

has slightly decreased, so that it is below this 60 per cent, and the acquisition of the property in question will not raise it above 60 per cent. But they feel that it is immensely to their interest, as to the interest of every responsible business man, to try to prevent a panic and general industrial smash-up at this time, and that they are willing to go into this transaction, which they would not otherwise go into, because it seems the opinion of those best fitted to express judgment in New York that it will be an important factor in preventing a break that might be ruinous, and that this has been urged upon them by the combination of the most responsible bankers in New York who are now thus engaged in endeavoring to save the situation. But, they asserted, they did not wish to do this if I stated that it ought not to be done. I answered that, while, of course, I could not advise them to take the action proposed, I felt it no public duty of mine to interpose any objection.

The President then proceeds with his message, saying:

After sending this letter I was advised orally by the Attorney General that in his opinion no sufficient ground existed for legal proceedings against the Steel Corporation and that the situation had been in no way changed by its acquisition of the Tennessee Coal and Iron Company. I have thus given to the Senate all the information in the possession of the Executive departments which appear to be material or relevant on the subject of the resolution. I feel bound, however, to add that I have instructed the Attorney General not to respond to that portion of the resolution which calls for a statement of his reasons for nonaction. I have done so because I do not conceive it to be within the authority of the Senate to give directions of this character to the head of an Executive department, or to demand from him reasons for his action.

Senator Culberson met the President's message on the following day, the 7th, with a resolution asking the judiciary committee of the Senate for an opinion as to whether the President had the right to countenance the absorption of the Tennessee Coal and Iron Company by the Steel Corporation. He supported the resolution with a burning criticism, in the course of which he said:

I don't care whether the President sat quiet, or whether he delicately or strenuously intimated to the Attorney General to let the transfer be made without objection from the Department of Justice. The law was violated just the same.

A motion to table this resolution was defeated on the 8th by 47 to 16—the Senators in the majority being Republicans 25, and Democrats 22. The resolution was then adopted.

#### The Cleveland Traction Situation.

Nothing definite and important has occurred in connection with the Cleveland traction situation (vol. xi, p. 920) since our last report, except the

proceedings for election of directors of the Cleveland Railway Company (the leasing company), which is to take place at Cleveland on Wednesday, January 27 next, at 3 in the afternoon.

The first step of a public nature in this connection was taken several days ago by persons interested in opposition to Mayor Johnson's plans for street car service. They sent blank proxies to the stockholders, asking the appointment of J. H. Wade or Horace Andrews (the latter having been president of the old monopoly company) to vote stock at the coming meeting. Supporters of Mayor Johnson's plans are now asking that any such proxies be revoked, and to that end are sending out blank revocations.

These associates of Mayor Johnson, in trying to establish a low fare non-monopoly system, are also requesting, by circular signed by Fred C. Alber, 1609 Holmden Ave., S. W., Cleveland, that stockholders in sympathy with them send proxies to D. C. Westenhaver, or Thomas P. Schmidt, or Fred C. Alber, at the latter's address noted above. Following is the explanatory part of their circular:

The authorities of the City of Cleveland, and The Municipal Traction Company, have continuously been endeavoring to place the stock of The Cleveland Railway Company upon a fixed and assured basis, with six per cent interest regularly paid, and all speculative dangers removed from the stock. A majority of those in control of The Cleveland Railway Company have persistently pursued a policy of antagonism to this plan. At the annual meeting of the stockholders above referred to, this and other questions vitally affecting the value of your stock, will be considered and acted upon. The attorney for The Municipal Traction Company, Mr. D. C. Westenhaver, or Mr. Thomas P. Schmidt, or Fred C. Alber, named in the proxy, have consented to act as proxy for such stockholders as cannot personally be present, and who desire any one of them to act. Your stock will be voted on all such questions in the interest of a just and equitable treatment of the same, and particularly to give the stock a stable value, and to assure prompt payment of six per cent dividends upon it.

All three of the men named—Westenhaver, Schmidt and Alber—have been prominently associated with Mayor Johnson from the beginning of his movement for low street car fares and municipal ownership.

#### Chicago Tax-Dodging Proceedings.

Judge Windes granted a mandamus in the 11th against the Chicago Board of Review in proceedings instituted by the Illinois Tax Reform Association (vol. x, p. 372) through Maxwell Edgar, Henry M. Ashton and David K. Tone as its attor-