations to remove the program from politics. Yet political pressures do arise in the informal relations established between the corporation's executives and other public officials, influential groups, and private individuals.... cultivating 'public opinion' in such forms as favorable editorial comment, the assistance of a strategically placed bureaucrat, or the support of an influential civic leader...

"In the view of the railroad management," and I quote again, "the plight of their companies stems not so much from changing transportation technology as from the growing competition of public facilities devoted to automobile and bus movements. 'The name of the Port Authority,' Tom Barrett of the New York Herald Tribune reports, 'is not a popular one in New Jersey railroad circles. This is because the railroads feel that the Port Authority's Hudson River crossings are mainly responsible for the 50 per cent drop in rail passengers over the last thirty years.'"

"In contrast to the worsening financial conditions of public and private institutions responsible for mass transit, the agencies presiding over the highways, bridges and tunnels of the Region flourish.

"Thus the 'rubber-tire' agencies of the Region, relying on both formal and informal means of collaboration, steadily push forward in their programs. Since they are able to anticipate large amounts of funds from the higher echelons of government and to bank heavily on user-charges, these institutions possess the resources as well as the legal and organizational

capacity to expand."

They go into a great deal of background on this. In fact, this quotation comes from one full volume of the Study. There are ten volumes to the entire study.

I go on further and I quote: "Since the demise of the Metropolitan Rapid Transit Commission, some modification of the Port Authority's position has become discernible... Yet this proposal," the proposed purchase of the H & M, "does not embrace the comprehensive coordination of modes of travel which the Regional Plan Association called for; indeed, it can be interpreted as a plan which precludes or delays such arrangements.... The play of politics in the transportation field operates to maintain a separate heritage of mass transit and highway development.... The rail portion of the transportation network lives largely on existing capital. In contrast, the highway agencies work in a situation of financial opulence...."

I think that sort of rounds out the picture in addition to what we have given you gentlemen. We have to agree with the other groups that the picture looks more hopeless today than ever in the past. The need for subsidy has been increasing in amount and I can only state that if the railroads desire what the New Jersey Association of Railroads requested on February 27, 1964, this is going to be a terrific amount of money to raise or to support that amount. It is a minimum of \$32.3 million if they are to provide first-rate commuter service and the question is: Does New Jersey want this type of service?

Are there any questions?

[Complete statement submitted by Mr. Kraus  
can be found on page 115 of this transcript.]

SENATOR STAMLER: Your suggestion on the last page is: "1. Create a State Department of Transportation." You recognize that this requires a revision or an amendment to the Constitution?

MR. KRAUS: That's right, Senator.

SENATOR STAMLER: And you recognize too the time it takes for us to revise our Constitution and amend it?

MR. KRAUS: I recognize that, Senator.

SENATOR STAMLER: Well, can we wait then to do it?

MR. KRAUS: Well, I think that we have the tools with respect to the transportation statute that was passed in 1960 to maintain service until such time as we got the Constitution revised. I remember back when the Turnpike surplus funds were being considered and we got Hudson County together with their senator, assemblymen, mayors and freeholders and got them to agree to work with us for the public to vote for the surplus funds to be donated for rail purposes.

SENATOR STAMLER: Well, in line with this, Mayor, we are told that the Erie Lackawanna wants to discontinue its service at the end of the year. Now can't an authority or a State agency be established to do what you want it to do without setting up a separate department? We have a lot of departments in New Jersey now.

MR. KRAUS: I think, Senator, you are right that when it comes to extenuating circumstances such as this where time is of essence, that short cuts have to be taken. I think we will

have to rely upon you gentlemen to maintain service until a long-range solution and some more efficient and satisfactory method is established. We still don't know today what our long-range solution should be.

SENATOR STAMLER: We don't either. That is why we are here. The point is this: If we follow this recommendation, this may take, as I know our amendments, two to three years.

MR. KRAUS: Senator, could we take the steps to make the revision of the Constitution and at the same time take the necessary steps to maintain service, whatever they may be?

SENATOR STAMLER: You know the Constitution has been tampered with enough up to now. It would seem to me that it has worked pretty well. Maybe we can find another place for this agency or this authority that we are talking about without setting up a new department.

MR. KRAUS: I think we have to leave that entirely in your hands to maintain service for us.

SENATOR OZZARD: Any other questions? [No response.]

Mr. Kraus, thank you very much.

MR. KRAUS: Thank you.

SENATOR OZZARD: Mr. Frank Tilley, Chairman of the Transit Committee of Bergen County.

F R A N K     E.     T I L L E Y:     Gentlemen, I appear today for the Transit Committee of Bergen County and for the Suburban Service Advisory Committee which is an advisory body to the Bergen County Board of Freeholders.

The Transmit Committee incidentally is not a commuter group, but functions essentially as does Mr. Taber's board in

Morris County, except that we don't have the benefit of county funds.

You have before you our statement. As busy as you gentlemen are, I don't know how in the world you are ever going to have time to read all these statements. Accordingly, I would like to single out two of the points in the statement and emphasize those at this time.

Number one, our organization sees, and in fact for some time has seen, that the only possible solution, and long-range solution at that, to the mass transportation problem in New Jersey is through the creation by an act of the Legislature of a public corporation or authority which shall be empowered to take over under lease the transportation facilities and services of the privately-operated railroads and operate them under lease for the benefit of the public.

An over simplification of what we have in mind would be the situation when we charter a bus for the Sunday School picnic. Such an agency would charter trains and the necessary facilities for carrying commuters and other rail passengers.

It was my honor earlier this week to serve on a panel with one of your senatorial colleagues who happens to be a gubernatorial candidate. The subject under discussion was mass transportation. Senator Dumont confessed to some confusion in his mind as to the distinction between government ownership of the railroads and the type of operating agency that we are proposing. I would say that our position is that there is no need and perhaps at this point not even any desirability in the State acquiring by ownership the rail

facilities. But we feel that only with the kind of an agency we have described which shall have the power to charter these services and act not as a planning board nor as a study group, but as an operating agency - only in this is there any hope of any solution now or in the long-range future.

The second point I would like to extract is contained in one of the paragraphs in the statement, and I would like if I may, Senator Ozzard, since I feel it is as well worded there as anything I could say extemporaneously, to read it. It is the second paragraph at the top of the second page.

The agency we are describing should include in its directorate not only the usual representatives of the business and financial communities, but also knowledgeable "lay-experts" - responsible members of the commuting public who can make a contribution based on first-hand knowledge and experience. The agency also should include representatives of railway labor, drawn from the operating brotherhoods.

Then at the bottom paragraph on the page: Other agencies have been created for other purposes, and we have learned much about the way in which some of them have arrogantly told their creators what they would or would not do, and under what conditions. Accordingly, certain safeguards would have to be provided. One of the most important, we feel, would be, as we have urged already, the inclusion in the agency's directorate of public "lay-experts" and of a representative of labor. This is a must and cannot be overemphasized. It is all right to continually call upon bankers and insurance company

presidents to fill these positions, but such persons usually can't remember what the inside of a commuter train looks like.

Gentlemen, you have had before you today as witnesses two or three persons who in our opinion would qualify to serve as knowledgeable lay experts, knowledgeable commuters. We feel that in Bergen County alone we could offer the names of half a dozen people who could qualify for this role. We urge should an agency eventually be established that the inclusion of such people be a must in the legislation to create the agency.

[Complete statement submitted by Mr. Tilley can be found on page 124 of this transcript.]

SENATOR OZZARD: Mr. Tilley, I note on the second page of your submission to us something that I think is a little different than anything that has been suggested before. It is a little refreshing. I refer to the fourth paragraph on page 2, which reads: "The Port Authority further should be directed to do at least for the railroads what it has done already for other forms of transportation. It should erect and operate in midtown Manhattan a union rail terminal for the use of North Jersey passenger-carrying railroads, and it should construct railroad tunnels under the Hudson River to provide access to the terminal."

Would you care to elaborate on that at all or perhaps that is all you want to say on it? It is a fresh idea.

MR. TILLEY: Yes, Senator, I think it speaks for itself, but, of course, it grows out of the fact that the Port Authority

as we all know has built and operates two bus terminals, a number of air terminals - we could count them up - barge terminals, motor truck terminals, everything but terminals for those transportation facilities that the Authority was originally created to serve. By the creation, the building and the operation of the Union Rail Terminal in midtown Manhattan, together with the access tunnels under the Hudson River, which all railroads could feed through and into, the necessary terminal facilities could be provided under lease even as the Port Authority bus terminal is providing services on a rental basis to the bus companies that operate in and out of that point.

SENATOR OZZARD: Thank you. In my recollection of the conditions and terms of the charter of the Port Authority, it is well within its function and operating railroads in Plainfield or Somerset County might not be. This is a commendable idea. I appreciate your expression of it.

Are there any other questions? [No response.]

Thank you very much, Mr. Tilley.

Is someone representing the Mayor of Plainfield. We have a statement from the Mayor. Is there anyone here that is representing him?

MR. DYCKMAN: I am Chairman of the Planning Board.

SENATOR OZZARD: Would you like to come forward, sir.

SENATOR STAMLER: Former Mayor Dyckman.

R. P. D Y C K M A N: I would like to say in connection with the local situation which was touched on by

Mrs. Wilmer, I got the impression from Commissioner Palmer that it is really not being seriously considered now to establish a new Central Station in Plainfield. I think we have convinced them that we can supply more parking spaces and better access to our present Central Station and the Netherwood Station than could be provided at a new station at the location which they have considered.

What we want to do primarily is not to have either Netherwood or our main Central Station abandoned. We need them both and I don't think it would speed transportation any to eliminate one of them. The early morning trains stop at either one or the other and the off-peak trains stop at only the Central Station.

I am also a member and Plainfield's representative on the Inter-Municipal Group for Better Rail Service. I still think their position concerning the Port Authority operating the terminal facilities is an excellent one - in operating the terminal facilities for other means of transportation. It isn't only passengers; it is also freight. So perhaps if the Port Authority operated terminal facilities, they could take care of terminal facilities for freight also and that might relieve the highways to some extent by getting some of these high-speed trucks off the highways which crowd them and which most automobile drivers fear.

I think the suggestion ~~that~~ the gentlemen from Bergen County just made is an excellent one, that if they could be persuaded to create access to New York City by tunnels under the river - I think that would be a wonderful solution.

I have heard certainly Senator Stamler and I think yourself, Senator Ozzard, say that it isn't in the cards to get the Port Authority to do these things.

SENATOR OZZARD: Not until they want something else and we do a little trading.

MR. DYCKMAN: Well, if they do want something else, a quid pro quo could be arranged. But I suppose there are also powers of persuasion by gentlemen like yourselves and the Governor. It does seem to me that that would go an awfully long way toward solving the problem if they could be brought to do it. Now if it is not in the cards, I don't know what the other answer is.

[Statement submitted by Mayor Robert C. Maddox of Plainfield can be found on page 127 of this transcript.]

SENATOR OZZARD: Of course, Mayor Maddox's prepared statement will be part of the record. I notice on page 3 of his statement he reserves to us the method whereby the requirements of continued service and up-grading service may be maintained, again expressing, as many other speakers over many meetings have expressed the feeling that the government should not get into the field of private enterprise. He does recognize the need for something other than private means and this, I presume, is the position of the official family of Plainfield as expressed by the Mayor that if we have to get to an agency, we get to an agency, but we keep the service going for this area. Is that right? Would that be a good summary of your position here?

MR. DYCKMAN: Yes. Actually I haven't had a chance to

see Mayor Maddox's statement. But I certainly would subscribe to that.

SENATOR OZZARD: Are there any questions of Mayor Dyckman? [No response.]

Thank you very much. We appreciate your appearance.

Mr. Peterson of the Westfield Board of Realtors, please.

P. E. P E T E R S O N: Thank you, Senator. I will be very brief. I represent the Westfield Board of Realtors who on October 7th made a statement and in essence this statement is to preserve and improve adequate and attractive rail transportation for the citizens which we serve, Fanwood, Scotch Plains and Westfield.

While you are looking at the statement - unfortunately, I only brought one which you have there.

SENATOR OZZARD. Right. There is just the one copy and I will turn this over to the Secretary.

MR. PETERSON: We wanted that statement to go in the record. Briefly, as I said, it is to preserve and improve adequate rail transportation.

The suburban towns of Westfield, Fanwood and Scotch Plains, we believe, have been built on this railroad and it is an established way of life there. We have presently, daily, in Westfield about 2450 commuters. That figure was obtained from Mr. James who is Publicity Director of the Jersey Central. He supplied other additional information but I think that's of paramount importance to establish the number that go to and from the City. We don't promote heavy industry in these towns as we feel it would be a fiasco in the line of economy in small towns and depreciation of property values.

That is basically, sir, our statement and we would like to make it a part of the record.

[Mr. Peterson's complete statement can be found on page 132 of this transcript.]

SENATOR OZZARD: The Board of Realtors, I gather from your statement, Mr. Peterson, takes no position as to how the problem should be approached but rather you make clear to this Committee the necessity for finding a solution. Is that it?

MR. PETERSON: That is exactly it, Senator. We appreciate your inviting us here to go on record on this. We don't feel we are adequately informed to supply the solution to this major problem and I have heard a lot of testimony here that was interesting and very involved and we don't plan to inject ourselves into trying to supply this information.

SENATOR OZZARD: Mrs. Wilner of the Plainfield Board said that they had evidence that discontinuance of rail service would cause a large number of persons to leave the area. Has the Westfield Board done anything in the way of surveying, or even general inquiry, to determine whether it would have this effect upon your municipalities or whether it's so desirable there they would stay anyway.

MR. PETERSON: We have not made a survey, directly to answer your question, sir, but I can see from practical experience that -- two major inquiries, when folks come into our area - and I would say in this town we have a tremendous turnover - the life of a mortgage in our town is about seven years - when I say "our town" I'm talking about our Board's territory, serving Fanwood, Scotch Plains and Westfield, and there the life of a mortgage is about seven years. In one of our small towns, and I think it was

Fanwood - Mr. Hulsizer is here as Mayor - they claimed to have investigated and found a 25% turnover in the last year and a half. It's phenominal. We have people coming and going.

But to directly answer your question, folks that are directed to us in our Board to purchase homes and the first question they are interested in is "Can I get to uptown or downtown - how do I get to my job?" and the second one is about schools. But they come in that order. The importance of available, good, adequate rail transportation to the city.

I don't think we, at present, have lost many people to other areas. Mrs. Wilmer said she had personal experience in that. I can't put down people and places and say we have lost people but I know that we will lose - we will lose them. And I can say this from practical experience because we are working with them daily. Their interest is getting to and from their job in a reasonable length of time and in good condition. Things have been going downhill and I say if they cut them off we will have a depreciation in value and an economic chaos within this suburban line of Fanwood, Scotch Plains and Westfield.

SENATOR OZZARD: Thank you. Are there any questions?

(No questions.)

Thank you, sir.

Mr. Jenkins.

MEMBER OF AUDIENCE: Mr. Jenkins was not able to be here and he asked me to represent him.

SENATOR OZZARD: Your name, for the record.

A R T H U R     R U B I N: My name is Arthur Rubin and I am Principal Planner of the Somerset County Planning Board. Mr. Jenkins is Chairman of the Somerset Hills Transportation Association and is also Chairman of the Somerset County Railroad Advisory Committee in relation to the Erie Lackawanna Demonstration Project that is now being considered.

My relationship with Mr. Jenkins is that I have been assigned by the Freeholder Director to be the Technical Representative on the Suburban Service Committee.

I would like to highlight just three parts of Mr. Jenkins' statement. First, his endorsement of S-292, the bill that has been submitted by the Senator from Morris County; second, his feeling that the Highway Department during the past five years has disqualified itself from the future operation of a rail agency in the State; and, third, a statement here in relationship to the Port Authority and a recommendation that the Port Authority acquire and operate Penn Station in New York.

I would like to point out in relationship to this that he has, in his statement, gone into other activities of the Port Authority but he has noted that the Port Authority has an accounting determination to be made in relationship to the new World Trade Center and to the Hudson Terminal. Now, this is one of the problems that faces rail transportation, this question of accounting. If they use one form of accounting the railroad will be in the black; if they use another form of accounting it will be in the red in relation to ownership of the World Trade Center, ownership of the land.

It is absolutely essential for many of the buildings in New York City that they have rapid transit service such as the Hudson Tubes provide, now the PATH system. And it would seem that any assignment by a county that proves that the Hudson Tubes are a deficit operation is one of the problems that face all railroad operations in the State where they have to pay such a high tariff to go into Penn Station, this is one of the big problems that faces our rail system.

And I think the other aspects of Mr. Jenkins' statement are that he is very unfavorable to the State assuming the obligation of continuing the operation of the railroads and he specifically has endorsed S 292.

SENATOR OZZARD: I notice, Mr. Rubin, on page 3 of Mr. Jenkins' statement he suggests something similar to that of the Bergen Board, that the Port Authority not only acquire Pennsylvania Station in New York but use it as a union terminal. This is the second time this morning we've heard this. Are you familiar with this suggestion? Is it that broad and does it encompass the other thought that Bergen has of new under water routes or under river routes to get into --

MR. RUBIN: Well, Mr. Jenkins did not specify this particular matter, new tunnels under the river, but I'm sure in our discussions we've realized that the railroad operation can't stand still. If it stands still, it's going to go downhill. It's like any other major investment, if you don't put capital into this investment it must inevitably deteriorate. Therefore, sir, there is a need for large capital expenditures

and some of those capital expenditures should definitely come from the Port Authority.

SENATOR OZZARD: Any other questions of Mr. Rubin?

SENATOR STAMLER: Mr. Rubin, as a Planner for the County are you planning for the collapse or the continuance of the railroads?

MR. RUBIN: Well, we have this problem and our Planning Director should be here later in the meeting.

SENATOR STAMLER: You're a planner.

MR. RUBIN: Right. And in relation to this, we have a county transportation plan and one of the elements in it was to try to estimate what was going to happen in relationship to this. And our estimator said if the density of the area continues to increase it's inevitable that we are going to have to have a turn toward mass transportation of rail transit. So, therefore, we have a sign, for instance, in the transportation model that we have a doubling of rail passenger service. We have about 3,000 people going out of our county by rail transit. But we would find a doubling of this passenger service by 1980.

SENATOR STAMLER: All right. Take the other side of the coin now. The railroads on December 31 stop serving commuters. What is your plan there?

MR. RUBIN: We haven't planned for the railroads to stop service. We have confidence in you gentlemen.

SENATOR STAMLER: Of course.

SENATOR OZZARD: You said that Mr. Roach would be here. You're not presenting his statement.

MR. RUBIN: I hope not to have to. He has another meeting this morning but he will be here later.

SENATOR OZZARD: All right. We'll hold it till then. Thank you, Mr. Rubin.

[Mr. Jenkins' complete statement can be found on page 133 of this transcript]

SENATOR OZZARD: Mr. Kretzmer. Proceed.

J O H N K R E T Z M E R: Mr. Chairman and Gentlemen: I am Chairman of the Summit Transit Committee, appointed by the Mayor, but I also represent the three communities of Summit, New Providence and Berkeley Heights because we have joined together and formed a sort of troika to handle the area as a single entity.

We prepared a short statement - it is rather short and perhaps I could read it because I would like to --

SENATOR OZZARD: If you do that to me, I'm --

MR. KRETZMER: Or would you rather I not.

SENATOR OZZARD: Even if you rephrase it, I don't mind if you cover it but --

MR. KRETZMER: Don't read it. All right. Well, let me say this. I would like to change the wording in the first paragraph a little bit.

In the first paragraph the Mayor's Transit Committee says it is wholeheartedly in favor of the creation of a public authority with the power to acquire and operate passenger railroad facilities in the State. I would like to change that and the next sentence, somewhat, where we say "because only a public authority can make the changes that are necessary," I

would like to make that plural instead of singular - I would like to say "public authorities," because I feel our group is heartily behind the proposal that the terminal phase of this problem can best be handled by an organization such as the Port Authority. And, therefore, I think they should be included in our reference, and I would like to get that in.

Now I do want to point out, as indicated in the statement, that we mailed a questionnaire, copy of which has been attached to this statement. The response was simply amazing. We received an almost 30% response from the families in the area. We are endeavoring to process these replies and have run into a little trouble because so many people wrote letters on the back of the reply and you can't process letters on computers very well. So we are having a little trouble getting the final answer but we'll have it shortly.

One thing an examination did show is that 20% or more of the families who sent in questionnaires stated that they probably would have to move away from the area if the train stopped running. They also stated that the train service, so far as frequency of trains, and so forth, at commuting hours was adequate with the equipment something to be desired.

The problem probably in our area is more concerned with the service at non-commuting hours. The number of trains a day is adequate but they stop at every station from Summit to Hoboken. It takes a long time to transfer to PATH trains at Hoboken. It is time-consuming because during the non-rush

hours the PATH trains run on a schedule of maybe 12 minutes. You have a constant delay. I came home a few weeks ago from lower New York and it took me over 2 hours to get to Summit coming by train. I could have driven out in less than half of that time, probably.

We believe that in off-hours we should have either express or semi-express trains from Newark to Summit or possibly have every other train stop at every other station, or something of that sort.

In general, it is the feeling of our Committee that if the passenger deficit could be reduced to what we think of as a manageable one - that is, a not too high an amount - probably the trains could be kept running without some superbody on top of them. And we think it might be better if the Erie Lackawanna, which is the only railroad we're concerned with in our area, was reduced to three or four strong stems instead of 11 branch lines wandering all over the State; and that if we had on those strong lines Park 'N Ride stations at convenient points we might be better off than trying to continue to operate some of these lines that look as though they would be very difficult to operate without serious losses.

In the case of the Morris and Essex Division, including the Gladstone Branch, we have considerably over half of all of the commuters on the Erie Lackawanna System and the line is well patronized and the service is adequate now. We think serious consequences would result if that line were shut down.

I can't think of anything more. If there are any questions I will be glad to answer them.

[Mr. Kretzmer's complete statement can be found on page 137 of this transcript.]

SENATOR OZZARD: Yes, Mr. Kretzmer, this survey you've taken, you say it's not complete. When do you anticipate its completion?

MR. KRETZMER: Well, we had hoped that we would have it long ago but the work of programming it - not programming it but punching the cards for the computer is undertaken by the Worthington Company and during the summer we understand they had a strike down there and they couldn't do anything with it. Now we have reached the point that we can't wait any longer so we are either going to get the cards from them, punched, or take them away from the Worthington Company and have somebody else do it.

SENATOR OZZARD: Well, we are trying at least to terminate our studies by the end of December.

MR. KRETZMER: Well, we'll have it long before then.

SENATOR OZZARD: Will you submit it to us as soon as you have the report? We would be interested in this very much.

MR. KRETZMER: Yes, I know you would. I will say this much that we did come to the conclusion that the survey questionnaire was a little bit too voluminous, there were too many questions, and in order to try to speed up the processing we picked out the most pertinent questions and we are going to try to program those and then hold the rest

for a later study.

SENATOR OZZARD: Are there any other questions of Mr. Kretzmer?

SENATOR STAMLER: Is this being done as a public service by Worthington, free of charge?

MR. KRETZMER: Yes.

SENATOR STAMLER: You're not with Worthington, are you?

MR. KRETZMER: No, not with Worthington. I used to be with one of their competitors but not with Worthington.

SENATOR STAMLER: I apologize.

SENATOR OZZARD: Thank you very much.

Mr. Budd, Board of Public Transportation, Passaic County.

MEMBER OF AUDIENCE: I would like to pinch hit for him. He has a death in the family.

SENATOR OZZARD: Please do.

MR. MILBURN: My name is Milburn, Sid Milburn.

SENATOR OZZARD: We will put you down as a separate entity but you are pinch hitting for Mr. Budd, right.

MR. MILBURN: He is literally the Secretary of our Transit Committee. I won't go into the details. Sam, are you going to reproduce this for us or will we count on Budd to come through?

MR. ALITO: It will be made a part of the record.

SENATOR OZZARD: Yes. We only have one copy of this. The other Senators don't have this.

MR. MILBURN: All right. We'll send you some more.

SENATOR OZZARD: All right. Proceed.

S I D N E Y R. M I L B U R N: I would like to make some observations which are based on what is now the 50th year as a Transportation Engineer particularly interested in air, road or rail transportation professionally.

I am not going to talk off the top of my head or anybody else's cuff. The situation which we face is not so much the lack of transportation in Wayne which, when you look at a Passaic County map you will discover is a very narrow bottleneck - it couldn't be any narrower and have the county in one piece. The transportation of people going into Sussex County and into New York counties adjoining us, as well as Morris, Essex and Bergen, is getting to be terrific to the extent that the gentlemen seated at this table - and I beg your pardon for not greeting you properly - in the sense that you sit here facing a continual and continuous loss of ratables which would give you additional revenue or taxes to do many of the things that have been discussed here so far. We have no cessation of that in sight.

We have Route 80 cutting a swath equivalent to 8 to 10 lanes right through the most expensive part of Wayne. We have Bamberger-Macy combine coming in with their largest store in the United States, plus Sears Roebuck and Klines on the edge of it, all creating much more transportation which will not live in our town - thank God - there wouldn't be room for them all. The parking lot alone will require 9,000 spaces. That's the present plot and we are asking them to increase it to 11,000 to get them off the roads.

Now, in addition to that, we have 7 shopping centers of our own, already existing, which require transportation not for the 42,000 people in our cow-town of 10,000 people 18 years ago - if you get what I mean. The fact that we cut across all the expanse to the north and to the northwest, we are in the way, and our transportation has dropped. Now, I ask you to believe this and I ask you also to research it.

We are sitting here talking about transportation of about the equivalent of 22% of the people who are handled perpendicular in the RCA building elevator in a day. We are sitting here talking about what one building handles in traffic in one bank of elevators, and we are trying to get them in and out of what? New York.

Wouldn't we be smarter, while we have a related research on this thing, to be doing a little better job of research in getting some of these corporations into our area for the ratables that they represent?

I'm telling you, gentlemen, that when you have to face the school costs and all the other things, it's awfully nice to bring in a \$12 million ratable that isn't 3 years old. We have at the present moment almost \$11 million worth of ratables contemplating moving in and that, of course, includes Bambergers.

So the more that we can centralize our own activities in the State of New Jersey, instead of being a subsidiary of New York, the more answers you are going to get at less expense to the government, to the State and to ourselves. And I would suggest that that aspect, in studying

transportation, be not related to the fact that the number of commuters out of Wayne and Pequannock - well, you can include Ringwood, if you want, and 2 or 3 other towns up there, it's not very heavy, -- the people who commute on the Erie Lackawanna through Wayne - what's left of the Erie Lackawanna, through Wayne - can very conveniently have a seat in 20 buses, round trip, per day. And the merchandise that is jackassed through there can very well be put in 10 trucks. That's a study. It means getting up early or staying up late or parking yourself in the Pequannock Station, which is closed, and counting 32 commuters getting off 6 trains.

Now, so far as the authority for a thing like this, I would like to take the first paragraph of this suggestion which was my minutes on a Board of Freeholders discussion on this thing on October 4th, which Mr. Budd was going to reorient into sheets to be passed out here today.

Number 1, that the Governor or the government appoint a new and a permanent commission on the railroad activities within any available legal structure authorizing such a commission..

I don't think that we should live on what the Port Authority was organized or authorized to begin somewhere in the vicinity of 43 years ago. I think in this jet age a lot of it doesn't go. I think the loss of an airport in northern New Jersey has as much to do with transportation on the grounds or to help the railroads. This is the only thing I can think of. It's a catastrophe to lose that thing because air express today, for example, would take a load

off your highways.

If you were Mr. Sears Roebuck and you had to ship 30 carloads of dresses out of New York everyday to 180 stores in a certain region, you'd be surprised what it does to your inventory investment. And getting the dresses there while they are fresh and seasonal for Easter or Christmas, whatever it is, you get them there in 24 hours instead of maybe 5 or 6 days over these congested roads.

Again to sum up, and this is pinch hitting awful damn fast and not on a well organized basis. The situation, so far as the roads are concerned, every time we lose a road we gain a beautiful parking lot. This new parking lot will be 4 miles through the town and approximately 12 lanes wide - a beautiful parking lot - good for the gasoline companies and good for the motor companies - nothing else wears out but the gasoline and the motors. So I think with 7 highways through now, including number seven which is 287, which doesn't hit us, Senator, as much as it hits Montville and Lincoln Park since the last time I met you, but we need it and we have interpolated in here something which is not intended to be sarcastic or cynical and that is, as long as students of the situation can control it, please let's not grant any more franchises to anybody who won't take the "Cheap John" routes along with the high class routes. It will take a lot of the transportation problems off the railroads if some bus lines can take some of this terrific growth. I don't know how many of you have ever been in Wayne. It's almost unbelievable, to own a lot that cost you \$125 and your next door neighbor

selling 10 acres for \$55,000 an acre.

SENATOR STAMLER: Congratulations.

MR. MILBURN: So that's the way it goes.

Thanks very much.

SENATOR OZZARD: Thank you, Mr. Milburn.

[Mr. Milburn's complete statement can be found on page 140 of this transcript.]

SENATOR OZZARD: I said we would break at 12:30.

I find we have but two appearances plus Mr. Roach, if he's going to get here. With your permission I would like to take care of these two and I think this would wind up the hearing for today unless there are others who haven't registered up here. Let's see how far we can go.

Mr. Van Horn.

F O R R E S T     K.     V A N     H O R N: Mr. Chairman and Gentlemen: Out of long association with a number of gentlemen who have appeared here this morning, I find myself in rather complete agreement with many of the proposals that they have made excepting in one area and I regard with fear the possibility that there might be any consolidation of railroad service into 3 or 4 major lines without the opportunity for expansion of the potential of all existing rail service today.

I don't believe that rail service, which is the most inexpensive way of moving the greatest number of people in the shortest possible time, has been fully explored. I believe that it cannot be explored under temporary plans which have as their end result the further attrition of

equipment since there is no provision for replacement.

And I think that the answer would lie in a permanent authority which would take into consideration the potential of service that a railroad can render in relieving the increasing pressures on our highway systems.

I am quite convinced that the railroads mean what they said when they suggested they will want out of the commuter business and the suburban business in 1966. There are compelling reasons why this is so.

I am not convinced that the solution lies in a continuation of temporary plans since the original concept of state and rail contracts was to preserve existing service. Over the years there has been some change in this viewpoint in that train reductions have been allowed. In turn, any reduction in service transfers a large portion of the expense to the remaining service so that it is a continuing pattern of attrition of service until eventually, if it does not come because of lack of equipment before that, - eventually we will lose all our rail service. I view this with alarm because I think that there would be repercussions to our economy and I regard that repercussion as rather severe. I would prefer that it be so considered because to plan on anything less than a most serious circumstance would not be in the best interest of the State.

I think, as I expressed in my statement, that PATH does have some interest in this problem to the extent that most of their riders do come from rail service, and to the extent that they have this interest and investment in

equipment - that is, the Port Authority of New York has this investment in PATH equipment - I believe that they should protect that interest.

As to an increased use of rail service because of a population increase, I would not consider that this would take place excepting that the product were properly merchandised. I think that the rail service, as everything else, is a merchandising problem.

And, finally, I believe that rail transportation today is a public responsibility and a public necessity. I don't see how we can escape that.

Our buildings are equipped with elevators and it would be just as - I don't like the word but I have no other - foolhardy to say "let us take the elevators out of the buildings because they are not producing revenues." But they are for the convenience of the public.

And there are many other analogies that might be drawn in a similar fashion but I consider rail service just as important to the public need as the elevator is to the tenant in the office building.

I think that's it, gentlemen.

[Mr. Van Horn's complete statement can be found on page 146 of this transcript.]

SENATOR OZZARD: Mr. Van Horn, I notice in your closing paragraph, page 8 of your statement, you state that "serious consideration be given to establishment of a permanent operating authority," and I leap on the word "operating" authority. Is it your position that we not

get into this cost-plus proposition that the railroads have offered us but actually operate our own authority? Is that right?

MR. VAN HORN: No, sir, not necessarily. I would not be adamant on that. I would, of course, rather that any approach be taken that will resolve this problem of a rail crisis to the satisfaction of the public. Anything at all. I think there is a chronology that can be taken and it need not be that a state office be established immediately but there is a chronology in which all these things can come up for consideration. I think the basic need right now is to say, yes, there is a crisis; yes, we're going to solve it. I don't see how it can be done under a temporary authority because we just go to the end of the line.

SENATOR OZZARD: All right. Thank you very much. Any questions?

SENATOR STAMLER: The only one I have, Senator, is on page 6 of your statement you say that Commissioner Palmer proposed, with others, "that the Hudson & Manhattan Tube be linked to Bergen County --

MR. VAN HORN: Yes.

SENATOR STAMLER: -- as a means of inducing increased use of rail service. That it never happened." Do you know why it never happened?

MR. VAN HORN: No, sir, I don't. It was not said in a disparaging manner, incidentally.

SENATOR STAMLER: Oh, I didn't say it was.

MR. VAN HORN: No, I don't know why it didn't happen. The only thing is that it seemed a step in the right direction and nothing transpired.

SENATOR STAMLER: Thank you.

MR. VAN HORN: There is one other thought, if I may. I would suggest that the heavy hand of the Interstate Commerce Commission be kept off of any operating authority or any transit body that might be established so that there is freedom of movement without concern for the pattern of interstate commerce as compared to intrastate commerce. I think interstate commerce has its beginning in intrastate commerce and there is not enough importance attached to that as compared to the other.

SENATOR OZZARD: Very fine. Thank you, Mr. Van Horn.

Mr. Elsdon.

A L B E R T E L S D O N: I am not a public speaker and I would just like to read this statement, if you don't mind. I think I would get through it a lot better.

The purpose of my being here today is to speak on behalf of the road commuter. These people have been mistreated and mishandled for over five years. While I am not a fare-paying commuter, I am closely connected with these people as I am a trainman.

I have listened to these people and their complaints, their troubles and their hopes and their suggestions, as I punched their tickets and collected their fares, and I have

tried to cheer and insure them a pleasant journey on our railroad.

Gentlemen, I am a railroad trainman who is happy to have made friends of his customers over the years, and who has learned what a fine group of people they are.

Today we are not carrying anywhere the number of passengers we could, and we should, but something must be done to attract them to the trains. Service must be improved, for in 1965 we cannot hope to coax people to use a 1930 service. To begin with, schedules should be worked over so that we have regular spaced trains, outside of the commuter hours, seven days a week.

Also we must have far faster trains for today the two questions every traveler asks are: "How long does it take to get there?" and, in the case of the trains, "How often can I get a train?"

To get the much higher over-all speeds we must have, requires that roadbed, signals and cars be maintained at a high standard. This takes money but it will bring in more money and will coax an awful lot of people off the dangerous highways.

You cannot force people to use our trains or order them to leave their cars home but you can show them that it is to their advantage to do so if you have something attractive to offer them. If the service is good and the price is right and you spend some money on advertising to tell the people what you have, you will get results and they will bring in the money the railroad needs.

The longer distance travel, say for journeys of over fourteen miles from Newark or New York, is what must be greatly improved, and which is the most profitable for the railroad, and for this speed is a must. The population of our outlying areas is growing at a terrific rate each year, and many of these new people are potential customers for our railroad, but we must offer them something better than we are now providing.

Because they believe it to be a hopeless, money-losing business, for many years there has been no effort made by our railroads to attract additional passenger business. And judging from what I read in the newspapers, no change in the past policy is contemplated by them.

I share the firm belief of all of my commuters, and of thousands of other people as well, that the well-being of Northern New Jersey is largely dependent on the welfare of our commuters, as they provide a tremendous purchasing power in the areas in which they reside, and they are fine citizens as well. We certainly do not want them to move to Westchester County, New York, because New Jersey didn't care enough about them to insure that they would have good train service to New York.

It seems to me that the only way our commuters will receive the service which they are entitled to, and which will bring greater prosperity both to the railroad and to the greater community as well, is for you gentlemen to urge the Legislature to enact your pending bill, Senate 292, which will create an agency which can see that

the trains are run and benefit the users of the service. I think that it is about time that the State gave our taxpaying commuters the consideration which they have not received during the past five years.

I want to thank you gentlemen for permitting me to give you this appeal for better treatment for my commuters, and if some good comes out of this the contribution of my day's pay to come here today will have indeed been worthwhile.

SENATOR OZZARD: Mr. Elsdon, you express support of Senate Bill 292 and the creation of an agency, since you are a railroad man can you tell me if there are other railroad men that work with you who share that feeling of an agency over the railroads?

MR. ELSDON: Most all whom I have spoken to.

SENATOR OZZARD: You're with what line?

MR. ELSDON: I'm with the Erie Lackawanna.

SENATOR OZZARD: Are there any other questions?

(No questions.)

Mr. Elsdon, thank you very much.

MR. ELSDON: Thank you, gentlemen.

SENATOR OZZARD: Mr. Dudley Woodbridge, Planning Director, Morris County.

D U D L E Y     H.     W O O D B R I D G E: Gentlemen, I would like to direct my remarks toward the future needs for railroad transportation, within ten, twenty, thirty years in the future.

A study completed by the Regional Plan Association

about three years ago projects an additional 6 million people in the New York-Northeast New Jersey Metropolitan Area by 1985, with an additional 4 million expected between 1985 and the year 2000.

In other words, in the 25 years starting from 1960 the equivalent of the population of the 1960 Los Angeles Metropolitan Area will be put onto our present New York-Northeast New Jersey complex. Now is the time to do the planning to prepare for this growth.

Our principal concern, of course, relates to that part of this Metropolitan Area that lies in the service area of the Erie Lackawanna Railroad.

The Regional Plan study projects a growth in this territory of nearly 640,000 in the ten years between 1965 and 1975.

In addition to the six closer-in counties, however, the service area of the Erie Lackawanna suburban trains actually extends outside what is presently thought of as the Metropolitan Area to include Sussex and Warren Counties. With completion of Interstate Route 80 and Route 280, these counties also will be brought into commuting range and, therefore, into being part of the New York-Northeast New Jersey Metropolitan Area. With a land area double that of Morris County, it seems likely that the combined growth of these two counties might amount to some 60,000 to 90,000 by 1975, or between 1965 and 1975.

Therefore, in terms of the whole service area of the Erie Lackawanna we can contemplate a growth, a ten year

growth of some 700,000 or more. To put it another way, during the next 10 years we will be adding more than the 1960 population of Morris and Passaic Counties combined. The burden on transportation facilities will be staggering.

In 1960 the New Jersey State Legislature established a new division under the State Highway Department for the purpose of maintaining and improving rail transportation service. Yet after five years of this program, the trend in rail service is still downhill. Furthermore, what changes in service have been instituted under State Highway Department leadership have been the antithesis of planning for future needs.

In conclusion, I would like to ask that this Committee devote its efforts to protecting and furthering the public interest in rail transportation for that is what we now and in the future must depend upon as the backbone of our public transportation services.

[Mr. Woodbridge's complete statement can be found on page 154 of this transcript.]

SENATOR OZZARD: Thank you very much, Mr. Woodbridge. Are there any questions?

SENATOR STAMLER. I asked Mr. Rubin a question. On December 31, 1965, the Erie Lackawanna has announced it's going out of business. As a planner, how do you plan for that.

MR. WOODBRIDGE: I think you would have to turn it over to the Civil Defense or Disaster Committee.

SENATOR LYNCH: You mean you'll head for the hills then.

SENATOR STAMLER: Well, we are not talking about

Washington's Headquarters now, we are talking --

MR. WOODBRIDGE: I know you're not.

SENATOR STAMLER: No, I'm dead serious about this, Mr. Woodbridge. Assume that this happens and this is the only form of transportation, rail transportation out of your county into New York, have you actually planned -- Do you take this seriously? Do you take this suggestion seriously, this threat by the railroad? Do you believe it?

MR. WOODBRIDGE: Yes, that they want to and are planning to get out of the rail service.

SENATOR STAMLER: Then if you take it seriously, have you planned for it? Never mind heading for the hills.

MR. WOODBRIDGE: No, not in the sense --

SENATOR STAMLER: We know we have a lot of planners in Trenton and I was trying to see whether you thought alike.

MR. WOODBRIDGE: We haven't planned in the sense that railroad service would stop.

SENATOR STAMLER: That's what I meant.

MR. WOODBRIDGE: I think we just can't afford that.

SENATOR STAMLER: Thank you very much.

SENATOR OZZARD: Are there any other questions of Mr. Woodbridge? (No questions.)

Thank you very much, sir.

Now, we have two statements, one from Mr. Richardson, Vice Chairman of the Board of Public Transportation of Morris County, which will be made a part of the record; and another statement from Mr. Denzler, Board of Public Transportation of Morris County, which will also be part of

the record.

[Mr. Richardson's statement can be found on page 158 of this transcript.]

[Mr. Denzler's statement can be found on page 161 of this transcript.]

SENATOR OZZARD: Now we have but one appearance listed and that's of Mr. Roach, Planning Director, Somerset County, and since he's not here would it be sufficient to make his statement a part of the record, Mr. Rubin?

MR. RUBIN: Well, there are a couple of points I would like to make.

SENATOR OZZARD: Would you make them, please.

MR. RUBIN: My name is Arthur L. Rubin and I am Principal Planner with the County Planning Board of Somerset County.

I would like to emphasize that as a County Planning Board and Transportation Committee of our Planning Board we have not come to the railroad question with any attitude disposed in favor of this as a particular form of transportation, and our County Transportation Plan is oriented 90% for roads and we have our difficulties there too in regard to comprehensive planning on the state level.

But as we have become involved in highway planning, we have realized the necessity for continuation of rail service.

I also would like to say that the Freeholders of Somerset County have demonstrated their interest by their participation in the Suburban Service Committee and

the Freeholders and the County Planning Board have been in contact with the Rail Division on a number of occasions and have demonstrated a considerable interest in the question of rail transportation.

I particularly would like to emphasize that because a number of the bills before the Legislature deal with the county participation in a future rail agency. We know that the Legislators are aware that the counties can't - at least in our opinion - operate and manage a rail system that's metropolitan in scope but we do feel that the counties can play a very good role, a valuable role in relation to coordinating municipal thinking and commuter desires in relation to a rail agency.

And there is not just a question here of sentiment, there is also a question of land planning in relation to rail passenger service, in relation to industrial developments along railroads.

We are very concerned about the fact that the railroads are going downhill and that this would eventually affect also the industrial service that the railroads can provide in this State. Therefore, we feel there's a necessity of relating local land planning with the transportation planning taking place on the state level.

I would like to say one word in relation to the subsidy program. I think it has been a useful program to allow people to come to the time to arrive at a decision, but a subsidy program that continues to go nowhere is not going to be looked upon with favor and must eventually be

thrown out by the people of the State of New Jersey.

It's interesting in a couple of places. Patronage, with very little improvement, speaking of our Gladstone line, according to Rail Division figures, has gone up from 2500 to 3000. And this is with almost no improvement, with the same kind of equipment. I will say this, that the Erie Lackawanna has tended to operate a little better than some of the other lines. But here is an area where people want to utilize the trains and the number of passengers continues to rise despite the fact that clearly the railroads are not interested in providing passenger service.

It is also interesting that even with a minimal investment, such as Park 'N Ride station where you have good planning you have had a considerable increase in passenger service from the New Brunswick area.

That's all. Thank you.

SENATOR OZZAID: One question, Mr. Rubin. The portion of Mr. Roach's statement that deals with the county playing a valuable role in any state railroad agency, do you mean by this that the counties should participate along the suggested line of tax contribution or just in the management of the agency, in other words, management representation?

MR. RUBIN: I think a main feature of county participation should be participation on policy coordination between local officials and the state agency. It is obvious that the county tax base doesn't warrant a large participation in relationship to the financing.

There has been some participation by the municipalities in relation to the stations and the county freeholders at one point indicated that they were going to make some contribution but obviously they are not the unit of government that is broad enough in scope to really take over and operate the railroads.

SENATOR OZZARD: Well, since we're probably talking some tax dollars in any agency, do you think it would be quite fair to ask Burlington, Salem, etc., citizens of those counties to contribute to the solution of a problem that is really North Jersey's or should we look into the northern part of the State and ask the counties and municipalities to participate to some degree in tax support?

MR. RUBIN: Well, one of the problems there is that our tax base is entirely property tax. The State has a wider tax base and there are a number of problems that are peculiar to a particular area. I can think of a problem such as the preservation of beaches - problems that do not particularly relate to Sussex County, such as the preservation of beaches in South Jersey. And I think if we examine many of the activities of the State we will find that many of the problems are related to particular areas.

SENATOR OZZARD: All right. Thank you very much.

[Mr. Roach's complete statement can be found on page 165 of this transcript.]

SENATOR OZZARD: Is there anyone I have missed? Is there anyone who would like to be heard?

MR. TABER: May I have your permission to answer

a question that Senator Stamler has asked?

SENATOR OZZARD: Surely.

MR. TABER: I will just be very quick. He said, what would Morris County do if we received a direct threat of the end of train service.

SENATOR STAMLER: No, I didn't ask that. I said you received the direct threat.

MR. TABER: Oh, we received it.

SENATOR STAMLER: You have received it. What would you do if it's received?

MR. TABER: Well, I meant received in the sense of papers actually being filed. We have the threat, no question.

SENATOR STAMLER: Yes.

MR. TABER: The first thing we would do would be, of course, to resort to all appropriate legal action for stay of execution and oppose it. The second thing which we would do would be to look at the six gentlemen sitting at this table - to the five of you for help because your constituents would be affected by the same close down and we would look to Senator Lynch for sympathy because he wouldn't be faced with it. Then I would go further and say that Morris County would immediately enlist the support of the other counties also affected because transportation problems do not end at county lines. The problem is on a line of railroads that cross a bunch of counties. So, having enlisted your support and Senator Lynch's sympathy, we would then try to get the counties together to see what it was necessary to do to raise some money among us because

it's our specific problem, it's our people, to see what could be done either to lease the operation or take suitable action to keep the trains running until a more permanent solution could be found.

I might say that Morris County cannot afford to permit the trains to stop. We made a questionnaire study from Summit, every town, to Dover in 1959 when we were faced with that threat and between 22 and 24% of all the questionnaires that were returned - and this is consistent with what Mr. Kretzmer said -- the people said that if the trains stop we move out of Morris County. Our county won't take it. They wouldn't take it at Union, Somerset, Middlesex or Essex. We can't afford to lose these people. So when the chips are down and nothing else is done the counties are going to have to take some emergency action.

SENATOR STAMLER: Thank you.

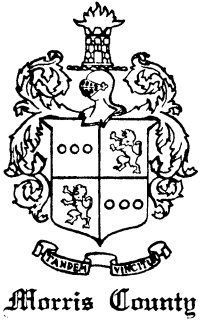
SENATOR OZZARD: Thank you.

MR. KRAUS: Senator, may I submit these two maps as part of the terminal facilities included in the Metropolitan Rapid Transit Commission Plan? I'm sorry I don't have more but they define what we have been talking about as a terminal facility.

SENATOR OZZARD: Right. These will be attached to the presentation of Mr. Kraus and made a part of the record, right following his report.

Gentlemen, thank you very much. We don't know yet the date of the next meeting but it will be sometime late in November because of the return to session and the election.

(Hearing concluded)



*Public Transportation is a Public Necessity  
and Has Become a Public Responsibility*

**The Board of Public Transportation  
of Morris County, New Jersey**

Court House, Morristown, New Jersey

*Please Address Correspondence To: P.O. Box 363, Madison, N.J. 07940*

**STATEMENT OF THE BOARD OF PUBLIC TRANSPORTATION OF MORRIS COUNTY  
TO THE SPECIAL SENATE COMMITTEE INVESTIGATING THE SUBURBAN  
RAIL PASSENGER SERVICE PROBLEM,            OCTOBER 15th, 1965.**

My name is Thomas T. Taber, and I have resided at 43 Hillcrest Road, Madison, New Jersey, for thirty-five years. I appear before you as Chairman of the Board of Public Transportation of Morris County, which has authorized me to present this statement on its behalf. Our Board is an Agency of County Government, and has no selfish interest in this matter. We represent the users of the suburban rail passenger service - some of our best citizens. They need your consideration badly.

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By the appointment of your Committee, the State Legislature has indicated its deep concern over the seriousness and immediacy of the pending threat of the Erie-Lackawanna Railroad to end its suburban passenger service. In addition to the 35,000 New Jersey residents who depend on it for transportation, many times that number are economically affected by it. This wise and timely action of the Legislature is also an acknowledgment of its realization that legislative action can no longer be deferred if our suburban trains are to be kept running.

Please do not be lulled into a feeling of false security because of the proposed but not as yet approved "Mass Transportation Demonstration Project" which the State Highway Department has devised, as it is basically a scheme to obtain some Federal money to add to the amount of the present State subsidy payment to the Erie-Lackawanna Railroad as the price

for the Railroad deferring its planned application for abandonment of all suburban service, for a few more months. Even if Washington approves the application, the project will solve nothing, and at best can only defer the fateful "D-Discontinuance Day" for a short time. Legislative action is mandatory as soon as possible, and before the trains stop running, if the public interest is to be protected. New Jersey must act on this matter, as it cannot "Pass The Buck" to the Federal Government.

Constantly worsening highway congestion with ever increasing hazards, as well as the economy, welfare, growth and future of New Jersey, require that not only must all existing rail passenger service be maintained, but that it must also be expanded, improved and augmented. Since it is agreed that the trains must continue to run, the two immediate decisions your Committee must make, are:

1. Who can best operate the trains for the benefit of the public?
2. How can required capital and operating funds be obtained?

A study of the past record is required before the correct answer can be found for the first question, in order to eliminate from consideration for the future those whose past records justify such action. This is essential in order to prevent a continuance or repetition of the policies and actions which during the past five years- or more- have resulted in a continual downgrading of the quantity and quality of the service provided for the public.

For many years, and for many reasons, our New Jersey suburban railroads have followed a consistent policy of providing less and poorer service for the public, while obtaining higher prices for the degraded service. This retrogressive policy has caused many cash-customers to patronize competing public transportation.

Our railroads have been over-taxed, discriminated against, and otherwise unfairly treated, while their competitors have received massive public assistance. This rank injustice should have been eliminated long ago, and had it been, it is unlikely that we would now be facing a crisis. In all fairness it must be said that the railroads have made many errors, and have made no effort to fight competition for passengers.

Their efforts have been directed to trying to reduce their losses on passenger service by reducing and downgrading the service, rather than to trying to make it pay. They have not initiated any efforts to improve and build up suburban passenger traffic in the hope of obtaining enough additional volume to bring in enough income to turn their red-ink figures into black. Their attitude toward passenger business has been consistently negative, and it is obvious that no change in this policy is contemplated.

Since our railroads have clearly stated that they intend to end all financial responsibility for a service which for many years they have not tried to make pay, we must face up to the fact that existing Federal laws permit them to apply for permission to abandon any service they can show to be a loss-producing drain on interstate commerce. Common sense tells us that if our railroads have been unable to operate suburban passenger service profitably on their own account, we certainly cannot expect the same people to do so profitably for the account of the people of New Jersey. What New Jersey needs is a new, enthusiastic, practical, open-minded management team, similar to those in Chicago who turned a money-losing suburban rail passenger service into a profitable enterprise, to the great satisfaction of the public, railroad labor, and railroad management.

Some five years ago the State Highway Department was given a mandate by the Legislature to maintain and to improve suburban railroad passenger service for the benefit of the public. Let's take a look at the record of what has been accomplished to benefit the public during the period when the Department paid to the railroads some thirty million dollars of public funds to keep trains running. We should not lose sight of the fact that most if not all of this money was obtained from New York State residents who work in New Jersey, in the form of an income tax. During the past five years, our rail passengers have seen the number of trains reduced; fares raised; and inconvenience increased. The one thing which was an improvement for the commuters was the construction of the new parking lot in New Brunswick. Although the State Highway Department has not required the railroads to speed-up, increase the number of, or otherwise improve the train service used by New Jersey taxpayers,

It did promote the unnecessary tearing-up of the Lackawanna's Boonton Line, and the substitution of a vastly inferior line in lieu. However, the railroad was at that time happy about the action, since the State Highway Department paid it the fantastic price of around \$50,000 per acre for the abandoned right of way. No evidence was ever produced to prove that the railroad and the new super-highway could not live amicably side by side, or that the destruction of a fast, heavy-duty railroad line was required by the public interest. The Pennsylvania Railroad benefited when it was permitted to close its Exchange Place Station in Jersey City, but the 3,000 daily commuters suffered as a result. The "Aldene Plan" will be a boon to the Central Railroad of New Jersey, but insofar as the commuters are concerned, only those whose final destinations are Newark, or the Pennsylvania Station area in New York will benefit.

The record of the past five years indicates that the State Highway Department has indeed done very little to benefit suburban rail passengers and service, but much more to benefit individual railroads, or highway transportation. The conflict of interest, which generally resulted in the subordination of rail to highway travel has been obvious to knowledgeable people. Was this the real intent of the State Legislature when it gave the State Highway Department the mandate to preserve and to improve suburban rail passenger service, to benefit the public?

If the future suburban rail passenger service is to be run to benefit the users of the service, it is obvious that based on their records for the past few years, both the State Highway Department and the railroads have disqualified themselves from such a responsibility, and we must look elsewhere.

"How can the best job be done to serve the public?" is the question now presented. Undoubtedly the best answer to the question is the one least likely to be adopted. It would be for the New Jersey suburban railroads; the Port of New York Authority; and the more important bus companies serving the area, to form a new corporation to be known as the "North Jersey Transportation Corporation", which would take-over and pool all services and equipment to be used in a co-ordinated transportation system

designed to provide the best possible service for the public. Each mode of transportation would be assigned the job best suited to it, and all wasteful duplication of service would be ended. In London, England, the London Transport is a good example of how far better, lower cost and more efficient service can result from having one organization control both subways and busses, and at the same time working closely with the railroads. While such a corporation should be a private enterprise matter, it would require adequate public assistance until such time as its operations proved profitable. It would keep government out of transportation.

The Port of New York Authority has made its position clear in the matter of involvement in suburban passenger service by rail. The Port Authority has no intention of doing one of the important jobs it was created for, and there is no evidence that New Jersey and New York legislatures will require it to do so. The Port Authority is basically interested in the movement of vehicles, and provides facilities for their use. Since it is not oriented to the movement of people, it could not do the job of providing a good suburban rail passenger service for the benefit of the users of the service. If the Port Authority did only as much for the railroads, in the matter of providing facilities and services for them, as it has done for their competitors our present problem would be much easier to solve. If it would acquire and operate Pennsylvania Station in New York on the same basis for the New Jersey railroads, that it operates the Airports and Bus and Truck Terminals, our suburban passengers could have much better service than is presently possible.

Certainly the travelling public have received little consideration in the matter of suburban rail service during the past five years, and a new approach is required, which means the creation of a new corporation or governmental agency, if private enterprise does not desire to do the job the public is entitled to. However, if Commissioner Palmer was correctly quoted in the press following a meeting recently held in New York, it would appear that he believes that no new agency is required. All the State Legislature needs to do is to supply whatever cash subsidies the railroads seek for continuing their suburban passenger service, and then leaving the

administration of the program in the hands of the Division of Railroad Transportation of the State Highway Department, which has handled it for the past five years. If the State Legislature and the too-long-abused commuters would be satisfied with not only a continuation, but even more of, the treatment they have received from the State Highway Department, which has brought the public less, poorer, slower and more inconvenient and costly rail service (accompanied by an unceasing clamor from the railroads for greater cash subsidies) only then should Commissioner Palmer's recommendation be seriously considered.

PUBLIC TRANSPORTATION IS A PUBLIC NECESSITY, so if and when private enterprise cannot provide it, then some public or quasi-public agency must be created to meet the public needs. PUBLIC TRANSPORTATION HAS NOW BECOME A PUBLIC RESPONSIBILITY, not only because of its essentiality, but because the alternatives to it are far less satisfactory, and fabulously expensive. New Jersey does not have the financial resources to build new highways, or to absorb the resultant loss of taxable ratables, as rapidly as Detroit can produce new motor vehicles.

Each of the four levels of government: Federal-State-County and Municipal, has its own responsibility in the providing of adequate and attractive public transportation facilities and services for the benefit of the residents of our State. These responsibilities complement each other, but do not overlap. At this time we shall discuss only those things which could and should be done at State level to protect the public interest in mass transportation.

It has been our oft-expressed belief that all four forms of public transportation comprising: AIR, WATER, HIGHWAY, and RAILWAY, are of vital importance to New Jersey. Each must do the job for which it is best suited in the public interest, and there must be an end to subordinating one for the benefit of another. To serve the public properly, each must receive fair and equal treatment. Comprehensive transportation planning for the future is as important as is land-use planning, and should either accompany, or even precede, it.

How can we achieve the maximum potential of each of our public transportation media?

It is our urgent recommendation to the State Legislature that it lose no time in doing two things. First, create at Cabinet Level, a State Department of Public Transportation which will be charged with the overall planning, co-ordination, development, review, regulation, and such supervision as may be required, of all four forms of public transportation. This Department would not operate any form of public transportation, but it would represent and protect the public interest, and would act as a "Public Defender" when required. It would also serve as a "Watch Dog" and provide the needed check and balance for public transportation activities carried on by private corporations or governmental agencies. It would set policy and objectives, and in these and planning matters would work with counties and adjoining states. However, the new Department should not be concerned with highway planning, construction or maintenance, as they are the proper responsibilities of the State Highway Department. However, the State Highway Department would no longer be permitted on its own to destroy railroad lines for its own benefit. Median strip development for high speed rail use on new highways would be considered jointly by the new Department and the State Highway Department. The new Department would not be concerned with either the Garden State Parkway or the New Jersey Turnpike, except that if either wished to extend its highways to compete with some other form of public transportation, concurrence by the Department of Public Transportation should be required.

However, it will take more than a new Department to do the job required by the public interest, so we offer our second recommendation to the State Legislature.

Based on the record for the past five years, it would not be in the public interest to continue indefinitely the practice of paying cash subsidies to the New Jersey railroads for a continuation of existing service. The record shows that the railroads have sought to reduce the quantity and quality of service while seeking higher and higher subsidies. The theory of "Give Less-Get More", is worn-out. Except for a continuation of the "Dole" in greater amounts, our railroads have

offered no constructive proposal for the continuation of the service (and its improvement) under the private enterprise system. Therefore, we have no choice but to create a public or quasi-public Agency to do the job in the public interest.

It is our strong recommendation that Senate Bill, No. 292, which is now pending, be strengthened so as to provide a suitable means of raising funds for the use of the "New Jersey Transportation Agency", which is created by S-292. At the public hearing held some months ago on S-292, all spoke in favor of it, and some sound suggestions were offered for strengthening the Bill. The Bill, as introduced, was intended to be only a starting point, as it was expected that members of the Legislature would improve it, after having had time to study the Bill. We urge that an improved S-292 be enacted into law as soon as possible. Since this Bill contains adequate safeguards to protect the interests of counties and municipalities, the Agency can never become the master of the people. The "New Jersey Transportation Agency" will protect the rights and interests of the Erie-Lackawanna's 35,000 daily commuters, whose desires and needs have been sadly neglected for the past five years.

The "Agency" should be able to work to the co-ordination of terminal facilities so that passengers can have a faster and more convenient trip between their homes and New York, for one example. Pennsylvania Station in New York City should be used as at least the off-peak hours service terminal of the electric trains of the Erie-Lackawanna Railroad, since they would require only one platform track to maintain a half-hourly service. The Susquehanna should be given a good downtown terminal, and at a fair price, so that it can regain its lost patronage. If the will to do so exists, much can be done to improve the ride of the commuter, and at relatively low cost, but so far the will and interest have been lacking - and the traveller suffers!

To be a success, and to serve the public properly, the "New Jersey Transportation Agency" must be free from domination or influence from any source, including any possible conflict of interest. This is covered in S-292, so need not be repeated. No time should be lost in creating the "New Jersey Transportation Agency", as it should be in being and organized before any railroad can stop its trains.

We now come to the real "Sixty-four Dollar" question - that of how can needed capital and operating funds for the Agency, be obtained? We know that it cannot be self-supporting for several years at least, and must have public assistance until it is able to operate in the black.

Regardless of whatever possible sources of funds are suggested, or of the merit of the suggestion, objections will be raised, and without offering any alternative ideas. However, the following are offered as "Thought-starters".

1. A reasonable annual appropriation must be included in the State General Budget, to provide for organization and administrative expenses, and perhaps for some operating projects as well.
2. The entire proceeds of the so-called "Commuter Tax" which is levied against New York residents who work in New Jersey, should be made available for use by the Agency.
3. The present "Commuter Income Tax" Law could be amended to cover Pennsylvania residents who work in New Jersey, with all such funds received earmarked for use on South Jersey public transportation projects.
4. Although it will not be a popular idea with those adversely affected, a fifty-per cent surcharge could be placed on interstate bridge and tunnel tolls, to apply between 7 and 10 A.M., and 4 and 7 P.M. on weekdays, with busses exempted, since they carry a large number of people. In addition to providing some badly-needed revenue for each of the two states, the surcharge would tend to reduce unnecessary driving during those hours, and thus help to reduce congestion. It would force those who cause the congestion to help pay for ways of eliminating it. Also, it would offer a financial incentive for trucks to spread receiving and delivery hours, so that the trucks could avoid the river crossings during peak hours.
5. For the next five years, divert an amount equal to 20% of the annual State Highway construction budget, to the Transportation Agency, since improved rail transportation will lessen the need for so much new highway construction. As soon as the Agency becomes self-supporting the diversion could be eliminated.

6. The Congress should be memorialized to support and adopt recent legislation introduced by Senator Tydings of Maryland which provides that when requested by the Governor of a State, the Federal funds available to that State for new highway construction may be in part used for mass transportation capital projects. Since the money originally came from our State, it seems reasonable that the Governor should have the opportunity of directing that it be used where the greatest need existed at that time. This proposal requires no new taxes, and if the Law is enacted, it would take care of just about all of New Jersey's public transportation capital projects - and do so painlessly.

7. Authorize the Transportation Agency to issue revenue bonds, backed by the State, perhaps along the lines of those issued by the New Jersey Turnpike. There should be a limit placed on the amount of bonds which the Agency could issue in any year without first having obtained Legislative consent.

It will cost money to do what must be done in the public interest to give New Jersey the public transportation services its residents require. New Jersey must avoid at all costs being so short-sighted as to repeat the costly errors of San Francisco and Los Angeles where suburban rail service was scrapped, and now is to be restored at an astronomical cost. Conversely, we should be astute enough to see the advantages of following the lead of New York State, Boston, Philadelphia, Toronto, Cleveland, Atlanta, and now, Washington, D.C. in preserving, improving, and expanding public transportation by rail.

Contrary to public opinion, we strongly believe that the right people in the right places can make many, if not all, of our principal suburban rail services eventually profitable, as has recently been demonstrated in New York state. No study has ever been made of how, and under what conditions suburban passenger service, could be made to pay. All studies made by the railroads have been to show the financial advantage of getting ride of that essential public service. None of our railroads have wanted to make a success of their suburban passenger service, as has been done in Chicago.

In conclusion we would like to reiterate the inescapable fact that if our railroads want to get out of the suburban passenger business, we cannot prevent them from so doing - all we can do is to delay the stopping of the trains. You have seen the trains stop on the West Shore, and on the Lehigh Valley - and they have never restarted. If the public interest requires that our suburban passenger trains be continued in operation, then it is up to the elected representatives of those who are dependent on suburban rail passenger service to take the necessary action to insure that the trains will continue to run - and a whole lot better in the future than they have during the past five years.

Our State Legislature has the power to do what is necessary to protect the public interest in this matter, and your recommendations will provide the necessary impetus for the Legislature to act without further delay.

We sincerely thank you for giving us time to present the case of those of our taxpayers who depend on suburban rail passenger service.

THE BOARD OF PUBLIC TRANSPORTATION OF MORRIS COUNTY.



STATEMENT OF JOSEPH HARRISON  
Before New Jersey Senate Committee  
At Hearing Pursuant To  
Senate Resolution 4

My name is Joseph Harrison. I am an attorney at law with offices at 744 Broad Street, Newark, New Jersey. I am special counsel for the Morris County Board of Public Transportation. Morris County and the Board have been deeply concerned with the problem of continuing and improving rail transportation, particularly between Morris County, North Jersey and New York City.

The Board of Transportation has studied all facets of the problem and during the past 10 years has made numerous constructive recommendations to state agencies and others having responsibilities in this area. One of its recent contributions has been its initial sponsorship of what is now S. 292.

This bill provides for a separate and distinct state agency to be known as the New Jersey Transit Agency which would be authorized to take over, if it should become necessary, the ownership as well as the operation of such railroad facilities in the State as may be needed to continue the essential passenger rail service between points within New Jersey as well as between New Jersey points and points in New York and Pennsylvania.

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The matter of financing the State's purchase of the necessary passenger rail facilities is the subject of a preliminary draft of bill that I have prepared for presentation to your Committee at this hearing. In effect the bill proposes three things as follows:

1. A bond issue of \$100,000,000 (a figure which could be increased upon further study before the bill is actually enacted);

2. The guaranty of such bonds by the State, on the assumption that revenues and income from the State's operations would not be sufficient to amortize the bonds and pay interest thereon;

3. Finally, the sources of funds to support the State's guaranty would be (a) the revenues of the present tax on interstate commuters (R. S. 54:8A); (b) the surplus fund reserves of the New York Port Authority and (c) the surplus fund reserves of the New Jersey Turnpike Authority.

PROPOSED AMENDMENTS TO

SENATE, NO. 292.

I. Under Section "2. Definitions", revise subsection "b" by inserting after the word "equipment" the words "of any railroad or bus company operating within the State of New Jersey under franchises, permits or rights of any nature granted by the State or Federal government."

Add subsection:

"d. "Bonds" or "agency bonds" means bonds of the Agency authorized under the provisions of this act."

II. Under Section "3. The Agency and its Duties:"

revise heading to read "3. The Agency, its Duties and Powers:"

Revise subsection "e" by eliminating the words "subject to the review and approval of the Board of Public Utilities Commissioners of the State of New Jersey."

Delete subsection "q".

III. Add new Section 4, as follows:

"4. Bonds and Notes:

a. The Agency shall have the power and is hereby authorized from time to time to issue its negotiable bonds or notes for any of its corporate purposes, including the payment, funding or refunding of principal of or interest or redemption premiums on any bonds or notes issued by it whether the bonds or notes to be funded or refunded have or have not matured.

b. Except as may be otherwise expressly provided by the Agency, every issue of bonds or notes shall be general obligations payable out of any moneys or revenues of the

Agency, subject only to any agreements with the holders of particular bonds or notes pledging any particular moneys or revenues.

c. Whether or not bonds or notes issued by the Agency are of such form and character as to be negotiable instruments, such bonds and notes shall be fully negotiable within the meaning and for all the purposes of R. S. 12A:3.

d. The Agency may issue temporary or interim bonds, pending the preparation of definitive bonds, exchangeable for definitive bonds.

e. Bonds and notes shall be authorized by resolution of the Agency and shall bear such date or dates, mature at such time or times, bear interest at such rate or rates not exceeding six per centum (6%) per annum, be in such denominations, be in such form either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment and at such place or places, and be subject to such terms of redemption with or without premium as such resolution or resolutions may provide. Bonds or notes may be sold at public or private sale, for such price or prices as the Agency shall determine.

f. Any resolution of the Agency authorizing the issuance of bonds or notes may appoint a trustee or trustees, a paying agent or paying agents, or such other fiduciaries as such resolution may provide. Any trustee, paying agent and other fiduciary so appointed may be any trust company or bank having the powers of a trust company within or without the State."

IV. Add new Section 5, as follows:

"5. Resolution Authorizing Issuance of Bonds or Notes;  
Payment; Security:

a. In order to secure the payment of its bonds or notes, the Agency shall have power in the resolution authorizing the issuance thereof (which shall constitute a contract with the holders thereof):

i. to pledge all or any part of its fares or charges to which its right then exists or may thereafter come into existence, and the moneys derived therefrom, and the proceeds of bonds or notes;

ii. to covenant against pledging all or any part of its fares or charges, or against mortgaging all or any part of its real or personal property then owned or thereafter acquired, or against permitting or suffering any lien on such fares, charges or property; to covenant with respect to limitations on any right to sell, lease or otherwise dispose of any project or any part thereof, or any property of any kind;

iii. to covenant as to the bonds and notes to be issued and the limitations thereon and the terms and conditions thereof and as to the custody, application and disposition of the proceeds thereof, and to covenant as to the issuance of additional bonds or notes or as to limitations on the issuance of additional bonds or notes and on the incurring of other debts by it;

iv. to covenant as to the payment of the principal of or interest on the bonds, or notes, or any other obligations, as to the sources and methods of such payment, as to the rank or priority of any such bonds, notes or obligations with re-

spect to any lien or security or as to the acceleration of the maturity of any such bonds, notes or obligations;

v. to provide for the replacement of lost, destroyed or mutilated bonds or notes;

vi. to covenant against extending the time for the payment of bonds or notes or interest thereon;

vii. to covenant as to the redemption of bonds or notes and privileges of exchange thereof for other bonds or notes of the Agency;

viii. to covenant as to the rates of fares and other charges to be established and charged, the amount to be raised each year or other period of time by fares or other charges and as to the use and disposition to be made thereof; to create or authorize the creation of special funds or moneys to be held in pledge or otherwise for construction, operating expenses, payment or redemption of bonds or notes, reserves or other purposes and to covenant as to the use and disposition of the moneys held in such funds;

ix. to establish the procedure, if any, by which the terms of any contract or covenant with or for the benefit of the holders of bonds or notes may be amended or abrogated, the amount of bonds or notes the holders of which must consent thereto, and the manner in which such consent may be given;

x. to covenant as to the maintenance of its real and personal property, the replacement thereof, the insurance to be carried thereon, and the use and disposition of insurance moneys;

xi. to provide for the rights and liabilities, powers and duties arising upon the breach of any covenant, condition or obligation; to prescribe the events of default and the terms and conditions upon which any or all of the bonds or notes shall become or may be declared due and payable before maturity and the terms and conditions upon which any such declaration and its consequences may be waived;

xii. to vest in a trustee or trustees such property, rights, powers and duties in trust for the holders of bonds or notes as the Agency may determine; to limit or abrogate the rights of the holders of such bonds or notes to appoint such trustee, or to limit the rights, duties and powers of such trustee;

xiii. to limit the rights of the holders of bonds or notes to enforce any pledge or covenant securing the bonds or notes; and

xiv. to make covenants other than and in addition to the covenants herein expressly authorized, of like or different character; and to make such covenants to do or refrain from doing such acts and things as may be necessary or convenient or desirable in order to better secure the bonds or notes or which, in the absolute discretion of the Agency, will tend to make the bonds or notes more marketable, notwithstanding that such covenants, acts or things may not be enumerated herein.

b. Any pledge of fares or other charges or other moneys made by the Agency shall be valid and binding from the time when the pledge is made; the fares or other charges or other moneys so pledged and thereafter received by the Agency shall

immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Agency, irrespective of whether such parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need be filed or recorded except in the records of the Agency. Resolutions providing for the issuance of bonds or notes shall not convey or mortgage any project or any part thereof.

c. Bonds or notes may be issued under the provisions of this act without obtaining the consent of any department, division, commission, board, bureau or agency of the State, and without any other proceeding or the happening of any other conditions or things than those proceedings, conditions or things which are specifically required by this act.

d. The Agency shall not have power to mortgage real property.

e. Moneys of the Agency or moneys held in pledge or otherwise for the payment of bonds or notes or in any way to secure bonds or notes and deposits of such moneys may be secured in such manner as the Agency may require and all banks and trust companies are authorized to give such security therefor.

f. Neither the members of the Agency nor any person executing bonds or notes shall be liable personally on the bonds or notes or be subject to any personal liability or accountability by reason of the issuance thereof.

g. The Agency shall have the power to purchase bonds or notes out of any funds available therefor. The Agency may hold, cancel or resell such bonds or notes subject to and in accordance with agreements with holders of its bonds and notes."

V. Add new Section 6, as follows:

"6. State Guaranty of Agency Bonds:

a. A liability of the State of New Jersey is hereby authorized for the guaranty of punctual payment of principal of and interest on bonds, not exceeding one hundred million dollars (\$100,000,000) issued by the Agency in connection with the purchase, lease, ownership, maintenance, repair and operation of passenger rail facilities described hereinabove in this Act or to finance costs thereof or notes issued therefor. All money to be raised by issuance of bonds guaranteed by the authority of this Act shall be applied only to finance the acquisition, maintenance, operation of such passenger rail facilities in accordance with the authority of this Act."

VI. Add new Section 7, as follows:

"7. Pledge of State to Holders of Bonds and Notes:

a. The State of New Jersey does pledge to and agree with the holders of the bonds or notes issued pursuant to authority contained in this Act, that the State will not limit or restrict the rights hereby vested in the Agency to maintain, acquire, construct, reconstruct and operate any project as defined in this Act or to establish and collect such fares and charges as may be convenient or necessary to

produce sufficient revenues to meet the expenses of maintenance and operation thereof and to fulfill the terms of any agreements made with the holders of bonds or notes authorized by this Act or in any way impair the rights or remedies of the holders of such bonds or notes until the bonds and notes, together with interest thereon, are fully paid and discharged."

VII. Add new Section 8, as follows:

"8. Legal Investments, Bonds and Notes:

a. Notwithstanding any restriction contained in any other law, the State and all political subdivisions of this State, their officers, boards, commissions, departments or other agencies, all banks, bankers, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking or investment business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees and other fiduciaries, and all other persons whatsoever who now are or may hereafter be authorized to invest in bonds or other obligations of the State, may properly and legally invest any sinking funds, moneys or other funds, including capital, belonging to them or within their control in any bonds or notes issued by the authority under the provisions of this Act; and said bonds and notes are hereby made securities which may properly and legally be deposited with and received by any State or municipal officers or agency of the State for any purpose for which the deposit of bonds or other obligations of the State is now

as amended and supplemented, so much as may be available for such purposes, and the State Treasurer is hereby authorized and directed to retain from such receipts and pay into the separate fund hereinafter referred to in this Act such amounts as will at all times maintain in said separate fund an amount which, together with the amount of the moneys of the Agency stated in the latest certificate of the State Treasurer previously made and filed as hereinafter provided in this Act, equals the interest becoming due prior to the end of the next ensuing year on all such bonds outstanding and the principal of all such bonds outstanding which mature prior to the end of such next ensuing year; and, if in any year or at any time the funds hereinbefore referred to be insufficient.

ii. The balance of funds needed to discharge any guaranty made under this Act shall be provided from the surplus funds reserves of the New Jersey Turnpike Authority and the Port of New York Authority subject to appropriate legislation as approved by the voters in compliance with the provisions of the State Constitution."

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[The remainder of this Bill would be patterned after Laws of 1952 c. 17 whereby the State undertook to guaranty the bonds of the New Jersey Highway Department for the construction of the Garden State Parkway.]

ASSEMBLYMAN PETER J. McDONOUGH MADE THE FOLLOWING STATEMENT AND SPECIFIC RECOMMENDATIONS TO THE SPECIAL STATE SENATE COMMITTEE ON RAIL TRANSPORTATION AT ITS HEARING TODAY, FRIDAY, OCTOBER 15, 1965, IN THE PARK HOTEL ANNEX:

In considering New Jersey's commuter transportation problems the following general observations should be kept in mind:

(1)- It is clear and indisputable that we cannot do without a thriving and efficient railroad passenger system in the New Jersey-New York-Connecticut metropolitan region as a part of the overall commuter transportation network.

(2)- In the face of declining rail passenger service, existing highway and bridge facilities in the area are vastly overcrowded and additional facilities now under construction or in the active planning stage will be obsolete as soon as they are completed.

(3)- There is simply not enough money or space available to provide adequate highway and street facilities if all commuters were forced to use private cars.

(4)- We have already lost a great deal of time and money by our failure to develop an adequate program and further delay will inevitably increase this cost -- both in terms of higher prices and of emergency costs to keep the present inadequate system in being, such as the millions of dollars in state payments to N.J. railroads.

(5)- Preservation of the present system, such as it is, will not be enough. In view of the area's growing population, increasing automotive traffic, and the expanding economy, a rail mass transportation system must be capable of absorbing this growth. To do so, it must supply service that is sufficiently fast, flexible, comfortable, convenient and inexpensive to attract new passengers as well as hold present patronage.

(6)- Development of such a system requires coordination and cooperation between the federal and state governments and between the states themselves.

Since states have primary responsibility in the area of commuter transportation, I recommend the following at the state level:

(1)- Creation of a bi-state or tri-state transportation authority with the power not only to plan but to carry out and coordinate those plans, in other words an agency with authority to regulate, operate or otherwise to assure the kind of rail transportation system we must have.

(2)- Determination of how best to operate the system, whether

by (A) continued private ownership and state subsidy, (B) leasing necessary passenger facilities from railroads, or (C) outright purchase by the states or their transportation authority of such rail passenger facilities. Since railroad management itself offered to sell its commuter service to the states and has made it clear it wants to get rid of this responsibility one way or another, an early decision should be made. By themselves, railroads will not improve their service.

(3)- Employment, either by the interstate agency or by the state of N.J. of a firm of expert cost accountants in the transportation field to obtain reliable estimates of the costs involved of purchasing, leasing or subsidizing rail commuter service so as to provide a sound basis for a decision.

(4)- Creation of regional planning bodies to enable commuter areas to study their own transportation needs and better express them to state and interstate agencies ultimately responsible, thus giving localities greater voice.

(5)- During life of state subsidies to commuter railroads, require that railroads institute specific improvements in passenger service as a condition of grants. Otherwise, nothing but perpetuation of deteriorating service will be obtained for the taxpayers' millions.

(6)- Implementation of the continuing comprehensive urban transportation planning process in N.J. under which federal bureau of public roads requires state highway departments to consider much wider variety of local needs, including other forms of transportation, in planning future highway construction.

On the Federal level, we should urge congress to:

(1)- Increase federal assistance under urban mass transportation act especially for commuter rail service in such heavily populated metropolitan areas as our own. N.J. Representatives in Congress -- especially Congresswoman Dwyer and Senators Williams and Case -- have been principal leaders in obtaining present assistance and seeking more.

(2)- Require the interstate commerce commission to consider the effects of proposed abandonments or discontinuances of rail passenger trains or service on the overall transportation needs of the area; and otherwise make the I.C.C. a more responsible partner, in its railroad regulating activities, in seeking to improve commuter rail service.

(3)- State subsidies or tax credits so that such benefits and aid provided by states will not be absorbed by the federal government.

(4)- Prohibit state or local taxes on railroad property at rates, levels or kinds which are different than those levied on other kinds of similar property.

(5)- Provide advance approval for a N.J.-N.Y.- or N.J.-N.Y.-Conn. transportation compact which provides the interstate agency with operating authority.

(6)- Tighten planning requirements in highway act to require inclusion of rail mass transit facilities in metropolitan areas.

(7)- Require that planning of northeast corridor (Boston-Washington) high-speed rail service specifically include relationship to commuter rail service in the area.

(8)- Increase federal support for advanced research in new modes of rail-type transportation for commuters. Rail transportation has lagged far behind industry's capacity to design and build superior systems, and need is urgent.

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SOLUTION OF THE RAIL PASSENGER PROBLEM IN THE  
NORTHERN NEW JERSEY-NEW YORK METROPOLITAN AREA

by

E. S. Hulsizer, Mayor, Fanwood, N.J.

N. J. Senate Public Hearing  
Park Hotel, Plainfield, N. J.  
October 15, 1965

The Borough of Fanwood, a member of the Inter-Municipal Group for Better Rail Service which is an official organization of eighteen municipalities and two Boards of Freeholders on the main line of the Jersey Central, supports the recommendations of the Group for the solution of the critical rail passenger problem in the northern New Jersey-New York metropolitan area.

The Borough of Fanwood and the Group have long contended that there is a simple, low cost and expeditious solution of the rail transit problem, which is not to be found in more time consuming and costly studies but by directing the Port of New York Authority to solve the rail problem in accordance with existing statutes, Chapter 244, Laws of New Jersey 1930

We strongly urge that the Port Authority be directed to take immediate steps toward implementation of their sponsored Metropolitan Rapid Transit Commission's recommended Independent Loop Plan. We believe that the creation of a new authority to study, plan, construct and operate terminal facilities would be wasteful in organization, experience and finances, and would further lead to ruinous competition between two agencies engaged in providing trans-Hudson crossings.

Dr Salomon J. Flink, Economic Consultant to the Legislature, stated in 1958:

1. The Port Authority represents the most effective means of putting a plan into operation in a relatively short time, because of its available manpower, technical know-how and managerial experience, so that it will fit into the overall program of developing the region.
2. Only a single agency, the Port Authority, can insure a high degree of complementation among the various alternatives for commuter travel between the two States. The establishment of a separate authority would perpetuate the competitive imbalance of past decades.
3. A deficit is probable, but not definitive. Such deficit could be financed by subsidy, which in all probability would be temporary only - until net revenues from Port Authority facilities, old and new, would yield the anticipated surplus. In any event, if a deficit is incurred by the Port Authority such deficit would be significantly smaller than a deficit by a separate authority.

That the Port Authority should assume this task is also supported by the following:

1. New York-New Jersey Port and Harbor Development Commission (Now Port of New York Authority) Report of 1920: "Our port problem is primarily a railroad problem, \* \* \* therefore, the comprehensive plan to evolve for which this Commission was created is essentially a railroad plan. \* \* \* The most pressing element of the entire port problem is that of railroad service to and from Manhattan."
2. Chapter JR6, Laws of New Jersey, 1936: "The increasing concentration of industry and population within the portion of the Port of New York District lying within the territorial limits of the State of New Jersey has created and to an increasing degree will continue to create a demand for more adequate interstate and

suburban transportation facilities for passengers travelling within said district between the two States and between different communities within said district; - - - The Port of New York Authority is a governmental instrumentality of the States of New Jersey and New York created for the purpose, among other things, of coordinating and developing transportation facilities within the Port of New York District;."

3. New York Regional Plan Association, Commuter Survey Report of July 1951: Solution of the rail problem is the "responsibility of the Port Authority and is its duty under existing statutes."
4. Alexander H. Elder, retired General Counsel of the Central Railroad of New Jersey and former member of the MRTA, said in his 1952 report to the N. J. Department of Conservation and Economic Development that the primary purpose in the creation of the Port Authority was to solve the rail transportation problem in the New York metropolitan area. He said that New Jersey was induced to enter the Compact to realize the benefits of the Comprehensive Plan-the unification of railroad terminal facilities, which the Port Authority abandoned, shifting instead to vehicular tunnels, bridges, air-ports, etc., which instead of promoting the original plan have had the opposite effect. Mr. Elder recommended that New Jersey insist that the Port Authority return to the real purpose and intent of the Compact.
5. 17 N. J. Super., 328, 85 A, 2d 815 (R.S.32:1-4): "The Port of New York Authority is a bi-state agency of the States of New York and New Jersey, created in 1921 by compact, approved by Congress on August 23, 1921, and in the interests of the public performs governmental functions projecting beyond state lines."

We have never supported the purchase and operation by the Port Authority of the Hudson & Manhattan Railroad inasmuch as this is not in accordance with the intent of the statute creating the Authority. We believe that the Port Authority should construct and operate rail terminal facilities and coordinate rail traffic in the Port District in the same manner that they now do in the fields of vehicular, air and water facilities.

In conclusion, we bring to your attention that rail passenger service in this area has been deteriorating relative to number of trains, time in transit and on-time performance for many years, but most rapidly during the period of State subsidy, State studies and State Highway Department operation of the railroads. The time has long past for the State to take positive action in the solution of the critical rail passenger problem by taking steps for the:

1. Maintenance and improvement of rail and ferry services in accordance with existing statutes.
2. Adoption of the Port Authority sponsored Metropolitan Rapid Transit Commission's Independent Loop Plan and directing the Port Authority, which has the authority, the obligation and the qualifications required, to construct and operate the Plan and coordinate rail passenger traffic in the Port District.

STATEMENT OF MAYOR DEWEY A. HAGEN  
BOROUGH OF CHATHAM, MORRIS COUNTY, N.J.

October 15, 1965

The Borough of Chatham and its surrounding communities contribute 1,500 daily commuters to the Erie-Lackawanna Railroad. These commuters are among our finest citizens and comprise one of our greatest assets. It is incumbent upon municipal, County and State officials to protect at all costs the interests of this very important segment of our population.

We cannot afford to lose the mass transportation medium which permits these citizens to live where they desire-in our suburban areas. If we do not insure adequate railroad service to get these commuters to their places of employment, they will be forced to move to the cities. Such a change in population would not only constitute a loss of a valuable asset to the suburbs but would create a burden on our cities.

We strongly urge, therefore, that this Special Senate Committee, recommend to the Legislature that there be no delay in creating a suitable public agency to insure that the trains continue to run and that the service be adequate to encourage expanded use of the railroad facilities.



## THE BOARD OF REALTORS OF THE PLAINFIELD AREA

705 PARK AVENUE • PLAINFIELD, NEW JERSEY

October 14, 1965

Senatorial Hearing - 10/15/65  
Park Hotel - 10 A.M.  
RE: Railroad facilities as it effects  
the Plainfield Area.

Dear Senator Stamler:

The Board of Realtors of the Plainfield Area will be represented at the Senatorial Hearing to be held at the Park Hotel on Friday, October 15, 1965, and at that time will be glad to further explain the position that this Board is taking in urging that both the Netherwood Station and the Central-Plainfield (North Avenue) Station be maintained.

Plainfield has always had, and continues to have, a large segment of its population using the railroad facilities to commute to New York City. This large segment of our population depends on adequate and up-dated rail service, as well as convenient station locations with sufficient access roads and parking facilities.

It is our considered opinion that if the proposed Richmond Street Station is built and the Netherwood Station and Central-Plainfield Station eliminated, a serious and permanent damage would be done to the Plainfield Area. This damage would not only extend to the commercial sections that have been built up at the periphery of the railroad stations, but would tend to discourage the commuters from continuing their present residence in this area.

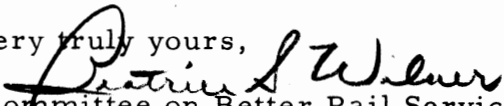
Of the 3,000 responses from a recent survey done in December 1964, it is our opinion that losing the approximate 22% of the commuters presently living here, we could not hope to encourage new families to replace them. In general all real estate values would be adversely affected.

The lack of facilities has already caused considerable damage to this area, and any further disruptions in the existing service could be a serious blow that the area would be many, many years in recovering.

We, therefore, urge that the Netherwood Station and the Central-Plainfield Station be continued with the necessary improvements to rail service, as well as to the stations themselves, and further that the proposed Aldene Plan be put into effect immediately.

Our representatives at the Hearing will be glad to further explain the position of this Board if called upon.

Thank you for your consideration.

Very truly yours,  
  
Committee on Better Rail Service  
Beatrice S. Wilner  
William F. Wodrich  
Herbert M. Schwartz

BSW/ha

Statement of:

MAYOR E. H. HEWSON  
Township of Harding  
Morris County, N. J.

Harding strongly endorses the public need  
of mass transportation by railroad.

We have approximately 200 commuters to New  
York and 100 to Newark.

Highway use by private vehicles is chaos,  
during rush hours especially.

The ways and means of how this mass movement is  
accomplished is up to the experts.

SOLUTION OF RAIL PASSENGER PROBLEM IN THE  
NORTHERN NEW JERSEY-NEW YORK METROPOLITAN AREA

by

John F. Kraus, Chairman  
Inter-Municipal Group for Better Rail Service

N. J. Senate Public Hearing  
Park Hotel, Plainfield, N. J.  
October 15, 1965

Inter-Municipal Group for Better Rail Service

The Inter-Municipal Group for Better Rail Service is an official organization whose membership consists of the mayor, one councilman or committeeman, municipal attorney and a lay member from each of eighteen municipalities on the main line of the Jersey Central between Branchburg and Elizabeth and one representative from the Boards of Freeholders of Union and Somerset Counties.

The Group was formed on December 21, 1945 for the purpose of assisting in the finding of the solution to the problem of mass transportation at reasonable rates in the New York metropolitan area. Early in 1946, the Group concluded that one of the keys to the long-range solution of the problem was the consolidation of the wasteful and expensive duplicating terminal facilities of the competing railroads.

After years of study, the Group arrived at the conclusion that there is a simple, low cost and expeditious solution of the rail transit problem, which is not to be found in more time consuming and costly studies but by directing the Port Authority to solve the rail problem in accordance with existing statutes, Chapter 244, Laws of New Jersey 1930. For many years the Group has recommended to the Governor and Legislature that the Port Authority do the job for which it was created.

It has also been the Group's long standing position that:

1. A State Department of Transportation, consisting of four divisions - Highway, Rail, Waterway and Airway, be created to insure an efficient, integrated transportation system.
2. The Port Authority sponsored Metropolitan Rapid Transit Commission's recommended "Independent Loop" Plan should be adopted by the State as the long-range solution to the rail transit problem.
3. Existing rail and ferry services should be maintained and improved as provided by statute until the long-range solution is completed. However, in recent years the Group was forced to accept the Palmer "Aldene Plan", with all its many shortcomings, technical defects and high cost for the maintenance of existing rail service because of the rapid financial deterioration of the Jersey Central and political intrigue.

State of New Jersey

The State of New Jersey has been studying the rail transit problem in northern New Jersey for forty-five years, and continuously with one or more study groups

since 1950. Presently, in addition to the Port Authority, the following State agencies are currently studying the rail transit problem:

1. State Highway Department (D.R.G. Palmer, Commissioner), since 1959.
2. New Jersey Transportation Commission, Governor Hughes' personal transportation agency, since 1964.
3. New Jersey-New York Transportation Agency (New Jersey's member, D.R.G. Palmer), since 1959.
4. Tri-State Transportation Commission, formerly Tri-State Transportation Committee (State's members include D.R.G. Palmer, H.A. Thomas and James R. Schuyler of the Highway Department and R.A. Roe of the Department of Conservation & Economic Development), since 1961,

but to date no recommendation has been submitted by these agencies for the solution of the problem. During the last five years, costs of subsidies and studies have averaged \$10 million per year.

The most comprehensive study to date, completed in 1958 by the Port Authority sponsored Metropolitan Rapid Transit Commission at a cost of over \$1½ million, did recommend a long-range solution, but the package included an unreasonable financial plan unacceptable to the State. The engineering plan, however, was accepted by both transit experts and the Inter-Municipal Group as the long-range solution of the rail transit problem in the northern New Jersey-New York metropolitan area. For some unexplainable reason the State persists in continuing studies of the rail problem, contrary to the recommendations of the Inter-Municipal Group.

The State, in addition to its studies of the rail transit problem, has transferred control of railroad operations from the Public Utility Commission to the Highway Department and has been subsidizing rail transit operations since 1960, currently at the rate of \$7.2 million per year. The State has also reduced railroad taxes by \$2.4 million per year effective January 1966 by abolishing taxes on rolling stock and mainline real estate.

#### State Highway Department

The Group is deeply concerned with the failure of the State Highway Department to maintain rail passenger service as required by the railroad passenger act. This act not only provides for the maintenance of rail and ferry services, but also for improvement on a contractual basis.

Contrary to the Legislative intent in creating the Railroad Division in the Highway Department, we find that during the period of Highway Department control of the railroads:

1. LVRR passenger service has been abandoned.
2. Reading passenger service has almost disappeared.
3. CNJ passenger service has dropped below that of 1902 in number of trains and speed, with commuter rates 3.5 times those of 1946 for one third the number of trains. In addition, many miles of mainline track have been removed and ferry boats have been abandoned, resulting in poor on-time performance.

Currently, the Jersey Central is being subsidized at the rate of \$2.9 million per year for a continuously degraded service, i.e. number of trains and ferries, on-time performance, dirty coaches, etc. In fact, four mainline trains have already been abandoned this year and more are proposed for abandonment, contrary to statutory requirements and contrary to the contract for the subsidy payment which provides that the Railroad will continue all passenger service shown in public timetables and at fares, both in effect prior to entering into the contract, during the period of the contract. Subsidies are not granted on the basis of performance standards to provide the public with adequate, safe, fast, clean, on-time service.

The failure of the Highway Department to maintain and improve rail passenger service as required by statute may be due to the philosophy of the Department as expressed by its Commissioner in his address of 5/10/63 before the Institute for Rapid Transit in Washington, D. C., "In short, therefore, the New Jersey situation can be summed up like this: Only continued use of the rail commuter lines provides the possibility of keeping our present highway congestion within reasonable limits until we can catch up with the demands \*\*\*State Highway Systems. They are the backbone of all transportation, not only in our State, but in the entire nation. All other modes of transportation today are supplemental. \*\*\*surgery is sometimes necessary with a complicated ailment (rail problem) which has been allowed to go unattended for too long a period. We are attempting to perform that surgery in New Jersey by means of certain consolidations and reroutings. We have eliminated trains which are not essential. In short we are taking every constructive step to cut operating costs."

#### Palmer "Aldene Plan"

The Highway Department proposes the Palmer Plan (more recently also called the Aldene Plan) for the maintenance of rail service, without any determination of the long-range solution.

1. The Palmer Plan, submitted April 4, 1960 by Highway Commissioner D.R.G. Palmer, to the Governor and Legislature of the State of New Jersey was presented as a stop-gap measure to maintain service pending a long-term solution. It has now become doubtful whether or not the Palmer "stop-gap" Plan is to be temporary or permanent. There has been no determination of a long-term plan and Herbert A. Thomas, Director of the Highway Department's Railroad Division said at the Jersey Central's contract hearing March 19, 1963 in Newark, "I would not characterize the Plan as temporary but how long it may be permanent I cannot say."
2. The Palmer Plan will require two trains and two crews for service to and from New York where one train and one crew is not now self-sustaining.
3. At the request of Commissioner Palmer, the State approved millions of dollars for one-track connections to the Lehigh Valley and Pennsylvania Railroad tracks and associated terminal facilities (State funds for capital improvements of private enterprise).
4. The Palmer Plan requires additional millions of dollars of State funds for five grade crossing eliminations.

5. The Palmer Plan involves additional time in transit and increased discomfort, inconvenience and hardship for the majority of the commuters.
6. Use of PATH (Hudson & Manhattan) to downtown Manhattan would be contrary to the opinion expressed in the 1958 Report of the Port Authority sponsored Metropolitan Rapid Transit Commission which said: "\*\*\*job of transporting railroad passengers to Manhattan could not be adequately handled by the H & M alone or in combination with rail-bus transfer service\*\*\*".
7. A natural consequence of the Palmer Plan will be the abandonment of tracks and rights-of-way between Elizabethport and Newark and between Aldene and Jersey City. This would eliminate these valuable facilities irrevocably from any potential permanent solution.
8. The Palmer Plan involves operating passenger trains over several inter-connecting rights-of-way. Railroad unions' demands for changes of crew over each railroad's separate right-of-way may impose heavy costs in terms of money and time in transit. The cost must be borne by the passengers and/or the State.

Central Railroad of New Jersey

The C&O, one of the most profitable and wealthiest carriers in the nation, controls the CNJ through stock ownership of the B&O and CNJ. The CNJ, however, is reported to be in the poorest financial condition of any railroad in New Jersey.

CNJ passenger service has dropped below that of 1902, relative to number of trains, speed, on-time performance, cleanliness and comfort, during Highway Department operation of the railroads. In addition, ferry boats have been abandoned and many miles of mainline track have been removed during this period, with more abandonments in process.

Reported current losses and State subsidy include:

<u>Year</u>	Psgr. Losses, Excl. Subsidy	Total Losses, Excl. Subsidy	<u>State Subsidy</u>	
			\$	% of Psgr. Losses
1964	\$6.5 Mill. (1)	\$8.5 Mill (2)	\$2.9 Mill.	44.5
"	\$5.9 Mill. (3)		\$2.9 Mill.	48.3

(1) CNJ Commuter's Almanac of 5/18/65

(2) Wall Street Journal of 12/9/64 reported: "Perry Shoemaker, president, told the annual meeting that the 1964 deficit will be about \$8,500,000---'unprecedented deficit due to higher wage costs and a decline in freight revenue.'"

(3) Passenger losses in New Jersey as reported by Highway Department in 1965 Contract Hearing Data.

Note: The Railroad is now demanding a subsidy of \$5.6 million or claims it will be forced to abandon passenger service.

The reported losses are based on the ICC's famous full-cost formula, which charges passenger service with a portion of all costs for maintaining tracks, signals, yards and other physical properties which have to be continued even if all passenger service ended.

A study of fully-allocated losses in accordance with the ICC formula vs. out-of-costs or direct-costs by the University of Michigan Graduate School of Business Administration early this year stated, "This ICC formula continues in effect today and still produces a huge deficit, although many railroads operate trains at a profit on an out-of-pocket cost basis. Back in 1963, the ICC fully-allocated cost formula showed a deficit of \$670 million while the direct-cost loss was only \$1 million. \*\*\*Standard & Poor's Corporation shows the New York Central with a net of \$8,991,000 on a direct-cost basis vs. an ICC formula deficit of \$14,265,000. \*\*\*There's much that rail management must do. \*\*\*Railroads offering a service that isn't top quality help drive passengers off trains.\*\*\*vast improvement in 'on-time' performance is needed, particularly in peak periods of travel. \*\*\*rail management must show more aggressiveness in improving and selling passenger service \*\*\*Thus the lowest fares plus a comfortable, on-time ride and courteous treatment become vital."

#### Port of New York Authority

The Group has long contended that the existing and experienced Port Authority should be directed to solve the rail transit problem by the development, construction and operation of a modern railroad terminal facility on the same basis as their present bus, truck, water and air terminals, in accordance with existing statutes, Chapter 244 Laws of New Jersey 1930: "The Port Authority shall constitute a body corporate and politic, with full power and authority to purchase, construct, lease, and/or operate any terminal or transportation facility within said district and to make charges for the use thereof; and for any such purposes to own, hold, lease, and/or operate real or personal property, to borrow money and secure the same by bonds or by mortgages upon any property held or to be held by it. - - - Transportation facility shall include railroads, - - - ferries, - - - for the transportation or carriage of persons or property."

That the Port Authority should assume this task is supported by the following:

1. New York-New Jersey Port and Harbor Development Commission (Now Port of New York Authority) Report of 1920: "Our port problem is primarily a railroad problem, \* \* \* therefore, the comprehensive plan to evolve for which this Commission was created is essentially a railroad plan. \* \* \* The most pressing element of the entire port problem is that of railroad service to and from Manhattan."
2. Chapter JR6, Laws of New Jersey, 1936 : "The increasing concentration of industry and population within the portion of the Port of New York District lying within the territorial limits of the State of New Jersey has created and to an increasing degree will continue to create a demand for more adequate interstate and suburban transportation facilities for passengers travelling within said district between the two States and between different communities within said district; - - - The Port of New York Authority is a governmental instrumentality of the States of New Jersey and New York created for the purpose, among other things, of coordinating and developing transportation facilities within the Port of New York District;."

3. New York Regional Plan Association, Commuter Survey Report of July 1951: Solution of the rail problem is the "responsibility of the Port Authority and is its duty under existing statutes."
4. Alexander H. Elder, retired General Counsel of the Central Railroad of New Jersey and former member of the MRTTC, said in his 1952 report to the N. J. Department of Conservation and Economic Development that the primary purpose in the creation of the Port Authority was to solve the rail transportation problem in the New York metropolitan area. He said that New Jersey was induced to enter the Compact to realize the benefits of the Comprehensive Plan--the unification of railroad terminal facilities, which the Port Authority abandoned, shifting instead to vehicular tunnels, bridges, air-ports, etc., which instead of promoting the original plan have had the opposite effect. Mr. Elder recommended that New Jersey insist that the Port Authority return to the real purpose and intent of the Compact.
5. 17 N. J. Super., 328, 85 A. 2d 815: "The Port of New York Authority is a bi-state agency of the States of New York and New Jersey, created in 1921 by compact, approved by Congress on August 23, 1921, and in the interests of the public performs governmental functions projecting beyond state lines " (R S 32:1-4)

An adequate and efficient rail transit system - part of an integrated transportation system - is indispensable for the metropolitan area of New York. The issue remaining is whether the Port Authority will be directed to do the job in accordance with existing law.

An integrated transportation system requires rail rapid transit as an integral part, as well as economic integration of the several parts. Pricing must be complementary, not competitive. Only a single authority - the Port Authority - can do this.

Rail transit is but an alternate to tunnels and bridges where profitable facilities subsidize the unprofitable facilities. All Port Authority facilities, with the exception of the Holland Tunnel, have been or still are deficit operations and operate on a pooled revenues basis. Therefore, it is more reasonable to charge a toll to the user of an auto tunnel to make up, in part, the loss on the rail operations--which he prefers not to use--than to charge him a toll to help cover the deficit on an airport or a world trade center which offers no alternative to his travel from home to work.

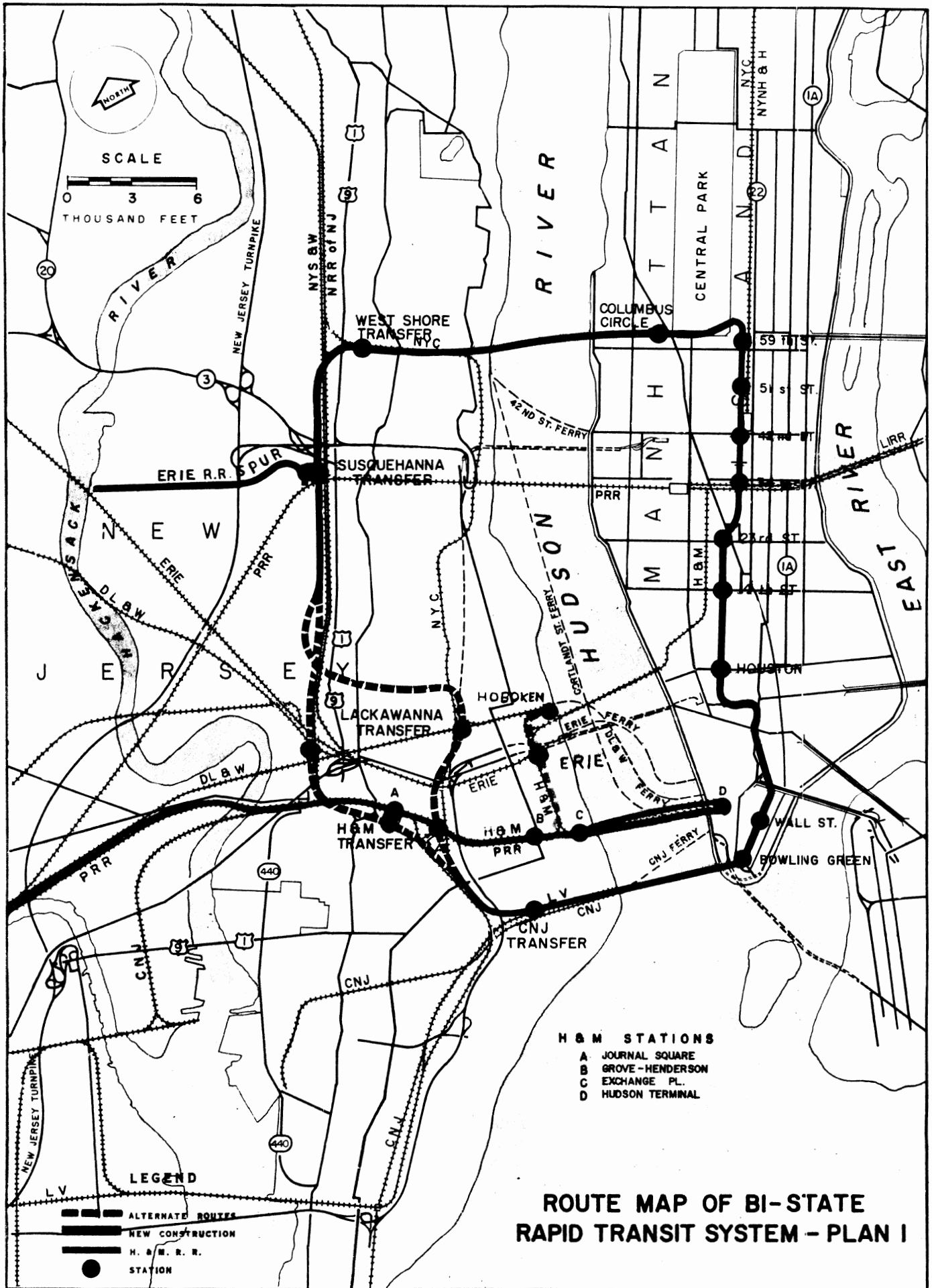
The question of Port Authority responsibility in this matter is answered by the New York Times editorial of March 28, 1960, "Those who from time to time complain that the Port Authority has too much power should remember that its growth has been voted every step of the way by elected representatives of the people. The States, their Legislators, their Governors have made the Port Authority what it is today---." This is substantiated by the statement of the Executive Director of the Port Authority, who said on March 26, 1953 at Rutgers University, "---the authority like any other governmental form in a democracy, is the servant of the people and it must conform to the overall public policies of the State which creates it."

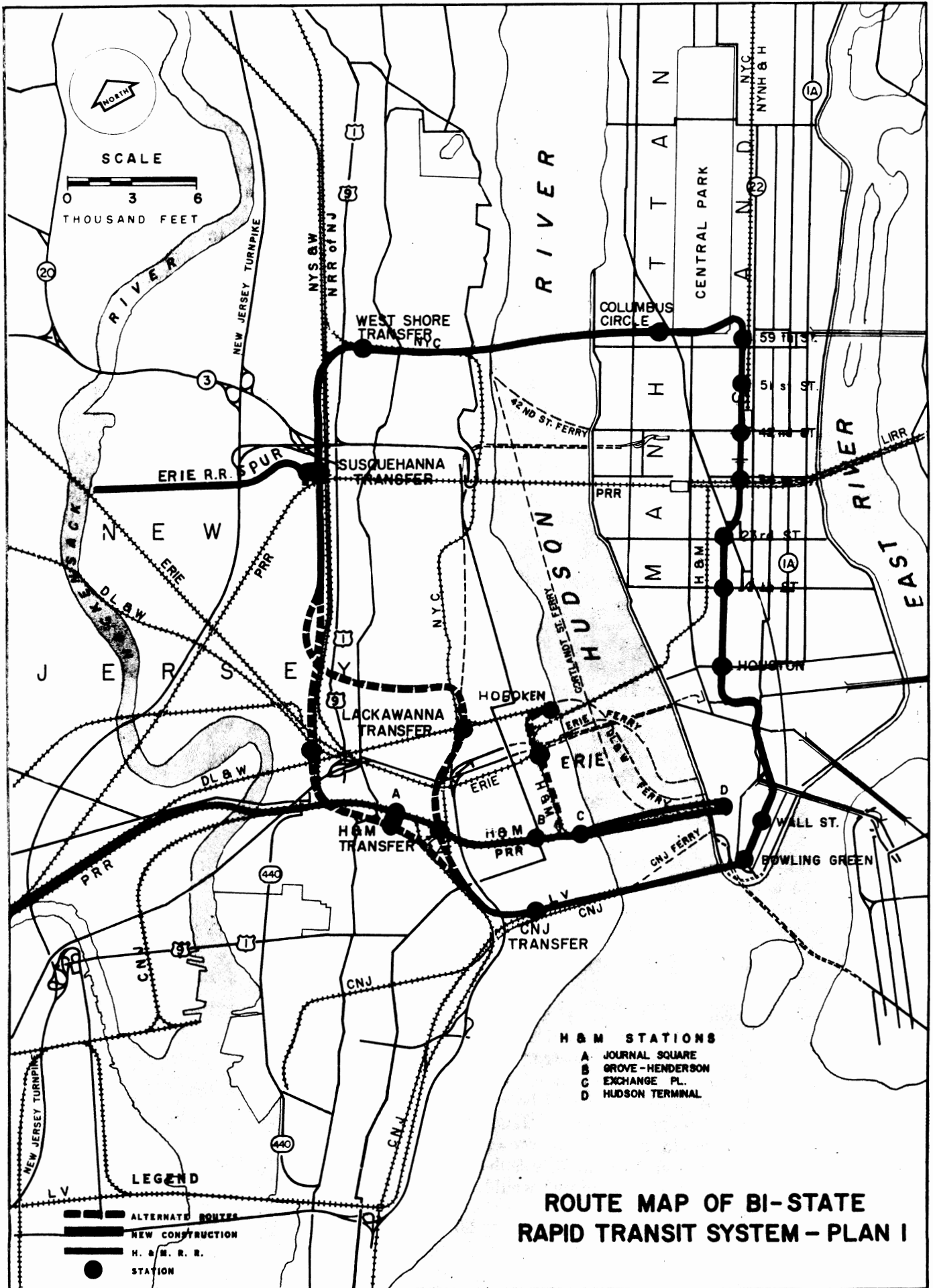
Conclusion

It is not necessary to dwell on the effects of dwindling rail passenger service on the municipality, county or area - we all know. Therefore, I will conclude with the recent New York Times editorial which stated, "Ten years ago New York and its neighbor states were told by an official study (made by the Port Authority sponsored Metropolitan Rapid Transit Commission) that 'debate must be replaced with action.' But it never was, \*\*\*Government at various levels has poured billions into highways, bridges, tunnels and airports to subsidize competition against the railroads. As a dividend, the city and its suburbs are now suffocated by slow-moving, fume-generating automobile, truck and bus traffic. Since government has done this, why then, should government not undo it?---If tolls for automobile drivers were raised sharply, the result would be to encourage more people to leave their cars at home and take the train. We do not underestimate the complexity of this transition, with Port Authority and Tri-borough Authority bondholders to protect. But radically serious difficulties demand radical solution."

The Inter-Municipal Group strongly urges the Governor and Legislature of the State of New Jersey to

1. Create a State Department of Transportation, consisting of four divisions - Highway, Rail, Waterway and Airway,
2. Direct the Port of New York Authority to take immediate steps toward the implementation of their sponsored Metropolitan Rapid Transit Commission's recommended Independent Loop Plan,
3. Maintain existing rail and ferry services until the Independent Loop Plan is in operation,
4. Abolish existing State rail study agencies,
5. Return regulation of the railroads to the Public Utility Commission.





To the Special N.J. Senate Committee on the Mass Transportation Problem  
Statement by Frank E. Tilley  
Chairman, Transit Committee of Bergen County

October 15, 1965

There is no need to spell out to the members of this committee the nature of the critical mass transportation problem of our State. Each of us encounters it whenever we ride a train or bus, or even when we take our cars out on our highways. Neither shall I elaborate on the futility of building more and wider highways as a solution to our problems, for we are all well aware that this approach is self-defeating, impractical and costly in terms of construction dollars, lost ratables and socio-economic factors upon which no dollar value can be placed.

The inescapable facts have become widely recognized at last: that mass transportation is a public necessity; that our mass transportation facilities, and in particular our passenger-carrying suburban rail lines, are public utilities which must be preserved; and that this must be done entirely apart from any consideration of whether or not private railroad management makes money or incurs deficits in the process.

As for the alternatives to rail service, their price is prohibitive, and far more expensive than the cost of preserving the rail services and facilities that we still have. The average cost of one mile of our modern interstate highways is greater than the amount which the State of New Jersey has invested in any one year in subsidies for all commuter railroads combined since inception of the subsidy program five years ago.

For their part, the railroads "want out" of the suburban passenger business. So they have made no effort to maintain, much less upgrade, their services -- and they have declared unequivocally that they would not do so even if their ~~deficits~~ were eliminated. They have no desire, no incentive, no intention of preserving their services nor of helping to alleviate the situation.

Since mass transportation services must be maintained, and since the carriers themselves are unwilling or unable, or both, to do the job, there remain only two alternatives. One would be nationalization -- takeover of the railroads by some echelon of government. This, however, would be inimical to fundamental principles long accepted in our free enterprise system. I for one would reject this solution.

The other alternative is one which has proved successful, in varying degrees, wherever adopted. It involves creation by the legislature of a public corporation or authority empowered to take over the rail passenger services and operate them under lease from the railroads for the benefit of the public. Such an agency has been proposed by, among others, the chairman of the board of the Erie Lackawanna Railroad. At the moment this is the only feasible solution.

Such an agency would be an operating organization, not an **advisory** or study group. In effect, it would "charter" trains for the commuter and other travelers in much the same way that you would charter a bus for the Sunday School picnic. The agency should be empowered to coordinate all operations of all railroads and feeder-bus lines, including routing and scheduling; it should collect fares, plan and implement plans for improved and expanded services and for capital equipment expenditures.

The agency should include in its directorate not only the usual representatives of the business and financial communities, but also knowledgeable "lay-experts" -- responsible members of the commuting public who can make a contribution based on first-hand knowledge and experience. The agency also should include representatives of railway labor, drawn from the operating brotherhoods. Incidentally, until the day when such an agency is a reality, the Governor would be well advised to appoint to the staff of the Division of Railroad Transportation a member of the commuting public.

The question inevitably arises -- "Where will the money come from for operating the proposed agency?" In the past there has been a tendency to disparage any suggestion for financing such an agency if it might not sit well in certain quarters, notably the Port of New York Authority. The time has come to recognize that diversion of highway funds from certain road-building projects into preservation of our transportation facilities will, in the long run, be the most economical and most widely-beneficial move possible. The highway-oriented Port Authority must be compelled, as a servant of the states which created it and despite its powerful legislative lobby, to do its part by directly underwriting a major portion of the proposed agency's operation, using revenues derived by the Port Authority from facilities it has built which have contributed in at least some measure to the present transportation crisis.

The Port Authority further should be directed to do at least for the railroads what it has done already for other forms of transportation. It should erect and operate in midtown Manhattan a union rail terminal for the use of North Jersey passenger-carrying railroads, and it should construct railroad tunnels under the Hudson River to provide access to the terminal.

The critical situation which is upon us demands bold, positive, realistic action in the only direction remaining for us to go. Only by creating an agency -- the right kind of an agency; one constituted to represent directly all interests; an operating agency, not a mere pipeline for subsidies -- only with such an agency can we be assured of continued, upgraded and expanded rail passenger service.

Other agencies have been created for other purposes, and we have learned much about the way in which some of them have arrogantly told their creators what they would or would not do, and under what conditions. Accordingly, certain safeguards would have to be provided. One of the most important, we feel, would be, as we have urged already, the inclusion in the agency's directorate of public "lay-experts" and of a representative of labor. This is a must, and cannot be overemphasized. It is all right

to continually call upon bankers and insurance company presidents to fill these positions, but such persons usually can't remember what the inside of a commuter train looks like.

There is no other practical solution on the horizon. All others have failed, and we simply waste precious time, of which there is very little, if we delude ourselves into thinking that, if we just postpone action long enough, a miracle will occur.

We can afford to wait no longer for what must be done. Let's face facts as they really are, and let's get going on this!

###

CITY OF PLAINFIELD  
New Jersey

OFFICE OF THE MAYOR  
City Hall

October 1, 1965

TO: The Special Senate Committee  
established pursuant to Senate Resolution, No. 4

Gentlemen:

As Mayor of the City of Plainfield I appreciate the opportunity afforded to present to your committee the City's views relative to the rail transportation problem we presently face.

As a City of 45,000, Plainfield has historically been noted as a rail commuter community. Ever since the existence of the railroad we have provided homes for many citizens who work in New York City, Newark and points east of Plainfield on the Jersey Central Lines. This City's economy, in all aspects thereof, has and will continue to rely upon the rail commuter for not only his tax dollar but also his purchasing power which our downtown merchant anticipates, as well as the civic contribution made by rail commuter citizens. Many of these citizens staff, become members of, and work in our clubs, churches, and other civic, spiritual, and cultural organizations.

Since the termination of World War 2, unfortunately, our City, along with others along the Jersey Central Lines, has seen nothing but a decline in not only the number of trains, but also the service offered on the railroad. The condition of the rolling equipment, for the most part, is deplorable. Personally, having commuted to Newark since 1955, I can attest to the deterioration of service, the aggravation of delays, and the just plain inconvenience of schedules which by and large leave much to be desired insofar as the rail commuter is concerned.

The City of Plainfield for many years has been a member of the Inter-Municipal Group for Better Rail Service, and through that organization has attempted

not as an opponent thereof, but as a means to try to work out with the railroad the many commuter problems in our effort to at least maintain the exist rail service to our City.

In the past few years we have finally seen State governmental activity insofar as the commuter railroads are concerned. There have been prepared over the past many years numerous plans and suggestions for the solution of the rail commuter crisis. Until the adoption by the State of the so-called Palmer Plan, none of these programs has gotten beyond the talking stage.

The Palmer Plan, and specifically the Aldene Plan, was recently adopted by the State and is designed to at least maintain existing rail service, to upgrade the same, and in the hope thereby to entice back from the highways many former rail commuters. This City has supported the Palmer Plan and, specifically, the Aldene Plan. We agree that for the long-range solution, there remains the necessity for the continued planning and the speedy implementation thereof of a larger and detailed plan. However, I do recognize the immediate necessity for the speedy implementation of this presently conceived Aldene Plan. This City finds that it is in the position that, although many around us say that this plan has its shortcomings, there is no other immediate solution on the horizon and we need immediate action to at least maintain the present rail commuter service on the Jersey Central Lines.

We have in the past actively disagreed with what has been published as a part of the Palmer Plan, and I believe designated as Phase No. 2, relating to the railroad station relocation insofar as it affects Plainfield. The members of our Planning Board and myself met with Commissioner Palmer over a year ago in his office, and we presented our specific objections to the proposed removal of the downtown Plainfield station as well as the removal of the Netherwood station. Happily, we were given the assurance of the Commissioner at that time that the proposed relocation had not been finally decided upon and that the City was free to show the justification for the retention of these two key stations serving not only Plainfield but also our sister communities in the vicinity of the Plainfield area. We are working on such a plan.

The railroad is a vital hub in the economy of our City. Not only does it serve as a conduit for the rail commuters to New York and Newark, but it also serves to bring on a much lesser degree, citizens to our City who may not be able to avail themselves of highway transportation. Even though this latter point is very minor, in the economy of the American City today, any detraction from methods of ingress and egress to our City is of great concern.

The rail commuter, in selecting Plainfield as his home, as I have previously indicated, provides the community with a wealth of talent, purchasing power and service, which no American city today can lose. The downtown merchants profit directly from not only the purchasing power of the rail commuter but also every member of the rail commuter's family. In addition, the rail commuter and his family provide a vast reservoir of talent to serve on local government boards and agencies. Needless to say, our churches, civic organizations and even social clubs heavily rely upon the rail commuter and his family for not only physical but also financial support.

The impact on this City of a cessation of, or either a further diminution of, rail commuter service, would be a very, very serious blow to not only the economy but also to the lifeblood of the groups and organizations that I have referred to.

Your committee, as I understand from your secretary's letter, is examining the necessity of creating a public Authority with the power to acquire and operate passenger and freight rail facilities.

My position insofar as your inquiry is concerned is thus: we must have the continued service of the Jersey Central Lines. This service must be upgraded. With these two mandatory requirements I reserve to your body the method whereby these two requirements are attained. Personally, I do not feel that the government should be extended into a field of private enterprise. However, this belief must be put aside if the ability to maintain, improve and upgrade rail commuter service cannot be done through private means. If your committee, as a result of its investigation and subsequent deliberations, should determine that the only method whereby these two mandatory requirements can be obtained is through public acquisition and operation of the rail facilities, this decision should be accepted. The only caution I would

have is that if you do establish an agency to operate the rail commuting facilities, it must be directed toward the long-range solution and should consider all aspects and ramifications of the problem as it affects the rail commuting municipality.

Your committee must address itself to the <sup>totality</sup> ~~State~~ of this problem. If inactivity by the State, or any governmental agency having jurisdiction over the commuter rail lines, were to result in a further diminution, or the entire cessation, of rail commuter service to this City, the result on our economy would be catastrophic.

To the person unaware of the means of commuting, both rail and surface, from Plainfield to Newark and New York, and other points east of this City, the natural thought is that those who have lost the facility of rail transportation could easily fall back upon surface or road commuting facilities.

Any person who has ever driven route 22 in either direction at the commuting hours from 6:30 - 9 A.M. in the morning, and from 4:00 - 6:30 P.M. in the evening, realizes the utter ridiculousness of this thought. Presently route 22 is at its peak load between Plainfield and Union. With the influx of the Garden State Parkway traffic, in my opinion, this peak is exceeded practically everyday of the work week for the traveler going to points east of that junction. To add an additional 2,000 commuters from the Plainfield area, ignoring the number of Fanwood, Westfield, Cranford, etc. commuters who would have to rely upon route 22 and/or the Garden State Parkway, would produce a snarl that would be chaotic.

In my opinion, the solution to the commuter rail crisis cannot be solved by pushing the problem off on to the highways. It must be resolved by utilizing the present rail commuter facilities, upgrading them and improving the service thereon.

As previously stated, the last figures in my file show that in December of 1962 the City of Plainfield had just under 2,000 rail commuters. Any further deterioration of service affecting this many rail commuters will prove to be an immense disservice to not only this community but to our sister communities whose citizens come to Plainfield to use our rail facilities and, necessarily, while there shop and support our local merchants and also comprise our many churches, civic

organizations and similar groups.

ROBERT C. MADDOX  
Mayor  
City of Plainfield

Plainfield, New Jersey  
October 15, 1965



# Westfield Board of Realtors

260 EAST BROAD STREET • WESTFIELD, NEW JERSEY

ADAMs 2-9000

WILLIAM MAIDMENT, JR.  
*Executive Secretary*

October 14, 1965

Secretary SR 4 Committee  
Law Revision and Legislative Service  
Division of Legislative Information and Research

Gentlemen:

The Westfield Board of Realtors at a special meeting on October 7th, 1965 passed a resolution urging the Special Senate Committee, established under Senate Resolution 4 of 1965, to exert every means to preserve and improve adequate and attractive rail service for commuters, a service which is of vital importance to the welfare and continued prosperity of the municipalities served by the Westfield Board, including Westfield, Mountainside, Fanwood and Scotch Plains.

It is estimated from recent surveys that the Fanwood and Westfield stations serving the four communities are used daily by more than 2450 commuters who travel to the metropolitan area.

Because there is no alternative means of transportation available for these citizens, it becomes of paramount importance that adequate rail facilities be preserved, improved and provided on a competitive basis with the public transportation facilities of similar suburban areas.

The diligence of the Special Senate Committee is recognized by our Board members who have complete confidence that they, in their studies, will review all the facts, recognizing that rail service has been established as a means of life in our territory and that to terminate it or to permit it to deteriorate would have a serious, adverse effect on the economic well-being of the citizens and the property values in the territory.

Sincerely,

P.E. Peterson  
Chairman, Westfield Board  
Rail Transportation Committee

Committee Members:

George Magee  
Nancy F. Reynolds



STATEMENT OF EDWIN A. JENKINS, CHAIRMAN OF THE SOMERSET HILLS TRANSPORTATION ASSOCIATION, TO THE SENATE INVESTIGATING COMMITTEE, OCTOBER 15, 1965.

I am Edwin A. Jenkins, and I reside on Lake Road, in Far Hills, Somerset County, New Jersey. I am appearing before your Honorable Committee on behalf of the Somerset Hills Transportation Association, and official body of Somerset County. We represent the users of the suburban rail passenger service of the Erie Lackawanna Railroad in our County.

In view of the fact that the eastern boundary of Somerset County is about thirty miles from New York, and Highway congestion to the east of us is incredibly bad, you can appreciate that we are entirely dependent on our suburban rail service for transportation to and from our homes and Newark or New York. Some three thousand New Jersey taxpayers use the Erie Lackawanna trains on the Gladstone Branch every day, and the number is increasing so rapidly that the capacity of the existing line is right now overtaxed, and a serious problem will soon exist if the line is not very much improved-which, unfortunately, our railroad does not want to spend money for.

As you know, we are faced with the threat of the Erie Lackawanna to end all of its suburban passenger service, and this is something which neither the State, nor the counties affected can permit. The welfare, economy and future of the area is greatly depended on the quantity and quality of the train service. We badly need more and better service, not a continuation of the less and poorer, which has been the lot of most commuters during the past five years.

The Erie Lackawanna Railroad has indicated that it intends to get out of the suburban passenger service business as soon as possible. The way the railroad has treated its commuters for the past few years indicated the intent even before the words were spoken. We know the railroad does not have the interest to try and make this service successful and profitable, and indicates that what is basically lacking is the ability to do so. It is much harder to build-up and create, than it is to tear-down and destroy. No brains are required to destroy. We know that railroad executives in Chicago, where they like commuters, have shown that not only did they possess the will and determination to make their suburban service a profitable success, but they actually have accomplished that happy result, to the satisfaction of all interested parties. Since it is unlikely that the Erie Lackawanna will bring in new executives from Chicago to do the job which they have been unable to do - as that would bring a great loss of face - so it is up to the Legislature to provide the means for an entirely new Agency to do the job in the public interest.

Please, we do not want a continuation of the State Highway Department's administration of the railroad program, for the sorry results of the past five years certainly disqualify them for the future, for we want no more of what we have been getting. Let's end that conflict of interest by restricting the Highway Department to highway matters, and leaving the running of railroad trains to an independent Agency created for that purpose.

Like many other counties, Somerset's rail transportation problems are steadily growing, as each year sees more and more travel by rail, as new homes spring up near the railroad right of way - and we know that the rate of increase will soar, if and when we have modernized rail transportation to link us to the metropolitan area.

You gentlemen are well aware of the problem, and you know that not only does it affect nine northern New Jersey counties directly, but to a greater or lesser degree the problem of suburban rail service concerns practically every New Jersey county within sixty miles of New York or Philadelphia, and that the need for this service will grow, and never lessen, in the years to come.

You have asked us to come before you today to give you our ideas of what the State Legislature should do about this matter. Where do we go from here?

It is our strong recommendation that the Legislature should take appropriate steps to end unfair discrimination against our railroads. The Legislature should require the Port of New York Authority to do as much as, but no more than, it has done for Air, Water, and Highway transport, for travelers by rail. The best possible start would be for the Port Authority to acquire and to operate, Pennsylvania Station in New York for the New Jersey railroads as a union terminal, in the same manner that it operates the 41st Street Bus Terminal for the busses, or Newark Airport for the air lines.

The Legislature should immediately create at Cabinet level, a new state "Department of Public Transportation" which would oversee, but not operate, the four forms of public transport: Air, Water, Highway, and Railway. It would have nothing to do with the State Highway Department, the Garden State Parkway, or the Turnpike. This Department would, in the public interest, make sure that all four forms of public transportation were treated fairly, and equally.

However, this is not enough, for it will not keep our Erie-Lackawanna trains running, and they are due to stop a lot sooner than most people believe possible. We therefore ask the Legislature to strengthen, and to adopt your pending Senate Bill, No. 292, which provides for the creation of a New Jersey Transportation Agency, and which would have the power to insure that our train service is not only maintained, but improved. The further this Agency is from the Highway Department, the better for the rail commuters. We particularly like the provisions of S-292 which require that the operations and activities of the Agency be oriented to, and controlled by, the counties in which the suburban service traffic and problems originate. It is most important that the proposed Agency not be permitted to become the master of the people.

To sum up, gentlemen, it is the considered belief of Somerset County that if the Legislature will take the two actions recommended above, and make sure that we have honest, dedicated people appointed to the right places, our suburban rail passenger service - and some of our congested highway problems as well, will soon be corrected, and, for a change, the public will really benefit.

Somerset County thanks you for your time and consideration.

A handwritten signature in black ink, appearing to read "R. A. Jones", with a long horizontal flourish extending to the right.

(3) 6.  
MAYOR'S TRANSIT COMMITTEE

Summit, New Providence, Berkeley Heights

Honorable William E. Ozzard, Chairman  
Special Senate Committee Rail Facilities

The Mayor's Transit Committee representing the Transit Committees in Summit, New Providence, and Berkeley Heights, is wholeheartedly in favor of the creation of a public authority with the power to acquire and operate passenger railroad facilities in the State of New Jersey. It is both advisable and practicable so to do, because only a public authority can make the changes that are necessary in order to keep the important rail commuter service operating.

We in the Summit area are served only by the Erie-Lackawanna Railroad (Morris-Essex Division and Gladstone Branch), and we are therefore essentially interested in the continuance of the service of these two branches of this railroad. We have no direct bus service to New York City. But the interest in the continuance of this railroad service in our area is tremendous. Last June, envelopes each containing 2 copies of a railroad questionnaire were mailed to 12,500 families in these three communities (total population about 45,000). Within three weeks over 3,700 families (29.5%) replied. The itemized tabulation of the results is still in progress and will be available within a short time. A copy of the questionnaire is enclosed with this report.

It can be safely stated, however, that from a representative count more than 20% stated they would move away from the area if trains stopped running. The returns further indicate that the train service, so far as frequency of trains, speed, etc. during the commuter hours are concerned, is adequate. The equipment, however, leave much to be desired.

The frequency of service at other than commuting hours, although adequate, much could be done to improve it. There does not seem to be any real need for virtually every train stopping at every station. It would improve the service to the Summit area in the "off" hours, if about every other train was an express or semi-express from Newark to Summit, or if every other train stopped at every other station on an alternate basis.

In order to strengthen the railroad situation in general and to reduce the passenger deficits to what one might call a manageable one, we are inclined to believe that it would be better if we had three or four strong passenger lines with park-and-ride stations at convenient points, rather than the many branch lines whose existence is not justified on the basis of the passenger volume they carry. People along these lines may have become used to using other means of transportation, and it is doubtful that these lines can be reactivated sufficiently to bring back enough passengers to justify running them. The Morris-Essex Division, and the Gladstone Branch of the Erie-Lackawanna which we are primarily interested in, however, can not have its service curtailed without serious consequences both to the communities which they serve and to the other means of transportation which must be found.

Respectfully,

James Palmquist  
Berkeley Heights

John Kretzmer  
Summit

Eivind Ramberg, Chairman  
New Providence

October 15, 1965

PUBLIC TRANSPORTATION IS A PUBLIC NECESSITY - AND AN OBLIGATION

HOW MUCH DO YOU USE AND VALUE YOUR PUBLIC TRANSPORTATION? DO YOU WANT IT CONTINUED?

Your help is needed to determine present use, and estimate future needs for public transportation in our area. Please check or otherwise answer each question, and return this form promptly. Please use separate form for each person.

Sex		Age Bracket				Residential Status			Occupation				
M	F	Under 17	17-40	41-60	Over 60	Own home	Rent	Board	Employed	House-wife	Retired	Student	Other
1-1	1-2	2-1	2-2	2-3	2-4	3-1	3-2	3-3	4-1	5-1	6-1	7-1	8-1

I DRIVE MY CAR TO WORK (OUT OF TOWN)  DAYS WEEKLY. I DRIVE FROM CHOICE  ; FROM NECESSITY

IF GOOD PUBLIC TRANSPORT WERE AVAILABLE, I WOULD USE IT: REGULARLY  ; IN BAD WEATHER  ; SELDOM

To get to my principal transportation at the home town end, I: (check one only)

walk	15-1
drive and park	15-2
am driven to	15-3
take local bus	15-4
am picked up	15-5
take taxi	15-6
other	15-7

If trains  buses  STOPPED RUNNING, I would have: (check one only)

to move elsewhere	53-1
to drive to work	53-2
to drive to nearest public transportation	53-3
no transportation problem	53-4

My principal transportation is: (only one)

R.R.	Bus	Car	Car Pool	Number In Car Pool
16-1	16-2	16-3	16-4	17

I would use trains,  buses  } Check One  
 about  more days per month IF there were:

I board PUBLIC transportation: at (Town) \_\_\_\_\_ (18, 19, 20)

I ride on PUBLIC transportation: to (Town) \_\_\_\_\_ (21, 22, 23)

From the end of bus or train ride, I usually reach final destination by:

Ferry	24-1
Tubes (PATH)	25-1
Walking	26-1
Subway	27-1
Local bus	28-1
Taxi	29-1
Other	30-1

More weekday runs	56-1
More weekend runs	57-1
Faster schedules	58-1
More expresses	59-1
More night runs	60-1
Better station parking	61-1
Lower fares	62-1
Trading stamps given	63-1
More modern equipment	64-1
Refreshments sold	65-1
Thru runs to Penn. Station, N. Y. City	66-1

I now use the (Check R.R. or bus):

Regularly * * * * *	RR.	BUS
In rush hours	31-	1 2
Outside rush hours	32-	1 2
Saturdays	33-	1 2
Sundays	34-	1 2
Holidays	35-	1 2
Occasionally * * * * *	RR.	BUS
In rush hours	36-	1 2
Outside rush hours	37-	1 2
Saturdays	38-	1 2
Sundays	39-	1 2
Holidays	40-	1 2

Number of tickets usually purchased each month:

Train <input type="text"/>	Bus <input type="text"/>
Monthly commutation	68-1
Weekly commutation	69-1
Ten trip	70-1
Restricted Round Trip	71-1
Student ticket	72-1

Other comments: (Over)  (check)

Name: \_\_\_\_\_

No. and Street: \_\_\_\_\_

Town: \_\_\_\_\_

I now use (R.R. or bus) because of: \* \* \* \* \*

Necessity, no alternative	41-	1	2
Choice	42-	1	2
Reliability	43-	1	2
Frequency of service	44-	1	2
Greater physical comfort	45-	1	2
More relaxing	46-	1	2
Faster schedules	47-	1	2
Stations more convenient at: * * * * *	RR.	BUS	
Home town end:	48-	1	2
Destination end:	49-	1	2
Heated, lighted stations	50-	1	2
Lower cost	51-	1	2

October 8, 1965

Board of Freeholders  
Passaic County, New Jersey  
317 Pennsylvania Avenue  
Paterson, N. J.

SUBJECT: Transportation Commission Suggestions,  
Senate Railroad Hearing, October 15th,  
As Per Conference With Freeholder J. J. Sullivan  
and Planning Director L. H. Budd on October 4th.

Gentlemen:

The following observations or suggestions were made: -

- 1) That the Governor appoint a new and permanent commission on railroad activities within any available legal structure authorizing such a commission.
- 2) That the commission be made up of young men with a complete technical background fitting them to plan, and supervise, the operation of modern mass transportation, primarily high speed electric railroads.
- 3) That any appointees or hired consultants be as far removed as possible to any political involvement, guidance or control.
- 4) That the above commission, or a temporary counterpart be put to work immediately on: -
  - a. Separation of commuter traffic from freight handling.
  - b. Stepping up railroad passenger interest and use.
  - c. Contemplate, if not finalize, on renting or leasing present commuter rail routes for the operation of privately purchased or leased rolling stock.
  - d. That concurrent solicitation of private capital and equipment manufacturers be maintained as a constant interest.
- 5) That all officials involved, and particularly current transportation franchise holders, be requested to: -
  - a. Submit a study of partial or complete high speed electric transportation occupying the median strips of all highways and turnpikes serving the most needy areas.

- b. That a survey be made of a possible continuation of the Montclair electric railroad line to a point where it can connect with the present Erie-Lackawanna line (approximately 6/10 of a mile?).
  - c. That a survey be made of the Little Falls area to determine its value as a rail head whether or not the foregoing function is accomplished, so that it may also serve as a bus terminal in lieu of new and expensive railroad extensions into the upper part of Passaic County, Sussex County, and adjoining areas in Morris and Essex Counties.
  - d. That discussions be held with the owners of the Susquehanna railroad for a tie-in with the foregoing propositions, if proven acceptable.
- 6) That no new bus franchises be permanently granted on new highways such as 208, 287, 80 and on any reconstruction of Route 23 or changes in Route 46 - but if granted, the operation of suitable schedules on unprofitable feeder routes be included in any main highway bus franchises.
- 7) That deep thought be given to the diversion of some P.A.T.H. trains from Hudson Terminal, and 33rd St., New York to an interconnecting link which would bring these trains into Paterson. This subject would be approached - and presented - as cutting across all existing restrictive franchises in the interest of creating new transportation facilities with little more than the additional cost of extra equipment. No outstanding engineering problem should be involved in this diversion, and little or no condemnation as compared to a new bridge, a new river tunnel, or a new railroad bed. Furthermore, Newark - the present end of the line - has a multiplicity or an unuseable excess of transportation as currently represented by all existing systems running from New York into, or through Newark, whose growth is primarily industrial.

Other suggestions presented themselves, such as the creation of a separate ICC-PUC truck operator commission to determine if the lack of railroad freight facilities can be offset by new trucking operations through the more modern methods of motor truck transportation.

We also discussed the conversion of comparatively abandoned railroad stations and freight yards into modern industrial centers to maintain new rateables in each community instead of "medical" donations to a dying railroad.

More speed and better results could be accomplished on all of the foregoing subjects if they are completely and entirely separated from existing railroad or utility franchises which have not demonstrated the proper business foresight to maintain orderly expansion, while all around them millions of people have moved in to factories and homes in the areas involved - during the past 25 years - and much of the merchandise and many of the people being initially transported into these explosive growth areas by the railroads or the utilities themselves.

S. R. Milburn, Chairman,  
Board of Public Transportation,  
Passaic County, New Jersey

SRM/lam

THE WAYNE AREA CHAMBER OF COMMERCE  
Area Code 201 - 694-1055 - P.O. Box 376  
Wayne, N. J.

EXAMPLE OF ONE  
TOWNS GROWTH AND  
INVOLVEMENT IN  
FUTURE TRANSPORTATION

WAYNE FAX III

Named After General "Mad Anthony" Wayne - A Revolutionary War Hero Who Would Be "Happily Mad" About the Wayne Area's Planned Growth and Prosperity.

Our Chamber map shows New York City barely twenty miles or thirty minutes from Wayne. Our average "family income" approximates \$10,000., apparently fifth highest in New Jersey. Eliminate largely residential towns like Glen Ridge, Ridgewood, Millburn, Cranford, and Wayne moves up near the top in family income. We already have 42,000 residents, and should easily pass 50,000 by 1967. Long range estimates were "75,000 by 1975" - but we are traveling faster than that.

Wayne is the hub of a group of immediately adjoining towns totaling 180,000 population. Include cities like Paterson, Passaic, Clifton, and Montclair - all within ten miles of Wayne - and the total is over 450,000. One railroad and six bus lines serve Wayne - the area is not entirely dependent on auto usage.

Wayne has six "shopping centers" scattered over its 26 square miles instead of one so-called "downtown shopping area". We are proud of many well dispersed industries - clean, permanent, and quiet - representing \$50,000,000. in new ratables. Leading national retailers are researching the area. Stern's Department Store, which opened in 1963, expects to add another floor to their building. Eight chain food centers employ 150.

Current developments require constant "up dating" of all data. Bamberger-Macy, for example, will open their largest eastern area retail store in Wayne in 1967, larger than their Cherry Hill, N.J. operation. Several acres adjoining their mall may be occupied by Sears Roebuck. Around them will be an 8,500 car parking area. Over 350 will be employed.

We are astride national, state, and county highways # 46 ( merger of #3 and #4) #80, #23, #287, and nearby #208. Garden State Parkway is six miles away - N.J. Turnpike is 15 miles - #1 sixteen miles south. 16 miles to Newark Airport. Nearly 50 % of the U.S. population is less than 750 miles away.

Pictures bordering the Chamber map include the American Cyanamid Company who moved their entire New York Executive Offices - 1500 employees - here in 1962, The U.S. Rubber Company Laboratory with over 250 technical personnel, Union Carbide Plastic Company facilities employ over 200, The Reber Baking Company, approximates 150 employees moved here from New York City, The Associated Testing Laboratory - a division of Walter Kidde Co., has 200 employees.

The Chemway Corporation with up to 250 workers, plans an additional 150 acre industrial park for other manufacturers. Wayne Warehousing Corporation, now over 100 workers, moved in recently, and a similar book warehouse has been erected for the American Bible Institute, with 100 workers. The Mack-Wayne Plastics Co. - Wayne's oldest industry employs over 400 people. Others are Bonland Sheet Metal Co. with 50, R.E.D.M. Corp. employs 200. Eight building supply companies employ over 100, six banks and a savings and loan hire over 150. This is not a complete list.

The State Farm Insurance Company, "the nation's largest automobile insurer", moved in with sixty-five people three years ago and now has approximately 700 employees in this "Regional" headquarters. They since doubled their building facilities and working force. Kearfott-Aerospace-General Precision Company moved several hundred employees into their new Wayne building on Totowa Road recently. This is a 120-acre development.

We have 3 "A & P" stores - also Grants and Kresges. Kleins of N.Y. are building next to Bamberger-Macy. Howard Johnson and other restaurants, nationally connected, dot the area. New York airports are an hour away. 72 miles to Trenton - 92 miles to Philadelphia. You can see New York City from our hills. See more detailed map.

C. & H. Mechanical Laboratory, with 100 workers, doubled their facilities last year. They do close tolerance work, including tools and dies, for accounts like Wright Aeronautical and Federal Tel. and Tel. Company. The W.R. Grace Company's "Davison Chemical Division" is developing rare earths for nuclear material recovery and other purposes. The Owens Illinois Glass Co. just put 200 people to work in their new plant. Nearby, The Alkorn Products Corp., from Hawthorne, will move into a new building.

Thirty corporations now here will touch the 10,000 employment mark by 1967. There are 350 "under 5 employee" stores, factories, and professional offices. Wayne is a reservoir for every type of professional skill and labor. People gladly transfer here from jobs in New York City and other crowded areas, because local jobs mean more leisure time - a gain of almost one full day per week for the previous out-of-town worker, up to fifteen per cent of salary saved on commutation and meals.

Paterson General Hospital will move into a 350 bed building to be erected on 90 acres just bought here. We have eighteen public and parochial schools with approximately 11,756 children enrolled. A second senior high school and other grade schools are under construction. Wayne will be one of the five towns in New Jersey with two senior high schools. There are eighteen churches of all denominations with four more planned or under construction. We have 60 regular policemen and 150 volunteer firemen - over 50 pieces of equipment. We have just opened a modern library - our Board of Health building is only one year old.

Numerous lakes abound. There are three private golf clubs and a 36 hole county course. A large private plane airport lies partly in town. All sports and recreations are available. There are over fifty clubs and associations in town. Our 9,000 homes range from \$50,000 residences to modest summer cottages.

Think of an Ideal Regional Office, Laboratory, or Industry Location "30 Minutes From Broadway" - No Bursting Water Mains - No Metropolitan Traffic Jams - No Race Riots - No Multi Million Dollar Fires - No Subway Jams - Only One Hour to Ocean Beaches or Appalachian Foothills - Where You Can Almost Fall Out of Bed and Be On the Job - This Is It - Wayne!

All major radio and T.V. stations in the metropolitan region blanket the Wayne area, and Radio Station WKER is on the border of Wayne. Several weekly newspapers serve the area, with individual Wayne area circulations as high as 19,000. This includes Trends, Wayne Eagle, North Jersey Times, on Thursdays or Sundays. The Paterson Evening News, Paterson Morning Call, and the Passaic Herald News have a collective circulation of over 10,000 daily in Wayne - and more in immediately adjoining areas.

The circulation of New York and Newark newspapers sold in the area, or brought in by out-of-town workers, would approximate up to 3,500 copies on week days. Metropolitan New York and Newark News newspaper deliveries on Sundays passes ten thousand

Our taxes are low enough to amortize higher land costs. There is no charge for our services. Over ninety per cent of the businessmen in Wayne are members of the Chamber and are readily available for consultation. Call S.R. Milburn, Executive Vice President, Area Code 201-694-1055, for a confidential appointment.

New Wayne motels like Holiday Inn, Charm Motel, Quality Court place 550 rooms at your disposal - with similar restaurant, banquet, swimming and parking. Famous for food are Donohues, Tudor Inn, Dan's Steak House, Wayne Manor and others. Four shopping centers within ten miles include Two Guys, Topps, Great Eastern. We have just opened two new shopping centers - Berdan Shopping Center and Valley Brooke Shopping Center.

We gladly offer free time and guidance to industrial engineers and realtors researching Wayne. There is no unauthorized disclosure of clients. A few minutes in our office, plus an hour guided field observation trip will save prospects time and money.

October 13, 1965

Board of Freeholders  
Passaic County, New Jersey  
317 Pennsylvania Avenue  
Paterson, New Jersey

SUBJECT: Special Senate Committee Hearing,  
Senate Resolution No. 4 - 1965  
Park Hotel, Plainfield, N. J. 10/15/65

Gentlemen:

As a representative of the Passaic County Board of Public Transportation, the writer attended the subject hearing without having access to a copy of the resolution referred to. Due to hospitalization in one case and a family funeral in another - other representation was impossible, so the writer took it upon himself to represent the area and submit the previous report to you dated October 8, 1965. It was read into the minutes and will appear in the Congressional reprint of the hearing as an official document.

In addition the writer spoke briefly on the following subjects: -

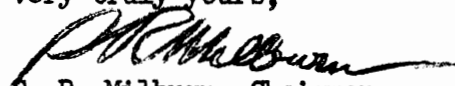
1. Inadequacies of railroad service, and railroad planning, by all parties concerned - not a sudden emergency but rather an accumulation of the lack of interest and action by all parties concerned. There is room for these and other public facilities to be surveyed annually and pressed for action, by some centralized State or Federal enforcement unit.
2. The immediate installation of new electric railways over presently partially abandoned rail beds, and on or over the median strips of present and future main highways. Our area has practically become a traffic chute for areas on either side of us - a terrific loss of perpetual ratables. We pointed out that the loss of ratables represented the very tax monies that the legislators at the head table require to maintain our present level of living.
3. Additional highways are only an "easy" way out of handling our share of 100,000,000 vehicles by 1970 - right in the midst of permanent residential and industrial areas - not a temporary explosive growth. Most of our new - and older - highways become gigantic parking lots 3 hours per day and on Saturday, Sunday and holidays "parking" conditions average 6 hours per day. This throttles local business and social activities.
4. Answering the railroad clamour for subsidized "commuting facilities" we suggested more available records, from ICC or railroad controlling agencies, to indicate how many people we were talking about. Many of the speakers had no official "commuter" figures. We quoted a spot check showing only 16 commuters detraining at 6:15 P.M. in a busy area town. We quoted another spot check showing daily commutation the equivalent of 10 bus loads in each direction, and freight or express equivalent to 5 truck loads per week. Compare this with the road block caused by these trains at grade crossings, during rush hours.

5. Too much subordination of our regional activities to the aggrandizement of "getting to New York." Much of this is due to the almost centrally focused Port of New York Authority activities - 40 years of building up New York at the expense of our inland communities.
6. Better guidance of local "industrial commissions" - over the years - will bring in big, important businesses instead of so much concentration of getting our residents back and forth to New York, and subject to New York income taxes.
7. We see no difference between our recommended take-over of semi-abandoned railroads and the very successful take-over of New York bus systems and formerly independent subway lines.
8. We briefly quoted our experience in sitting with the San Francisco Bay Transit Authority 6 years ago and subsequent studies of the Disney and Seattle Monorails - despite competitive lobby disagreements. Manufacturers of test equipment, like Westinghouse, must be constantly urged to participate in the solution of transportation through the better use of existing railroad facilities and highway strips, in several selected growth areas.
9. We offered an opinion that the "commuter" figures quoted by some of the speakers - in total - represented only a small portion of the traffic handled daily by the elevator system in the R.C.I. Building at 50 W. 50th Street, New York City. By comparison, our present railroad "system" would do this by ancient outside fire ladder methods.
10. While railroad interests constantly harp on lost income due to automobile and truck travel on Federal and State highways, they neglect to respect the judgement of many prominent industries who have transferred millions of tons of freight and express to the airlines, who are not hindered by any old fogey practices in getting people - as well as freight - to the right places in the shortest possible time. This reduces heavy corporate investments in inventories riding around on choked up roads or handcuffed railroads.

We stated that the loss of an airport in the Northern New Jersey Metropolitan area would be a life time catastrophe, because an airport in Mid-State or below it would be too far away from industries who must locate in the Northern New Jersey Metropolitan area - who would therefor locate in Long Island or Westchester - to New Jersey's loss.

Some of the foregoing comment was made while the tape recorder and the stenotype operation were not in action. The same was true of some of the 17 other "statements" which were submitted in printed form for inclusion in the minutes of the meeting, for reprint by the Senate committee. We have copies of all of these reports in addition to having heard pro and con discussion on all of them. We understand that there will be a similar session in Somerville, New Jersey about November 20th, 1965.

Very truly yours,

  
S. R. Milburn, Chairman  
Board of Public Transportation  
Passaic County, New Jersey

Statement of

Forrest K. Van Horn  
132 Prospect Street  
Leonias, N. J.

Chairman of  
Northern Valley Commuters Organization

Before the

Special Senate Committee  
Friday, October 15, 1965  
Park Hotel, Annex Auditorium  
Plainfield, New Jersey

Mr. Chairman, Members of this Honorable Body. The impending loss of most commuter and suburban rail service is one of the most critical problems confronting New Jersey today.

Were this to occur, our state would suffer serious economic loss and experience traffic jams and traffic congestion beyond comprehension.

There is no question a rail crisis exists. Two of the major commuter-carrying railroads are facing bankruptcy for various reasons; have said they must abandon passenger service, and while this has been said before, the reasons this time are more compelling and lend greater credence to these statements.

Ninety Nine percent of equipment used in commuter service in New Jersey is over 30 years old, and at least on Erie-Lackawanna the original fleet of cars is now down to about 50% of its original number, with bad order cars being retired at the rate of several each week. This equipment cannot be replaced for financial reasons and if no other reason for loss of service existed, continuing attrition of remaining cars will soon bring a stop to commuter and suburban service.

There is general agreement that a rail crisis exists, but opinions differ as to how close our state is to such a disaster, and what the size of its impact will be on our economy.

It is difficult to create a reasonably accurate picture of the results of loss of rail service. This seems evident in the very fact that there is differing opinion as to impact from this source. But in view of

this difference of opinion as to result, it would seem to be good business to expect the greatest possible impact on our economy, and to meet the rail crisis at this level. Anything short of this seems a risk that the citizens of New Jersey cannot afford and it is proposed that the need for a permanent solution is urgent and should be achieved before the threatened disaster becomes actuality.

If all Erie-Lackawanna and Jersey Central commuters were displaced - an estimated 50,000 - more than 1,100 additional buses would be needed to serve them, assuming everyone were seated. If all elected to go by automobile, some 10,000 additional cars would be needed, if there were five passengers per car. No one expects, of course, that there will not be standees on buses, but neither is it expected that there would be five passengers in each automobile, with the average now at one and one half passengers per car using the river crossings.

This abnormal influx of traffic would tax our highway system far beyond its capacity and even if traffic were to flow without interruption, considerably more time would be spent in travel than is now the case. There is also an accelerating volume of traffic added each year that must be considered when measuring the capability of existing highways. There is little question that this alone is inexorably pushing our highway system to its ultimate limit.

In all probability, the displaced rail commuters would force upon us a program of immediate highway expansion, with the primary purpose of meeting this abnormal need alone.

The need thus exists for retention of our rail system. Trackage is still there, hence the cost of revitalizing this transportation network would be far less than to attempt its replacement once it was lost.

If it were lost, the need for its replacement would eventually be recognized, as was the case in San Francisco, where the cost of this

replacement of what once existed is pegged at \$1 billion.

The advantage in retaining rail service rests in its opportunity for expansion into a coordinated bus-auto-rail system that would take the pressure off of our highways, under a management alert to the capabilities of such a plan.

It must be noted that each increase in traffic volume brings with it an increase in exposure to accident, certainly a substantial reason for retention of rail service. Each accident almost invariably brings traffic to a dead stop, or results in time-consuming delay. Fires, fog and snow-storms also impede highway traffic and each has demonstrated its capability of halting traffic on innumerable occasions.

To illustrate, fog and fire joined forces on October 14, 1963, to bring all traffic to a complete halt on Route 3 - and on the secondary routes motorists tried to use for escape. Commuters were delayed anywhere from one to five hours, and one police official termed it "one of the worst traffic jams we have ever seen."

On September 12, 1964, again on Route 3, an accident involving three trucks and separately, a fire, tied up traffic, causing delays again of up to five hours. The significant statement in the story reporting this was that "Traffic was backed up into the streets of New York and as far west as the Mountainview Circle."

Difficulty in putting a price tag on the economic loss from rail service abandonment is in the fact that while some areas lend themselves to reasonably precise measurement, others do not. A crash highway program could be measured, but there would be difficulty in measuring the cost of deliveries, from wholesaler to retail merchant, and to the consumer.

New York residents are a source of considerable revenue for New Jersey merchants. But if considerable additional time were spent in reaching these supermarkets and shopping centers, the New York resident might

find it more economical to shop in New York, despite the sales tax.

Shopping centers would stand to lose further business, if local residents also concluded that time spent in traffic jams was not worth the money saved, and shop locally. While these dollars would still be spent in New Jersey, seemingly negating a loss potential, area of loss would be in the delivery cost factor. Shopping centers are capable of accepting deliveries in truck and trailer lots, while local outlets can absorb no more than case-lot deliveries. This ultimate cost increase would, of course, be passed on to the consumer.

Rail service with which I am most familiar as a commuter is that of the Northern Branch of Erie-Lackawanna. Former commuters on this line have told me that their employers expressed concern over their continual lateness and insisted that this be remedied. With rail service lost and highway congestion more pronounced, this complaint could again become of importance. Without the opportunity of alternate transportation, the threat of unemployment would become very real for numbers of these commuters.

By their own choice, many in the labor market reached the decision that the journey to New York was not worth the additional salary level it is possible to attain, and have sought employment in industry that has diversified into New Jersey. Without rail service and the chance of spending longer time in commuting, the downtown labor market becomes closed to many, but it is submitted that the New Jersey resident should have available to him as many markets as possible for his services, and that it should be possible to reach these markets in reasonable time.

It cannot be contended that travel time by rail today is reasonable, nor an improvement over the past, for schedules are nearly the same as those that existed in the early 1900's. This is one of the reasons for the unattractiveness of rail service for many.

Diversification of industry has proven a boon to New Jersey, but traffic problems without rail service might reduce the attractiveness of our state and suggest the need to locate, or relocate, elsewhere. Just as the employee needs as many markets for his services as possible, so to does the employer need every advantage to pursue his activities.

Real estate brokers and those selling homes have long answered questions as to availability of transportation, and the time spent in reaching the job location. Most commuters will tolerate little more than an hour of commuting, hence any slow down of traffic makes residence in the outer regions of the metropolitan area less attractive. The effect of limiting the sale of homes on our economy, is not amenable to precise measurement but is a force to be reckoned with in considering the need to retain rail service.

An area of loss would also seem to exist for the Port of New York Authority. A most successful entity, it is peopled by those astutely aware of and sensitive to all areas of business. Yet even among these it does not appear that proper recognition has been given as to what might happen to the PATH operation, if the two major commuting lines disappeared. A large number of its passengers arrive by rail, and Port of New York Authority's investment is of such size that it must be protected.

The contracts between the Division of Railroad Transportation and the railroads are no more than a stop-gap measure. There is no provision in any of these short-term contracts that provides for replacement of equipment. The result is that the crisis simply worsens as each contract expires. The equipment shortage is today critical, and on the Erie-Lackwanna has resulted in the need to remove a car from one train bound in one direction, for use on its counterpart, or elsewhere, on a trip in the opposite direction. The opportunity does not exist under short-term contracts of removing the possibility of losing all service.

Temporary plans and demonstration projects do not offer the opportunity to complete service improvements, as would a permanent solution under a state transit authority.

There was the proposal several years back to erect transfer stations in the Hackensack meadows. That never transpired. Governor Hughes as a candidate was joined by Highway Commissioner Dwight R.G. Palmer in proposing that the Hudson & Manhattan be linked to Bergen County as a means of inducing increased use of rail service. That never happened.

Despite the intention to improve service under the state-rail contracts, it has apparently proven difficult to avoid continuing complaints of commuters over late trains, and there seems little that can be done about the ever-recurring break down of motive power. These would be of basic importance to a permanent rail authority. And they are of basic importance in any effort to increase the use of rail service.

The original objective of the state-rail contracts was to at least maintain the "status quo" as to service. But the concept changed, and over the years service cuts have been permitted. Ostensibly to relieve a burden of loss, the result has been just the opposite. Commuters have continued to leave the trains.

Certain expenses of operating a rail service are shared by all trains. Removal of any thus transfers these charges to those remaining, with the result that "money-making" trains either report less profit without losing a single commuter, or become "money-losers." These decisions to remove trains are based solely on the financial problems involved and no consideration is given to exploring the reasons why commuters left the rails, or what can be done to remedy conditions to achieve a return of commuters to the rails. This important function is one that can evidently only be given full expression through a permanent operating authority.

An extension of this lack of effort to get to the roots of a problem of diminishing use of trains was an opinion expressed as to the future of Northern Branch trains. This original decision has, fortunately, been reversed. But the opinion was based solely on decreasing passenger volume and increasing loss. Statistics citing numbers and percentages of bus riders as compared to those still using rail service, were made up largely of former rail commuters, of whom there 1412 at one time using the three available trains, but whose numbers are now reduced to under 500.

Even the reasons why these commuters had left the rails were cited, and despite this knowledge of what could be done to resolve the matter, the opinion simply said Northern trains were to go.

Opportunity apparently exists to improve the financial picture of rail commuting. The Chicago & Northwestern's board chairman, Mr. Ben Heineman, reported a profit of \$704,000 from commuter operations in 1964, and expects this profit to reach over \$1 million in 1965. Eastern railroad men contend that the situation in Chicago is "different," and would not work here. But if that were true, is it not possible that some of the ideas used in Chicago could be altered for use here, in the "different" area in which we live? The thought persists, however, that there is little difference. It is a merchandising problem involving a service being performed for people just like ourselves - commuters who must get to and from work. Merchandising has never been an important part of railroad service, nor has it been under the state-rail contracts. It represents a challenge that can only be accepted by a state transit authority, in the relative calm of a secure future for rail service.

The potential of service by a railroad has not changed. A single line of railroad can carry from 25,000 to 35,000 persons per hour, conservatively three times the potential of mutli-laned highways. Nothing in the recent past, nor during the period of state-rail contracts has been directed toward exploring this potential. It is a function that seems reserved for

attention only when the problem is permanently resolved.

In a recital of situations that exist today in exaggerated form solely because the rail problem has progressed from one crisis to another far worse under interim plans, suggestions for service improvements have little place.

My confidence is in the wisdom of permanent solution, in the knowledge that public transportation is a public responsibility, in the understanding that no metropolitan area can get along without the advantage of a coordinated transportation system, and in the belief that it is inevitable that, once service by rail was lost, public recognition of its role would then compel its replacement.

Once lost, however, the cost of its replacement would double, perhaps triple that which it would now cost to retain what already exists. The question, "Where is the money to come from" would be replaced with, "Where did it all go?" if rail service is discontinued.

It would be my suggestion, gentlemen, that serious consideration be given to establishment of a permanent operating authority, and that effort be made to achieve this as soon as practical.

Thank you.

STATEMENT BEFORE THE SPECIAL SENATE COMMITTEE  
INVESTIGATING THE RAIL PASSENGER SERVICE PROBLEM

Dudley H. Woodbridge  
Planning Director, Morris County

October 15, 1965

My name is Dudley H. Woodbridge; I reside on Ferndale Avenue in Morris Township, and I am Director of the Morris County Planning Board.

As a Professional Planner working in this rapidly growing area of northern New Jersey, I am deeply concerned about the need for adequate and attractive mass transportation facilities in this part of the State. With hundreds of thousands of people to be transported each day, highways by themselves just cannot do the job. We must have our railroads, too.

As many of you may be aware, the Regional Plan Association during the last few years has commenced a new set of studies concerning the future of the New York-Northeast New Jersey Metropolitan Region. As one of the major parts of these studies, the R.P.A. three years ago published a report entitled "Spread City" in which population and labor force figures were projected through the year 1985 for each of the 22 counties in the Region.

This study, which is by far the most comprehensive and authoritative of its type that has been made for this area, projects an additional 6 million people in the 22 counties of this Metropolitan Area by 1985, with an additional 4 million expected between 1985 and the year 2000. In other words, in the 25 years starting from 1960, according to this study, we will add the equivalent

of the 1960 Los Angeles Metropolitan Area onto our present New York-Northeast New Jersey complex. Now is the time to do the transportation planning to prepare for this growth.

However, the principal concern of this Hearing today relates to that part of this Metropolitan Area that lies in what might be called the "service area" of the Erie-Lackawanna Railroad, consisting of the six counties of Essex, Bergen, Passaic, Morris, Somerset, and Union. The R.P.A. study projects a growth within this territory of more than 300,000 in just the five year period from 1965 to 1970, and of nearly 640,000 in the ten years between 1965 and 1975. In addition to these close-in six counties, however, the service area of Erie-Lackawanna suburban trains actually extends outside the Metropolitan Area, as it is presently defined, to include Sussex and Warren Counties. With completion of Interstate Route 80 and connecting Route 280, these two Counties also will be brought into commuting range, and therefore, through the activity of developers, into being part of the New York-Northeast New Jersey Metropolitan Area. With a total area almost double that of Morris, it seems likely that the combined growth of these two Counties might amount to some 30,000 in the 1965-70 period, and to 60,000 to 90,000 by 1975.

Therefore, in terms of the whole service area of the Erie-Lackawanna in New Jersey, we can contemplate a growth of perhaps 330,000 in just the next five years, and a ten year growth of 700,000 or more. To put it another way, during the next five years, assuming these projections to be reasonably correct, we

will be superimposing a new population equivalent to that of present Morris County on this eight county area; and during the next 10 years we will be adding more than the 1960 populations of Passaic and Morris Counties combined. The burden on transportation facilities will be staggering.

While undoubtedly the places of employment of these new families will be widely scattered, with this magnitude of growth ~~ahead~~ of us, even a relatively small percentage of these new workers traveling toward an established employment center such as Newark or New York will become a large number. And if we expect the ~~f~~reeways now projected or under construction in this area to do the entire job of transporting these people, we are kidding ourselves. Certainly they will help <sup>but</sup> the wave of home-to-work travel will quickly catch up with and undoubtedly exceed their capacities. I have been told that Interstate 280 now under construction through the Oranges is expected to be operating at capacity as soon as it opens. If this is true, how can we expect to handle any future growth, except by expanding our railroad service?

In 1960, the New Jersey State Legislature established a new Division under the State Highway Department for the purpose of maintaining and improving suburban rail ~~passenger~~ service in the State. Yet, after five years of this program, the trend in rail service is still downhill. Furthermore, what changes in service have been instituted under State Highway Department leadership have been the antithesis of planning for future needs.

The most recent example of poor transportation planning to come out of the State Highway Department centers around their application for an Erie-Lackawanna

Mass Demonstration Project. Despite the fact that Morris County (at the State's request) presented a comprehensive set of schedules that would improve rail service for inclusion in the project, practically all of the changes that the State Highway Department proposed for the Morris County area, in the actual application to Washington, ignored these County recommendations. The State's proposals for the Morris County area that were sent to Washington, rather than increasing or improving rail service, were largely directed to taking people off trains, eliminating the trains, and forcing people to use busses on crowded highways. Can this really be considered to be in the public interest, or paving the way for the population growth that is to come?

As a Professional Planner who knows that we must have all four forms of public transportation - AIR - WATER - HIGHWAY - RAILWAY - to serve the public well, I ask that this Committee devote its efforts to protecting and furthering the public interest in rail transportation, for that is what we now and in the future must depend on as the backbone of our public transportation services, and which to date has been sadly neglected.



4-79  
*Public Transportation is a Public Necessity  
and Has Become a Public Responsibility*

## The Board of Public Transportation of Morris County, New Jersey

Court House, Morristown, New Jersey

15 October 1965

The Special Senate Committee Studying the  
Railroad Passenger Situation, meeting  
in special session in Plainfield, N. J.

Gentlemen:

As a member of the Morris County Board of Public Transportation I of course agree with its statement which has been given to you today by Chairman Taber. However, I would like to elaborate on part of it, namely the gradual degrading and discontinuance of service which has taken, and is still taking, place. The legislature should realize that this has been occurring since it first decided in 1958 that the preservation of railroad passenger service was in the public interest.

1. Commuters were badly hurt by the first major abandonment of railroad service in 1959, when the trains on the West Shore Division of the New York Central Railroad were discontinued. It should be noted that this was authorized by the Interstate Commerce Commission after it had permitted the ending of the connecting ferry service from Weehawken to New York as it was deemed a burden on interstate commerce. Obviously, without the ferry, the rail passenger service was worthless. The State Highway Department cooperated by promptly arranging substitute bus service, rather than seeking a new terminal for the trains, readily available in Jersey City.

2. The Susquehanna, which ten years ago owned the only new suburban passenger equipment in the State, sold its new cars and gradually diminished service to the point where it is practically non-existent. Since 1958, the State Highway Department has authorized reductions in service but has made no honest effort to find a proper terminal for this railroad, readily available in Hoboken.

3. The Lehigh Valley discontinued passenger service to Hunterdon County points in 1961, because the Interstate Commerce Commission permitted this cessation in service. It was considered a burden on interstate commerce, the only criterion it will consider. No attempt was made by the State to save it.

4. At the instigation of the State Highway Department, service on the Boonton Line of the Erie-Lackawanna Railroad was discontinued and tracks torn up through Paterson to make way for Route #80, even though the plans filed with and approved by the Federal Bureau of Roads in Washington showed both the highway and railroad sharing the right-of-way around Garrett Mountain. Re-routed trains on that line are now taking from five to ten minutes longer to reach their destination. Where the former route had no grade crossings now there are 36 of them between Mountain View and Newark, a frightening hazard to consider.

5. Service on the Central Railroad of New Jersey has gone from bad to worse. Trains are slower and less convenient, as well as fewer. The Aldene Plan of the State Highway Commissioner calls for a transfer of passengers bound for New York at the Newark Penn Station. Instead of boarding a pleasant and comfortable ferry in Jersey City for Manhattan they will soon have the privilege of fighting for seats on trains already filled with passengers, regardless of whether they are going uptown on the Pennsylvania Railroad or boarding the next PATH train downtown. Jersey Central commuters will either stand or have the delay of waiting for the next subway train if they wish to sit down.

Travel time will be longer. Also, those going to downtown Manhattan will pay \$17.60 per month more, and those heading uptown will pay around \$19.80 extra monthly.

6. The Aldene Plan referred to will provide the additional advantage for Jersey City and Bayonne in that there will be no more regular railroad passenger service of any description for these two cities. They henceforth will be the domain of subways and buses.

7. The proposal to the Housing and Home Finance Agency in Washington for money to subsidize the Erie-Lackawanna, prepared by the State Highway Department's Division of Railroad Transportation, calls for the abandonment of railroad passenger service on the line in Morris and Warren Counties to Hackettstown and Washington, in Sussex County to Branchville, the Caldwell Branch in Essex County, and the Newark Branch in Passaic, Essex and Hudson Counties.

8. Again, with the connivance of the State, the Jersey City Exchange Place station of the Pennsylvania Railroad was eliminated, and some 3000 passengers from suburban points along that line, who formerly had a comfortable ride to Jersey City and a four-minute subway ride under the river, are now forced to detrain at Newark and fight the subway mob for the next 20 to 25 minutes on the Port Authority's PATH. From ten to thirty minutes -- and much discomfort -- has been added to the commuters' trip, former users of that station.

A proposal, simple in execution, made by this Board to bring Susquehanna trains into Exchange Place or Journal Square,  
~~WAS DISREGARDED.~~

This then is the sordid record which has been written in New Jersey during the past seven years. It is not opinion, it is fact. It is a record of inaction and retrogression, save for the spending of 30 million dollars, not even ours, but which was extracted from New York State residents working in New Jersey, by means of the commuter income tax.

Until this State stops looking to others for handouts, forced or otherwise, and we have a new agency dedicated to working for instead of against the suburban traveller, we are going to continue with more of the same. This record is one of continual downgrading or elimination of service, and until the mandate of the legislature is carried out there will be no change for the better. Only the legislature can correct this unhappy situation.

The question which can rightfully be asked is "Who is next?" If we are going to an all bus-and-private-car transportation set-up in New Jersey, let's so state and make our plans accordingly. If we are naive enough to think we are saving our railroads by a continuation of this foolishness, we are only kidding ourselves. However, if we want real rail transportation service, let's waste no time working for it.

Sincerely yours,

  
F. T. Richardson  
Vice Chairman

October 15, 1965

To the New Jersey Senate Committee  
investigating the suburban rail  
transit problem,  
Gentlemen:

My name is Rudolph E. Denzler, and I am a member of the Board of Public Transportation of Morris County. I wish to present to you a review compiled by another member of this Board, Mr. Donald VanCourt, who is unable to be present today.

This review will briefly cite examples of positive, constructive action taken in a number of metropolitan areas when faced with transit problems like ours in New Jersey. These examples are in sharp contrast to the inaction and negative actions shown by the managements of New Jersey's several railroads, and to the Division of Railroad Transportation's neglect of the intent of the legislation which created it.

Note, if you will, please, the common thread which runs through all these examples -- the presence of an independent public agency which is not content to maintain the status quo, but which is farsighted, bold, realistic, and responsive to the needs of the general public. New Jersey can easily have such an agency through enactment of a strengthened version of Senate Bill S 292.

Boston's Metropolitan Transit Authority saw that permanent closure of a commuter branch of the Boston and Albany Railroad would bring harm to many. The MTA took it over and converted it to trolley operation. Today, more people use it than ever before. Early this year, when the Boston and Maine Railroad discontinued all passenger service, a successor agency, the Massachusetts Bay Transportation Authority, stepped in and re-established suburban service, and is working to restore it on the New Haven Railroad's lines.

Four Million dollars of Connecticut tax money, not money taken from residents of other states who work in Connecticut, has been provided to insure continuance of New Haven Railroad service.

In New York State, the first positive steps came more than ten years ago with the original interim plan for the Long Island Railroad. There then followed a \$16,000,000 tax abatement program, which recognized the inequities in the railroad tax situation; authorization for counties to take over ownership and maintenance of stations, which several have done; a car purchase plan, operated through the Port of New York Authority, which enabled the New York Central, the New Haven, and the Long Island to improve their rolling stock situation. In this period the Long Island Railroad has progressed from being the laughing stock of the area to Metropolitan New York's best suburban operation in terms of average quality of equipment, general dependability, and responsiveness to the needs of its patrons. Most recently, the plan has evolved for purchase of the Long Island Railroad outright by the State of New York, which plans to complete its rehabilitation and operate it as a state agency.

Philadelphia's startling progress started with the city-sponsored PSIC, the Passenger Service Improvement Corporation. PSIC participation in passenger transportation has brought Philadelphians lower fares, better service, and new equipment. It even took a near-dead Reading Railroad branch, which had only the "essential" morning and evening commuter services, and, by adding trains through the day, made it a major factor in their overall network. Eastward from Philadelphia, in South Jersey, the Delaware River Port Authority chose to face its responsibilities squarely too. When the DRPA Kirkwood line is completed, this better utilization of existing rail rights of way will bring a new level of speed, comfort and convenience for New Jersey residents traveling to Philadelphia.

In our nation's capitol, President Johnson recently signed the act providing for execution of the rail portion of a three-quarter billion dollar comprehensive transportation network. This action was long overdue, but when complete, this system with its backbone rail lines will unclog the District of Columbia and its Maryland and northern Virginia suburbs far more effectively and cheaply than if

the taxpayer paid for the highways and parking facilities needed for the same volume of traffic.

Approval of the enabling referendum by the voters of Atlanta, Georgia, and four surrounding counties, enabled the area to move from planning to construction of its program which is based on maximum utilization of existing rail rights of way.

In Chicago, private enterprise reaches its peak of effectiveness. There, at no cost to taxpayers, patrons of the Chicago and NorthWestern Railway enjoy excellent service as a result of a complete revamping of the CNW's facilities, starting in 1957. On the Illinois Central Railroad, which uses electric equipment of the same appearance and vintage as the Erie-Lackawanna electric cars, service has recently been improved, not cut, as is the New Jersey custom. The IC has reduced the interval between non-rush hour trains. The other lines in the Chicago area are approaching their own problems with the same constructive attitudes. Of course, the policy of the Chicago Transit Authority to consider that its rail and bus services should complement, not compete with each other, contributes to the soundness of the scheme.

It is costing San Francisco one Billion dollars to construct a new network to replace its destroyed interurban rail system, and to make it serve the needs of the city and surrounding counties. \$800,000,000 of this is coming from local sources, as approved by a referendum in which better than 60% of those voting favored the plan. This money is to come from bond issues which will be amortized by increased real estate taxes and increases in vehicular tolls. The voters recognized that the automobile carrying one person has created most of their problem, and must therefore contribute monetarily to the solution.

Our transportation problem is not unique in New Jersey. It occurs all over the world. We need go no further from home than Canada for more examples. Montreal is building a new subway system to speed up the trip from suburb to city center. Toronto, in addition to its multi-route subway system, is equipping and

establishing a suburban service which will run over more than forty miles of existing rail lines where commuter trains never operated before.

Private enterprise in Northern New Jersey appears incapable of sparking and maintaining its own Chicago-style reformation. It is therefore obvious that some agency of government must step in. The successes of other metropolitan areas is encouraging. The voter is not stupid -- he is less short-sighted than many people believe him to be. The examples given above, particularly those of Atlanta and San Francisco, show that voters will approve increases in their own taxes and tolls to finance an excellent transportation network, provided it will be set up and operated so as to be responsive to the needs of the general public, not merely the needs of another arm of government, or, indirectly, a private company.

Thank you for your attention on this most timely and urgent subject.

*Rudolph E. Denzler*  
Rudolph E. Denzler

for Donald VanCourt

Statement by

William E. Roach Jr., Planning Director  
Somerset County Planning Board

To The

New Jersey Senate Committee on Highway  
Transportation and Public Utilities

on October 15, 1965

I am William E. Roach, Jr., Planning Director of the Somerset County Planning Board. I would like to express my appreciation for this opportunity to appear before you.

Somerset County, both through its Board of Chosen Freeholders and the Somerset County Planning Board has shown considerable interest in railroad passenger service as it affects the transportation system serving our County. Within Somerset County approximately sixty-seven miles of rail lines are in operation providing freight service to the County, and thirty-eight of these miles also provide passenger rail service. There are fourteen passenger rail stations in the County, and many County residents utilize passenger stations in neighboring areas. Altogether approximately 3,000 Somerset residents commute to work on a regular basis. Used are the following: the Erie Lackawanna, the Jersey Central, the Reading, and the Pennsylvania Railroads. The Lehigh Valley R.R. is solely a freight line.

The Freeholders of Somerset County have demonstrated their interest in the improvement of rail passenger service by participating in the Suburban Service Committee. The Freeholders and the County

Planning Board are concerned about the future of rail transportation because we are finalizing a County Transportation Plan. We feel that a healthy passenger service will be beneficial to the freight operation, and regard both of these services as vital to the economy of Somerset County.

In order to evaluate the impact of motor vehicular traffic on the secondary road system, the County Planning Board has had to be concerned with rail transit. In order to ascertain the validity of land development plans for our communities, the County Planning Board must be cognizant of the prospects for continued and expanded rail service. This applies not only to residential and commercial development in relation to passenger stations; but also to the viability of the rail lines in relation to industrial development.

In studies made for our County Transportation Plan, the projection of motor vehicular traffic is of such a magnitude as to present very serious problems of highway congestion. While rail passenger service is only a small part of the solution, it is nevertheless a critical area, because relief is provided to the highway system at the peak hours, the periods of greatest vehicular congestion.

We have concluded that rail passenger service represents a valuable asset, a part of the infrastructure of the metropolitan area that must not be allowed to deteriorate. It is in the public

interest to preserve and improve rail passenger service. The spread and increase in intensity of urban development, especially in the outer counties of the New York-New Jersey Metropolitan Area will sorely tax the transportation network.

Fundamentally, the problem of rail transportation stems from public subsidization of highway transportation. Large capital expenditures have been allocated to new highway development over the past forty years, and very little capital has been expended for rail passenger service during this period. The railroads have evidenced very little desire to provide modern passenger service. Clearly, if you endeavor to turn away customers some success should attend your efforts. It is interesting to note that a minimal expenditure in the Park and Ride Station on the Pennsylvania Railroad has significantly increased patronage. Also, despite the age of the equipment and the roadbed, the Gladstone Branch of the Erie Lackawanna has shown an increase in rail passengers.

The State of New Jersey has been engaged in a subsidy program, which by its nature is a stop gap program. We have reached the stage where we either lose a valuable asset to the economy of the State of New Jersey, or embark upon a serious program of rejuvenation of rail passenger service. The present subsidy program has expended its usefulness. It has given us time to weigh the alternatives. There are presently several bills before the Legislature, which in

effect designate the State of New Jersey with the prime responsibility for rail passenger service. This concept of State responsibility and an agency to undertake this responsibility is essential. We are not in the position to specify the exact manner in which this should be accomplished, but we are confident that the State Legislators, once having assured responsibility, will provide a suitable agency to improve rail passenger service. The bills before the Legislature also indicate that there should be County participation in the formulation of policy. The Legislators are well aware of the County's limited tax base and the inability of the counties to operate or manage a rail system that is metropolitan in scope. However, we believe the County is closer to the public and the municipalities than many of our State agencies. As such, the County can play a valuable role of coordinating the needs of the municipalities, the commuter and the public with a State Railroad Agency. Therefore, we favor the concept of County representation and participation in policy formulation.

We wish to state emphatically that rail passenger service is an area of public concern that is within the jurisdiction of the State Legislature and that we are looking forward to legislative action on this question.

TRAFFIC and TRANSIT COUNCIL  
of Bergen and Rockland Counties  
256 Old Tappan Road, Old Tappan, N. J.

STATEMENT TO SENATE OF NEW JERSEY

15TH OCTOBER, 1965

FOREWORD

The outcome of industrial problems is determined in the last analysis by profit and loss: and profit and loss by technology and ideas. We have long offered ideas on the rail problem from the standpoint of technology; but all the decisions have had to be made by men who knew nothing about technology and had no way to evaluate the ideas. Acceptance of ideas takes time. (There are many in this land who still do not accept the theory of evolution.) Our problem has meant one thing to one man and another thing to another. So there have been all sorts of studies, reports, predictions, demands and recriminations, but no results.

Therefore all sides should agree as to what exactly is the problem that is being solved. Or they can never agree on a solution. They must then agree by compromise on what they do not want; or resort to legal compulsion. But force settles nothing. Seven years ago the New York Central sacrificed its West Shore riders. And today even that issue is no more settled than the burning racial issues of the South. We have got to have railroads. We have got to live with them. Let us live as decently as they will let us.

THE WORM TURNS

Most politicians think the commuters are apathetic. On July 20th, 1963 we put out a warning: "There is thunder in the air". We had to make two reprints to satisfy the demands of the "apathetic" public. We are not reprinting again but we will quote:- "Hitler's Brownshirts were not of the proletariat. They were bourgeoisie with a sense of wrong.....The technical revolution of the recent past has altered all our lives.....Legislators and officials get a bewildering array of problems of which they know little or nothing.....What a joy, now and then, to 'pass the buck' to intergovernmental agencies.....(which can be) a worse curse than a rotten state administration.....Where government cannot govern what remains is anarchy.....It may not be political anarchy,- only technical or social.....The yeoman of the atom age is disturbed.....But you cannot still his voice for he is right. And in your heart of hearts you know it.....All across the world we see that revolt gets results.....It needs only one Hitler and one upsurge of discontent in a time of stress..... There is thunder in the air."

Needless to say, our warning was ignored. Who were we to shout the odds of politics? And what happened? We will quote from another memorandum, of 18th November, 1964.

"Since our talk of thunder in the air the state bosses have lost power, many legislators have lost their seats and one great party has lost its pants. The 'tidal wave' did not carry away Mr. Widnall or Mr. Frelinghuysen. They were known to have been working hard for local needs. But a candidate who had no such record was washed out. Three Freeholders were shown that more was wanted. It was a vote against....shifting problems to the Port Authority.... The future should be planned by efficiency men using the sort of methods used by private enterprise for

similar problems... The public want action; and by men of action; not mere buying of time by opportunists from extortionists. That, as we have learned, is the lesson of the election."

The dumb sheep, who were supposed to be apathetic, were fed up with beg, botch, borrow and improvise. They wanted the whole mess cleaned up.

#### WHO CAN DO IT?

Some people think we can get miracles from the Port Authority. Others think we get hardship, profiteering, shady deals and the mailed fist. To some it is an agency to get the slothful politician off the hook, without regard to ethics, but at a price. The Port Authority itself has no such mixed ideas. To them, as they are now placed, it is a matter of life and death to put every possible curb on rail commuting. When Mr. Corbin and others thought that the future would be on rubber the P.A. gambled recklessly. They now know that the future will not be on rubber but they are tailored for nothing else. Terrific sums are invested. So the rail system we could and ought to have must be killed or stifled. These men are far from wanting to do wrong. But when the pressure of events is excruciating nothing looks wrong.

As they have some public support and some political backing we must use them if we can. But can they be purified and taught the new technology so as to operate so vast and vital a project as our metropolitan rail system? They have been the tailgate huckster with a cure for almost everything. The politician with a headache could often turn to Professor Tobin's Marvellous Fruit Oil. But it did not always work well, not even for the heavenly blessing of Great Swamp and the grandiose nonsense of Tobin Towers. Our present problem brooks no gambling with things which are apt to stall or fail. So we must reckon up the score even though it takes us away for a time from the major problem.

#### CAN THEY DO IT?

The Port Authority was chartered in 1921 for "a better coordination of the terminal, transportation and other facilities of commerce about, in and through the Port of New York, to the end of great economies". No other directive was given but that was the purpose for which the Compact was drafted. It consisted of a specification of powers, permissions and authorizations. Every article deals with what MAY be done, nothing of what MUST be done. But necessarily all these things which MAY be done were to be done to carry out the directive of the preamble: i.e., better coordination of the facilities of commerce.

They began with an idea for a Union Terminal for all the railroads which was to be on the West Side of Manhattan. However, Messrs. Loree and R. F. Young had explored this idea already. With the aid of a prominent business economist (and no doubt of others), they had concluded that the project could only be a stunning loss. Neither the Port Authority nor the railroads would carry one penny of this loss. And neither, then or since, has had any idea for coordination of the facilities for commerce. (The undersigned was closely associated with one of the men concerned.)

And so the Port Authority turned to the highways. They had been given unusual powers, but they appear to have assumed whatever powers they wanted. Up to that time there had been river crossings at Yonkers, Dyckman Street, 125th Street, 42nd Street, 34th Street, 23rd Street, 14th Street and elsewhere. The Port Authority,

instead of coordinating them, simply put them out of business. The cross river traffic, which had been diffused all the way up the river, was channeled through one bridge and two tunnels, with the added load of railroad passengers and freight and further additional business attracted by the facilities. This has led to one of the worst traffic jams in the world. Nothing was done to help or sustain any of the old facilities, even when offered as a gift.

Even the operation of the Hudson Tubes is apparently aimed at restricting rail commuter service, which is dying for want of terminals. Instead of enlarging the Tubes to standard size, and opening them up for use as open end terminals, (which is the P. A.'s own description of its Manhattan station) they retain them at the long obsolete substandard size, which no commuter train can use. A huge volume of passengers and freight has to find its way through the Holland Tunnel. The Port Authority gets the gravy. Yet the Hudson Tubes could function as a perfect union terminal for all Jersey trains to downtown Manhattan, and a perfect link for freight to the West Side freight line, Long Island and beyond. The deal for the Tubes was described at the time as blackmail. Under this deal the P. A. obligated themselves to modernize them. They knew very well what that meant. They know all about the Hitachi and other developments. But when it came to honoring the terms of the blackmail, if we may put it that way, they welshed on the thirty pieces of silver.

#### WHO CAN DO IT?

When the New York Central took the West Shore case to the P.U.C. they complained of subsidized "competing facilities". We were at bitter odds with the Central and still are, but one must be fair. We were amazed and bewildered by what our inquiry turned up and we did not quite believe our own findings. But during more than a year of further study there were other revelations which overshadowed even ours. And all the indications of ours were that our transit problem is now the Port Authority; and if there were no Port Authority, as it is today, we need have no transit problem. This is amply supported by our literature. It is open to any challenge out in the open; but it is not the way of the Port Authority to answer our charges out in the open.

The reason for raising this issue at this time is to demonstrate that the Port Authority is not a fit and proper agency to operate our commuter rail services. Remember the \$30,000? The rail bosses, also, are not exactly plaster saints, but under business control (not I.C.C. control), they can do the job cheaper, quicker and better than anyone else. Who has made all the improvements on our railroads since World War II? Was it the Port Authority? Was it any other bureaucracy? Was it any politician? No. It was the railroad managements acting for the owners of the property.

Does anyone believe that if the Port Authority had not been there the same work would not have been done by someone else? Did the Queens Tunnel and Verrazano Bridge put all other facilities out of business, create losses of well over a billion a year due to traffic jams, and destroy jobs by thousands? It is not all loss. Our lost industry and population are replaced by less desirable industry and less fortunate ethnic groups. The area deteriorates. The change is cumulative. By way of restoration the Port Authority dumps "the grandiose nonsense of Tobin Towers" on the edge of Hell's Hundred Acres.

## WORK FOR JOBS AND JOBS FOR POLITICS

The glory of the Port Authority is shown not by the quality of its services but by the multiplicity and magnitude of its constructions. Yet, except for Path, all their Hudson bridge and tunnel crossings combined have less capacity than two lines of railroad trackage. This is what the P.A. have given us for the ruin of our landscapes, the fiasco of our road traffic, and all the multi-millions spent on approaches, ramps, bridges, tunnels, terminals and all the trimmings. The capacity of two rail tracks!! Without the brick and steel before our eyes it would be incredible that brilliant men could squander such immense wealth for that solution of this problem. And we wonder in deep suspicion what can be behind it all.

Many uninformed folks think that the prodigality of the Port Authority "circulates money and creates work". There is the P.A.'s own account: "Investment in construction, \$1.4 billion; Wage bill generated by Port Authority facilities, almost \$498,000,000 for 1964 alone; Over the past ten years construction wages of \$2 billion." That is their own story.

We have shown in various memoranda that whatever raises costs, and therefore prices, reduces sales and destroys work. There is no surer way to damage the economy than by pouring money down a rathole. If the damage does not appear as such, but looks like a blessing, it endures longer and works more ruin before it is stopped.

The purpose of the above disclosure was apparently as a warning to politicians and reformers. All this money in wages means how many jobs? Each job means at least one vote. If you value your political life do not dare affront the Port Authority. They spend a million a year on "public relations" solid, liquid and gas. Men die, but jobs endure. And "they will still endure in undiminished numbers when, in the midst of a vast solitude, some traveler from New Zealand shall take up his stand on a broken beam of Tobin Towers to sketch the ruins of the port."

## WHERE THE MONEY WENT

But all the dirt has not been with the Port Authority and its following. In its early days the Erie was exploited by a bunch of utterly unscrupulous blackguards. While the Central had the constructive genius of Vanderbilt, and while Penn rose to greatness under Atterbury, the promoters of the Erie left a stench in our economic history. It was they who led the railroad into lifelong impotence. That is the ruin that we are asked to repair today. But if the result had been profits instead of loss would the Erie have given us the money? The real loss, and the cause of it, were there before the commuters came.

Handouts are not the answer. You cannot cure a bum of being a bum by giving him a new pair of britches. But if he gets himself into such a disgusting state that you have got to give him some britches, and if he cannot pay for them in his own way, then make him pay for them in yours. And "put some tiger in your talk".

Brook no irrelevancy or false appeals to emotion. You have all heard the story of the Italian merchant who sent out his ships without insurance. They met trouble. He could not meet his notes. The Shylock National Bank put pressure on him, but in a rather indelicate way. But in that day and age even the gentlemen were thugs. They went around with swords and daggers. And when a woman lawyer came in with a technicality, and got away with law in place of justice, she bemused public opinion for three centuries. The Shylock National Bank should have had

judgment for the cash involved. In the same way the Erie case should be decided objectively. We do not weep for security holders who for a hundred years did not take proper care of their own property. Also rail tycoons should keep to the relevant facts of today: such as, why are they losing so much money when others make it?

They tell of what they have done to attract business, e.g., hostesses in trains. Well, I am an old goat myself but I would not want hostesses in commuter trains. Philandering is for where you are not known and for when you have more time. And if the D-- Eries were as ugly, dirty, decrepit and battered as the rest of what is offered to commuters it would be a marvel that only half the passengers took themselves off.

What the commuter wants is a relaxed ride, from home town parking lot to a terminal near his office, with shelter all the way and a minimum of waiting for trains. Many need a station near home. We do not all have cars.

The rail men admit that 60 per cent of their take goes out as wages. It is not possible to run a business against competition in that way. Thirty per cent is about as much as the traffic will bear, even with automation and electronics, which we have urged for many years. The Japanese and others are now using on their inter-city runs just about what we have urged for commuting. Their success shows they were right. No railroad was ever shut down by efficiency. Complete modernization would throw a lot of men out on to the streets until new business developed. It would be outrageous to treat trade unionists as if they were commuters. It is claimed that President Johnson is taking care of that.

#### THE FEDERAL RESPONSIBILITY

The federal government has already in effect assumed responsibility for technological obsolescence. This is not a problem of one state only. The Model T Ford is as much out of date in Chicago as in Trenton. Industrywise, technological unemployment and technological obsolescence are part of the same thing, because work is done partly by men and partly by machines. No one can draw any line. The ratio of mechanical to human effort varies as to location and time and season. It is the same problem on the rails as in the mines. The case is not to teach old dogs new tricks. We regard much of the Johnson program as unreal. The remedy is to end the technological obsolescence by restoring the old trades and absorbing the old skills and traditions. And to do it where the homes are.

But how to make the federal government do what it ought to do? How to make the tail wag the dog? We are not politicians, and although we suspect that there are other ways, the only one that we can see is to organize public opinion. Tell the public what has been going on and how it injures every man among us, commuter or not. Light up all the dark corners and show what is there. Burn atomic fuel under the seat of every disciple of Smathers, until even the evil forces behind the Smathers Act cannot endure the stench. If it costs a million a year to get it done this act needs to be re-written or repealed. It was born in corruption according to the then Attorney General. Messrs. Sherman Adams, Bricker of Ohio and other saintly characters were behind it. Two I.C.C. commissioners, earning \$15,000 a year, became worth \$50,000 a year overnight as railroad vice presidents. A third went to the Railway Express and did not do as well. One who was not complaisant on the West Shore case was retired. One saved his job by changing his convictions in the nick of time. Thus the Smathers Act consigned the fate of the public to a nest of bureaucrats who looked for their futures in the very utilities they were

supposed to regulate. And what futures? For some of them the yield from their life's earnings would amount to a million dollars more than in the I.C.C.

#### WHAT IS FREE ENTERPRISE?

A public utility never was, is not, and cannot be free enterprise. It cannot begin without invoking eminent domain. This is, in effect, a deal by which the utility is allowed to usurp private rights for token payment in return for serving public convenience and necessity. A water company cannot deliver water in one street where service is profitable and refuse it to another street where it would lose money. A power and light company cannot serve an industrial park and refuse it to scattered homes in the same area. Hence we doubt the legality of the Smathers Act, or any other, which lets a carrier serve one type of customer and refuse another. Eminent domain cannot (or should not) be used for that. Nor should any law put the fate of tens of thousands, with no right of appeal, into the hands of a nest of bureaucrats who have shown themselves fallible and, as we think, corruptible.

We, as laymen, cannot understand the weakness of the state government. If a public utility in New Jersey goes on strike, no matter who calls the strike, the state has legal power to take over and operate. The I.C.C. can allow the Erie to shut down, but apparently cannot forbid us to take over and carry on and on terms very different from what the rail bosses envision. Again, the law covers the entire utility, even if only a part is struck. That is only reasonable. We cannot drive half a horse. We should take the whole horse and use the profits from the freight for any loss on passengers. The I.C.C. control railroads, not states. If we take over they can impose their rules. But that is all. And we can get tough too. "For ways that are dark and for tricks that are vain the political boss is peculiar."

#### CAN A COMMITTEE DO IT?

We do not advise the rails being run by one agency of experts because the whole problem is too diverse and too big.

National defense must necessarily be for the federal government. Interstate affairs cannot have interstate agencies all over the map; or the same carrier, even on the same trip, will be working under different sets of laws and controls. Besides, inter governmental agencies have tended to slide into the hands of ill-informed and self-willed bureaucrats, who are beyond reach of public opinion and control.

Social issues, as we see it, should be for those who are closest to the lives of the people, that is, for the boroughs and the counties.

Economic matters appear to be the business of the states. It is they who, in the last analysis, have to foot the bill, and there usually is a bill. The states, with their P.U.C.'s, would seem to be the only power that can pressurize the railroads to get out of parasitism and into business. What is left is technology and operation. This is for the railroad managements under strict federal control but not by lawyers or other amateurs.

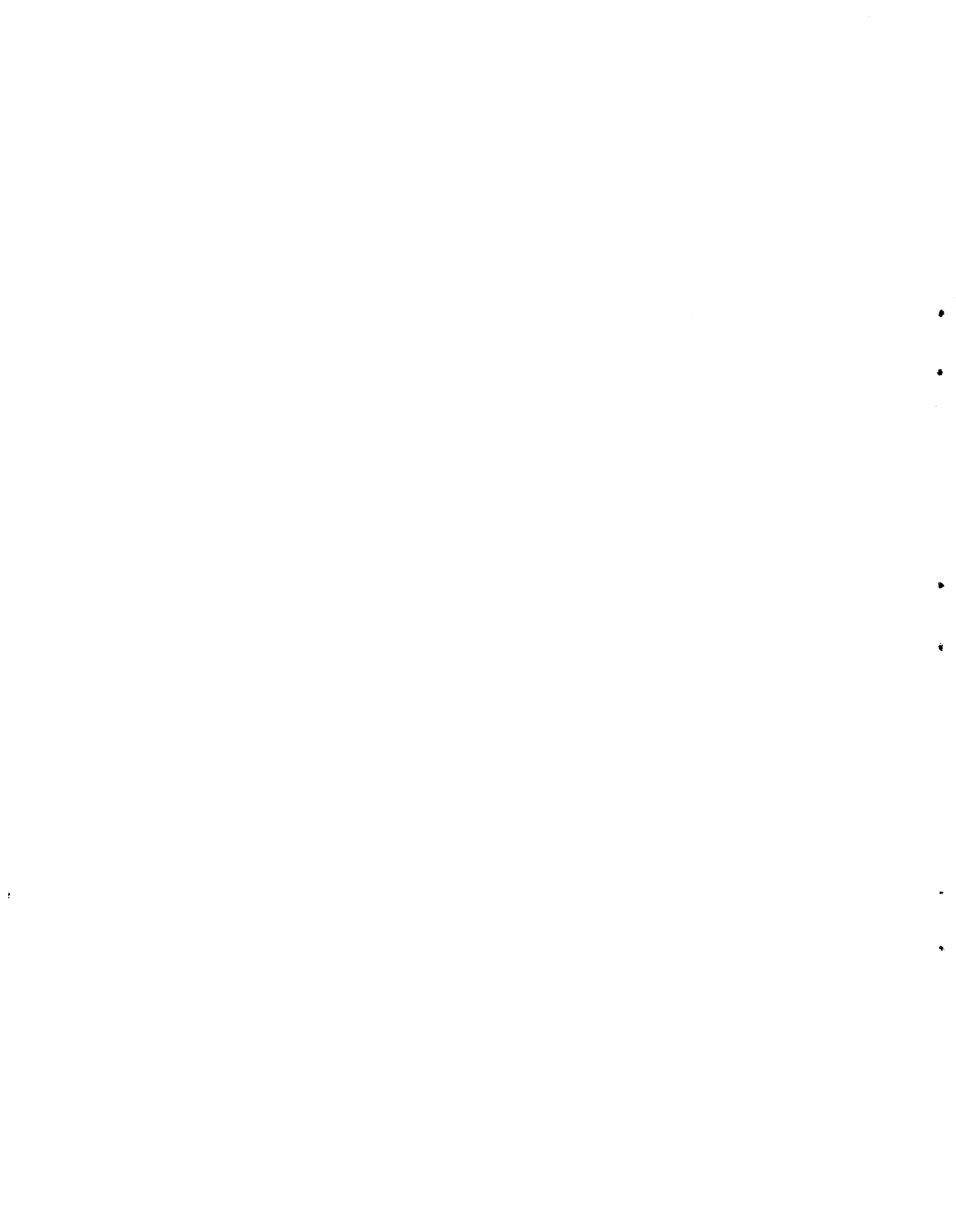
#### HOW TO MAKE IT WORK

We think it is more important to get 50,000 people every day in and out of New York, as to get two a year into outer space going nowhere. Therefore, the cost should not decide the one any more than the other. Besides, we are committed to spend the money in any case on technological unemployment.

We have still not answered the question of how to get things done, which is the purpose of the Senate. We do not advise one committee of experts for different levels of government and for widely differing specialized problems. As we showed in the beginning, it needs several committees. Experts are usually expert in only one thing. Above this level, for coordination and control, we need a different sort of committee. These men should be, not experts, but business organizers; men who have handled mergers and cartels (even if only as assistants), entrepreneurs, promoters and the like. They will also need an organization to do what the committees have advised. All this sounds very cumbersome. Big tasks usually are.

One committee of experts for everything will mean that on any given issue one expert will do the talking and a lot of laymen (on that subject) will listen and decide. That is why we prefer the solution we have offered.

Arthur E. Smith  
Chairman, T.T.C.



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