

*The Transit Industry*  
*of the*  
*United States*

Basic Data and Trends

1942 Edition

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# The Transit Industry

## of the

# United States

### Basic Data and Trends

## Traffic

TRANSIT traffic in 1942 reached an all-time peak of 18 billion passengers, representing an increase of 4 billion passengers, or 28 per cent, over 1941. The total passengers and the revenue passengers carried in 1942, by population groups and types of service are shown in Tables 1 and 2. Chart I shows graphically the information in Table 1.

The previous peak for the industry was 17¼ billion passengers, carried in 1926. This is shown in Chart II, which gives a yearly record of total passengers carried from 1922 to 1942, inclusive, broken down into street car, rapid transit, motor bus and trolley coach passengers.

After reaching its peak in 1926 traffic held very close to the level reached in that year until the end of 1929. Then the depression set in and traffic fell off very sharply until the low point of 11½ billions was reached in 1933. There was some recovery between 1933 and 1937 when a total of 13¼ billion passengers were carried, but due to intense competition from private automobiles during this period transit traffic fell far short of attaining its pre-depression levels. With the recession of 1938 transit traffic again slumped to 12.8 billion and was making only a slow recovery until the effects of the war expansion began to be felt in 1941. Then with the curtailment of automobile use it rebounded to the new high levels of 1942.

For the first time in the history of the industry, more passengers were carried on motor buses than on street cars. From a total of slightly less than 5 billion passengers in 1941, motor bus passengers increased to 7¼ billion in

1942, while surface street cars carried 7.2 billion in 1942, compared with 6.1 billion in 1941, as shown in Table 3.

Bus traffic in 1942 increased 46 per cent over 1941, while surface street car traffic increased but 18 per cent. In proportion to their volume of business, trolley coaches experienced an even greater increase than buses. Their total traffic was just under a billion in 1942, an increase of 52 per cent over 1941.

At the other extreme, rapid transit traffic increased only 7 per cent. This classification is largely dominated by the New York figures and, as is well known, New York City is not sharing in the war boom. Furthermore the curtailment of automobile usage was less effective in New York in producing additional transit riding than in any other city, because the density of registrations is lower there than in any other city and the use of automobiles for necessity riding in the city relatively unimportant.

The breakdown of the total 1942 transit passenger traffic among the several types of service that produced it, is as follows: the electric railway lines carried 54.3 per cent of all of the passengers and this was divided into 40.0 per cent carried on the surface street railways and 14.3 per cent on the rapid transit lines; the motor bus lines carried 40.3 per cent and the trolley coach lines 5.4 per cent. Ten years ago the breakdown was 81.2 per cent on the electric railways of which 62.4 per cent was on the surface street railways and 18.8 per cent on the rapid transit lines; 18.4 per cent on the motor bus lines and 0.4 per cent on the trolley coach lines.

TABLE 1  
TOTAL PASSENGERS CARRIED ON THE TRANSIT LINES OF THE UNITED STATES IN 1942  
DISTRIBUTED BY TYPE OF SERVICE AND POPULATION GROUPS

POPULATION GROUP	RAILWAY			TROLLEY COACHES	MOTOR BUSES	GRAND TOTAL
	Surface	Rapid Transit	Total			
Over 1,000,000 Population . . . . .	3,180,000,000	2,580,000,000	5,760,000,000	68,000,000	1,648,000,000	7,476,000,000
500,000-1,000,000 Population . . . . .	1,929,000,000	.....	1,929,000,000	158,000,000	655,000,000	2,742,000,000
250,000-500,000 Population . . . . .	933,000,000	.....	933,000,000	316,000,000	1,491,000,000	2,740,000,000
100,000-250,000 Population . . . . .	466,000,000	.....	466,000,000	266,000,000	1,403,000,000	2,135,000,000
50,000-100,000 Population . . . . .	277,000,000	.....	277,000,000	104,000,000	1,034,000,000	1,415,000,000
Less than 50,000 Population . . . . .	146,000,000	.....	146,000,000	67,000,000	382,000,000	595,000,000
Suburban and Other . . . . .	257,000,000	.....	257,000,000	.....	640,000,000	897,000,000
Total . . . . .	7,188,000,000	2,580,000,000	9,768,000,000	979,000,000	7,253,000,000	18,000,000,000

# DISTRIBUTION OF TRANSIT TRAFFIC IN THE UNITED STATES

## by Type of Service and Population Groups

1942

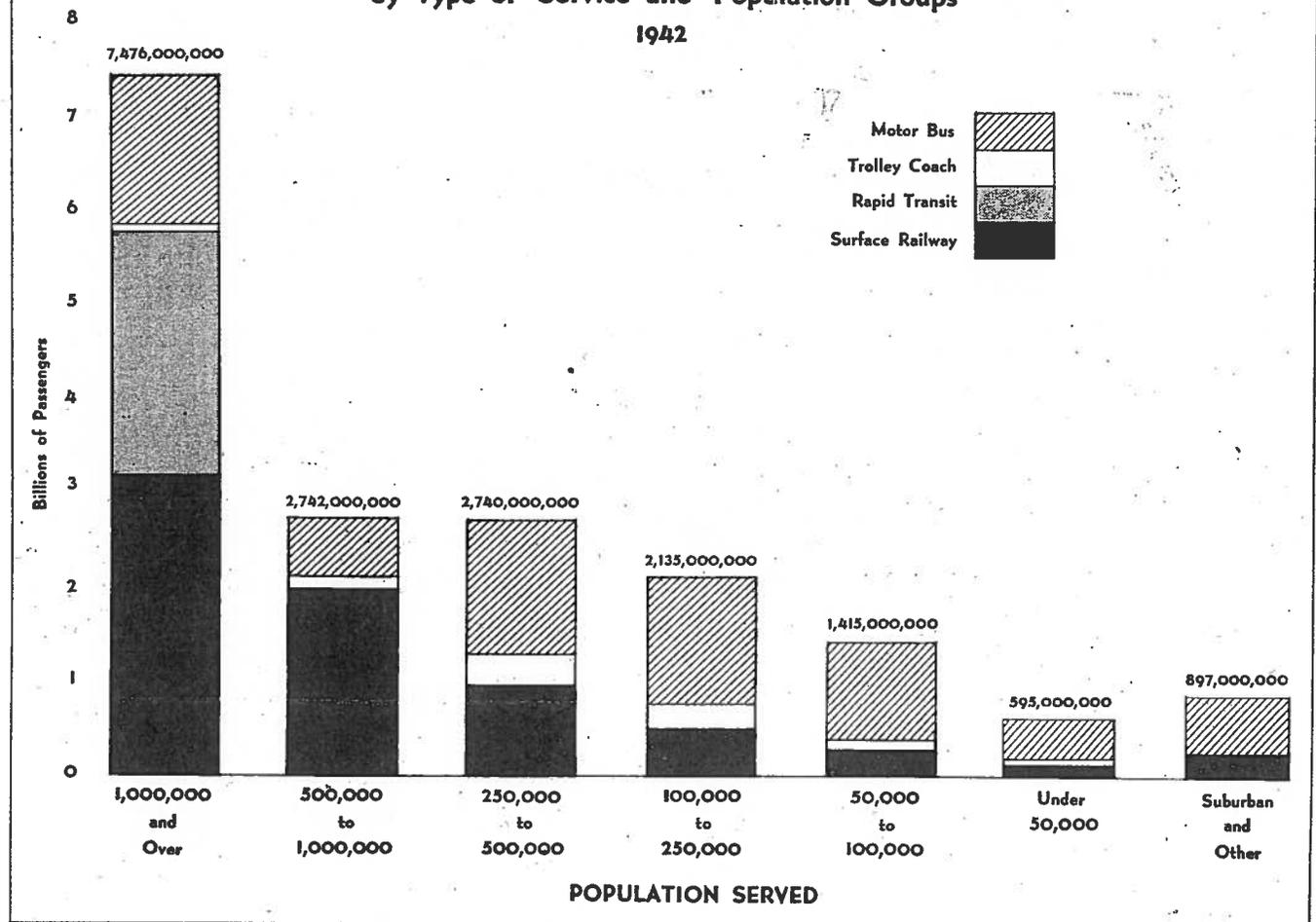


CHART I

### Rates of Increase

The rate of increase of 1942 traffic over 1941 was greatest in the smaller cities ranging from 56 per cent in the cities of less than 50,000, consistently downward to 13 per cent in the cities of over 1,000,000 population, as shown in Chart III. There are two principal reasons for this.

First, the curtailment of automobile use affected a larger proportion of the people in the smaller cities; and, second, the influx of people to new industrial plants and training camps represented a larger proportion of the total population in the smaller cities than in the larger ones. Traffic in suburban and unclassified areas increased 47 per cent, and this rate was exceeded only in the smaller cities.

TABLE 2

REVENUE PASSENGERS CARRIED ON THE TRANSIT LINES OF THE UNITED STATES IN 1942  
DISTRIBUTED BY TYPE OF SERVICE AND POPULATION GROUPS

POPULATION GROUP	RAILWAY			TROLLEY COACHES	MOTOR BUSES	GRAND TOTAL
	Surface	Rapid Transit	Total			
Over 1,000,000 Population . . . . .	2,310,000,000	2,437,000,000	4,747,000,000	45,000,000	1,432,000,000	6,224,000,000
500,000-1,000,000 Population . . . . .	1,393,000,000	.....	1,393,000,000	106,000,000	472,000,000	1,971,000,000
250,000- 500,000 Population . . . . .	704,000,000	.....	704,000,000	247,000,000	1,099,000,000	2,050,000,000
100,000- 250,000 Population . . . . .	391,000,000	.....	391,000,000	221,000,000	1,164,000,000	1,776,000,000
50,000- 100,000 Population . . . . .	239,000,000	.....	239,000,000	88,000,000	906,000,000	1,233,000,000
Less than 50,000 Population . . . . .	134,000,000	.....	134,000,000	58,000,000	354,000,000	546,000,000
Suburban and Other . . . . .	237,000,000	.....	237,000,000	.....	593,000,000	830,000,000
Total . . . . .	5,408,000,000	2,437,000,000	7,845,000,000	765,000,000	6,020,000,000	14,630,000,000

### Rides Per Capita

Chart IV shows the trend of riding habit—rides per capita—in cities of 25,000 population and over for the years 1924 to 1942, inclusive, with an estimate for 1943 based on a probable traffic volume of 22 billion passengers.

The interesting fact brought out in this chart is that

while the total number of transit passengers reached a new peak in 1942, the number of rides per capita, in cities of 25,000 population and over, was still below the peak reached in the year 1926 due to the increase in urban population in the intervening years.

The number of rides per capita in the peak year of 1926 was 386. Riding habit declined slightly to 353 in 1929

**TABLE 3**  
TEN YEAR RECORD OF TRANSIT TRAFFIC IN THE UNITED STATES BY TYPES OF SERVICE  
1933 to 1942

CALENDAR YEAR	RAILWAY			TROLLEY COACH	MOTOR BUS	GRAND TOTAL
	Surface	Rapid Transit	Total			
1933.....	7,074,000,000	2,133,000,000	9,207,000,000	45,000,000	2,075,000,000	11,327,000,000
1934.....	7,394,000,000	2,206,000,000	9,600,000,000	68,000,000	2,370,000,000	12,038,000,000
1935.....	7,276,000,000	2,236,000,000	9,512,000,000	96,000,000	2,618,000,000	12,226,000,000
1936.....	7,501,000,000	2,323,000,000	9,824,000,000	143,000,000	3,179,000,000	13,146,000,000
1937.....	7,161,000,000	2,307,000,000	9,468,000,000	289,000,000	3,489,000,000	13,246,000,000
1938.....	6,545,000,000	2,236,000,000	8,781,000,000	389,000,000	3,475,000,000	12,645,000,000
1939.....	6,171,000,000	2,368,000,000	8,539,000,000	445,000,000	3,853,000,000	12,837,000,000
1940.....	5,943,000,000	2,382,000,000	8,325,000,000	534,000,000	4,239,000,000	13,098,000,000
1941.....	6,074,000,000	2,410,000,000	8,484,000,000	641,000,000	4,950,000,000	14,085,000,000
1942.....	7,188,000,000	2,580,000,000	9,768,000,000	979,000,000	7,253,000,000	18,000,000,000

## PASSENGERS CARRIED BY TRANSIT COMPANIES IN THE UNITED STATES, 1922 - 1942

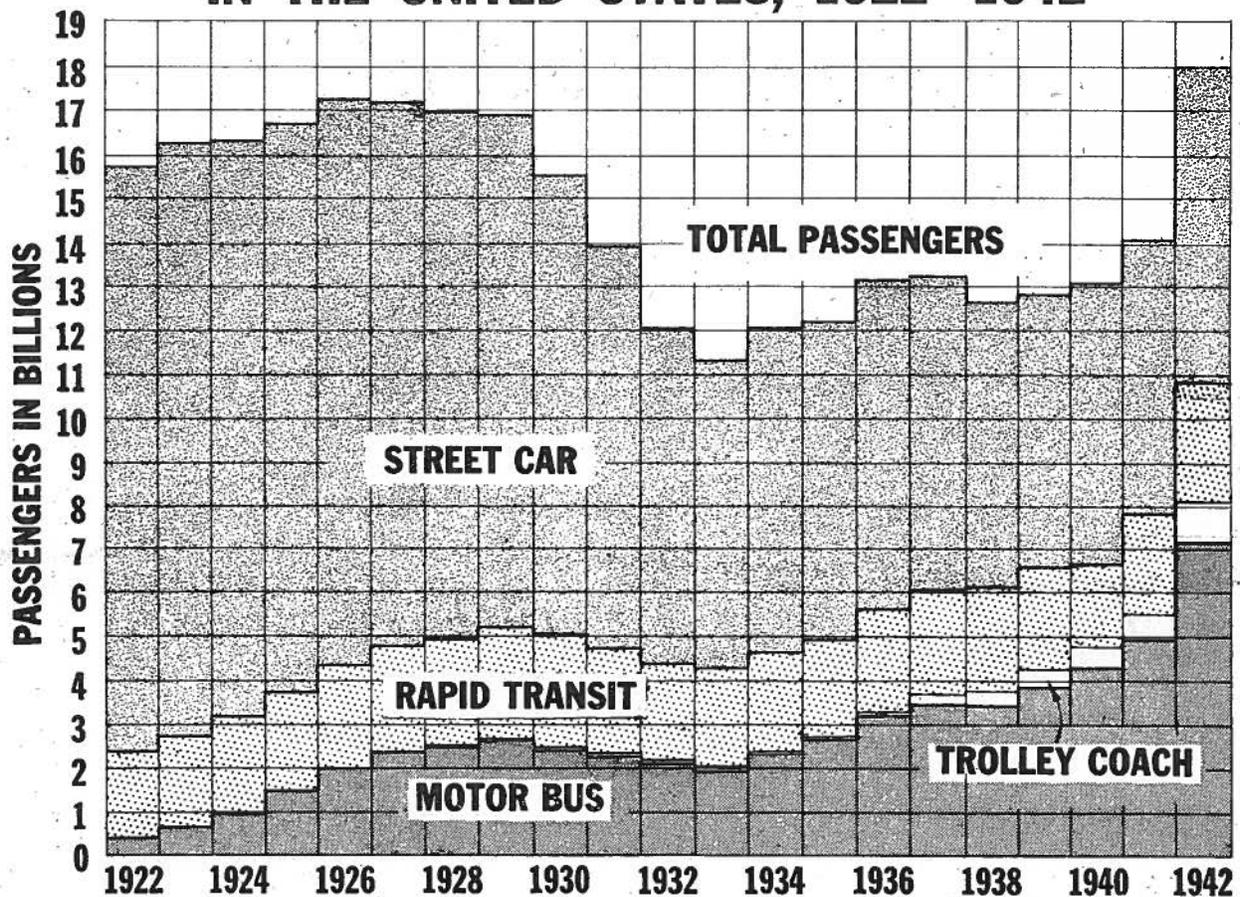


CHART II

**TRANSIT TRAFFIC IN 1942**  
**SHOWING PER CENT INCREASE OVER 1941 FOR EACH OF**  
**THE POPULATION GROUPS AND FOR THE UNITED STATES**

POPULATION GROUP	CALENDAR YEAR 1942	CALENDAR YEAR 1941	PER CENT CHANGE					
			10	20	30	40	50	60
OVER 1,000,000 POP.	7,476,000,000	6,599,000,000	13.3					
500,000 - 1,000,000	2,742,000,000	2,084,000,000	31.6					
250,000 - 500,000	2,740,000,000	2,017,000,000	35.9					
100,000 - 250,000	2,135,000,000	1,464,000,000	45.8					
50,000 - 100,000	1,415,000,000	929,000,000	52.3					
LESS THAN 50,000	595,000,000	381,000,000	56.2					
SUBURBAN & UNCLASSIFIED	897,000,000	611,000,000	46.8					
UNITED STATES	18,000,000,000	14,085,000,000	27.8					

CHART III

and then dropped sharply to 225 at the bottom of the depression in 1933. It did not achieve any substantial rise again until the effect of war expansion began to be felt in 1941. By 1941 it had climbed back to 265 and last year it jumped to 337. At this level it is 51 rides per capita below the 1926 peak and very close to the 1929 figure. If traffic in 1943 reaches the estimated volume of 22 billion, a new peak—in excess of 400—will be attained.

**Monthly Traffic Trends**

Chart V gives a perspective of current monthly traffic trends in comparison with those of 1938 and 1941. The curves are plotted by multiplying the actual number of passengers carried in each month by 12 to obtain the

annual rate represented by the traffic volume in each month. The horizontal broken lines indicate the annual totals for each of the three years shown.

The curve for 1942 is particularly significant in two respects. First it shows in a striking way that the continuing increase in traffic more than offset the usual summer slump that is characteristic of more normal years, as illustrated in the 1938 and 1941 curves. In addition, the 1942 curve shows that in December, traffic volume reached an annual rate of over 22 billions. Preliminary figures for the first two months of 1943 indicate that this level of traffic is being maintained and it doubtless will continue at this level, or higher, during substantially the entire year.

## Equipment

**T**RANSIT equipment owned in 1942, by types of vehicles and their distribution by population groups, is shown in Table 4. The total of 86,871 vehicles is made up of 27,230 street cars, 10,278 rapid transit cars, 46,000 motor buses and 3,363 trolley coaches. The distribution among the population groups of the various types of vehicles making up the total in 1942 is shown graphically in Chart VI.

Trends in the total number of vehicles owned in the industry, and their distribution by types, from 1933 to

date are shown on Chart VII. During the period 1933 to 1940 it will be noted that no substantial changes took place. In 1941 and 1942, however, the curve of total equipment took a rather sharp upward trend. This increase is almost wholly in motor buses, having lower carrying capacities than street cars or rapid transit cars. Thus the carrying capacity of the industry has not changed so markedly as would be indicated by the equipment curve.

Trends in the passenger-carrying capacity of transit equipment in the United States from 1922 to 1942 are

shown graphically in Chart VIII. Capacity at the end of 1942 is shown to be slightly below that of 1934 despite an increase of 13,500 vehicles.

Chart IX shows graphically the relation of traffic volume and equipment capacity since 1922. Both curves are plotted as index numbers using 1938, when the present uptrend in traffic started, as 100. In 1942, as shown by the chart, the traffic volume index, in terms of 1938 conditions, was 144, while the equipment capacity index was 109.

Some of the implications in Chart IX are of special interest at this time. For one thing it would appear that the carrying capacity of the industry has been in balanced adjustment to the actual traffic demand in only two or three years throughout this period. Of course it cannot be expected that the rolling stock equipment, involving as it does a rather heavy investment, can be kept in a constant relationship to a fluctuating traffic demand, but under ordinary conditions it would not be out of line for more than a year or two at any one time. However, the period covered in the chart does not represent ordinary conditions. Between 1929 and 1933 traffic declined so fast that equipment could not be adjusted to it and an excess of carrying capacity was built up during this period. Every effort was made to correct the situation both by the scrapping of equipment and by conversion from street railways to motor buses. These efforts were continued even after the traffic turned upward again in 1934 and the low point in the downward trend in the carrying capacity of the industry was not reached until 1940. By that time traffic had made a fairly substantial recovery and in the two succeeding years, as has already been pointed out, it went ahead with a bound. Again there

has been a lag in the adjustment between traffic demand and available capacity, and capacity has fallen behind, this time due in large measure to government restrictions on the manufacture of new vehicles.

#### 1942 Deliveries of New Equipment

In 1942, construction of 357 P.C.C. street cars, 421 trolley coaches and 7,278 integral type transit buses was authorized by WPB. Of the vehicles authorized, 344 street cars, 336 trolley coaches and all but a few of the 7,278 motor buses were actually delivered before the close of the year. The small number of buses not delivered were being held up for lack of parts as the year closed, but all have been delivered since.

In addition to the integral buses, the construction of 6,320 bus bodies for mounting on truck chassis was authorized and completed, but no report on their distribution is available.

Deliveries of the 7,880 transit vehicles in 1942 are summarized in Table 6 by type of vehicle and seating capacity, and by population groups. More than 60 per cent of the motor buses are large buses, seating 35 or more passengers. A graphic breakdown of the new motor bus deliveries by seating capacity and population groups is shown in Chart X.

#### Yearly Vehicle Purchases

The number of new vehicles of various types purchased in each of the years since 1933 is shown in Table 7.

**TABLE 4**  
TOTAL TRANSIT EQUIPMENT OWNED IN 1942 SHOWING TYPES OF VEHICLES  
AND THEIR DISTRIBUTION BY POPULATION GROUPS

POPULATION GROUP	RAILWAY CARS			TROLLEY COACHES	MOTOR BUSES	GRAND TOTAL
	Surface	Rapid Transit	Total			
Over 1,000,000 Population.....	9,744	10,278	20,022	228	9,523	29,773
500,000-1,000,000 Population.....	6,249	.....	6,249	443	6,024	12,716
250,000-500,000 Population.....	4,685	.....	4,685	1,543	6,723	12,951
100,000-250,000 Population.....	2,231	.....	2,231	666	7,743	10,640
50,000-100,000 Population.....	1,644	.....	1,644	292	6,838	8,774
Less than 50,000 Population.....	896	.....	896	191	5,607	6,694
Suburban and Other.....	1,781	.....	1,781	.....	3,542	5,323
Total.....	27,230	10,278	37,508	3,363	46,000	86,871

**TABLE 5**  
TEN YEAR RECORD OF TRANSIT EQUIPMENT OWNED IN THE UNITED STATES  
1933-1942

AS OF DECEMBER 31ST	RAILWAY CARS			TROLLEY COACH	MOTOR BUS	TOTAL
	Surface	Rapid Transit	Total			
1933.....	47,700	10,424	58,124	310	17,000	75,634
1934.....	43,700	10,418	54,118	441	18,700	73,259
1935.....	40,050	10,416	50,466	578	20,700	71,744
1936.....	37,180	10,923	48,103	1,136	23,900	73,139
1937.....	34,180	11,032	45,212	1,655	27,500	74,367
1938.....	31,400	11,205	42,605	2,032	28,500	73,137
1939.....	29,320	11,052	40,372	2,184	32,600	75,156
1940.....	26,630	11,032	37,662	2,802	35,000	75,464
1941.....	27,092	10,578	37,670	3,029	39,300	79,999
1942.....	27,230	10,278	37,508	3,363	46,000	86,871

**TABLE 6**  
SUMMARY OF NEW TRANSIT VEHICLES DELIVERED IN 1942 SHOWING DISTRIBUTION OF DIFFERENT SIZES OF VEHICLES BY POPULATION GROUPS

POPULATION GROUP	STREET CARS	TROLLEY COACHES	MOTOR BUSES				GRAND TOTAL ALL VEHICLES
	49-55 Seats	40-44 Seats*	25 Seats or Less	26-34 Seats	35 Seats or More	Total	
Over 1,000,000 Population.....	110	10	9	91	710	810	930
500,000-1,000,000 Population.....	234	81	58	192	1,193	1,443	1,758
250,000-500,000 Population.....		132	91	436	942	1,469	1,601
100,000-250,000 Population.....		99	24	579	914	1,517	1,616
50,000-100,000 Population.....		10	55	411	214	680	690
Less than 50,000 Population.....		4	233	382	279	894	898
Suburban and Unclassified Areas.....			7	84	296	387	387
Totals.....	344	336	477	2,175	4,548	7,200	7,880

\* Includes 1 trolley coach seating 56 and 4 seating 33.

## Transit Revenues

TRANSIT revenues in 1942, classified by type of service and population groups, are shown in Table 8. The monthly total operating revenues for the year 1942, compared with the corresponding months of 1941, and the totals for the two calendar years, are shown in Table 9. As fare changes were practically negligible during the year 1942, the trend of revenues followed closely that of passenger traffic.

The monthly trend of revenue in 1942 is presented in an interesting manner in Chart XI in what is known as a "Z" chart. The monthly revenues are plotted at the bottom of the chart and the cumulative total for the year at the

end of each month is shown rising diagonally from the total in January at the lower left of the chart to the total for the twelve months ended December 31 at the upper right. Then the twelve-month moving total beginning with the twelve months ended January 31, 1942 starts at the upper left of the chart and progresses until the total for the twelve months ended December 31, 1942 is shown coinciding with the last point on the curve representing the cumulative total for 1942. It effectively illustrates the manner in which the annual revenue of the industry increased with each successive month of the year.

## Results of Operations in 1942

A COMPARISON of the results of transit operations in 1942 and 1941 is given in Chart XII. Operating revenue increased 27.9 per cent, again putting the industry in the billion dollar class with total operating revenues of \$1,023,830,000.

<sup>1</sup> Operating expenses including depreciation increased only 18.8 per cent and this, in conjunction with the larger increase in revenue, had the effect of reducing the operating ratio from 78.98 per cent in 1941 to 73.37 per cent in 1942.

Several factors account for the improvement in operating ratio. With the shift from private automobile to transit, traffic density, as measured in increased passengers per vehicle mile, resulted in a rise in operating revenues in excess of the increase in vehicle mileage. This trend was accentuated by ODT regulations designed to eliminate or reduce service on light traffic lines and during periods of low traffic volume.

While revenue per mile increased about 13 per cent in 1942, the average cost of operation per vehicle mile of all types of vehicles increased only 8 per cent. To a considerable extent this difference is due to the fact that much of what would normally be considered essential maintenance was deferred, because of the difficulty of obtaining materials and manpower for repair and replacement. Thus

recorded operating expenses do not fully measure those which would be necessary under normal standards and so, to this extent, the improvement in the operating ratio is illusory and due largely to the present deferment of expenditures which will have to be made eventually.

**TABLE 7**  
TEN YEAR RECORD OF NEW TRANSIT EQUIPMENT  
1933 to 1942

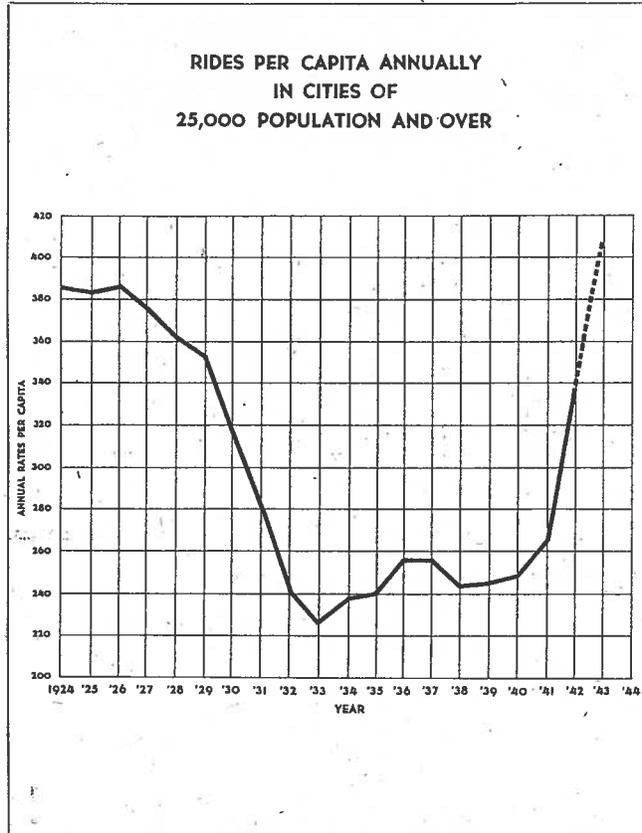
YEAR	RAILWAY CARS		TROLLEY COACHES	MOTOR BUSES	TOTAL VEHICLES
	Surface Cars	Rapid Transit Cars			
1933.....	62	5	113	1,280	1,460
1934.....	48	5	58	2,110	2,221
1935.....	100	651	(a) 211	3,864	4,826
1936.....	399	176	(a) 545	4,743	5,863
1937.....	342	300	(a) 492	4,033	5,167
1938.....	286	53	190	2,654	3,183
1939.....	371	150	597	4,118	5,236
1940.....	516	5	371	4,283	5,175
1941.....	522	0	417	7,360	8,299
1942.....	344	0	336	7,200	7,880

(a) Includes "All Service" vehicles.

**TABLE 8**

**TRANSIT REVENUES IN 1942 CLASSIFIED BY TYPE OF SERVICE AND POPULATION GROUPS**

POPULATION GROUP	RAILWAY			TROLLEY COACHES	MOTOR BUSES	GRAND TOTAL
	Surface	Rapid Transit	Total			
Over 1,000,000 Population.....	\$140,900,000	\$144,200,000	\$285,100,000	\$3,700,000	\$91,600,000	\$380,400,000
500,000-1,000,000 Population....	105,700,000	.....	105,700,000	9,500,000	37,900,000	153,100,000
250,000- 500,000 Population....	49,100,000	.....	49,100,000	17,800,000	80,500,000	147,400,000
100,000- 250,000 Population....	23,800,000	.....	23,800,000	12,900,000	81,200,000	117,900,000
50,000- 100,000 Population....	16,400,000	.....	16,400,000	5,300,000	53,700,000	75,400,000
Less than 50,000 Population.....	8,700,000	.....	8,700,000	3,500,000	20,100,000	32,300,000
Suburban and Other.....	57,700,000	.....	57,700,000	.....	59,630,000	117,330,000
<b>Total.....</b>	<b>\$402,300,000</b>	<b>\$144,200,000</b>	<b>\$546,500,000</b>	<b>\$52,700,000</b>	<b>\$424,630,000</b>	<b>\$1,023,830,000</b>



**CHART IV**

**TABLE 9**

**MONTHLY DISTRIBUTION OF TRANSIT REVENUES 1941 and 1942**

	1941	1942
January.....	\$64,828,000	\$75,670,000
February.....	60,266,000	70,900,000
March.....	66,989,000	80,260,000
April.....	66,668,000	80,730,000
May.....	67,869,000	83,670,000
June.....	64,508,000	84,100,000
July.....	63,707,000	85,680,000
August.....	64,187,000	86,780,000
September.....	66,188,000	87,990,000
October.....	71,070,000	94,550,000
November.....	68,669,000	91,000,000
December.....	75,391,000	102,500,000
<b>Total.....</b>	<b>\$800,340,000</b>	<b>\$1,023,830,000</b>

**TABLE 10**

**CAPITAL AND MAINTENANCE EXPENDITURES OF TRANSIT COMPANIES IN THE UNITED STATES IN 1941 AND 1942 AND FORECAST FOR 1943**

	1941	1942	1943 FORECAST
<b>MAINTENANCE EXPENDITURES — MATERIALS</b>			
Way and Structures.....	\$19,211,000	\$13,100,000	\$15,500,000
Cars.....	12,966,000	15,000,000	17,000,000
Buses.....	24,576,000	26,500,000	29,500,000
Trolley Coaches.....	1,915,000	2,120,000	2,500,000
Power & Line.....	6,736,000	3,360,000	3,500,000
<b>Total Materials.....</b>	<b>\$65,404,000</b>	<b>\$60,080,000</b>	<b>\$68,000,000</b>
<b>MAINTENANCE EXPENDITURES — LABOR</b>			
Way and Structures.....	\$30,686,000	\$28,400,000	\$31,200,000
Cars.....	20,257,000	22,300,000	26,000,000
Buses.....	20,021,000	28,000,000	32,600,000
Trolley Coaches.....	1,310,000	1,290,000	1,470,000
Power & Line.....	3,124,000	3,280,000	3,680,000
<b>Total Labor.....</b>	<b>\$75,398,000</b>	<b>\$83,270,000</b>	<b>\$94,950,000</b>
<b>Total Materials &amp; Labor.....</b>	<b>\$140,802,000</b>	<b>\$143,350,000</b>	<b>\$162,950,000</b>
<b>CAPITAL EXPENDITURES</b>			
Way and Structures.....	\$28,890,000	\$11,850,000	\$15,500,000
Cars.....	10,614,000	5,680,000	5,100,000
Buses.....	55,250,000	66,900,000	22,400,000
Trolley Coaches.....	5,421,000	4,600,000	1,200,000
Power & Line.....	4,112,000	1,960,000	1,850,000
<b>Total Capital Expenditures.....</b>	<b>\$105,287,000</b>	<b>\$90,990,000</b>	<b>\$46,050,000</b>
<b>Grand Total.....</b>	<b>\$246,089,000</b>	<b>\$234,340,000</b>	<b>\$209,000,000</b>
Fuel and Lubricants.....	\$35,452,000	\$43,950,000	\$49,570,000

**Net Revenue and Taxes**

After operating expenses and depreciation, net revenue in 1942 was \$272,650,000, which was 62.1 per cent greater than the net in 1941. Increased taxes, however, took a much larger share of the net than ever before. Taxes jumped from \$65,280,000 in 1941 to \$127,580,000 in 1942, an increase of 95.4 per cent. The greatest part of this increase was in the federal income tax although, of course, the various gross receipt taxes levied locally also rose as revenue increased. Taxes amounted to 8.16 per cent of operating revenue in 1941, rising to 12.46 per cent in 1942.

# ANNUAL RATE OF TRANSIT PASSENGER TRAFFIC

MONTHLY FOR 1938, 1941 AND 1942

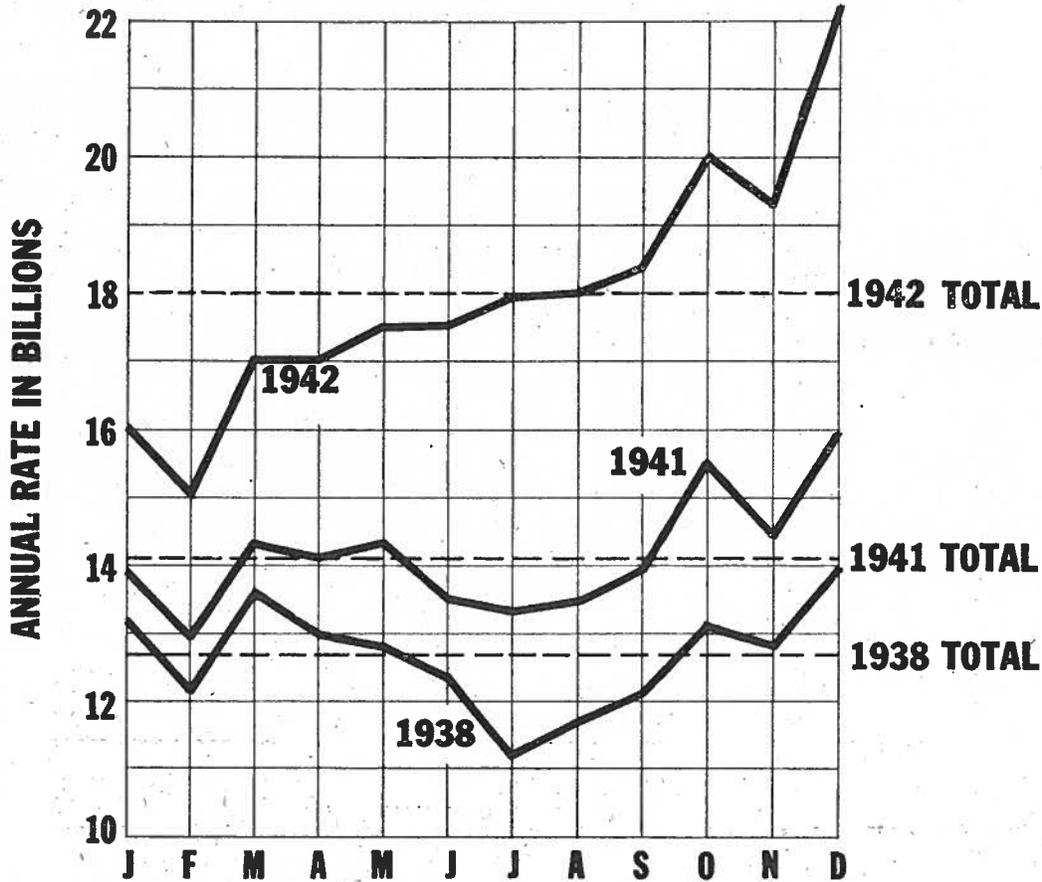


CHART V

## TOTAL PASSENGER EQUIPMENT OWNED BY TRANSIT COMPANIES IN THE UNITED STATES 1942

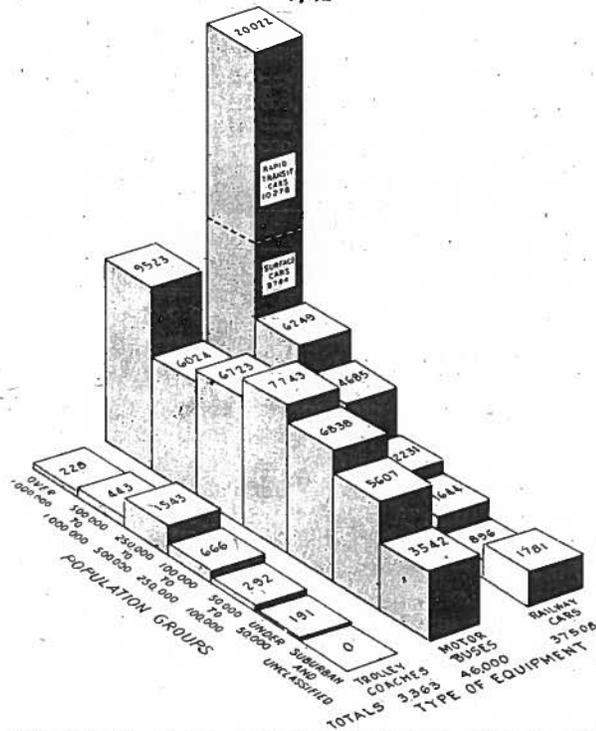


CHART VI

## 10 YEAR RECORD OF TRANSIT EQUIPMENT OWNED IN THE UNITED STATES 1933 TO 1942

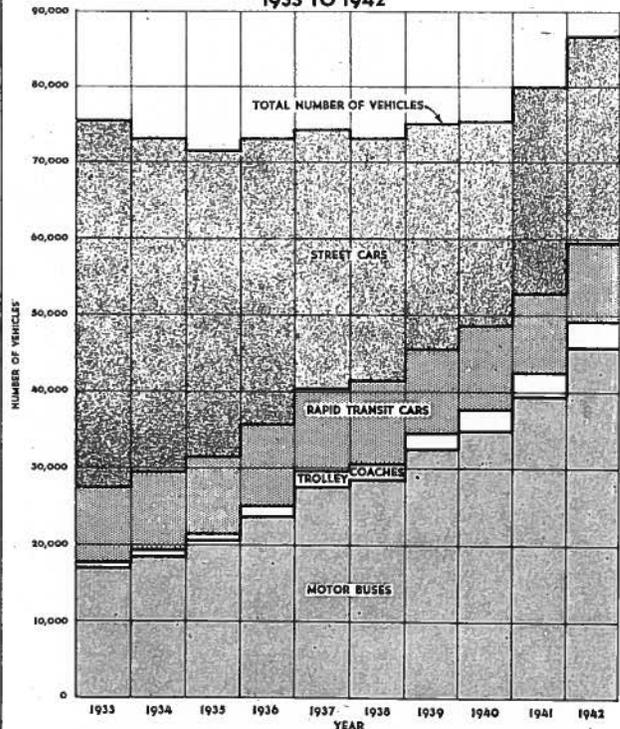


CHART VII

# PASSENGER CARRYING CAPACITY OF TRANSIT EQUIPMENT IN THE UNITED STATES, 1922 - 1942

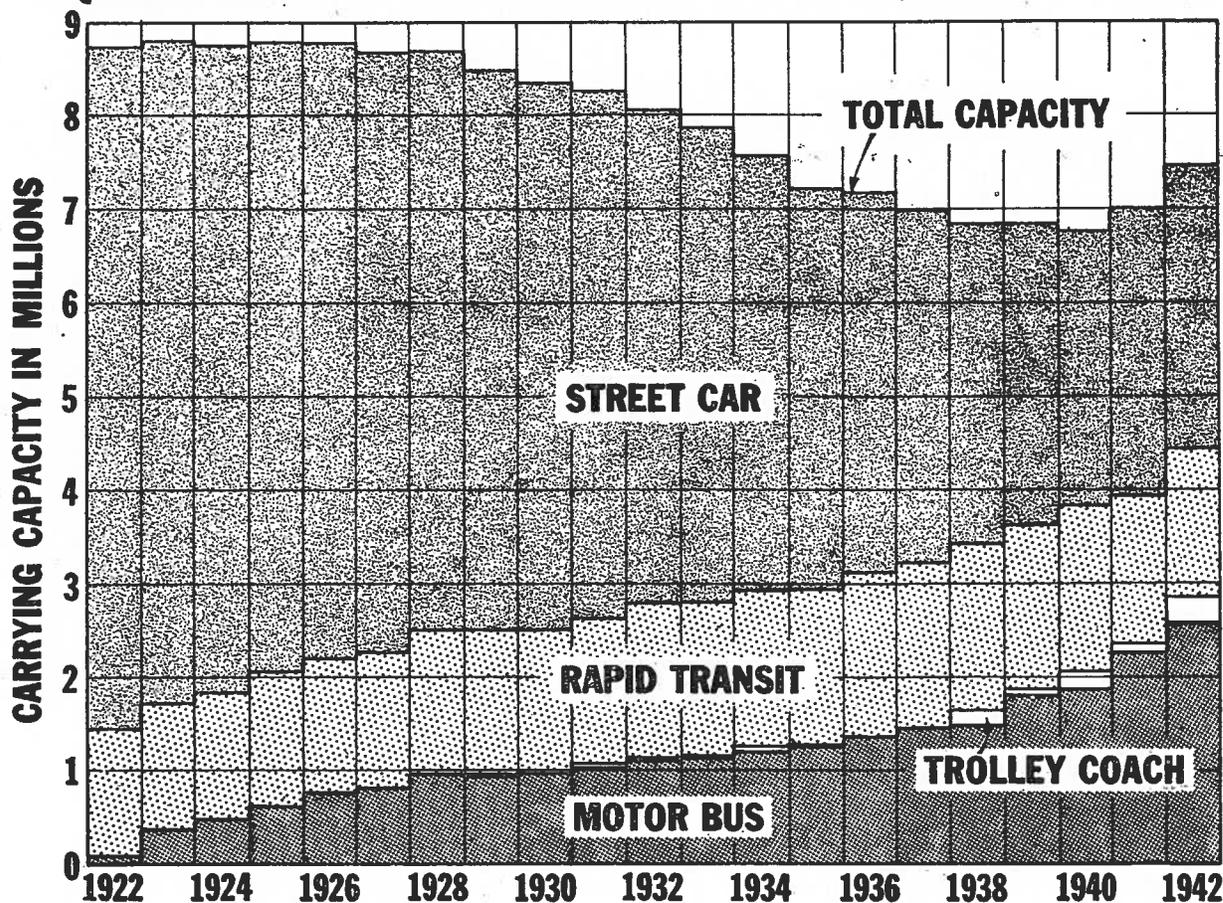


CHART VIII

## Operating Income

After taxes, operating income totaled \$145,070,000 in 1942, which was 40.9 per cent more than the \$102,950,000 earned in 1941. The 1942 net, it will be noted, was only

slightly greater than the amount paid in taxes to the various divisions of government. Nevertheless, it represents a substantial improvement over 1941. In 1942, 14.17 per cent of the operating revenues were carried into operating income, compared with 12.86 per cent in 1941.

## 1942 Capital and Maintenance Expenditures

TOTAL capital and maintenance expenditures of the industry decreased slightly in 1942, as compared with 1941, as shown in Table 10. Maintenance expenditures increased, but were more than offset by the larger decline in capital expenditures. This is shown graphically in Chart XIII giving the estimated expenditures in each category for 1943.

Maintenance expenditures increased for 1942 but slightly. Labor costs generally were higher but the scarcity of materials resulted in deferment of certain maintenance work, particularly in way and structures, power and lines.

Expenditures for fuel and lubricants increased from

\$35,452,000 to \$43,950,000, largely as a result of increased mileage, affected of course by increased prices.

Capital expenditures declined due to the severe restrictions placed upon plant and equipment expansion by WPB. Total capital expenditures in 1942 were estimated at \$90,990,000 compared with \$105,287,000 in 1941. Expenditures for way and structures, cars, trolley coaches and power equipment dropped substantially while the only increase was in capital expenditures for new buses, rising from \$55,250,000 in 1941 to \$66,900,000 in 1942.

The net result of all of these changes has been to keep total maintenance and capital expenditures almost at the 1941 level, the decline being only a little more than \$3,000,000.

# TRENDS IN TRANSIT TRAFFIC AND CARRYING CAPACITY, 1922 - 1942

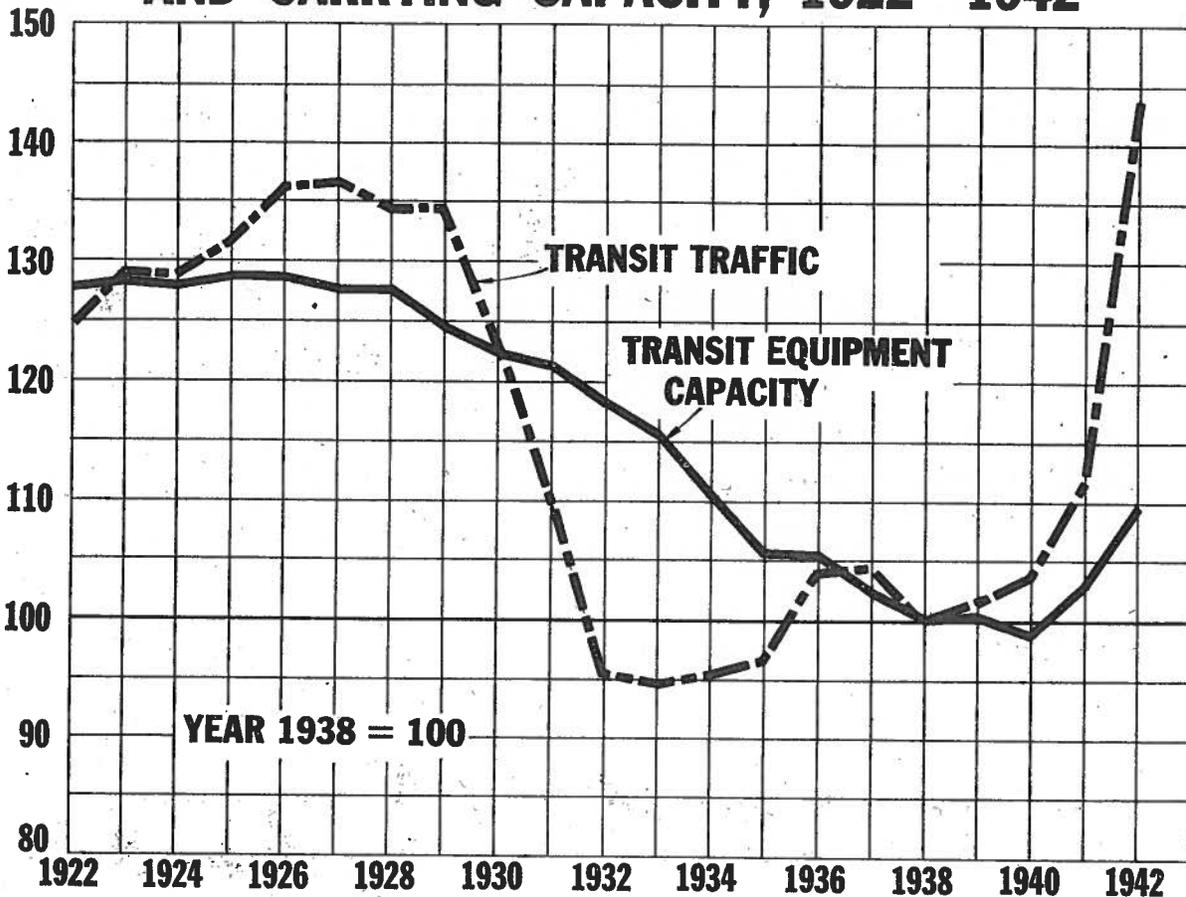


CHART IX

## 1943 Estimates of Expenditures

**I**N A period such as this when there is so much uncertainty as to the ultimate availability and cost of materials, new equipment and manpower, any estimate of expenditures in 1943 is subject to considerable qualification. The ultimate total of expenditures will depend most largely upon the actions taken by Government with respect to the quantity of service to be rendered, the number of new vehicles to be built, and the extent to which labor and material costs can be held at or near present levels.

New motor buses are the principal item for which capital expenditures are anticipated in 1943. Expenditures for buses and also for street cars and trolley coaches will, of course, be strictly limited to the authorizations of WPB, and the estimates of expenditures for these vehicles have been made with this factor in mind, resulting in consid-

erably lowered total capital expenditures for equipment.

After motor buses, the next heaviest single item of expenditure is expected to be for way and structures, undoubtedly a reflection of the fact that the wear and tear on track and roadway under the record breaking traffic of 1942 will necessitate extensive renewals.

New garage and shop facilities also figure in capital expenditures for way and structures in 1943.

Maintenance expenditures show increases in all categories, reflecting higher estimated material and labor costs, as well as increased traffic.

The net result is that total capital and maintenance expenditures for 1943 will drop from \$234,340,000 to \$209,000,000, wholly due to the large decline in capital expenditures.

## Employees and Total Payroll

**T**HE total transit payroll in 1942 was \$455,000,000, an increase of 19.1 per cent over 1941. There were 219,000 employees at the end of the year and the average annual earnings per employee was \$2,077. This was an

increase of 15 per cent over their average earnings in 1941. Higher wage rates and a greater amount of time worked at overtime rates were jointly responsible for the higher "take-home" earnings. A record of the number of

**NEW MOTOR BUSES DELIVERED TO TRANSIT COMPANIES OF THE UNITED STATES IN 1942**

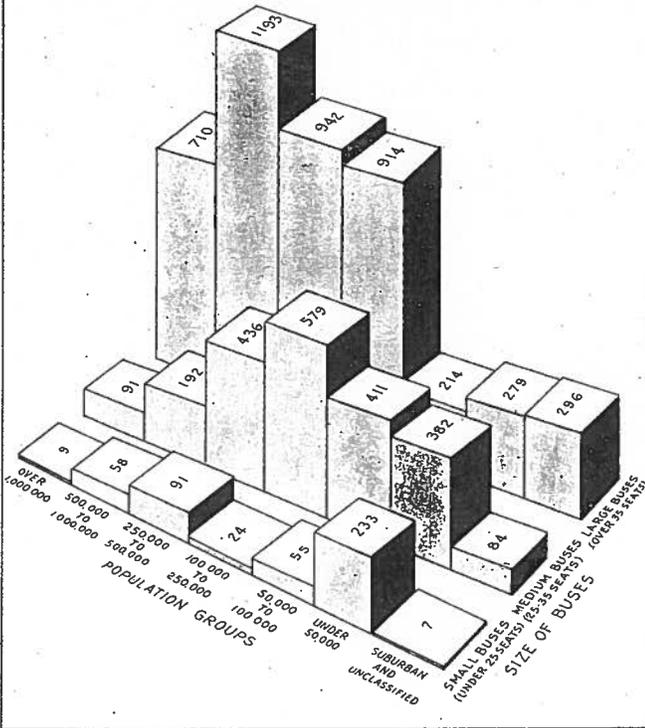


CHART X

**TREND OF TRANSIT REVENUE IN 1942**  
Showing the monthly trend, the cumulative monthly trend and the trend of the 12-month moving annual total

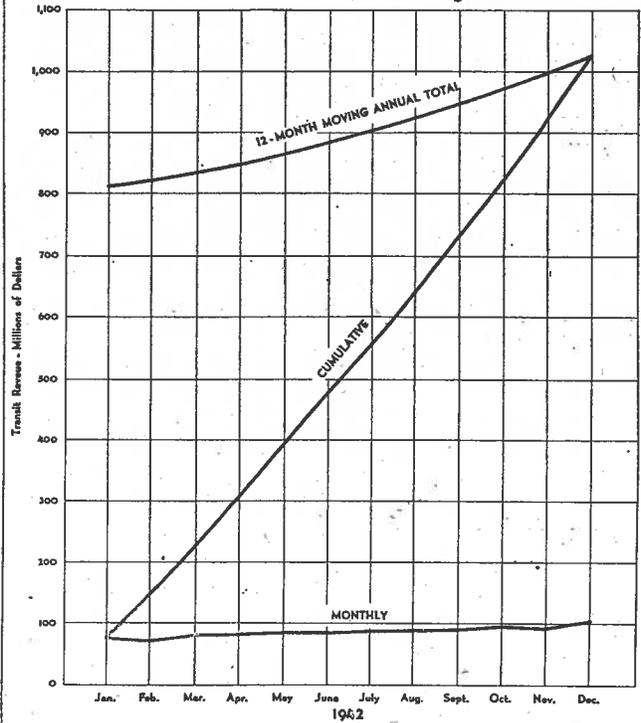


CHART XI

**RESULTS OF TRANSIT OPERATIONS IN 1942 COMPARED WITH 1941**

Item	1942	1941	Per Cent Change 1942 Over 1941									
			0	10	20	30	40	50	60	70	80	90
Operating Revenue	\$1,023,830,000	\$800,340,000	27.9									
Operating Expenses	751,180,000	632,110,000	18.8									
Net Revenues	\$272,650,000	\$168,230,000	62.1									
Taxes	127,580,000	65,280,000	95.4									
Operating Income	\$145,070,000	\$102,950,000	40.9									
Ratios:												
Operating Expenses / Operating Revenue	73.37%	78.98%	7.1									
Taxes / Operating Revenue	12.46%	8.16%	52.7									
Operating Income / Operating Revenue	14.17%	12.86%	10.2									

CHART XII

**CAPITAL AND MAINTENANCE EXPENDITURES OF TRANSIT COMPANIES IN THE UNITED STATES IN 1941 AND 1942 AND FORECAST FOR 1943**

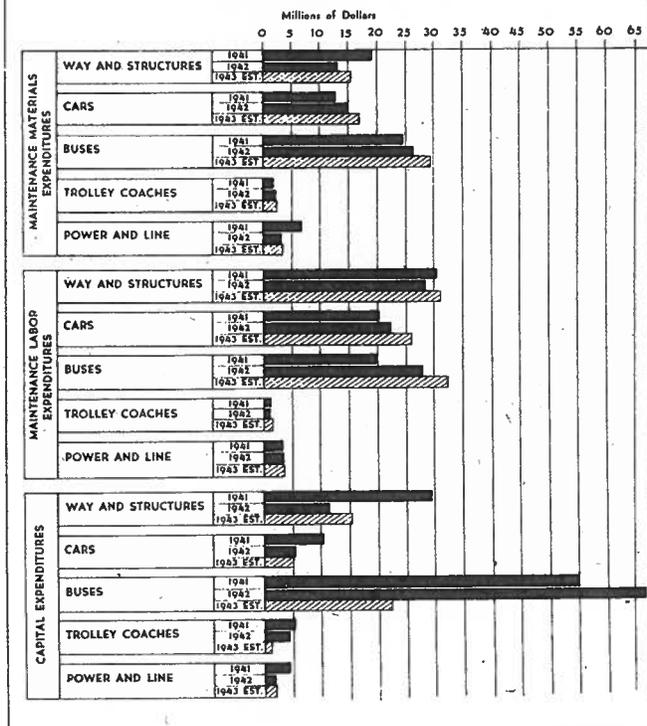


CHART XIII

employees, the total annual payroll and the average annual earnings per employee since 1933 is given in Table 11, and the trends are presented graphically in Chart XIV.

The increase in the average annual earnings of the employees has been continuous throughout this entire period. From the low of \$1428 per employee in 1933 it rose fairly gradually to \$1770 in 1940. In 1941 it jumped to \$1863 and in 1942 it rose even more sharply to \$2077, reflecting the effect of increased overtime and more liberal time allowances as well as higher hourly rates.

Since 1933 the number of employees has tended to follow closely the trend of traffic. It rose gradually with the traffic until 1938 when it dropped off as the traffic slumped. From 1938 to 1940 there was practically no change. Beginning with the war boom in 1941, however, the number of employees again increased and by the end of 1942 was substantially above the 1937 level.

The total payroll did not go down with the number of employees in 1938. Due to the steadily increasing average earnings per employee the curve of the payroll was only slightly deflected by the decline in the number of employees. Since 1940 the combined effect of the increased number of

**NUMBER OF EMPLOYEES, ANNUAL PAYROLL, AND AVERAGE ANNUAL EARNINGS PER EMPLOYEE 1933 - 1942**

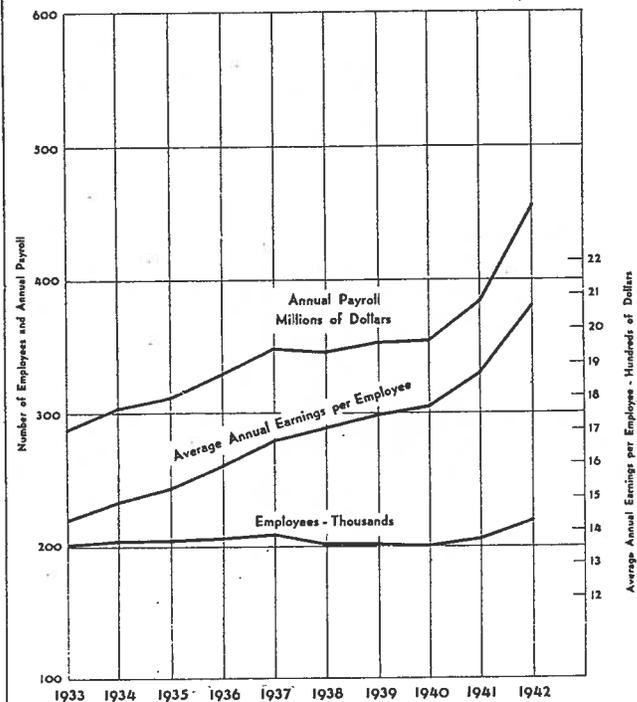


CHART XIV

employees and higher earnings per employee has pushed the total payroll up to a new high at \$455,000,000 for 1942.

**TABLE 11**  
NUMBER OF EMPLOYEES AND TOTAL ANNUAL PAYROLL OF TRANSIT COMPANIES IN THE UNITED STATES AND AVERAGE ANNUAL EARNINGS PER EMPLOYEE

YEAR	NUMBER OF EMPLOYEES	PAYROLL	AVERAGE ANNUAL EARNINGS PER EMPLOYEE
1933.....	201,000	\$287,000,000	\$1428
1934.....	204,000	303,000,000	1484
1935.....	204,000	311,000,000	1525
1936.....	206,000	328,000,000	1593
1937.....	209,000	348,000,000	1664
1938.....	202,000	344,000,000	1703
1939.....	202,000	352,000,000	1743
1940.....	200,000	354,000,000	1770
1941.....	205,000	382,000,000	1863
1942.....	219,000	455,000,000	2077