

BROOKLYN TRANSIT TROUBLES LAUNCH 8 CENT FARE FIGHT

Assembly Bill Demands to Know Why Park Slope Line Closed.

GARRISON ATTACKED Acts Like Czar in Handling Receivership, Burlingame Says.

P. S. C. INQUIRY ASKED

Action Is Taken as the First Move in Controversy Over Rate Increases.

Special Despatch to The New York Herald, New York, Jan. 17.

Brooklyn's transit troubles came unexpectedly before the Legislature to-night when Senator Simpson and Assemblyman Mopre introduced a concurrent resolution calling on the Public Service Commission to investigate discontinuance of the Park Slope trolley line and report whether a railroad company can cut off a line at will. The resolution went into committee, but not until Senator Burlingame had assailed the receivership of Lindley M. Garrison and criticized severely Judge Mayer's conduct in transit affairs.

A serious condition exists in a large section of Brooklyn as a result of the discontinuance of the Park Slope line, and thousands of families are without means of transit, the resolution sets forth. Continuing the resolution states that the Brooklyn City Railroad Company has discontinued the line because it does not pay and questions whether the company was acted in good faith. It demands that the commission report to the Legislature whether it is possible for the Brooklyn company or allied companies to render adequate service at the present fare on the Park Slope line.

This is regarded as the first move in the eight cent fare controversy, and the corporations were surprised that the initial move came from the Legislature. Such an investigation as is demanded by this resolution might open the way for consideration of the whole increased fare situation in New York. Senator Knight, chairman of the Public Service Commission, tried hard to get the resolution side-tracked, but did not succeed until Senators Simpson and Burlingame had taken a fling at the Brooklyn company. Democrats who are opposed to fare increases said New York Republicans were making this move in an effort to stall off consideration of the fare question.

"All we are asking is that the Public Service Commission report and investigate whether the Park Slope line was losing money, as the Brooklyn City Railroad Company says, and whether the company has the right to chop off the service any moment it wishes," Senator Simpson said.

Promises Not Kept.
"The Public Service Commission of New York was reorganized last year by Gov. Smith and great things were promised, but instead of getting better it is getting worse all the time. We can't even get information now from the Public Service Commission and we are asking the Legislature to get the Public Service Commission to report to the Legislature for information which we are entitled to have."

Senator Burlingame said the situation in New York was so bad there must be an investigation. He continued:
"The Brooklyn lines are being operated under a so-called Federal receivership, created by a Federal judge, who is more like a Czar than a Judge, who takes unto himself all the troubles in transit and who says: 'If you dare utter a word I'll hold you in contempt of court.'"

"Garrison's whole idea is to pack them in like sardines. His motto is, 'Don't run a car unless it's packed.' That evidently is the reason why the Park Slope line was cut off. There were some hours of the day when it was not packed."

Cattle Treated Better.
"The people in Brooklyn ought at least to have the same consideration given cattle under the agricultural law of the State. We prescribe rules for packing cattle in the cars, but we don't try to delay any consideration of any transit question, but it is the duty of every member of this Senate to do anything he can, regardless of politics, to try to stop such inhuman transit service as now exists in New York."

"The receivership in Brooklyn has been continued for a long period, under the protection of a Federal judge, with a gross waste of money. Either the company should be in bankruptcy or the receivership should end, and this Legislature has the right to demand that the Public Service Commission report whether or not the trolley lines are run at a loss or a profit."

Senator Knight insisted that the resolution must be referred to his committee and Senator Lusk, the majority leader, brought the session to an abrupt close by announcing that the Senate proceed to draw lots for seats. Messrs. Simpson and Burlingame gave notice as a parting shot that they intend to keep up the fight until they get the resolution out of committee.

COURT REDUCES RENT OF BRYANT PARK STUDIO Artist Upheld in Suit Against Landlord.

Another court decision which will have its effect in settling the general situation between landlords and tenants in this city was handed down yesterday by Justice Frank J. Coleman of the Municipal Court in the case of Joseph C. Leyendecker, artist, who has a studio apartment in the Bryant Park studio building, 27 Fortieth street and Sixth avenue. The building is owned by A. A. Anderson, who leased it last May to L. K. Schwartz Company. They advanced the rents of all tenants as their leases expired, and Leyendecker's was raised from \$3,300 a year to \$4,500. He tried to get another apartment, and when he couldn't signed a lease at the new rent and then sued. The case was tried last month and decision reserved. Justice Coleman in his decision yesterday reduced the increased rental by 60 per cent, holding that evidence in the case, including an appraisal, showed that the rent charged by the Schwartz company afforded them a profit grossly in excess of a fair return on their investment and carrying charges.

BOY, AGED 3, DIES AFTER SWALLOWING 60 PILLS They Contained Arsenic and Strychnine.

William Schereorn, 3 years old, of 1025 Fortieth street, Brooklyn, climbed on a chair last night, reached into a closet and found a box of sugar coated pills. He swallowed sixty of them before his mother could stop him. Mrs. Schereorn summoned Dr. Terrence from the Norwegian Hospital, but the boy died within a few minutes. Dr. Terrence said that one of the pills was a dose for an adult. They contained a mixture of iron, arsenic and strychnine.

FOUND NOT GUILTY OF DEFAMING SMITH

Perjury Charge Against Grand Jury Witness Fails in Criminal Court.

Jacob L. Goldman, who has been on trial before Justice Weeks and a jury in the Extraordinary Term of the Supreme Court on an indictment charging perjury in connection with statements he made about James E. Smith, Assistant District Attorney, before the Almiral Grand Jury, was found guilty last night. The case was given to the jury at 4 o'clock in the afternoon, and the verdict was returned six and a half hours later.

Goldman was one of the star witnesses for the people at the second trial of Police Lieut. Charles Becker. He is a post-30 year old, of 157 Rivington street. The perjury charges grew out of Goldman's sworn statement regarding alleged conversations with Assistant District Attorney James E. Smith at the time the latter was engaged in disputes with city officials. Goldman swore that he had seen Mr. Smith accept a bribe from Jacob Luban to give protection to a gambling house which Luban was operating in Chrystie street.

Goldman also testified that Smith had asked him to swear falsely against Col. Augustus Drum Porter, former Deputy Police Commissioner. In addition the indictment against Goldman charged him with perjury in connection with statements he made about Smith while he was prosecuting former Police Inspector Dominick Henry.

Under examination at the perjury trial Goldman declared that Smith had not told the truth when he swore that he did not know Goldman. Goldman said he had seen Smith often. Goldman intimated that another witness, Mr. Smith, one Benjamin Freedman, had "double crossed" him. He insisted that he had told the truth concerning Smith, and he repeated his assertions on the witness stand at his own trial for perjury.

Col. William Rand prosecuted the case as Special Deputy Attorney-General, and Clark L. Jordan appeared as counsel for Goldman.

BANKERS HEAR PLEA FOR STABLE MINDS

Head of Guaranty Trust Company Sees Every Reason for Optimism.

PLENTY OF WORK AHEAD

Charles H. Sabin Says Wage Schedules Must Be Made on Basis of Declining Prices.

"A stabilization of mind" is needed by this country in common with all other nations even more than stabilization of prices and economic conditions, according to Charles H. Sabin, president of the Guaranty Trust Company, who footed an address last night to 800 members and guests of Group VIII of the New York State Bankers Association in their twenty-third annual banquet at the Waldorf. He said there are reasons for viewing present readjustment with optimism and "every reasonable assurance of a return to normal business conditions."

It was a more than impressive occasion, for every one of those present represented power and achievement in the realm of finance and big business. Mr. Sabin and W. P. G. Harding, governor of the Federal Reserve Board, pointed out evils and errors of the past, conceding frankly the pessimism that has existed, but with it all viewing the future with hope and conviction that stability and equilibrium gradually will be regained.

"It is time for us to turn away from these false prophets who have inflicted their fallacious theories upon a suffering world, willing, in its misery, to try any alleged cure for economic and political ills," Mr. Sabin said. "It is time for us to turn a deaf ear to pessimists and rumormongers, whose thoughtlessness or maliciousness is frequently as dangerous and criminal as it is unjust and unwarranted."

Fruits of Bolshevism.

"Such perverted thinking and loose talking as have ruined a great State like Russia are now seeking to injure our private and public institutions, and are striving to undermine our national Constitution and form of government. They are productive of such a dastardly assault upon life and property as was made a few months ago in the heart of the financial district. They are responsible today for the utterly false and absurd rumors surreptitiously circulated about solvent firms and sound financial institutions."

Reviewing the past year as a turbulent period of economic disturbance through which the country has passed "without serious fatalities," he sounded a reassuring note by saying that "although there are many readjustments yet to be made from the effects of the war in the months and years to come, there is every reason-

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able assurance of a return to normal business conditions, stabilize prices, easier money and larger business opportunities during the current year."

There should be early revision of existing tax laws, he continued, in the hope of securing a more equitable burden of taxation. The financial experiences in 1920 should have taught legislators that a taxing system based on temporary and abnormal conditions cannot justly be continued when those conditions have passed. The excess profits tax, high surtax rates and the taxation of paper profits "which have not been realized and in many cases never will be realized," were provisions which he characterized as "particularly obnoxious."

Must Have Peace Time Wages.

"The extent of unemployment rests largely in the hands of labor," Mr. Sabin said, in touching briefly upon that phase of the general situation. "There is plenty of work to be done in this country, as well as throughout the world, but it is peace time work and cannot be done on war time wages. Readjustments of wage schedules must be made on a basis of declining prices and present productiveness and true scales must be established based on new conditions."

Mr. Harding spoke on "Working Back to Normal," and he, too, referred to the position of Europe and its effect on foreign trade.

"It is clear that Europe can never succeed or become normal again without the help of America," he said, "and I do not believe that America can become normal unless and until the process of working back to normal has so far advanced that in the long run it will be completed. We should remember that the political stability of Europe cannot be accomplished without financial and economic stability. One will lead to the other."

"I think that I have heard more pessimistic talk during the last six months than in any ten years previous to this time. The whole country is fed up on pessimism. Over-optimism has its bane; extreme pessimism is even more dangerous. We can congratulate ourselves that the wave of pessimism has subsided. There are evidences that the

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A BUSINESS MESSAGE The Buyers Strike Thrift vs. Spending

This is addressed especially to the Retail Merchants, but we hope everybody will read it. This is National Thrift Week and hundreds of men and women are earnestly at work and want as many more as possible to help them. Thrift does not mean hoarding, but means wise spending either for the comforts of life or insurance or bank reserves or investing. On Monday I received the following letter:

January 17, 1921
Mr. Henry L. Doherty,
60 Wall Street,
New York City.
Dear Mr. Doherty:

It has been brought to my attention that some of the retail merchants are not in sympathy with a Thrift Movement at this time, believing it will be harmful to their business. We are asking a number of our speakers to assure the merchants that we do not want to hurt their business but want to help. Will you please do what you can to help us promptly correct this matter?

Let me suggest that you take this up in your talk at the Brooklyn Central Branch of the Y. M. C. A. to-night, and perhaps you would be willing to answer this matter through the press by interview or in your own advertising space.

Very truly yours,
(sd) W. H. Baxley, Secretary,
New York City Thrift Committee.

This appeals to me as a vastly important matter for we want the support of these merchants, and as we are already in the Campaign and as we can reach so few people with our voices, I am glad to pay for the necessary space in the daily papers to say a little bit of the much we might say about what we hope to accomplish.

All of us who are whole heartedly supporting the Thrift movement believe it is not only helpful to business but absolutely necessary for business.

As a portion of Thrift Week is already gone we cannot get together and harmonize our differences of opinion; so the only thing left for us to do is to use space in the daily papers to present our views and invite those who dissent to present their views frankly and in a like manner.

We believe that Thrift and Investment is at all times helpful to business and that it is particularly needed just now. Our non-sympathizers, we understand, think Thrift and Investment is generally a good thing but that just now it will accentuate the so-called Buyers Strike.

Some merchants seem to think that an American Federation of Retail Buyers has sprung up over night which in strength and determination is equal to the American Federation of Labor, and that the first thing the new Federation did was to declare a Buyers Strike.

There is no more of a "Buyers Strike" among the retail buyers than there is a Buyers Strike on the part of the retail merchants themselves. Don't you think that figures would show that the public is buying more from the retail merchant than the retail merchant is buying from the jobber and the manufacturer? How many retail merchants do you think are willing to take the money their retail customer pays them and pass the proper share of it right along to the jobber and to the factory for more goods?

How many merchants do you think are already carrying less than normal stock?—and how many do you think of those who are carrying normal or abnormal stocks would resist the temptation to reduce their stocks far below normal if they could create enough retail buying to enable them to do so?

Now, we have all seen some wonderfully clever advertisements telling why the people should buy merchandise liberally. I hope every merchant who is not in sympathy with the National Thrift Drive will get these advertisements and read them over and make up his mind how much of the advice given to the retail buyer he will accept for himself and how much of this advice he thinks his fellow merchant will accept.

Let me remind you that our present troubles were brought on largely by wild and extravagant buying on the part of the public. Retail merchants were encouraged to place abnormally large orders to insure against depletion of stocks and rely on their banks to carry them. This, with the load the banks were already carrying, brought a strain on our banking system which carried it to its full elastic limit. Money thereafter had to be rationed. The public in some cases bought until they had become overstocked and the retail merchants in other cases bought until they had become overstocked.

The retail customer does not buy in greater volume, first, because the man out

of employment is not apt to have the money or credit with which to buy and the man who is still employed sees widespread unemployment and wonders how secure his employment is; second, because a large portion of the public think we are going to have still lower prices.

Now, some of the retail merchants do not buy, first, because they fear that the business depression has become so widespread that the future purchasing power of the American people has been seriously crippled; second, because they fear still lower prices; and, third, because they are having difficulty in raising the money necessary to pay their obligations when they come due.

There is nothing in the National Thrift movement which opposes judicious or conservative buying. There is no reason why the merchant should not strive to stimulate buying, and there is no reason why he should not tell his customer that it is his belief that prices have reached the bottom, if he really believes it himself.

Put, Mr. Merchant, let's be fair again. We know prices have been abnormally high. We all hoped they would come back to normal in a gradual and orderly manner—that they would evolve, not revolute; but when we reached the limit of our banking credit, and the bankers had to call a halt, then, in many cases, factories, jobbers and retailers had to sell some of their goods for whatever they would bring—and here and there some commodities had to be sold at less than the prewar cost of production.

Now, what do you think is the greatest threat of further demoralization of prices? I think the greatest threat is to have further forced sales. Don't forget that many and in fact most of these forced sales were not due to lack of capital but due to lack of cash. Don't forget, either, that there are still many factories, jobbers and retailers who are still under a great strain, and although they have an abundance of capital yet they are finding it difficult to find the cash to meet their obligations.

Those of us who are supporting this National Thrift movement believe that money applied to these strained situations will do more to help the mercantile situation than a like amount of money applied to indiscriminate buying. Illustrating perhaps by exaggeration, we feel that if the man who has an appetite to smoke a one dollar imported cigar would content himself with a ten cent domestic cigar, and would say to the sound merchant who is under a strain: "Here is ninety cents that I will loan you to help prevent you from being compelled to make a forced sale of your goods," we think that this would aid the entire business and mercantile situation more than if he had bought and smoked the one dollar cigar. Now, we know that ninety cents would not help very much, and we know that this man, and the man like him, cannot deal direct with the merchant; but all of these people can deposit in some bank, which, in turn, will use it to help out these particularly strained business situations and prevent forced selling.

I know a great many of the men who are working whole heartedly behind this National Thrift movement. Many of them are merchants themselves. None of them want to interfere with the business of our merchants but to be helpful to them. If we are wrong, you can tell the people why in the papers tomorrow.

The foregoing letter is but little of what can be said in favor of support of the National Thrift movement, but if what has already been said sounds reasonable then take a chance and get behind the National Thrift Drive with your whole heart in it. Give the public the assurance that the business men of the country are fully cognizant of the situation, that they are not fearful about it and will not themselves "hunt cover" and that they mean to correct the situation as rapidly as circumstances will permit, and you will change the mind of the retail buyer over night.

Conservative buying will again start up and the buyer will pay what price he must whether he thinks it is the bottom price or not, and more will be accomplished than by any attempt to break up the so-called buyers strike.

Thursday, if I am not called upon to make further reply along this line, I will tell you some of the reasons why I am a decided optimist on the business outlook provided the employers will get behind a Thrift and Investment Movement and try to show why wise investing is in truth wise spending and will help more than the expenditure which buys something which is consumed.

Faithfully yours,
HENRY L. DOHERTY,
60 Wall Street,
New York.

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