

tem. Unless deterred by the force of public opinion, politicians will defeat the accomplishment of this great reform at this session of the legislature. The extension of the county civil service law has for years been favored by the public, but has been prevented by the leaders of the Republican party in Cook county, for the reason that their power might be curtailed by loss of patronage.

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The Business Man.

When men are favored for public office because they have shown ability in the management of their own business, the fact should not be overlooked that private administration is radically different from public administration. Administration of private affairs is for the purpose of making the administrator rich; but this is precisely what the administration of public affairs is not. To argue that a business man would make a successful public official because he has been a successful private money-getter, is to pay him a somewhat ambiguous compliment.

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Characteristic Falsifications.

As specimen falsifications by the Chicago daily papers, the following may be worth consideration. On the 18th the Record-Herald published this false statement regarding the editor of The Public:

Twenty thousand copies of The Public, the weekly of School Trustee Louis F. Post, were delivered yesterday to Democratic headquarters. The number has articles on "Tom L. Johnson's Traction Triumph" and "A Fair Account of Two Years of Faithful Public Service," referring to Mayor Dunne's administration. It is said the county committee is to pay \$2,000 for the copies. The regular price of the paper is 5 cents a copy, the advance to the committee being 100 per cent.

On the same day the Chronicle put forth the same falsehood in this form:

Although the Democratic campaign managers have been loud in their complaints that they are being hampered by lack of funds, they have found a sufficient amount of money to liberally reward Louis F. Post . . . who . . . delivered 20,000 copies of the January issue of the magazine [The Public] to the Democratic headquarters. . . . "Very nice of Mr. Post to show his appreciation for Mayor Dunne by sending us these books," exclaimed the members of the committee. "They will make fine campaign literature." But their enthusiasm was short-lived. The bill for the magazines followed close on the books. Its arrival caused a gasp of astonishment. It was referred to the Dunne finance committee and paid. The amount was \$2,000 for 20,000 copies. The retail price of the magazine is 5 cents a copy.

Inquiry proved that no information excusing these false statements was given out by the Dem-

ocratic committee. The statements had been manufactured by the newspapers in question for the malicious purpose of charging graft. Their falsity is shown by the following affidavit of James G. Parsons, manager of The Public Publishing Company:

The published statement that \$2,000 were paid to Louis F. Post for copies of The Public delivered to the Democratic campaign committee is entirely false. No money whatever was paid to Mr. Post. Mr. Post is the editor of The Public, and has nothing whatever to do with its business affairs, which are looked after by The Public Publishing Company through its manager. It would not make any difference to Mr. Post whether 1,000 or 100,000 copies of any issue were sold. The issue of The Public referred to in the newspaper reports is the one published on January 19th last. It contains a comprehensive review of what has been accomplished by Mayor Dunne, written by Mr. Post. Because of the review a certain Chicago citizen, a man in private life and without any official connection with the administration or the campaign committee, bought from The Public Publishing Company, during the month of January last, 50,000 copies of this issue of January 19th. The price paid for these copies was, in consideration of the large quantity purchased, considerably less than the Company's regular price for The Public in quantity, \$20.00 per 1,000, at which price extra copies of The Public in quantity are constantly being sold. These 50,000 extra copies were not printed until after the order was received, and some time after the review by Mr. Post had been written and published. Thirty thousand of these extra copies were distributed among the people through various channels, and the remaining 20,000 presented, by the man who had bought them, to the Democratic campaign committee last week. No bill whatever was rendered to the campaign committee by The Public Publishing Company or by Mr. Post, or any money received from the committee by either.

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"THE DUNNE SCHOOL BOARD."

I. Introductory.

When the appointees of Mayor Dunne to the school board of Chicago came into office in sufficient number to constitute a majority (pp. 347, 939), certain newspapers began, and they still continue, a systematic campaign of abuse and misrepresentation against what they call "the Dunne school board."

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It is not difficult to guess the motive for this mendacity.

Gifts of great and growing value to the Chicago Tribune, the Daily News (of which the Record-Herald is the morning edition), and certain business firms of influence, had been made by previous boards, whereby the school fund is and for nearly a century may be annually plundered.

This was done by so altering the 100-year leases of school lands, with their provisions for ten-year readjustments of ground rentals, as to place the remaining 90 years of the term on a flat basis with no periodical alteration of ground rentals (page 939). The "trick was turned" by striking out the clause for ten-year readjustments of ground rentals, and fixing the rentals for the whole long term at an exceedingly low rate even for the decade in which they were made.

Fearing that "the Dunne board" would try to stop this plundering of the schools, the beneficiaries of these fraudulent lease-alterations began their crusade of mendacity. Their motive doubtless was to discredit "the Dunne board" in advance of its anticipated attack upon their profitable graft.

Disregarding, however, the motive for this newspaper conspiracy against "the Dunne board," we purpose setting forth briefly the essential facts to which the misrepresentations of the conspirators relate.

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In an editorial on the 15th of March, the Chicago Tribune concisely summed up the antecedent misrepresentations. We quote this summing-up, for the purpose of defining the issue of fact. Alluding to "the Dunne board," the Tribune said: "Its action has been expended in labored attempts to destroy an excellent educational system, and in a determined effort to spend all the money, and more, that could be got out of the tax payers." Here, then, are two distinct accusations. First, that "the Dunne board" has attempted to injure the school system on its educational side; and, second, that it has been extravagant on the financial side.

II. Educational Management.

The imputation that "the Dunne board" has attempted to injure the Chicago school system on its educational side, is without better basis than the falsifications that have for the past eight months characterized local newspaper reports of the proceedings of the Board of Education. By reference to the official records of the Board, it may be clearly seen that "the Dunne board," so far from having injured the educational system, has saved it from injury and is promoting its efficiency.

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"The Dunne board" found in operation in the school system a secret marking method for checking off the relative efficiency of teachers.

This method, which was unfair to the teachers

and futile for its ostensible purpose, had fostered favoritism and suspicion and generated demoralization in the teaching force.

"The Dunne board" therefore abolished it.

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A salary-promotional method was also found in operation in the system by "the Dunne board."

This method was in use for no other real purpose than to regulate increases of salary, although its ostensible purpose was to distinguish progressive from non-progressive teachers, the superior from the inferior.

Upon investigation, it proved to have operated with absurd unfairness. The records showed that the teachers who had been advanced in salary by this method were doing the same work as those of equal experience who had not been advanced in salary, and that they were doing it no better.

A failure for its ostensible purpose, and a cause for just indignation and discontent among the teachers, it was manifestly detrimental to the service.

"The Dunne board" therefore abolished it.

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"The Dunne board" discovered that the educational system was so organized as to make intelligent co-operation between the teaching force and the Board of Education impossible. Though charged by law with responsibility for the educational work, the Board was unable in any reasonable or satisfactory way to secure a consensus of opinion on educational problems from the teachers, that great body of its employees who come directly in contact with the children to be educated. Excepting a few favorites, they were treated as underlings whose sole duty is to obey orders and say nothing.

"The Dunne board" has therefore proceeded to organize the whole teaching force into a simple, democratic, and elastic parliamentary body for advisory purposes. To this end it has referred to the teachers and principals themselves the work of formulating details of organization. As a result, the entire teaching force is now profoundly interested in the maintenance at a high level of efficiency of a school system in which, until the advent of "the Dunne board," their proffers of co-operation had been superciliously discouraged as impertinent.

The general character of organization which "the Dunne board" is promoting is in harmony with the recommendations of such distinguished educators as Dr. Dewey of Columbia University and President Eliot of Harvard; and as this re-

form is of interest wherever public schools are maintained, we quote the hitherto unpublished committee report, known as "The de Bey Report," on the basis of which "the Dunne board" is proceeding:

I. Your Committee finds that under existing conditions the Board of Education and the teaching body are as widely separated for consultative and freely co-operative purposes as if they had no educational interests or duties in common. For the teachers are inarticulate as a body, and the Board, compelled to act without their direct advice, is forced into the position of governing by mere might of its legal authority and often in ignorance of matters regarding which the teachers would be its best advisers. This is manifestly detrimental. It tends especially to lessen the effectiveness of the teachers in their school work, by destroying in them that spirit of co-operation which is vital to a homogeneous school system.

II. Even if it were true that all goodness and wisdom in affairs educational dwell with the school authorities, the fact remains that in the end their decrees must be executed by the teachers. It is the teaching body, after all, and not boards, committees, or superintendents, that must be depended upon to give vitality to public school education. Their cordial co-operation is therefore essential.

And inasmuch as teachers are the personal guardians and guides of the children they teach, and come into more intimate relations with these wards of the public school than anyone else in the system, their hearty and intelligent co-operation in promoting the educational policies of the Board is not to be secured by methods of management which are or seem to them to be despotic.

In the opinion of your Committee the teaching force must be organically recognized by the Board. Their cordial acquiescence in the wisdom, justice and sincerity of the policies they are called upon to promote must be secured, or their work will fall short of the highest possibilities. In the nature of things this acquiescence cannot be secured either by preventing discussion or by ignoring recommendations. To prevent discussion irritates; to ignore the results of discussion is disheartening. The important thing is, not that the recommendations of the teachers shall be adopted by the Board regardless of their merits, but that they shall be considered in good faith upon their merits.

III. One of the most important steps, therefore, which in the opinion of your Committee the Board ought to take, is the organization of the teachers into an official consultative and advisory body.

There is no implication here, nor have we learned satisfactorily of any demand from any source, that the teaching body should govern the Superintendent or the Board, or in any manner dictate to either. What is in principle proposed is, (1) that the responsibility of legislative authority and final control should be reposed in the Board, (2) that the responsibility of administrative authority and advisory direction should be reposed in the Superintendent, and (3) that advisory authority and responsibility on educational subjects and the relation of the teaching body to the school system, should be vested in

the teaching body. And the teaching body in its advisory capacity, should it be thus organized, should have the fullest parliamentary freedom of expression. The common sense of the teachers would indicate to them the proper limitations of subject-matter for their discussion.

IV. The value of such an organization is obvious. The lack of it is a manifest detriment to the school system in many ways.

We regard an authoritative organization of the teachers for consultative and advisory purposes with reference to pedagogical subjects and their own relation to the school system, as an immediate necessity for the best interests of the public school children.

V. This idea of an official organization of the teaching force for advisory purposes has had the approval of some of the most distinguished educators of the United States; not only such as are accounted radical, but also such as are accounted conservative.

VI. Among the educators who have approved it are found the names of Charles W. Elliot, President of Harvard University; Nicholas Murray Butler, President of Columbia University; Dr. Albert Bushnell Hart, and Dr. John Dewey. [Here follow extended quotations from these educators]. Against these pronounced opinions in favor of organizing the teaching force as an official advisory body, your Committee finds no well considered objections, and we are at a loss to understand how any rational objection is possible. To us it seems that it is of the utmost importance that the teaching body, which is so much more intimately related to the work of educating the public school children than any other department of the public school system, should be placed upon a dignified, independent and responsible basis as one of the advisory departments of that system. An inarticulate teaching body cannot, in our judgment, attain its full measure of efficiency, nor can the school system in which it is employed achieve the best educational results.

VII. Your Committee therefore recommends the adoption of the following resolution:

Whereas, The full power and responsibility for legislative, judicial and executive action within the school system, now reposed by law in the Board of Education, should be intelligently and faithfully maintained, and no part thereof should be surrendered to any employe or employees of the Board; and,

Whereas, The Superintendent ought to have full power and responsibility for executive administration on the educational side, as the employe of the Board, together with advisory power and responsibility relative to all its legislative, executive and judicial functions; and,

Whereas, The teaching force ought to be so organized officially as to invest it with advisory power and responsibility relative to executive, judicial and legislative action, whether upon its own initiative or in response to requests from the Superintendent or the Board; and,

Whereas, A realization of these principles in practice is necessary to secure the best service from the Superintendent and the teaching force, and to enable the Board to perform its functions in the most intelligent and effective manner; and,

Whereas, The Superintendent's assistance and advice are already available to the Board at all times, but the necessary organization of the teaching body remains yet to be effected;

Therefore, to the end that the advice of the teachers as well as that of the Superintendent may be available, and that complete and cordial co-operation of the Board, the Superintendent and the teaching body may be thereby established,

Resolved, That "The Educational Councils" of the Chicago public schools be, and they hereby are, invited to submit to the Board of Education a revised constitution for the purpose of placing the teaching body of the Chicago public school system into direct advisory relations with the Board.

Resolved, That it is the sense of the Board of Education that the basic principles of such revision should be along the following lines:

1. All teachers and principals in actual service should be ipso facto members of the Council of their respective schools;

2. District Councils and the Central Council should be formed by representation from the respective School Councils;

3. Provision should be made for advisory or other co-operation with the Councils in their deliberations, of the Superintendent and other officials on the educational side, analogous to that which exists between the Superintendent and the Board;

4. Provision should be made for separate expression of opinion and action when desired, on the part of the high school councils, of elementary school councils, of principals, of specialty instructors, and of the grade teachers and high school teachers, as distinct departments of or bodies within the Councils;

5. Rules of order should be adopted for convenient and appropriate consideration and action by the councils upon any question for the purpose of advising the Board, whether at the request of the Board or upon their own initiative; and,

6. That any other group, or groups of teachers, or principals, be and they are hereby invited to submit a plan of organization of the entire teaching body of the Chicago public schools.

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The foregoing are the only changes that "the Dunne board" has made or is making in the educational system of Chicago.

III. Financial Management.

The imputation that "the Dunne board" has been extravagant is altogether unfounded.

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"The Dunne board" has managed the finances of the school system since July 1, 1906. It, therefore, is responsible for the latter six months of the fiscal year ending December 31, 1906, during which period the fund at its disposal was the remainder of the budget prepared by the previous Board.

Among the items of that budget was the sum of \$242,735.42 which the previous Board had treated,

and transmitted to "the Dunne board," as available cash. But "the Dunne board" was unable to treat this item as cash, for it consisted of ground rents litigated by the State street stores. "The Dunne board" has withdrawn it from the items of available cash and treats it, as it should have been treated by the previous Board, as a contingent asset. If that item, charged by the previous Board to "the Dunne board" as available cash, had in fact been available cash, instead of being withheld by the State street stores, "the Dunne board" would have closed its fiscal year with a surplus, although every previous Board since 1900 closed with a deficit.

The financial condition under "the Dunne board" at the close of the fiscal year, December 31, 1906, is shown by the following table:

Cash on hand	\$ 21,692.21
Rents withheld by the State street stores and charged by the previous board to "the Dunne board" as available cash	242,735.42
Assets	\$264,327.63
Unpaid bills	222,726.26
Surplus	\$ 41,601.88

This result was accomplished in spite of the fact that the Board of Education had received the benefit of a smaller tax levy in "the Dunne board" year than in the previous year.

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So far from having been extravagant, "the Dunne board" has, in consequence of the inadequate fund at its disposal, been forced into a parsimonious economy. Its funds, inadequate at the best, have been exhausted in meeting obligations transmitted to it by its predecessors.

Of the two categories of expenditure—cost of school sites and buildings, and cost of educational work,—the latter includes everything not included in the former. And it is an item the amount of which cannot be much lessened without disaster. Indeed, it automatically increases with increase of population. Officials, principals, teachers, apparatus, official accommodations, furniture, repairs—and so on, all of which must be paid for out of the educational fund,—impose a fixed minimum of expense far up in the millions. Inheriting these obligations from its predecessors, "the Dunne board" could not have diminished them had it wished to.

Nor ought they to be diminished. The educational expenditure, at present altogether too low for efficiency, ought to be very greatly increased.

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But "the Dunne board" has not had the money with which to increase it; and that no increase

has been made may be seen from the accompanying table of expenditures for educational account.

Beginning with the fiscal year ending December 31, 1900, under a "business board" (as the newspapers call the predecessors of "the Dunne board"), and concluding with the fiscal year ending December 31, 1906, under "the Dunne board," the expenditures for educational account have been as follows:

1900	"Business board"	.....	\$6,281,564
1901	"	"	7,196,789
1902	"	"	6,379,787
1903	"	"	6,952,551
1904	"	"	7,287,622
1905	"	"	7,435,294
1906	{ "Dunne board" Jan. 1 to June 30	{ ..	7,425,268
		July 1 to Dec. 31	

So the expenditures for the fiscal year in which "the Dunne board" first appears were \$10,026 less than under the preceding "business board," this being the difference between \$7,435,294, (the expenditure for the last fiscal year of the "business board") and \$7,425,268 (the expenditure for the first fiscal year of "the Dunne board"). Instead, therefore, of having been extravagant in expenditures for educational account, "the Dunne board" has been extremely economical.

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In the other category, namely, expenditures for school sites and school buildings, "the Dunne board" has neither expended, nor incurred obligations to expend, a single dollar upon its own initiative. Its expenditures have all resulted from transactions initiated but not executed by its predecessors.

This has been unfortunate, for the Chicago school system is sadly in need of still more school accommodations.

Children are crowded to the number of 50 and 60 in their school rooms, although, as the Superintendent advises, there ought to be no more than 30 to a room. In order, however, to reduce the number only to 40, nearly \$10,000,000 more would be required for buildings and sites and nearly \$1,000,000 more a year for educational account. Clearly, the aggregate expenditures for buildings and sites ought to be vastly increased.

But "the Dunne board" has been unable to take the initiative in making this much needed increase, because its funds have been exhausted in paying for buildings and sites that had been voted for by its predecessors but left by them for "the Dunne board" to construct and pay for.

Even the buildings and sites that "the Dunne board" has ordered, doing so in accordance with prior action by its predecessors, have cost less than \$1,000,000, while its expenditures for buildings

and sites exceed \$4,000,000. Some \$3,000,000, therefore, of "the Dunne board's" expenditures for buildings and sites was in consequence not only of initial action by its predecessors but also of their decisive orders.

IV. Suggestive Comparisons.

Suggestive comparisons of the work of "the Dunne board" with that of its predecessors may be made upon the basis of the following table, which is compiled from the official records:

Year ending June 30.	School Board.	Buildings Ordered.	Building Contracts Made.	Buildings Paid For.	Sites Ordered.	Sites Paid For.	Total Payments for Buildings and Sites.
1901	"Business"	\$2,157,500	\$1,340,459	\$833,667	\$365,898	\$206,878	\$1,040,545
1902	"	2,140,500	1,483,011	1,290,148	152,573	289,038	1,579,186
1903	"	890,500	1,517,575	1,749,254	241,354	264,587	2,013,841
1904	"	3,000,000	1,656,466	1,710,829	727,146	256,118	1,966,747
1905	"	3,511,900	1,687,267	1,836,235	959,129	397,789	2,234,024
1906	"	3,456,000	2,366,611	2,495,575	811,512	846,674	3,342,240
1907	Dunne	230,000	2,206,793	*1,863,000 †1,000,000	747,593	*554,976 †750,000	4,167,970

* Paid.

† To be paid.

This table does indeed show that "the Dunne board" has paid or is to pay for buildings and sites for the year ending June 30, 1907, the sum of \$4,167,976—a larger sum by nearly \$1,000,000 than the corresponding payment of its immediate predecessor.

But the table also shows, and this is the real point on the question of extravagance, that "the Dunne board" has ordered only \$230,000 worth of buildings and \$747,593 of sites, or a total of only \$977,593, whereas its immediate predecessor ordered \$3,456,000 worth of buildings and \$811,512 of sites, or a total of \$4,267,512. The orders of this "business board," therefore, were \$3,289,919 more than the corresponding orders of "the Dunne board."

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On the point of building contracts actually made, "the Dunne board" is chargeable with only \$2,206,793 as against \$2,366,611 by its immediate predecessor.

When it is considered that everyone of these building contracts is based upon orders voted or necessitated by predecessors of "the Dunne board," that every site was ordered or necessitated by predecessors of "the Dunne board," and consequently that every dollar of the \$4,167,976 chargeable to

"the Dunne board" as payment for buildings and sites was transmitted to it as an obligation by its predecessors—when these facts are considered, the impudence of the attempt to convict "the Dunne board" of financial extravagance assumes monumental proportions.

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A rather curious situation is disclosed by the foregoing table, with reference to the ordering of buildings and sites.

On the 30th of June, 1903, the end of the first term as president of Mr. Clayton Mark, the building sites account was virtually balanced (so far as this table discloses the situation), the item of "sites ordered" aggregating for the three years down to that date the sum of \$759,825, and the item of "sites paid for" aggregating \$760,503.

This excess was increased at the end of the fiscal year 1905, the close of Mr. Mark's second administration, to \$1,031,690.

It was somewhat reduced during Mr. Tilden's administration ending June 30, 1906.

But the excess of "sites ordered" over "sites paid for," upon the coming into the presidency of Mr. Emil W. Ritter (Dunne appointee), at the beginning of the present school year, amounted to \$896,528.

Mr. Ritter's administration reduces this excess of \$896,528 to \$239,145.

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A similarly curious situation discloses itself, upon examination of the same table, with reference to the items of "buildings ordered" and "buildings paid for."

At the close of the school year ending June 30, 1901, (the first of the Harris administration), the item of "buildings ordered" showed an excess for that year of \$1,323,833 over "buildings paid for."

This excess was increased in 1902, also a Harris administration, to \$2,174,185.

It was reduced in 1903, under the first Mark administration, to \$1,315,431.

But it was again increased in 1904, under the Harris administration, to \$2,605,802.

In 1905, the second Mark administration had increased this excess of "buildings ordered" over "buildings paid for" to \$4,280,467; and in 1906 the Tilden administration had run it up to \$5,240,992.

The Ritter (Dunne) administration reduced this excess of \$5,240,992 to \$2,607,892.

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A comparison of the column of "building contracts made" with that of "buildings paid for,"

shows a transfer by "the Dunne board" of the excess from the former column to the latter.

At the close of the school year ending June 30, 1901, (the first of the Harris administration), the item of "building contracts made" showed an excess for that year over the item of "buildings paid for," of \$506,792.

This excess was increased in 1902, also a Harris administration, to \$699,645.

It was reduced in 1903, under the first Mark administration, to \$467,966.

And in 1904 it was further reduced, under the Harris administration, to \$413,793.

In 1905, the second Mark administration reduced the excess to \$264,825; and in 1906 the Tilden administration further reduced it to \$135,861.

Consequently, upon the coming in of "the Dunne board," under Ritter's administration, the excess of "building contracts made" over "buildings paid for," was \$135,861. This excess is entirely paid off by "the Dunne board."

And in addition to completely wiping out the excess of "building contracts made" over "buildings paid for," as disclosed by the table of accumulations since 1901, "the Dunne board" pays \$344,000 for building contracts accumulated during the period preceding the year 1901 and not accounted for in the table from 1901 to 1907.

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Following is a tabulation of the foregoing comparisons:

Year Ending June 30.	Board.	Excess of "Sites Ordered" over "Sites Paid For."	Excess of Buildings Ordered over Buildings Paid for.	Total Excess of Orders over Payments.	Excess of "Building Contracts Made" over "Buildings Paid for."
1901	"Business"	.....	\$1,323,833	.....	\$ 506,792
1902	"	.....	2,174,185	.....	699,645
1903	"	.....	1,315,431	.....	467,966
1904	"	\$ 470,350	2,605,802	\$3,076,152	413,793
1905	"	1,031,690	4,280,467	5,312,157	264,825
1906	"	896,528	5,240,992	6,137,620	135,861
1907	"Dunne"	239,145	2,607,892	2,847,037	*000,000

* In addition to wiping out the excess accumulated since 1901, as shown in the first table, "the Dunne Board" has paid \$344,000 on account of the accumulations that would be shown by tabulations from an earlier year than 1901.

The foregoing comparisons are not made for the purpose of criticising previous Boards for extravagance. Since the sites and the buildings that they ordered were necessary, no blame rests upon those Boards for ordering them.

The blame that does rest there is for their thrusting the financial burden of their accumulated orders upon "the Dunne board," instead of demanding of the fiscal authorities the necessary funds for meeting their own outlay.

Even this blame would be greatly diminished if they and their political and financial friends were not now utilizing the fact of the large expenditures that they forced upon "the Dunne board," as a pretense for falsely accusing the latter of extravagance.

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The question of extravagance has, moreover, another aspect than that of large expenditure. It involves the question of what is realized from the expenditure. On this score "the Dunne board" has a record of which its members may well be proud, and previous Boards may be pardoned for evading comparison with it.

The sites and buildings which previous Boards ordered without providing for paying for them, "the Dunne board" has paid for as far as its meager financial allowance would permit; and it has so judiciously managed the task of purchase and construction as to augment school accommodations to a greater degree and with more economy than its predecessors. In its brief period of control in the Board of Education it has completed 15 new school buildings with accommodations for 8,850 additional pupils. By the end of its first school year, June 30, 1907, it will have completed 13 more buildings, with accommodations for 12,450 more pupils.

V. Conclusion.

In the face of these incontestable facts from the official records, offensive criticisms of "the Dunne board" must be accompanied with convincing counter statements or they cannot affect fair and honest minds.

If the educational system has been injured by "the Dunne board," how has it been injured?

If "the Dunne board" has been extravagant, how has it been extravagant?

Newspaper abuse can not serve as a substitute for the facts. Newspaper malice can not masquerade as public spirit. Malignant generalizations for corrupt political effect cannot refute these truthful specifications.

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"Well, how are you getting on?"

"Don't ask me. Just as badly as next year."

"Next year?"

"Certainly. Nowadays every year is worse than the last, and things can't be worse with me next year than they are now."—Shutok (Russia).

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, March 20, 1907.

The Financial Cyclone in Wall Street.

What is described by the dispatches as the worst slump in stocks for many years, occurred in Wall street on the 13th. The shrinkage in the values of paper titles is estimated at \$300,000,000.

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The trouble is reported to have originated in Berlin with an apparently reasonless rush to sell American securities. It spread to London and then to New York. In London, British consols, "the world's premier security," sold lower than at any time since 1866, the price falling to 84%. The Bank of Amsterdam raised its rate to 6 per cent. to prevent gold shipments. The cyclone is located in Wall street, however, because the decline in securities was greatest there.

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On the 14th President Roosevelt came to the aid of the street, through Secretary Cortelyou. Mr. Cortelyou issued a statement in the afternoon, in which he said:

The Secretary of the Treasury has this day announced that any bank that increased its circulation under the terms of the Department announcement of October 22, 1906, and was required thereby to retire the same during the months of March and August, may retain said additional circulation upon due notification to the Comptroller of the Currency of its desire so to do, without change as to security for public deposits until further notice. But those banks desiring to retire their additional circulation obtained in this way will be required to withdraw the State, municipal and railroad bonds now lodged with the Treasurer of the United States as security for public deposits and substitute the bonds released by reason of the retirement of their additional circulation. The amendment to section 5153 of the Revised Statutes by the Act approved March 4, 1907, eliminated the words "except receipts from customs," and the Secretary of the Treasury is now instructing collectors of customs, at places where it is found to be desirable, to deposit their receipts with national bank depositaries already established in same cities as the custom houses. The Secretary of the Treasury has also issued a circular announcing that he will redeem, with interest to July 1, the date of their maturity, any registered and coupon bonds of the 4 per cent. funded loan of 1907 to an amount not exceeding \$25,000,000. The bonds may be presented at once for redemption, and registered bonds should be duly assigned to the Secretary of the Treasury. A copy of this circular will be mailed to each owner of registered bonds. The circular of Feb. 11, 1907, providing for the purchase of these bonds at 101½ flat, has been rescinded.

This circular was explained from Washington by the Associated Press on the 14th as follows:

The first paragraph of the above announcement relates to the offer made by Secretary Shaw last October to bring about some degree of elasticity in national bank note issues. He permitted certain depository banks that had not yet availed themselves of the full circulation privilege to substitute certain approved State, municipal, and railroad bonds as security for public funds lodged with them on condition that the United States bonds as released be immediately pledged as security for additional circulation. Under this plan national banks took out about \$16,000,000 additional circulation, which they agreed to retire at the then authorized rate of \$3,000,000 a month, beginning with March and ending with August, 1907. Upon such retirement these banks were obliged to replace in their depository accounts the United States bonds which they had been permitted under the order to use against their circulation, with the treasury, the State, municipal, and railroad bonds which they had been allowed to deposit. Under the recent Aldrich act however, the limit of retirement was raised from \$3,000,000 to \$9,000,000 per month, and presumably owing to the high prices of government bonds in the market, engagements for the full retirement during March have been made and \$4,500,000 have been engaged for retirement during April and smaller amounts for succeeding months. It is believed at the treasury that this plan will keep in circulation the full \$16,000,000 originally engaged for retirement, although the privilege has been given the banks to retire their circulation if they so desire.

The deposits of customs receipts, in accordance with the provisions of the Aldrich act, is intended largely as a convenience to the collectors of customs at places where there are no subtreasuries. Therefore the subtreasury cities of New York, Boston, Philadelphia, Baltimore, Chicago, St. Louis, Cincinnati, New Orleans, and San Francisco will receive no direct benefit by the action taken to-day. Other cities, including Buffalo, Cleveland, Syracuse, Rochester, Pittsburg, Detroit, Plattsburg, Ogdensburg, Albany, Troy, Savannah, Atlanta, and Portland, Me., and approximately a hundred others, will be directly benefited. It is expected that banks in the cities named which are already depositories for government funds will now receive the customs collections in the same manner that internal revenue and miscellaneous receipts have hitherto been deposited with them. The advantages, however, that will accrue in consequence of this authorization will be comparatively small, in view of the fact that the receipts from customs in 1906 in all cities of the United States outside of New York was only about 30 per cent. of the whole, about 70 per cent. being collected in the city of New York, which will not be benefited under the new arrangement.

That portion of the secretary's announcement which relates to the redemption of the 4 per cent bonds of 1907, at a price equal to the principal and interest to maturity, is the measure intended by the Secretary as the principal source of relief to the money market. Under this announcement, holders of the fours of 1907 will receive immediately upon presentation of the bonds to the treasury department the full face value and 2 per cent. additional, being the interest for one-half year, from Jan. 1 to July 1, 1907.

Responsive to the President's action the stock market rallied on the 15th. Large fortunes had changed hands but market conditions are again normal.

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The Chicago Mayoralty Campaign.

Mayor Dunne has been leading an active speaking campaign in the mayoralty election contest (p. 1184), his principal subject of discussion being the traction

ordinances, which he denounces as irrevocable franchises.

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Owing to the action of the Republicans in the legislature in hostility to the public policy referendum law, Mayor Dunne has issued the following statement:

The Republican organization is simply proving its consistency in the effort to take away from the people the public-policy law—that one weapon which has been the public safeguard against improvident and vicious legislation. It was this measure, resorted to by Chicago's citizens, which some years ago kept the hands of the traction corporations from grabbing Chicago's streets. The platform adopted by the Republican city convention is significantly silent as to the referendum. It contains not a single word as to the measure which insures to the people a final judgment on legislation affecting them. The leaders of the Republican party and the backers of their mayoralty candidate went even further than silence some weeks ago when the fight was on to secure to the people the final vote by referendum on the pending traction ordinances. They used every influence and every weapon to which they could lay their hands to strangle the effort to secure the referendum. But, in the face of all this effort the people registered their will and 200,000 signers of the referendum petition—though but 87,000 names were needed—insisted that the ordinances should be submitted to popular vote. It would seem from his recent statements that Mr. Busse, the Republican mayoralty candidate, is striving to forget some of these things. For Mr. Busse—rather humorously for him, it would seem—now asserts that the "traction question is the people's question" and that it is "right that the people should have the final vote on the ordinances." Well, if Mr. Busse honestly believes that why was it that he failed to utter a word or raise a hand in behalf of the traction-referendum petition a few weeks ago? I fail to remember so much as a single word from his lips or his pen in behalf of that petition. At that time he did not seem to hold the opinion that the question was a "people's question." His change of front seems rather sudden. I believe that the attempt to repeal the public-policy act by corporation machinators in the State legislature will fail, just as the attempted effort to strangle the recent referendum movement in Chicago failed utterly.

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Another statement by Mayor Dunne bears upon Mr. Busse's record in the legislature, when he voted for the bills giving long term franchises to certain corporations—the bills which, as "the eternal monopoly bills," were the subject of Gov. Altgeld's famous veto. Following is Mayor Dunne's statement on this subject:

I read that Mr. Busse insists his record was all right in 1895. I note further that Mr. Busse refers to statements made in former years in certain Chicago newspapers concerning this same record. We'll just see what some of these newspapers thought of the three rotten bills for which Mr. Busse voted and worked in 1895—three of the rottenest bills that ever disgraced the Illinois General Assembly. Senator Dan Campbell is now Mr. Busse's chief political engineer. Mr. Campbell was in the State senate in 1895, and he, too, worked and voted for these disgraceful bills, which Governor Altgeld vetoed after he had been offered \$500,000 to sign his name to their pages and make them laws. Governor Altgeld sent his thundering veto of the three measures to the lower house May 14, 1895, branding each bill as an attempt to "blind Chicago hand and foot to the wheel of monopoly." On June 14, 1895, after much side-stepping and parliamentary delays, the senate took up the ninety-

nine-year street railways bills—senate bills No. 137 and 138—and, with the State torn by cries of bribery and boodle, passed these measures over the Governor's veto. And "Dan" Campbell was one of the members of the senate who overrode the Governor's veto. Then the senate called on the house to follow the same course. That night in the house still lives as a black night in legislative history. The roll was called in the effort to pass the elevated railroad monopoly bill over the veto. The newspaper reports show that eighty-eight votes—and Fred A. Busse was among that number—had been polled in favor of the monopoly bill. Then the gang leaders found they would fall short of the required number of votes. There was volley after volley of furious debate which ended in the roll call being stopped, contrary to all precedent, while the leaders of the gang and the lobbyists made desperate but vain efforts to corral a few more votes. Of that night the Chicago Record, that newspaper not at that time having been consolidated with the Chicago Times-Herald, said: "Fourteen votes were needed, and it was freely stated that anyone who had a vote to dispose of could name his own price for it." That's what one newspaper said of the proceedings of that night and of the methods employed in the vain attempt to override Governor Altgeld's veto. The Chicago Record was the property of the present proprietor of the Chicago Daily News, from which latter newspaper Mr. Busse has quoted in his own defense. The latter newspaper now is advocating Mr. Busse's election. So I quote from newspapers friendly to Mr. Busse's present candidacy concerning the career of these three rotten bills for which Mr. Busse worked and voted in Springfield in 1895. On May 15, 1895, the day following the presentation of Governor Altgeld's ringing veto in the house, the Chicago Record said editorially: "The Governor's veto message is, in some respects, a masterly state paper. The vicious character of the three vetoed bills is pointed out in a manner which cannot fail to convince the members of the legislature, if their intentions are at all honest. Now that the true nature of these bills is known to the public, the legislature will scarcely attempt to pass them over the Governor's veto, notwithstanding the pressure that will be brought to bear upon the members by the agents of the interested corporations. The people of Illinois will remember the men who persist in pushing these bills, and their great desire to enrich a few monopolies at the expense of the people should cause them to be repudiated by the voters if they ever again seek public office." But the legislature did attempt to pass the bills over the Governor's veto, and Fred A. Busse as well as his present political shadow, Mr. Campbell, were among the men who persisted in "pushing these bills and in showing their great desire to enrich a few monopolies at the expense of the people." In the same editorial in the Chicago Record we find this statement: "Unless the legislature is in the market to be bought for cash it will not pass these pernicious bills over the Governor's veto." That's pretty plain talk. But it was no fault of Mr. Busse's or Mr. Campbell's that these rotten bills were not harnessed upon the city of Chicago. And on May 15, 1905, the Chicago Daily News, from which Mr. Busse has quoted frequently in his defense, said editorially: "The Governor has pointed out clearly and briefly the objectionable features of the bills. The case is very clearly before the people of this State and before the members of the legislature. It is scarcely to be expected that measures of such incalculable value to certain rich corporations will be permitted to die without a last struggle. No doubt a strenuous attempt will be made to pass the bills over the veto. Representatives and senators will decide that proposition fully informed that a vote in the affirmative cannot possibly be construed in any way save as a vote in favor of monopoly, a vote to confer enormously valuable privileges upon a half-dozen rich monopolistic corporations in Chicago without a penny of compensation to the public." And, again the same editorial asserts:

"It is difficult to see how a man of intelligence can vote honestly in favor of any of these measures." But Mr. Busse voted to override the Governor's veto. Just how this Springfield combination worked its attempted game was stated on the editorial page of the Chicago Record of June 17, 1895, three days after the notorious, brazen effort to pass the bills over the Governor's veto. In that editorial there appears this statement: "It (the legislature) was dominated by a combination extending through both houses that was essentially as vicious, if not so notorious, as the gang in control of the Chicago City Council. This combination was prevented from placing on the statute books some of the most vicious legislation attempted in years only by the intervention of the Governor. The desperate extremes to which the combination would go was shown Friday, when the attempt was made in the house to pass the Crawford bills over the Governor's veto. On a roll call only eighty-eight votes could be mustered, and, contrary to all rules, a postponement was taken in the midst of the call in order to give time to secure fourteen more votes. There is no question that money was offered freely for votes that evening." These are but a few brief excerpts of the vigorous and denunciatory comments that were made at that time. Even the Chicago Tribune vigorously indorsed the Governor's veto. These quotations are from newspaper which are friendly to Mr. Busse. I merely quote facts and printed statements to show what was thought of the notorious, rotten bills to which Mr. Busse gave his efforts and his vote as a member of the lower house.

Mr. Busse is still confined to his house from his railway injuries, but occasionally publishes written statements. He has in this way disclaimed responsibility for the Republican movement to abolish the referendum, but makes no reply to the charge that he voted in the legislature for the "eternal monopoly bills." In his behalf Gov. Deneen is announced to speak on the 28th, 29th and 30th. The Record-Herald, heretofore opposed to the Lorimer faction and its candidate, Mr. Busse, as morally unfit, is now supporting Mr. Busse. Mayor Dunne has no newspaper support outside of the Hearst papers, and they are regarded as lukewarm.

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A third party aldermanic campaign is being conducted by the Independence League, backed by the Hearst papers.

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The Chicago Traction Ordinances.

The Chicago Federation of Labor decided on the 17th to organize a labor parade against the traction ordinances, for the 30th. This body has issued the following address on that subject:

Before deciding how to vote on the traction steal read the following: It is not the policy of the Chicago Federation of Labor to engage in party politics. But we are now confronted with a condition of affairs which should enlist the support of every member of organized labor in our effort to defeat the pending traction ordinances. If these franchises are adopted at the coming election all the work which has been done for municipal ownership in the past ten years will be lost. The Employers' Association, the Union League Club, the Merchants' Club, the Commercial Club, and every other club and organization opposed to organized labor, backed by the trust press, are supporting these franchise ordinances. This alone is reason enough why every workingman should vote against them, but there are other reasons. These ordinances are a gigantic swindle. They were drawn in the interest of the street railway companies, and are

designed to cheat the people out of their right to their own streets and decent street car service. They grant perpetual franchises to the traction monopoly. No worse scheme of plunder was ever attempted in Chicago by false public servants in behalf of greedy corporations. And while the people, as a whole, are thus being betrayed these ordinances are especially intended to injure organized labor. No protection whatever is given in them to the employes of the street railways. On the contrary, the car men are left wholly at the mercy of their employers. More work is to be required of them without increase of pay, and hard-earned privileges are to be taken away. The companies would not consent to the insertion in the ordinances of a single word that would safeguard the interests of the men who run the cars. It is said on good authority that should the ordinances be approved at the polls, the wages of the car men will be cut. There is evidence that a dangerous conspiracy is on foot to attack organized labor and the wage scale in the city of Chicago, the attack to begin upon the street car men. These ordinances are the entering wedge. Labor must be vigilant. We must defeat these artful ordinances. They are honeycombed with fraud. Little investigation of them is needed to expose their dishonest character. They are so outrageous that every workingman, every honest citizen, every friend of Chicago, and every upholder of the rights of organized labor should be against them.

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The Chicago School Board versus the Chicago Tribune.

A suit was begun on the 20th by Clarence N. Goodwin, Esq., in behalf of the Board of Education of Chicago against the Chicago Tribune for the purpose of invalidating the 100 year ground lease which the Tribune holds from that Board (p. 939), on the ground, among other things, that the re-valuation clause in this lease, requiring readjustments of ground rentals every ten years, was struck out in 1895 through collusion and fraud. In consequence of that act the Tribune now pays only \$31,500 a year for land worth \$60,000 a year. The Tribune's own attorney was a member of the school board at the time, and extremely active in procuring the alteration of the lease.

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In his opinion, pursuant to which the suit was authorized, Mr. Goodwin said: "I am, therefore, of the opinion that this action of the Board in striking the re-valuation clauses from the leases, and at a time of great depression, without more than a colorable consideration, was the direct result of powerful pressure from without, and equally powerful influence from within; that while the mere inadequacy of consideration is not alone sufficient in all cases to vitiate such a transaction, yet when inadequacy of consideration is accompanied by circumstances such as exist in this case, the court will set the transaction aside. This principle is supported by the authorities, and its application to the present facts was confidently asserted by the late Lyman Trumbull in a bill filed by him as solicitor, seeking to enjoin the action taken. Before this application could be passed upon by the court the leases had been authorized by the Board and signed by the President and Secretary of the Board, and recorded. It may be remarked in passing that the haste with which this action was taken by the Board for the apparent purpose of preventing any scrutiny of its acts by the court at the hearing, which had been set for the following morning, is a fact which

cannot be overlooked in determining the fairness of the transaction."

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The Chicago Industrial Exhibit.

The Industrial Exhibit held during last week at Brooke's Casino was brought to a close on Sunday, the 17th. The Federation of Labor adjourned its regular meeting to attend the afternoon conference at the exhibit, at which Mrs. Raymond Robins presided, and Miss Mary McArthur, Secretary of the British Woman's Trade Union League, spoke on the unity between men and women workers as well as among the various trades. Wm. J. Bryan, who was passing through the city, took the opportunity to visit the exhibit, and was invited to address the conference. He spoke especially of the good accomplished by the labor unions, saying:

The good they have done far outweighs their mistakes. I shall not speak of what the unions have done to increase wages or of what they have done to reduce the hours of labor. But there are two things I wish to say for the unions. It was largely through the agitation of organized labor that the Australian ballot system was adopted in this country. Under the Australian ballot system the workingman can exercise his citizenship without fear of losing his employment. That has been one of the greatest reforms ever adopted in this country. The next thing for which I commend the unions is their attitude on the subject of child labor. If labor unions had never done anything else than raise the age limit under which children cannot work in mills and factories, they would have fully justified their existence and all the money they have spent.

Much of the material of the exhibit is to be shipped to Boston, where a similar showing is to be held during the week beginning April 15.

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The Ohio Valley Floods.

The greatest flood ever recorded at Pittsburg culminated on the 15th. Ten square miles were inundated by the waters of the Monongahela, Allegheny, Ohio, Youghiogheny, Kiskiminetas and Clarion rivers, which had been swollen abnormally by the combination of warm weather, melting snows, and general rain throughout western Pennsylvania and West Virginia. Between 20,000 and 30,000 persons were made homeless, and thousands of families were driven to the second stories of their homes. Most of Pittsburg's great steel, iron and electrical plants were flooded and compelled to shut down. Wheeling in West Virginia, and towns all down the Ohio valley suffered greatly. Eighteen persons met death in a panic in Wheeling because of flood conditions. At Pittsburg there were 14 fatalities; at Athens, Ohio, 12; at Mingo Junction, Ohio, 10; and 14 at other scattering points. The pecuniary loss in the Pittsburg district is estimated at \$10,000,000.

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Great Britain.

English papers now at hand make enlightening comment on the defeat of the Progressives at the London County Council elections on the 2nd (p. 1165). The London Tribune declares that the reasons of the defeat "are to be sought in the baffling psychology of crowds." And it announces that it is not hopeful of the ability of the Moderates "to realize a single one of their incompatible promises.