esting and illuminating. The more I see of Mitten the less I think of Hedley."

It was announced last night that Edward M. Bassett, former Public Service Commissioner, would join with Henry H. Curran, Borough President of Manhattan, in advocating home rule in traction matters at a meeting in the Town Hall to-morrow night. Job E. Hedges and Oliver C. Semple, former assistant counsel for the Public Service Commission, will lead the debate in favor of the plan proposed by Gov. Miller. The general public is invited to attend, and any one who wishes may express his views on the subject.

OPPOSITION TO MILLER TRANSIT PLAN SAGGING

City Representatives to Wait for Full Details.

Special Despatch to THE NEW YORK HERALD.

New York Herald Bureau, Albany, Jan. 31.

Public opinion appears to be swinging around to support of Gov. Miller's demand that New York city's traction problem be lifted out of politics and high finance and dealt with as a purely business issue with a view to getting subways for the public.

A decided change of sentiment had come over the New York Senators and Assemblymen when they returned this evening from their week end in their several boroughs, during which they found time to sense the attitude of their constituents.

Evidence of this sudden shift was seen in the refusal of several members from New York to go into a transit conference called for to-morrow afternoon by the Brooklyn representatives. The Manhattan, Queens and Bronx Republicans indicated to-night they did not care to participate in the conference if it was to discuss the general transit issue in New York. They have decided to wait until they see the Governor's bills and learn precisely and in exact form what he intends to do before they care to be bound by any conference or promises, or subscribe to what they term "Tammany-Hylan propaganda."

As a result the Brooklyn delegation will be left practically alone in the conference and the discussion will be confined to the Kings county situation. It will be a general condemnation of the receivership of the Brooklyn lines. On that subject all Brooklyn Senators and Assemblymen can find common ground of protest.

When the Governor's message was read one week ago to-night it was seized upon instantly by Tammany as offering great possibilities as a political issue. Tammany thereupon declared that the plan was backed by the transit interests and was the first move toward an eight cent fare.

The Governor has explained that his plan is nothing of the kind; that it is not a fare question at all, and that it is small business to try to make politics out of it if the public is to be served.

The first shift of viewpoint is seen here to-night in some of the New York members, who apparently learned when they went home that the people in their districts wanted to know more about the Governor's plan before giving snap judgment. Probably ten of a dozen of the New York city members who were ready last Tuesday to go into any conference, are saying to-night that they have decided to suspend judgment on the subject until the Governor's bills are before them. That will be some time next week.

The opposition has crumbled so fact that Tammany now has almost a monopoly on it. The Tammany members are trying hard to keep alive the eight cent fare cry, but are finding little support outside of their own ranks. Even the conservative Republican Senators from New York and Kings counties stated this evening, in confidential expressions of their views, that if the Governor's bills carry out his plan as he explained it in interviews last week, leaving fares out of the question, he can count on their support.

The only other question bothering them is whether the municipality should have a voice in the revision or amendment of partnership contracts in which the city has invested about $300,000,000. The Governor has given his assurance that the city must have full protection.

I. R. T. REPORT PROPER, IS HEDLEY'S ANSWER

In reply to the charges of John H. Delaney, Transit Construction Commissioner, that the Interborough Rapid Transit Company had charged improperly to operating expenses items aggregating $423,000, Frank Hedley, president and general manager of the Interborough, replied yesterday that the accounts of the company were kept in accordance with forms prescribed by the Public Service Commission, and that in due course the items in question would be considered by orderly process. His statement follows:

"The accounts of the Interborough Rapid Transit Company are kept in form prescribed by the Public Service Commission, and in accordance therewith sworn reports are made quarterly. These accounts are subject to inspection of both the city officials and the Public Service Commission, and, therefore, nothing in the report printed to-day is in any sense new. Most of it, indeed, was dwelt upon at length during the so-called investigation conducted by the Board of Estimate and Apportionment in the spring of 1920.

"The contract between the city and company provides a method of adjudication of all disputed items, and in due course the items in question will be considered by orderly process."

7TH DISTRICT INDORSES MILLER TRANSIT PLAN

Further evidence of the readiness of the rank and file of New York Republicans to support the programme which Gov. Miller has proposed to the Legislature for the solution of the transit problem was given last night when the Seventh Assembly District Republican Club of Manhattan adopted resolutions indorsing unanimously the Governor's plans.

The club's action followed an address by Travis H. Whitney, formerly Public Service Commissioner, which was heard by a large crowd. Mr. Whitney outlined the history of the development of the subways in New York and explained the conditions of the present situation which make the transit problem particularly difficult for solution in any other manner than that which has been suggested by Gov. Miller.

He declared that a unified system operated under conditions prescribed after the entire situation had been examined and analyzed by a competent and nonpolitical body, such as Gov. Miller would have the Legislature create, is the only logical and businesslike way of going about the solution of the problem. He also pointed out the urgency of finding a solution which will really solve the question and give the people of New York not only relief from the conditions of congestion that now exist but which will make it possible for more subways to be built to take care of the future.

The club not only indorsed the Governor's proposals, but voted a special vote of thanks to Mr. Whitney for explaining the situation and his illuminating exposition of how the Governor's plans will meet the conditions.

Keen interest was evinced in the matter, and when Mr. Whitney had finished speaking it was necessary for him to answer questions for several minutes.

ANTIQUES, Trunks, Cash Registers, Sporting Goods at real bargain prices. See "Telephone Directory of Home and Business Needs" to-day. Next to last page.—Adv.

INTERBOROUGH FOR THE YEAR SHOWS $14,107,552 LOSS

Hedley Produces Figures and Facts to Justify Gov. Miller's Plans.

TAXES MILLION SHORT

Experts Quoted to Show Bankruptcy Stares Roads in Face.

CITY'S CREDIT IS FROZEN

Railway Head Would Cause City's Investment in Subways to Be Productive.

Municipal rapid transit is grievously ill.

What Gov. Miller has advocated, friends of his proposed legislation say, is primarily a careful prognosis of the malady by competent authority. Whatever may have been the cause or causes of the ailment, whatever course of remedial treatment may be prescribed ultimately, they contend, there can be no harm in giving to the public an intelligent understanding of the perfectly obvious symptoms.

The patient's friends argue that he is suffering from acute malnutrition, that there is an insufficient quota of red corpuscles, and that he must sink into chronic invalidism unless he receives a generous infusion of increased income or new capital.

His critics insist that his condition is and for years has been, dropsical. "We must squeeze out the water before he can become healthy!" they shout.

Without engaging in theoretic controversy, what are the concrete conditions which any intelligent layman may detect without the use either of clinical thermometer, stethoscope or X-ray photography?

The whole great B. R. T. system, as everybody knows, is bankrupt and in the hands of a receiver. So is the New York Railways system, which comprises the major part of Manhattan's surface rail transit facilities. And the Interborough Rapid Transit Company is drifting rapidly toward the same goal. The figures which are herewith appended in support of that assertion were furnished yesterday to THE NEW YORK HERALD by Frank Hedley, president and general manager of the Interborough, and J. L. Quackenbush, its general counsel. They are figures which are certified to the Public Service Commission of the State as accurate.

Big Deficit in Preferentials.

The Interborough's fiscal year ends on June 30. On that date of 1920 the audit sheets showed that the company, including both the Subway division and the Manhattan division, the latter being the old Manhattan elevated railroad system, had jointly failed by the sum of $14,107,552 to earn its company and city preferentials. Of that deficit the Subway division was charged with $7,577,892, and the Manhattan division of the system with $6,529,660.

A survey for the six months that have intervened since the filing of the 1920 report—namely, from June 30, 1920, down to December 31, 1920—shows that in this respect there has been no improvement in conditions. The amount by which the Interborough during that six months' period has failed to earn and meet its preferentials is $8,630,689. Should the same ratio be maintained for the current six months' period down to next June, therefore, the shortage will have mounted to more than $17,000,000.

Taking the month of December, 1920, alone, the most recent available figures suggest that the disproportion between Interborough income and outgo is becoming more accentuated. The audit sheet for that month shows, as compared with the corresponding period of the previous year, a decrease in net operating revenue amounting to $68,099.27. Here is the explanation: Though the month showed an increase of 5,750,613 in the number of passengers carried as compared with December, 1919, and an increase in gross operating revenue amounting to $311,803.95, the system's operating expenses for the same month of 1920 had increased by $379,903.25, thus cutting down the net operating revenue to a figure $68,099.27 less than that for December, 1919.

In Default of Taxes $1,050,000.

At the present time the Interborough, its responsible officers say, is not earning enough to meet its operating costs, maintenance and taxes, to say nothing of amortization, interest on its outstanding $35,000,000 of capital stock, sinking fund and city preferential requirements. On November 15 last, Mr. Hedley admits, the company was in default for taxes in the sum of $1,050,000.

Taking the Manhattan division alone as a separate entity, it appears that the elevated system is falling short by about $4,000,000 annually of receipts sufficient to enable it to meet its operating expenses, maintenance, interest, taxes, &c.

The New York Railways system, now in receivership, according to a recent statement by its accounting department to Job Hedges, receiver, is running behind, in defaulted interest upon its bonds and other charges, at a rate of more than $3,000,000 a year. Its accrued liability for taxes, paving and tax penalties on December 31 last amounted to $3,226,001.15. The surface roads, according to Mr. Hedley, are now taking in just about sufficient receipts to meet actual operating costs and current taxes and to provide an imperfect maintenance.

In his annual report of the Interborough Rapid Transit Company for the year ending June 30 last Mr. Hedley said:

"The operations of the last fiscal year demonstrate that even the subway itself, with all of its congestion, cannot on a five cent fare earn the interest and sinking fund on the bonds and notes issued for its construction and equipment. While the net corporate income during the last year was $2,630,953.75 in excess of fixed charges, it would have to be more than double this amount to pay interest and sinking fund on other moneys invested, including approximately $100,000,000 by the city. The latter's total debt for new subways amounts to between $200,000,000 and $250,000,000 and is constantly increasing. No interest is being received on this vast sum, although it could easily be earned and taxes be lessened by between $12,000,000 and $13,000,000 per annum by advancing the rate of fare sufficiently to cover the actual cost of service. There is no warrant for putting this added burden on the taxpayer and there is no justification for assuming that the farepayer is unwilling to pay the actual cost of a ride.

"The Manhattan Railway Division carried an increase of 20,845,897 passengers during the past year, in the face of which it had a deficit of $4,866,789.44. The Manhattan Railway is an integral part of the Interborough system and for the convenience of the people must be operated for the same fare. If the lease is broken and it is operated separately, the fare on certain of its lines may under its charter be increased to ten or even fifteen cents. In that event a large proportion of the passengers now using that line would undoubtedly attempt to use the subway. The result would be destructive of public comfort and disastrous from the operating standpoint."

Positive Conclusions of Experts.

Stone & Webster a year ago made a complete report to Judge Julius M. Mayer of the United States District Court not only of their exhaustive examination of the properties of the New York Railways Company, 86 per cent. of which is owned by the Interborough Consolidated Corporation, but also of the properties of the Interborough Rapid Transit Company. In that report Stone & Webster summarized thus certain "Main Conclusions":

"In our opinion there is no escape from the following conclusions:

"Without an increased fare the rapid transit lines will earn only a small part of the charges upon the bonds and notes, aggregating $147,000,000, which represent fresh capital invested or to be invested in those lines under the supervision of the Public Service Commission subsequent to March 19, 1913, the date of city contract No. 3.

"Even an eight cent fare will not, prior to 1922, provide any substantial surplus over the company preferentials, and even in 1922 such a fare will provide little more than half of the city preferential.

"On the surface lines, unless there is an immediate increase in fares, the further disintegration of the surface system in Manhattan is inevitable and the operation of many of the lines will have to be discontinued because of their failure to earn operating expenses and taxes." (This prediction, since it was made, has been amply fulfilled.)

"Neither the rapid transit lines nor the surface lines can be permanently maintained and developed by the operating companies without an assurance of sufficient earnings to justify the investment of the additional capital that will from time to time necessarily be required to keep up with the increasing demands of the traffic of the city."

What the war did to the Interborough is graphically shown by the following:

This country entered the world war in 1917. For the three years ended June 30, from 1915 to 1917, inclusive, the net corporate income of the Interborough was:

1915	$8,066,464.27
1916	8,713,526.99
1917	8,885,356.63

As compared with those figures, note what happened in the three years next thereafter:

1918	$4,062,758.92
1919 (Deficit)	3,810,339.92
1920 (Deficit)	2,235,835.60

That was what happened, notwithstanding the fact that the number of passengers carried in 1915 was 647,378,266, whereas in 1920 the passengers transported over the Interborough company's lines aggregated 955,133,110.

Paralyzing City's Credit.

Mr. Hedley considers one of the most unfortunate phases of the recent situation the paralyzing effect it has upon the city's credit.

"With the rapidly increasing completion of the dual subway system," said the Interborough's president and general manager, "the city will have made an investment of about $250,000,000 in rapid transit. Inasmuch, however, as this $250,000,000, owing to an inadequate fare, is giving the city no return, it is a 'frozen credit.' Not having it liquid for immediate use, new funds must come from taxation. But taxation has already mounted to a point which would make any further increase a detriment to industry rather than a stimulant.

"The city can build no more subways. It would have to borrow the money to build them, and the debt limit prevents. It has neither the credit nor the cash available. An adequate fare upon the subways, sufficient to make them self supporting, would not only put the city of New York in a position to get new capital, but it would also make it possible for private capital to be enlisted for the same ends.

"New facilities, becoming in turn self supporting, not only would remove an annual charge of about $13,000,000 from the tax budget, but would also render available $250,000,000 further credit for the city to use in subway development or in schoolhouse construction, courthouse or hospital construction, improvements of streets and numerous other public uses.

"Because the subways are not self-supporting there is an absolute halt in transit expansion. The city is now at least ten years behind in a subway building programme. The city is growing every day. Congestion already is almost unendurable. The only relief is more subways, but you cannot even hope to get more subways on a five cent fare.

"While our gross revenues from the subways increased 43 per cent. in the last four years," Mr. Hedley continued, "operating expenses have increased 126 per cent. Increased costs have more than eaten up the increased revenues. Our payroll is now about $26,000,000 a year. The rate of pay of our employees is more than double what it was at the time we entered into the contract with the city for the construction and operation of the enlarged subway system on the basis of a five cent fare. Wages alone are more than 67 per cent. of all our expenses and the possibility of a drop in wages does not immediately help us, because we have wage contracts running with our employees right up to 1922.

"Take one more item. At the time we entered into the subway contracts with the city for the enlarged system we were buying coal at less than $3.25 a ton, delivered. Now the freight and lighterage on coal alone amounts to $3.80 a ton, and we use more than 2,000 tons a day. Coal absorbs more than 15 per cent. of our total operating costs, and the freight and lighterage on coal alone are now $1,000 a day more than the entire coal bill was formerly. Of course, we will never get our materials and supplies for nothing, but even were they given to us the company would still be losing money at a tremendously heavy rate on a five cent fare.

"The company now has used up all its reserves, both of money and material. In meeting previous crises we have exhausted all our emergency resources. The last to go was our real estate, useful during construction, but no longer needed for operation. That was auctioned at a sacrifice. The investors whose savings went to help build the subways have lost more than $100,000,000 in the shrinkage of their securities. It is by the consideration of our creditors, whose interest in our lines lies in our continued solvency, that we have managed to survive until the present time. With the very best of will they cannot wait forever."

Obstacles to City Possession.

It is a prevalent misapprehension, Mr. Hedley said, that in case of the Interborough going into the hands of a receiver, the city could take back and operate the subways itself. "In that event," said he, "the subways would go to the bondholders for operation under the contract. So long as the operator pays the rent the city has no right to take over the subways until ten years after the beginning of the contract period, or eight years from now. And, even then, the city would have to reimburse the Interborough for the millions of dollars that company has expended. The city for this purpose would be called upon to finance in excess of $320,000,000. And, even then, the city cannot take the whole system, but only an East Side or a West Side line, as it might select, and not both."

Mr. Quackenbush, counsel to the Interborough, who is intimately familiar with all aspects of the transit situation, prepared for THE NEW YORK HERALD this summary from the point of view of law and equity:

"The Public Service Commissions of the State have long recognized the desperate financial condition of the railways and have repeatedly asked the Legislature to amend the Public Service Commissions law so as to give them authority to make rates that would give a proper return on the property of railways. The Interborough Rapid Transit Company has been on the verge of bankruptcy for the last year or two and has sought for an increased fare from the Board of Estimate and Apportionment, the Transit Construction Commissioner and the Public Service Commission. It has failed in all its applications and has now under a court review by certiorari the refusal of the Public Service Commission to consider its last application for an increased fare.

"In Manhattan the once great New York Railways Company has been broken up after going into the hands of a receiver. Where in 1917 there was a system with 161.40 route miles and 313 free transfer points, enabling passengers to travel everywhere, the system operated for five cents. There are now only 92.013 miles of route and only seventeen free transfer points on its lines and other lines, and twenty-two points where two cents are charged for transfers to cars of the same system. The Eighth, Ninth and Fourth and Madison avenue lines have been returned to the owners, most of the storage battery lines are discontinued, and where the charge was in 1917 five cents for a ride over the system, the same ride now costs, 5, 7 and 12 cents.

Brooklyn Situation Serious.

"In Brooklyn the subway and elevated lines and all the surface lines except those of the Brooklyn City Railroad are in the hands of a receiver. In 1917 there were 1,005 free transfer points on the trolley system and approximately seventy points where passengers were transferred free between surface and elevated lines, all for five cents. These have all been abolished. Only a few free transfer points remain in the entire borough. The Brooklyn City Railroad Company has gone to charging the rates permissible under its franchise grants. In 1917 it cost five cents to travel from Richmond Hill to Erie Basin; to-day it costs twenty cents. In 1917 it cost five cents to go from Ulmer Park to Jamaica; to-day it costs twenty cents. Hundreds of ordinary rides that in 1917 cost five cents now cost ten cents.

"Of the Brooklyn lines the following have ceased operation, 'chiefly because they could not pay expenses,' according to the Public Service Commission's annual report for 1920: Brooklyn, Queens County and Suburban Railroad Company, Metropolitan avenue line, Wyckoff avenue line, Nassau Electric Railroad Company, Ocean avenue line, Thirty-ninth street ferry-Coney Island line, Church avenue line, Park avenue line, Rogers avenue line, Hicks street line, Seventh avenue line and Ralph avenue shuttle.

"In Queens county the New York and North Shore Traction Company, operating lines from Flushing to Whitestone and from Flushing to Little Neck, where it connected with its lines in Nassau county, gave up the ghost last February and has not attempted to run its cars since. On that company's petition for an increased rate of fare the Mayor held a public hearing in Flushing, where hundreds of people announced themselves as in favor of more money for the company and none opposed an increase, yet the city did not act. The Public Service Commission divided the lines into zones shortly before the company discontinued operation and gave it a slight increase, but it was too late. For months patrons of this line voluntarily paid a fare of 7 cents in the hope of saving it. Now the road is in the hands of a receiver and the property is to be sold under foreclosure.

10 Cent Fare on Queens Line.

"The Manhattan and Queens Traction Corporation, running cars from Fifty-ninth street and Second avenue to Jamaica, has been in the hands of a receiver for several years, and when its employees struck in the summer of 1920 it shut down. It is now receiving 10 cents for the ride from Manhattan to Jamaica, L. I.

"The New York and Queens County Railway Company, which operates the biggest system in Queens, running cars from New York and Long Island City to Astoria, Steinway, Woodside, Winfield, Corona, College Point, Flushing and Jamaica, for years has had an annual operating deficit of approximately $200,000, and has an entire corporate deficit of more than $3,000,000. Two other companies operating in Queens are the New York and Long Island Traction Company, which runs cars from Grand street, Brooklyn, through South Ozone Park and Rosedale, connecting with its line running to Freeport; also from Jamaica along the Hempstead Turnpike to Belmont Park, and along the Jericho Turnpike to [illegible] the Long Island [illegible] pany, operating [illegible] Brooklyn, and [illegible] tween Jamaica [illegible] These lines [illegible] behind and are not at present making their actual operating expenses.

"On Staten Island both railroad companies are in the hands of receivers and have been since the first of the year. The Richmond Light and Railroad Company has continued to operate, although at an eight-cent fare the last few months, but for several months the lines of the Staten Island Midland Railroad Company were actually closed down, and in some instances the people were absolutely without transportation facilities. Recently part of its line has been taken over by the city for municipal operation.

"In its annual reports to the Legislature for the years 1918, 1919 and 1920, the Public Service Commission for the Second District called attention of the Legislature to the lack of power in the commission to consider the question of rates where municipal franchises had prescribed them, saying, among other things, in its 1920 report: 'We again urge that the commission be clothed with such measure of power over such rates as is still possessed by the Legislature. The commission continues to find embarrassment in requiring a full measure of service from railroads as to which it lacks the power to regulate rates.'

Enormous Deficit for 1920.

"In his report for 1920 Public Service Commissioner Alfred M. Barrett for the First district, said the deficit for the railroad companies in the First district for the year ended June 30, 1920, was $10,735,392. The increased cost of labor and material, he said, is largely responsible for this deficit. He stated that the outstanding conditions referred to by his predecessor, Mr. Nixon, in his report of March 1, 1920, are still the outstanding features for the year 1920. The physical properties have been allowed to run down until the deferred maintenance for all the companies in the city now reaches $10,945,091, an increase of $4,134,091. Under these conditions the Commissioner asks the very pertinent question how long the companies can continue to operate without adequate maintenance. Then he wonders how the money is to be provided to take care of the deferred maintenance, which is now or will soon be as great as the cost of buying new equipment.

"Of the 287 cities in the United States with a population of 25,000 or more, excluding New York city, with a combined population of 4,963,000, 187 are paying on a 10 cent basis; two cities have 9 cent fares, twenty-eight have 8 cent fares, twenty-four have 7 cent fares, fifty-six have 6 cent fares. Boston has a 10 cent fare and Chicago a 10 cent fare on its elevated lines and Philadelphia a 7 cent fare with a 3 cent exchange, making a total of 10 cents."

With reference to the equities and the legal rights involved, Mr. Quackenbush believes that, to use the phrase of the Governor, there is a great deal of loose talking and loose thinking being done among those who are prating vehemently of the inviolability of the 5 cent fare and of the other aspects of the contract between the city and the operating company.

"What the Legislature gave," he says, "that it can take away or modify. Neither the Interborough nor the city of New York can get rid of the terms of this contract, but the State of New York can get rid of it, or can modify it at will, without the consent of either of the actual parties to it. And the State of New York can delegate that authority to a commission which may become its agent.

"When the Interborough contracted with the city to operate the subway for a 5 cent fare neither party could have anticipated that the war would make performance financially impossible.

"It would seem, therefore, only reasonable for the parties to the contract to modify it by mutual agreement.

"The case is like one where a contractor, while prosecuting sewer work and before its completion, struck a body of quicksand below the surface of the earth of great extent and directly in the line of the sewer, the existence of which was unknown theretofore to both the contractor and the city and could not have been anticipated by either of them.

"'It was optional with the city either to prosecute him for non-performance or waive that right and make a new agreement on a more just and equitable basis. The city wisely, as I think, chose the latter.'

It was further stated in the ruling of the court: "The contract being subject to legislative control, the intervention of the State, either on behalf of the public utility to secure a reasonable return for the service rendered or of the city to cause a reduction of rates, which have become excessive, does not abrogate a contract, of which the law is an integral part."

Corporate Deficit of I. R. T. on June 30 $14,000,000; No Interest Paid on Stock

THE Interborough Rapid Transit Company during the fiscal year ended on June 30 last had a $14,000,000 corporate deficit. That is, it had failed to meet its preferentials and other corporate charges by a sum amounting to $14,107,552. Of that corporate deficit, the subway division was charged with $7,577,892 and the Manhattan division with $6,529,660.

During the six months to December 31 last the corporation failed to meet its preferentials and other corporate charges by $8,630,689.

Not a penny of interest is being paid on its $35,000,000 of outstanding capital stock.

Though the system during last December carried 5,756,613 more passengers than in December, 1919, the net operating revenues, because of increased cost of operation showed a decrease of $68,099.37.

The Manhattan division, which comprises the elevated system, is running behind at a rate of about $4,000,000 a year, and the New York Railways—the surface lines—which are in a receiver's hands, at a rate of about $3,000,000. The surface lines have an accrued liability for unpaid taxes, paving charges and tax penalties amounting at the end of 1920 to $3,226,001.

The city's investment of $250,000,000 in rapid transit, because of inadequate operating income, is a "frozen credit," from which the municipality is not deriving one penny of income. This imposes on taxpayers an additional burden of $12,000,000 to $13,000,000 a year.

Because the present subways are not self supporting there is an absolute halt in transit expansion. Because of its debt limit the municipality cannot borrow for construction of further extensions, though congestion already is well nigh unendurable.

In the last four years, while the Interborough's gross revenues increased 43 per cent., its operating expenses have increased 126 per cent.

Since the New York Railways surface lines went into the receivership free transfer points have been reduced from 313 to 17, and 161 route miles to 92.

Since the B. R. T. system became bankrupt 1,075 free transfer points have been abolished and many of the subsidiary lines have ceased operation.

In Queens Borough the principal line has an annual operating deficit of $200,000 and has an entire corporate deficit of more than $3,000,000. Queens service has been greatly curtailed. On Staten Island both railroad companies are in the hands of receivers.

Public Service Commissioner Barrett says the physical properties have been permitted to run down until the deferred maintenance for all the transit companies in the city now reaches $10,945,091, an increase for the year 1920 of $4,134,091.

CALLS FOR PROBE IN B. R. T. RECEIVERSHIP

Volk Introduces Resolution in the House.

Special Despatch to THE NEW YORK HERALD.

New York Herald Bureau, Washington, D. C., Jan. 31.

A sharp attack on the United States District Court for the Southern District of New York, for continuing the receivership of the Brooklyn Rapid Transit Company was made in the House today by Representative Lester D. Volk, newly elected Republican from Brooklyn.

Charging that the receivership is preventing dependents of the victims of the Malbone street disaster from obtaining just damages, and that the Westinghouse company, which as a creditor initiated the court action, has been indemnified against loss, Mr. Volk introduced a Congressional resolution asking an investigation of the receivership.

"The entire public and the financial structure of the community are vitally involved in the receivership and incidents leading up to it," said Mr. Volk in the House. "The honor and integrity of our United States courts are involved; well calculated and well planned litigation has created a state of affairs without precedent in the annals of legal jurisprudence.

The Federal Government is interested in this receivership. During the war this transportation company received from the War Finance Corporation $17,000,000 under the guise of wartime aid. This money has not been paid and unless all signs are misleading the legal machinery of the receivership may frustrate the return of this money to the United States. No subterfuge or concealment should prevent an inquiry to determine what has been done with the money loaned by the Government."

Mr. Volk reviewed the instances surrounding the action of the Wetsinghouse company, which asked for a receivership of the B. R. T., accusing this company of being a handy instrument in actions of this sort, since it was a party plaintiff in the action against the Midland Railroad, wherein another receiver in equity was appointed."

OIL IN STOVE KILLS TWO.

Mother and Daughter Dead; Four Others Burned.

BESSEMER, Pa., Jan. 31.—Mrs. Victor Jacobson and her daughter, Victoria, 18, were burned to death here to-day in a fire which followed the explosion of a can of kerosene with which Mrs. Jacobson was kindling a fire.

Charles and Oscar Jacobson were taken to a Youngstown, Ohio, hospital. The former is thought to be fatally burned. August and Victor Jacobson and a boarder, also burned, were taken to a New Castle, Pa., hospital.

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[DIALOGUED FROM STORIES OF ARCOLA USERS]

"My husband built a bungalow for twenty-eight hundred, and we tried to keep it warm with stoves. But my land!

"'We'll sell and get out from under,' Dave said. 'I don't want to freeze to death.'

"But one day he saw an ARCOLA at the steamfitter's, and ordered one that very minute. It didn't need any cellar.

"So we put an ARCOLA in the kitchen, and hot-water radiators all through. The job was done in three days—those fellows knew their business!

"Then Dave got a better job in Pittsburg. 'We'll have to sell the bungalow quick,' he said.

"Half the houses in our town were for sale, but ours sold in one day.

"'I've looked at more'n twenty,' said Jimmy Hunt, who bought it, 'but this little heating system *gets* me.'

"We cleaned up twice the cost of the ARCOLA on the price we got, besides the coal we saved."

The IDEAL-ARCOLA heats all rooms on less fuel than a stove requires for one room. The complete system, installed by your local dealer, costs but little more than a stove for each room; and far less than old expense for a hot-water heating system. Children cannot burn themselves; no fire risk.

Low-cost, healthful warmth, through hot-water radiators, for the small home, store or school. The ARCOLA places the cottage, with or without cellar, on the heating plane of the First Mansion in the Land.

The water-jacketed ARCOLA is of itself a radiator. Replaces stoves, wastes no heat up chimneys, leaks no coal gas. Each tenant may have a separate ARCOLA. If used to heat part of building, extra sections and radiators may be added later.

Ideal-ARCOLA Heating Outfits

Catalog has open views of houses, flats, stores, offices, with ARCOLA. Write Dept. 21.

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