out of it. So far nothing has come out of the pocket of the rate payer to make good the loss, the deficit of last year being carried forward as a charge upon the system for the present year. Presumably the adverse balance of this year will be treated the same way, and the course followed so long as the financial integrity of the enterprise is not imperiled. It is worth noting that were we obliged to make up at once the deficit for the current year this could be done without taking money from the general funds, by appropriating the surpluses from the other three enterprises owned by the city. There may be objection to taking money from one enterprise to help out another, but it is theoretical rather than of practical consequence. It certainly is much less objectionable than appropriating the earnings of a public service system to defray current expenses which should be met by the revenue from the taxes. So long, as at present, the loss on one of our enterprises is counterbalanced by gains on the others, the whole group, taken as a group, will be self-sustaining. That is to say, the aggregate capital put into these concerns is earning the interest payable on itself, meeting the sinking funds necessary for its repayment and the costs of operating the systems. And by its employment in this way we have good telephone, electric light and water services, and a fairly extensive street railway service; all of them at reasonable charges and free from the unsatisfactory features frequently found in such services when privately owned; and we are holding as public property four franchises, each growing in value every year, and each bound to be worth a large amount of money in a few years. Municipal ownership as a civic policy is fully justified by its results in Edmonton.

✣ ✣ ✣

## THE CHICAGO SCHOOL LAND LEASES.

By their decision in the case of the Chicago Tribune's amended school-land lease (pp. 220, 232, 677, 885), the Supreme Court of Illinois have put upon that extraordinary document the stamp of legality. It is unassailably legal now, no matter how profitable it may be to the Tribune, no matter how detrimental to the public schools of Chicago.

And so of all the other school-land leases similarly amended—those of the Daily News, of John M. Smyth, of Hanna & Hogg, and the rest.

✣

The incontrovertible and undisputed facts regarding the Tribune case are these, as anyone may assure himself by reading the opinion of the Court:

The Chicago school board was, as it still is, the trustee of the school lands of Chicago.

As such trustee it was the custodian in 1895 of all public rights under a ground lease to the Tribune having 90 years yet to run—until 1985.

By the terms of the lease the Tribune was the tenant under the school board (as trustee), of the three lots of school land on the east side of Dearborn street nearest the south corner of Madison, one of them being the corner lot with a depth of 120 feet on Madison street.

The rentals were to be readjusted every ten years by appraisements definitely provided for in the lease, and the year 1895 was one of these readjustment periods.

The readjustment of 1895 was duly made, pursuant to the terms of the lease, and the rentals were thereby fixed for the next ten years in so far as the then existing terms of the lease were concerned.

The amount so fixed for those three lots for those ten years was $30,000.

The next year for readjustment as provided by the lease was 1905, when a reappraisement would have increased the rental of $30,000, or diminished it, according to circumstances.

Immediately after that rental had been so fixed, the school board (as trustee) modified the lease by striking out the readjustment clause.

The only consideration for that modification was an agreement by the Tribune to pay the appraised annual rental of $30,000 for the ten years ending in 1905—a period that had but just begun, and a sum it was already legally bound to pay,—and $31,500 annually for the remaining 80 years of the term.

One of the school board members who was active in securing that alteration of the lease, was habitually employed by the Tribune in its libel litigations, and had been for a number of years.

At different periods thereafter, ranging from two years and a half to four years and a half, the Tribune acquired from other school-land tenants school-board leases to three adjoining lots on Dearborn street, also expiring in 1985.

Following the precedent of the school board of 1895, the school boards of 1897 and 1899 canceled the decennial reappraisement clauses in those other leases after the Tribune acquired them, the rental consideration being about the same, proportionately, as for the alteration of the original Tribune lease; but a requirement was then made that a modern building be erected, and this has been done.

The building requirement had been distinctly rejected when the lease to the first three lots was altered.

In 1895, when the original Tribune lease was altered as stated above, a universal business depression existed. Chicago land values were consequently low, as were land values everywhere. When the Tribune began building, land values had begun to rise again. The present rental value of the Tribune lots, tested by neighboring sites, is very much higher than in 1895, and all indications point to an immensely higher value long before the leases expire. [The statements in this paragraph may not appear definitely in the Court's opinion; but they were proved beyond dispute in the case, and in part they are in that realm of common knowledge of which judges take the same conclusive notice that all other intelligent men do.]

Concurrently with the alteration of the Tribune's lease in 1895, similar leases were similarly altered by the school board (as trustee), and in those cases

**no building requirements were made, either in the original or any subsequently acquired leases. Nor have improved buildings been erected, except in some instances, by third parties, who at heavy premiums bought leases altered as described above. The rentals thus relinquished by the old school-board's alterations of school land leases have made the altered leases of enormous value. Except for the absence of a building requirement, and the fact that an appraisement for 1895-1905 had not yet been made, and the further fact that these lessees were probably without any member of the school board whom they habitually employed in other affairs, the circumstances of the alteration of their leases do not differ from those of the alteration of the Tribune's. [The statements in this paragraph do not appear in the opinion of the Supreme Court in the Tribune case. We make them in order to complete the story of a legally closed controversy, and to indicate the effect of the Supreme Court's decision in the Tribune's case as a decisive precedent in favor of all school-board tenants similarly situated.]**

✤

Upon the basis of the facts outlined above regarding the Chicago Tribune, the Supreme Court of Illinois has now decided that the action of the school board in amending the Tribune's lease is binding upon the people.

A decision of the same court many years earlier created a precedent which, for $40,000, has diverted from school purposes to land owners the "unearned increment," through 70 years past, of nearly one square mile of school lands in the heart of Chicago—worth scores of millions now. The decision of last week makes a precedent under which the "unearned increment," through 75 years to come, of the remainder of that square mile of school land will be diverted from school purposes to lease owners.

Such is now the law.

Having been so decided by the highest tribunal, all citizens will acquiesce in it for the present. What the future may bring forth with reference to the appropriation by individual interests of the values of social growth, remains for determination by other departments of popular government.

Meanwhile, the Tribune is excusably joyful in an editorial way over its victory. So was Lee O'Neil Brown over his. And the Tribune has good right to be joyful, for as the matter turns out the law of the case is with it.

✤

But the Tribune makes too much of this decision of the Supreme Court as a certificate of character.

All the Court *decided*, or could decide, was the law of the case.

It might, with conventional propriety (for judges often do it), and quite pardonably (for judges like other men are somewhat lower than the angels), have gone out of its way to say nice things about the Tribune's high sense of morals and corporate honor, and its civic patriotism in the matter. This could have done no harm, the case being first decided; and it might have been prudent, for the Tribune is a powerful paper, which can make and unmake judges of the Supreme Court of Illinois as easily as it can make and unmake school-board leases. But with a restraint which under the circumstances borders upon the angelic, the Supreme Court seems to have done no more than coldly, dispassionately, impersonally to decide the Tribune case in favor of the Tribune according to the law as its judges unanimously understand the law of the case to be.

✤

It is to be regretted, of course, that the "Dunne school board," which instituted this losing law suit, should have been as "ignorant" a lot as the Tribune adjudges them to be. But such is life! And Governor Altgeld also was ignorant, for he called attention officially at its inception to the Tribune's altered lease, which he regarded as at best a manifestly improvident bargain by public trustees. Judge Tuley, too, was ignorant, for he, unofficially but frequently, criticized the transaction as of very doubtful validity.

But the Tribune should be somewhat grateful instead of vituperative. For if the "Dunne board" had not been so profoundly ignorant, they might not have brought the suit; and in that event the Tribune's profitable bargain with the Board of Education would have continued to rest under suspicions of being illegal as well as profitable. That imputaton is now removed.

No matter how profitable the bargain may be to the Tribune, and other school-land lessees, no matter how prejudicial to public school interests, and quite regardless of all mere moral and civic considerations, the Tribune is at least acquitted of illegality.

✤ ✤ ✤

**If our intellectual part is common, the reason also, in respect of which we are rational beings, is common; if this is so, common also is the reason which commands us what to do, and what not to do; if this is so, there is a common law also; if this is so, we are fellow-citizens; if this is so, we are members of some political community; if this is so, the world is in a manner a state. For of what other common political community will any one say that the whole human race are members?—Marcus Aurelius Antoninus.**