**Class Presentation**

**11.23.09**

**SLIDE 1**

* **Warren v Fitzgerald:**
  + MD Court of Appeals, on appeal from Balto City Circuit ct decision 1947
  + Wilson Warren and wife Adelaide, shareholders
  + brought suit against the BTC and its officers and directors
    - City intervened as D
    - stake in case b/c of their paving/traffic improvement plans,
  + P: enjoin Ds from abandoning nearly 1/2streetcar rail infrastructure
  + enjoin from replacing a number of trolley lines with buses
  + shareholders lost
  + the case occupies a crossroads (pun) in Baltimore mass transit history
  + talk about what led up to the case and what resulted

**SLIDE 2**

* why worth considering in looking at Baltimore’s legal and environmental history?
* Intro quote from evening Sun 11/14/44: “The importance to the community of an adequate and efficient transportation service can scarcely be exaggerated. It is intimately related to industry, trade, and individual welfare. It can enhance or depreciate land values, promote or retard urban growth, preserve or blight downtown retail centers. The convenience and comfort of intracity transport is a large factor in almost everything a community does.”
  + popular awareness of public transportation as an important issue
  + factors listed reinforce, for me, why it’s important to consider this case and the impact it had on Baltimore’s transportation future

**SLIDE 3**

* highlight 3 story lines that run through materials and secondary sources I’ve read
* what Warren v Fitzgerald can represent
* morality tale of virtues of streetcars
  + movie clip of idyllic days of streetcars
    - Who Framed Roger Rabbit Clip:
      * <http://www.youtube.com/watch?v=8DO5HzEWSkM>
      * :08 - :51 trolley ride, Red Car bought by new outfit
  + Portland OR: how great streetcars are?
    - downtown revitalization due in large part to a streetcar loop that was built in the past decade
    - streetcar enthusiasts look at it as success
    - sentiment that this is what Baltimore could look like had streetcars not been abandoned
    - 10/09: Obama: 75mil in federal funds to expand streetcar network

**SLIDE 4**

* conspiracy: more on that later

**SLIDE 5**

* Trolleys and cars were quite incompatible and buses just fit into car-centric transit.

**SLIDE 6**

* **BTC history**
  + **consolidation**
    - 19th C multiple trolley and bus existed
    - incorporated as United Railways and Electric Company of Baltimore
  + financial difficulties
  + **Jitneys**: unregulated, often modified autos, faster, cheaper (jitney = nickel)
  + 1910s-20s: through this period trolley company was struggling financially
    - charter required them to pay dividends not unconnected to profits
  + **1935:** UR&E bankrupt; reorganized by courts under MD Bankruptcy Act
    - outcomes:
      * renamed BTC
      * charter revised so that dividends were more in lines with profit margins
  + **WWII:**
    - ridership way up
    - gas and rubber rationing, people on poor
    - increased urgency of industrial production—taking lots of people to work
    - **false resurgence tied to** things that have nothing to do with trolleys
    - lots of $$, factor later on
  + 1963, 1970
  + background is map, thousands of miles of trolley and bus lines

**SLIDE 7:**

* roger rabbit
  + [**http://www.youtube.com/watch?v=OUnWPcipi1w**](http://www.youtube.com/watch?v=OUnWPcipi1w)
  + part 9 2:42-3:57
* this is where the story gets interesting. Legitimate claim evil conspiracy
  + story has been told before
  + popular media
  + PBS
  + 1973 Senate hearings on transportation industry focused on
  + ultimately NCL was convicted of anti-trust under the Sherman Act
  + my paper isn’t going to put them in that role but it’s an interesting and essential piece
* **National City Lines and conspiracy**
  + 1936 Roy Fitzgerald, owner of small MN bus company, struck a deal with GM, Firestone, Mack Truck, Phillips, and Standard Oil
  + as holding company to acquire local transit companies
  + had limited capital, so approached those corporation
  + figured out hook to get potential investors
    - companies pay him to buy transit companies entered into exclusive supply contracts with them
* **Operations**
  + 1950**:** ownership or control of 46 local transportation systems in 45 cities
  + In August 1944 NCL applied to PSC to purchase stock in BTC
  + MD law prohibited them from purchasing more stock than controlled 30% of voting rights
  + different from other cities
  + the circuit court in W v F found that there were no exclusive contracts
* nonetheless in 1947 were indicted
  + **1951 tried and convicted under Sherman Act**
    - conspiracy to monopolize interstate commerce
* Organization is still there and, the players they brought with them add to the narrativ**e**

**SLIDE 8**

* eventually, based on # of shares they control, NCL was able to install their men in leadership positions in BTC
* this is a big part of the legal story, but in the interest of time
* the most interesting and the seated president during W v F was Claude Gray
* Bancroft Hill
  + pres 1936-1944
  + born: Baltimore 1886
  + RR work, appointed by mayor as Harbor Engineer,
  + BTC annual reports: trolley-centric, quotes on viability of trolleys
* Fred Nolan
  + pres 1944-1946
  + in charge of NCL operations in Chicago and LA
  + shift in language of annual reports;
    - public transit assumes buses, not streetcars
    - description of plan for conversion of streetcar lines to buses
* **Corporate Executive Committee at time of lawsuit**
  + authority to make decisions between board meetings
  + Harry Baetjer
    - counsel for BTC
  + AHS Post
    - mercantile trust
  + Reavis, Gray, Fitzgerald
    - 3 of 5 NCL
    - at Circuit Ct level Ps argued that they dominated the board, denied, not carried over to Appellate Court
* **Claude Gray**
  + **pres 1946-1948,**
  + **his coming to town: social status: tea held for him and wife**
  + **NCL St. Louis**
  + **early 1948: mysterious death; found in apt w/**
* August Haneke
  + Back to Baltimore boy, but one who had little experience in running mass transit
  + Pres 1948-49
  + succeeded by former president of Pacific City Lines

**SLIDE 9**

* talked about private/corporate interests now look at public/ city government side of the story
* Traffic Problems and City Planning
  + 1925: **Report and Recommendations on the Routing of Street Railway Lines and Methods for the Improvement of Traffic Conditions in the City of Baltimore**
    - city planners concerned about traffic congestion downtown
    - hired Chicago firm to report to Traffic Survey Comm. of Baltimore,
    - report recommended
      * cut down turns streetcars make in downtown areas
      * limited stops during rush hour
      * installation of new bus lines in parts of city where transportation is lacking
      * parking prohibitions during rush hour on some streets
  + 1935 **Chase report:**
    - trackless trolleys
    - buses
    - used in bankruptcy reorganization
  + 1946: Chief Engineer Nathan Smith report in response to BTC request to abandon trolley lines
    - one way streets
    - trackless trolleys and buses
    - fewer streetcars except in high density downtown areas
* trolleys and cars are quite incompatible in congested downtown settings
* Balto City archives: Transit concerns in the files of 3 mayors

**SLIDE 10**

* beyond ordering these studies and reports, government is quite involved
* Bankruptcy and Reorganization 1935
  + somewhat heavily taxed by city for road maintenance and parks
  + ageing infrastructure that took a lot of upkeep
  + expansion difficult and expensive
* Taxes and deferred maintenance funds
  + boom years: 1942-43 profits were high, BTC put a lot of funds into “deferred maintenance accounts” intended for track and car repair
  + 1945 City presented 900K tax bill
  + BTC only wanted to pay 150K
  + in addition to city taxes, the funds generated a lot of interest in the transit company and I think was one of the reasons NCL showed up when they did
  + 1945 Fred Nolan negotiated with the City, settled on paying city ~450K
* Warren v Fitzgerald, city a defendant
* Jan 1948 PSC held hearings
  + response to increased public criticism of BTC service
    - inadequate bus and trolley operations
  + describe hearings
* Governor’s commission
  + 1951: Governor McKeldin created commission to study operations, problems, and future of BTC
    - produced 2 reports
    - majority of commissioners focused on improving public transit
    - Herbert Levy more critical: corporation was involved in nepotism, questionable scrap metal sales, illicit contracts with investors.
      * From 2ndary source: he viewed the maj. report as a whitewash of corruption: it read like it “could have been written by counsel for the Transit Company, and it would not at all surprise this commissioner if such is the case”
  + unique private company in the way that its’ regulated by state and local government and so tied to the interests of the general public
  + Tucker oral opinion, Circuit Court:
    - Mayor and City Council grant franchise
    - subject to City Taxation
    - subject to PSC supervision
    - public attitude must be considered in determining company policy

**SLIDE 13**

* **Changes in mass transit and their impact on the community, the environment**
  + layout of the city
    - suburbs
  + areas served/communities
    - consolidating and eliminating parallel lines
  + jobs
    - transit as source of employment
    - taking people to work
  + traffic
    - 1920s on and especially in the 1940s traffic was becoming a bigger issue as more people drove themselves into the city for work and shopping.
  + pollution
    - trolleys supposedly clean, quiet, and smooth with electric engines and fixed tracks
    - buses, diesel smoke/fumes