sion of land is necessary to a stable society; private ownership of ground rent is not.

The evil can be corrected by the same agency that has established and now maintains land tenure. This agency is civil government. But all the substantial benefits of civil government go to the owners of the soil in the form of ground rentals. Civil government is maintained by taxation. No other method has yet been devised, nor can be. To tax is to take. The idea of voluntary contributions for the support of government is chimerical. If something must be taken, why not take ground rent? And if it is taken, infinite results will flow from it for the uplift of mankind, so broad in its ultimate effects as to cover the whole earth, so wide-reaching in its results as to take in the last man. This spells democracy. This ends the protection superstition.

HENRY H. HARDINGE.

NEWS NARRATIVE

To use the reference figures of this Department for obtaining continuous news narratives:

Observe the reference figures in any article; turn back to the page they indicate and find there the next preceding article on the same subject; observe the reference figures in that article, and turn back as before; continue until you come to the earliest article on the subject; then retrace your course through the indicated pages, reading each article in chronological order, and you will have a continuous news narrative of the subject from its historical beginnings to date.

Week ending Wednesday, Feb. 13, 1907.

Mayor Dunne's Veto.

In vetoing on the 11th the traction settlement ordinances adopted by the Chicago City Council last week (p. 1063), Mayor Dunne submitted a lengthy message in which he set forth these objections:

In my letter addressed to Alderman Werno, chairman of the committee on local transportation, dated April 27, 1906, I stated that in dealing with the traction question "the controlling consideration must be that nothing shall be done which will impair the right of the city to acquire the street railway systems as soon as it has established its financial ability to do so." This being the controlling consideration in framing these ordinances, the right of the city to acquire the street railway properties should be fully protected in the same. This, in my judgment, has not been done. While purporting upon their face to give the city the right to acquire the traction systems of the companies at any time upon six months' notice, the ordinances fail to provide practical methods for the acquisition of the systems. The properties can only be purchased by the payment of money. The city can only secure money by the issuance of Mueller certificates. At the present time the authority of the city to issue certificates is limited to $75,000,000. After the payment of the usual brokerage fees these certificates will not net to exceed $72,000,000 in cash. The price of the present properties—tangible and intangible—as fixed in the ordinances aggregates $50,000,000. The cost of rehabilitation, it is admitted, will be from $40,000,000 to $50,000,000 and may run up to an unlimited amount, making the total cost to the city at least $90,000,000 to $100,000,000. . . . I confidently predict from what has come to my knowledge during these negotiations that a consolidation will take place in the early future and that when that consolidation does take place, it will be under the ordinance of the Chicago City Railway Company which provides that the city may not acquire the plant unless upon the payment of cash to the amount of the total cost of all the properties and the rehabilitation of the same. The city being in the position of having only $72,000,000 worth of cash on hand, as at present authorized by the Mueller certificate ordinance, it will never be in a position to acquire these plants until the City Council shall see fit to pass supplemental ordinances authorizing Mueller certificates to the aggregate of at least $100,000,000. It may be said that the City Council can pass such ordinances in the future, but from all our experience within the last two years we must know what almost insuperable obstacles will be offered to the passage of such supplemental ordinances. Although the citizens of Chicago declared for immediate municipal ownership of the traction systems of this city in the election of April, 1905, by a vote of 141,518 to 55,660, and although I was elected Mayor by a majority of nearly 25,000 on that sole issue, we all know how difficult it was, notwithstanding that tremendous popular vote, to obtain any ordinance authorizing the issuance of Mueller certificates, and that when the ordinance was finally passed, it was the result of a sudden and most remarkable change in Aldermanic sentiment as expressed in previous votes. Unless a provision is now incorporated in these ordinances, limiting the cost of rehabilitation at any time to the amount of Mueller certificates authorized to be issued, in my judgment it will be most difficult, if not impossible, judging of the future by the past, to obtain the passage of such ordinances, no matter what may be the popular sentiment upon the question. . . . It will be plainly and clearly to the interest of the traction companies in order to prolong the life of their tenure in the public streets to oppose at all times the passage of such ordinances. . . .

Nor can we hope with any confidence, under the terms of these ordinances, that a fund will be acquired out of the 55 per cent. net receipts which becomes the property of the city. The traction companies have been very loud in their protestations that the city's portion of the net receipts will aggregate $1,350,000 during the first year of the ordinances and that these profits will increase year by year. But when they were asked in committee to guarantee that such returns would come to the city by amending their ordinances so as to guarantee at least 8 per cent. of the gross receipts, they utterly refused to do so. We must, therefore, view with serious misgivings their assertions that the net receipts coming to the city will be any substantial part of the gross receipts. Before the committee on local transportation an effort was made by the city's representatives to obtain a guarantee of at least 8 per cent. of the gross receipts, but the companies refused this most reasonable proposition. Notwithstanding that refusal, you have passed these ordinances without any provision of any character for gross receipts. . . . While under the terms of these ordinances the city would be compelled to pay from $90,000,000 to $100,000,000 in cash with less than $72,000,000 available, and while there is no provision for a guarantee of a sinking fund, the city is further embarrassed by a provision in the same which permits these companies to charge 10 per cent. contractor's profit upon the cost of rehabilitation, and at the same time the ordinances permit them to make sub-contracts. Sub-contractors will not work without a contractor's profit, and presumably the sub-contractor will obtain his 10 per cent. profit, and yet after the payment of the sub-contractor with his profit the company is empowered under the ordinances to charge 10 per cent. additional, both on the cost of sub-contracts and the profit obtained therefrom. There is nothing in the ordinances to prevent the gentlemen in control of these properties from organizing construction companies and having these construction companies obtain a contract, with the approval of the board of supervising engineers, for the building of power houses, railway barns and other

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, Dailey, 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, Siewert, Blase, Larson, Herlihy, Wendling, Golombiewski, Burns, Bradley, Roberts, Fisher, Badenoch, Hunt, Bihl, Race—57.

Nays—Harding, Richert, Derpa, Zimmer, Uhlir, Beilfuss, 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