

costly structures, in which event the construction company will be paid its usual profit, and the company in addition to this profit will be permitted to charge the people in case of purchase an additional 10 per cent. for the letting of these contracts.

Under the terms of the ordinances no licensee company to which the city may give a license may acquire the plants of the present companies unless upon the payment of a 20 per cent. bonus over and above the price the city would have to pay if it acquired the properties for municipal ownership and operation. The reason advanced by the traction companies for insisting upon this premium was that they should be protected against the sand-bagging operations of rival capitalists. That some protection, if not to this amount, should be given against the machinations of other capitalists might well be conceded, but an effort was made before the committee on local transportation to have the present companies consent to the incorporation in the ordinances of a provision that if a licensee company should offer to the city to accept an ordinance of similar character and give the citizens of Chicago a 4-cent fare, that in such case the companies should take the money invested in the plant and turn over the properties to the company that would give the citizens of Chicago a 4-cent fare. This provision the companies absolutely refused to accept. In my judgment a rival company that offered such terms to the citizens of Chicago could in no aspect of the case be considered in the light of a sandbagging corporation, and I believe that in the interest of the people of this community such a provision should be incorporated in these ordinances, particularly in view of the fact that 3-cent fares now prevail in Cleveland and Detroit, and will soon obtain in many other American cities, and that a 4-cent fare with universal transfers now obtains in Indianapolis.

Even at the expiration of twenty years, under the ordinances as at present framed, the city or any licensee company could not take possession of the property until it has paid the present companies the value of their present properties and the total cost of the rehabilitation; although at that time and for many years prior thereto the \$9,000,000 worth of unexpired franchises now existing, and the \$4,358,743 worth of cable property, which is now part of the contract purchase price of \$50,000,000, will have wholly disappeared.

There are other objections to the ordinances of quite serious character. In the precipitous haste with which the ordinances were pressed through to passage in an all-night session immediately after the adjournment of the committee on local transportation at 7 o'clock p. m., some twenty-eight amendments which had not before the meeting of the Council been printed, were incorporated in the ordinances, and some thirty-eight amendments were voted down. Many of the amendments offered, accepted and rejected, were long and complicated, one of those accepted containing over three thousand words, and could not in the nature of things have been understood, even if heard, by the members of the City Council during the exciting session. It is not to be wondered at, therefore, that such laudable amendments as those which provided for the arbitration of disputes between the companies and their employes, a provision limiting the cost of rehabilitation to the amount of Mueller certificates authorized, amending the clause permitting sub-contractors' profits, requiring a guarantee of 8 per cent of the gross receipts, and protecting the public in the right to secure a 4-cent fare, or a 3-cent fare, should have been voted down; and that no provision now appears in the ordinances regulating the maximum hours or the minimum wage to be paid to employes; nor that the agreement between John A. Spoor, Thomas E. Mitten, the City of Chicago and the First Trust and Savings Bank, which purports to remove the obstruction created by the existence of the present General Electric ordinance, is not signed by any of the parties. The ordinances have not only failed to thoroughly secure the demands of the people for early municipalization of the traction systems,

but the methods of their passage lacked the deliberation and careful consideration which measures of such importance to the public require. Under the provision relating to power houses and buildings, the companies are permitted to secure power from any source other than the companies' own power plants, with the approval of the board of supervising engineers. This provision would permit the companies, subject only to the approval of the board of supervising engineers, to make contracts for any length of time and for any price with the Edison or Commonwealth companies, and if the city took over the systems it might be compelled to assume the burden of such a contract, no matter how remunerative it might be to the power company or however onerous it might be upon the city or however desirable it may be for the city to furnish its own power.

These ordinances are not municipal ownership measures, but ordinances masking under the guise of municipal ownership, while really and in fact giving the present companies a franchise for twenty years if not longer. This is in violation of my letter to Alderman Werno, referred to above, to which it is claimed these ordinances conform, and which letter distinctly stated that these companies should be given the right to operate "under revocable licenses," and further stated that "It is absolutely essential that nothing shall be done to enlarge these present rights of the existing companies or to deprive the city of its option of purchase at any time." The people have demanded that any ordinances which may be passed dealing with this traction question must preserve the right of the people to municipalize at the earliest possible moment, and they have a right to have their repeated demands carried out in spirit and in letter.

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The ordinances were immediately passed over Mayor Dunne's veto by the following vote:

Yeas—Kenna, Coughlin, Dixon, Foreman, Pringle, Daley, Martin, McCormick, Young, McCoid, Bennett, Snow, Moynihan, Harris, Fick, Scully, Hurt, Cullerton, Hoffman, Riley, Considine, Harkin, Maypole, Smith, Nowicki, Schermann, Brennan, Conlon, Powers, Bowler, Stewart, Reese, Foell, Sullivan, Dougherty, Werno, Jacobs, Hahne, Krumholz, Dunn, Williston, Lipps, Reinberg, Stewert, Blase, Larson, Herlihy, Wendling, Golomblewski, Burns, Bradley, Roberts, Fisher, Badenoch, Hunt, Bihl, Race—57.
Nays—Harding, Richert, Derpa, Zimmer, Uhlir, Bellfuss, Sitts, Dever, Finn, O'Connell, Kohout, Nolan—12.

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Prior to the interposition of his veto, Mayor Dunne received the resignation of Walter L. Fisher as special traction counsel. Mr. Fisher's resignation was submitted in writing on the 6th, after an oral conference between himself and Mayor Dunne, and the Mayor immediately accepted it. On the following day he was retained by the committee on local transportation of the City Council.

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Campaign For and Against the Traction Ordinances.

The business organizations that opposed the referendum petition (p. 1062) are organizing now to advocate the adoption of the traction ordinances at the referendum. These include the Real Estate Board, which addressed on the 8th the following letter to the chairman of the local transportation committee:

The Chicago Real Estate Board in regular session February 6, 1907, by resolution, appointed a committee charged, among other matters, to convey to the fifty-six members of the Common Council who last Tuesday morning voted for the traction ordinances their high appreciation of the service to Chicago so rendered. This we

now desire to do through you. We believe the action taken in supporting these ordinances was wise and for the best interests of the people of Chicago and will receive their hearty approval. We also believe you cannot better carry out the wishes of the people of Chicago, whom you represent, than by standing firmly, solidly, and persistently for these ordinances until they shall have become law. An analysis of the vote on these ordinances shows that both aldermen of twenty-five out of the thirty-five wards of the city and one of the aldermen from six of the remaining ten wards supported them; also that the supporting vote came equally from the Democrats and Republicans. This indicates that the action was based upon a broad conception of your responsibility to the people, as a whole, irrespective of party. We believe the great mass of the people will support your action loyally with their influence and at the polls because it secures to the people the best street car service obtainable, on the best possible terms, and at the earliest possible date. The end is in sight, for which you deserve great credit. Stand by your guns. The people will finish the battle.

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On the other hand, the organizations that were instrumental in securing the referendum petitions are promoting the agitation against the traction ordinances. On the 13th the Joint Referendum Committee issued this call to the people of Chicago:

The Joint Referendum Committee predicted months ago that there would be an organized effort in the City Council to give away the streets of Chicago to the traction companies, and accordingly began a campaign to frustrate the plot. Subsequent developments in the Council have borne out this prediction. We are convinced that it was largely through the efforts of this committee, who seconded the efforts of the Mayor, that the people now have an opportunity to finally dispose of the traction question as the majority may elect. Notwithstanding the treason of the City Council and the indecent haste with which this ninety million-dollar proposition was disposed of, the streets still belong to the people and cannot be farmed out to the traction companies without the voters' consent. The Joint Committee, therefore, urges upon every citizen of Chicago who believes that the proposed ordinances should be defeated to communicate with us and indicate his willingness to help in this fight, remembering that we are pitted against the wealthiest, most adroit, as well as the most unscrupulous financiers in this country. A strong and united effort will be necessary to achieve a victory at the polls. If you are willing to help in this work send in your name and address at once to the Joint Committee, 69 Dearborn street. John C. Harding, Secretary; David Rosenheim, Chairman.

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The Chicago Mayoralty.

The political situation in Chicago (p. 1064) awaits the Democratic primaries, to be held on the 21st, at which Mayor Dunne and ex-Mayor Harrison are to be the contestants. In an interview on the train en route from California on the 11th, Mr. Harrison said to a friendly reporter, as published in the Chicago Tribune (Republican) on the 12th:

I finally made up my mind to be a candidate because I was impressed with a sense that I owed something to a good many business and professional men, not considering the politicians, all of whom had done considerable working on the understanding that I was to be a candidate. I reasoned that I could not, in justice to these men, decline to make the race at so late a day, no matter what my personal inclinations were. . . . I don't want to express an opinion regarding the traction ordinances today. I made a mistake in attempting to criti-

cise them some weeks ago in a communication to the Tribune. At that time I expressed the belief that the board of supervising engineers were given too much authority under the ordinances. On further study of the measures, copies of which I did not have when I wrote the Tribune, I find that the authority vested in the supervising engineers is not any more than it should be. Since then I have gone over the ordinances carefully. They are long and complicated measures. There is much that is good in them and perhaps some flaws, but I shall want to have a little more time to look them over. I have sent to a lawyer friend of mine in Chicago in whom I have great confidence [Maj. Tolman, perhaps, but Mr. Harrison didn't say] for his opinion regarding certain minor sections of these measures, and I want to see what he says before I make my position more definite, say, about the middle of the week. There is no immediate haste for me to pass an opinion on these ordinances. The question ultimately will reduce itself, in my belief, to whether the measures should be passed by the people as they are, in the belief that the traction question has reached a point where it is of the utmost importance to settle it definitely and finally, or whether they should be defeated for the reason that some of their provisions contain defects that counterbalance any good that may come from settlement of the traction question. As an abstract proposition the traction question, in my belief, should be settled without further delay. I have always thought it should be settled as soon as possible. When I was Mayor I held out for years against a settlement with the traction companies because I believed the city should have the right to own and operate its street car lines before any extensions were granted to the corporations. That right is contained in the Mueller law. The theory was laid down in the tentative ordinance, which many persons now, I understand, are beginning to say was a good measure. I believe in municipal ownership as soon as the people can bring it about. Every utility which requires the use of public property ultimately should be operated by the community for its own profit. I always have felt, however, that before this could be brought about we needed a lot of house cleaning in our own system of government. We haven't in this country the scientifically administered municipalities of the old world, where municipal ownership has been successfully demonstrated.

While mayor, Mr. Harrison opposed the adoption of the Mueller law by the people of Chicago, which was necessary to give it effect; and a year ago he opposed the passage of the ordinance for the issuance of certificates under the Mueller law.

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The Republican mayoral candidacy was uncertain until the 11th, when Postmaster F. A. Busse announced himself as a candidate. Mr. Busse belongs to the Lorimer or "Federal" faction of the Republican party, as opposed to the Lawson or Deneen faction. The epithet "Federal" means that this is the faction that enjoys Federal patronage. The Lawson faction, which controls the Daily News and the Record-Herald, has been threatening opposition to Mr. Busse at the polls. This caused him to hesitate until the 11th, when he replied to a delegation under the chairmanship of B. E. Sunny, a prominent Republican, as follows:

Last Saturday, when you gentlemen requested me to become a candidate for the Republican nomination for Mayor, I told you I would give you my answer to-day. Since your visit I have carefully thought over the situation, and have talked to a number of my friends in the Republican organization, who joined in your request that I become a candidate. I know that while I have been a