tion and all other charges connected therewith, is $6,310,000. Charges are estimated as follows:

Operating expenses (including maintenance and depreciation)	$ 262,000
Sinking fund on structures at 1 per cent.	40,000
Bonds at 4 per cent.	252,000
Total	$ 554,000

This makes a deficit in the neighborhood of $250,000 on the first year's operation. We think it may be safely assumed that the increase of travel accruing to the independent line would amount to about 10 per cent. per annum up to the time of the termination of the franchise. There is a rough means of checking these figures for operating expenses—for example, on this system we estimate the line would carry about six (6) passengers per car mile; this on the basis of the number of passengers carried as above stated, and at .25 cents per car mile, which we consider proper in this case, gives an operating expense for the year of $292,000.

Having dealt with one scheme to be operated independently of the existing street railway system, it will be sufficient to treat of another operated in connection with this railway. This system will be composed of the subways, the existing street railroads, and additional radial lines outside the City limits, which may be entirely new lines, or partly new lines and partly existing lines absorbed. We estimate the radial lines desirable to act as part of this system would amount to about 40 miles of single track. At the rate of increase of population and travel at the end of four years from this date—which would be the earliest at which such a system could be put into operation—we estimate the number of passengers to be carried on such a system would be about 150,000,000 for the first year. It is presumed the public expect this system to be operated on a five-cent fare with fairly liberal transfer facilities, and on this basis we estimate the gross receipts should amount to $5,000,000 the first year. The total real investment at this date, without regard to the cost of liquidating the street railway investment involved for the remaining seven years to the end of the franchise, we estimate as follows: The entire subway system fully equipped with multiple unit trains, including all charges, such as interest during construction, contractors' profits and engineering, would cost $23,500,000. The real value of the surface railway company's property, say, $15,000,000; the cost of the additional radial lines, say, $3,000,000, and the above cost of construction, make a total cost, exclusive of the purchase of vested interests as above stated, of $41,500,000.

The advantageous layout of this system, with full trains both from east and west to the heart of the City in the rush hours, is such that it is conducive to economical operation. On the other hand a universal five-cent fare with the transfer system combined will necessarily give a higher proportion of operating expenses to total receipts. Combining advantages and disadvantages, and based on considerable precedent, we estimate such a system will be operated at about 65 per cent. of the gross receipts (includes