Storer to show that Mrs. Storer and he had authority, as they believed, from Mr. Roosevelt as man and as President, for all the efforts they had made on behalf of the Archbishop. On the 9th the President made public his view of the case, with bitter arraignment of Mr. and Mrs. Storer, claiming that they had grossly misused his expressions of personal interest in the Archbishop's advancement. On the 10th Mr. and Mrs. Storer defended themselves in press interviews with equal plainness of speech. The language employed on both sides of the controversy is what, for polite society, may be termed unusual.

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The Salton Sea Redivivus.

The Colorado river on the 8th broke through the new $1,000,000 dam, only finished in October (p. 730), and is once more rushing down into the Salton "sink," in the southeastern corner of California. Again the settlers in the Imperial valley are facing the development of a great inland sea, already partly created, which if not dammed back will ultimately cover the best farming land of the valley and the city of Imperial, under from 70 to 200 feet of water, and will force the Southern Pacific to relay its tracks for 200 miles on higher ground. Not less than $25,000,000 depends upon the success of efforts to close the breach, but it is uncertain whether, in the face of the present failure, it will be again attempted.

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The Traction Case in Cleveland.

Judge Phillips of Cleveland, on the 7th decided a demurrer in favor of the "Con-Con" traction company of that city (p. 749), which, if the facts were proved at final hearing as they are alleged by the "Con-Con" in its petition or complaint, and Judge Phillips were sustained on appeal, would, as at first reported, destroy all the work that Mayor Johnson has done in laying the necessary foundation for municipal ownership of the traction service of his city. As it now appears, however, it would have but little effect.

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The petition charges that Mayor Johnson has a financial interest in the "Threefer" lines. As the petition was demurred to, all its statements are taken as true for the purposes of the demurrer, and upon that assumption Judge Phillips holds certain franchises to the "Threefer" signed by Mr. Johnson as Mayor, to be invalid. The case is set for final hearing on the 17th, when the "Con-Con," to maintain its position, must prove its allegations. Failing that, the decision of Judge Phillips on the demurrer will count for nothing. As the Cleveland Plain Dealer of the 8th explains:

> However sensational its interest to the public, and however important its bearing upon the outcome of the street railway war, Judge Phillips' decision in the demurrer hearing yesterday goes, in itself, no farther than to make certain that trial of the case on its merits which has so long, and from every public point of view, been desirable and necessary. . . . In the recent hearing the court had not to deal with facts, since no evidence was presented by which facts could be established. It was obliged to concern itself with ex-parte allegations, and to assume that the facts were as set forth in the plaintiff's petition. This petition was held to contain sufficient grounds to warrant a trial, at which the facts in the case will be disclosed. In law, neither side has lost, but a way to winning or losing has been opened. Reduced to its lowest terms, the decision means that if Mayor Johnson has interested himself financially, in the manner and to the extent alleged in the petition, he has had his labor for his pains, and all franchises bestowed upon the defendant company by the joint action of the Mayor and Council are null and void.

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That Judge Phillips made his decision solely on what he describes as "this over-full petition, this omnium gatherum" of the "Con-Con," is evident from the concluding part of his opinion, in which he says:

> Inasmuch as the defendants have not, in this case, questioned the propriety of any averments of the petition, but have challenged their sufficiency, admitting for the occasion that they are true, I have treated them as properly in the petition, and have considered only the questions of their legal operation and effect. . . . But the defendants, by demurring to this over full petition, this omnium gatherum, if I may so characterize it—virtually say: "For the purposes of this demurrer we are satisfied with your statement of your primary right, and with your statement of our ground of justification; but we challenge the legal sufficiency of the facts stated by you in refutation and avoidance of our justification." And this is the only question that has been argued; and the decision of this one question decides the case. . . . If I am right in holding that the facts alleged in the petition show official corruption, and this participated in by the defendant railway company, then it seems to me the attitude of the defendant is this: "We admit plaintiff's primary right; we admit our intended interference with that right; and we justify by a show of authority corruptly granted, and as corruptly received—authority obtained in a transaction that was conceived and consummated in official corruption, and we were parties to the corruption; but here are some technical forms of procedure, some legal formalities, that make this corrupt transaction immune." And this in a court of equity, whose conspicuous function it is to look beyond the form and into the substance of the transaction.

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Mayor Johnson's statement regarding Judge Phillips' decision, published in the Plain Dealer of the 8th, is as follows:

> Judge Phillips has held, on a demurrer which for the time being admits as true all the misstatements and inference which skillful lawyers could imagine, that the interest of the Mayor would invalidate the grants of the Forest City Railway Co. (the "Threefer"). I have so often and so publicly stated my real connection with these matters that nothing can be added upon that subject, and when the courts come to pass upon the facts I have every confidence that a different result will be reached. I have acted solely for the public good as I see it, against the claims of a company which has stopped short of nothing in its efforts to create and preserve an offensive monopoly against the public, and I propose to continue the fight until the rights of the people are established against every attack in the courts of law as they are now clearly established in the court of morals.

Commenting editorially on the 8th, upon this statement by Mayor Johnson, the Plain Dealer, which has always opposed his municipal ownership policy, asserts:

> In a brief statement the Mayor reaffirms his well known position that he has acted throughout solely for what he believed to be the public good, and that he ex-

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pects to be legally as well as morally justified. On several occasions this paper, while seriously questioning the propriety of some of the Mayor's acts during his fight for low fare, has declared its belief that his motives were high and his course throughout disinterested. Nothing has yet appeared to change that opinion; nor is anything likely to appear, in or out of court, to show that he has erred, if at all, through anything more reprehensible than an excess of zeal in what he firmly believed to be a righteous cause. The fact, if such it shall prove, that he was mistaken in law will not impugn his motives.

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In a later interview, appearing in the Cleveland Press of the 10th, Mayor Johnson further explains, in answer to a reporter's questions:

> The decision of Judge Phillips is of absolutely no consequence so far as it affects the ultimate result of the low fare war. Start all over again? Certainly not! The smoke from this Concon bombardment seems to have deceived more people than I imagined. The worst possible interpretation of Judge Phillips's decision doesn't jeopardize the validity of the Denison avenue and Fulton road grants. Of what consequence is it if the Bridge avenue and W. 65th street grants are knocked out? The council will pass them over again. To win a great victory for the people I lend my credit to a private corporation and the court says that that act taints its franchises. Well, suppose it does. I suspect no court will hold that a corporation loses its untainted franchises because it has one that is tainted.

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The Traction Situation in Chicago.

There is every indication now of an early settlement on the lines of "the Werno letter," of the traction question (p. 703) in Chicago. The ordinance proposed by the traction companies is reported to have been modified by them in its objectionable features, so that only one important point of difference now remains—the question of the share of net profits which the city is to allow the companies to retain. On the question of the price of the existing plant and all legal rights or claims to franchises, a virtual agreement in round numbers for $51,000,000 has been arrived at. This amount includes items aggregating less than $5,000,000, which the city disputes but is ready to allow as the "price of peace." Except for those items the amount agreed upon is the actual value of the property as appraised by the city's experts.

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Should this virtual agreement be adopted, the situation will be approximately as follows: The company will be granted a franchise for 20 years, subject to termination by the city at any time on six months' notice; in case of termination on such notice, the city must pay the sum of $51,000,000, plus the actual cost of rehabilitation (not to exceed $24,000,000) which the company is required to make and the city is to authorize and audit as made; if the city terminates for the purpose of owning and operating, no greater payment is required; if for the purpose of turning over to a "contract plan" or non-profit-making or "holding" company, no greater payment will be required; but if for the purpose of turning over to a profit-making company, then a penalty or premium is to be added to the payment; meanwhile the company is to provide good service, and after retaining 5 per cent. on the agreed sum of $51,000,000, plus cost of rehabilitation, is to divide the profits with the city, the proportion (as stated above) not yet having been agreed upon. The city's share is to go into a sinking fund for purchase of the lines.

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Chicago School Lands.

The fact that the Chicago public school system was once endowed with a large landed estate, which has been almost dissipated, and that efforts by local business interests, aided by local newspapers, have been unceasingly made to divert the remainder, is well known throughout the country; but more or less mystery has enveloped the circumstances. An examination into this mystery is now contemplated in the Board of Education, the character and results of which can hardly fail to be of general interest. As a basis, therefore, for understanding the subject, we shall briefly state the historical facts.

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About the middle of the early half of the last century the Federal government gave to Illinois, as it did to other Western States, certain sections of land a mile square for educational purposes. One of these, known as "Section 16," comprises so much of the site of the city of Chicago as is bounded by State street on the east, Twelfth street on the South, Halsted street on the west and Madison street on the north. This section was subsequently given by the State of Illinois to the city of Chicago for local educational purposes, and most of it was soon sold or given away in fee to private persons. The sales brought less than $40,000. One city block, however, still remains in the hands of the school trustees of Chicago. This is the block bounded by State, Monroe, Dearborn and Madison streets, which is described as "Block 142." In addition to this block, which lies in the heart of the business district of Chicago, the school trustees hold miscellaneous lots, some within the area of the original "Section 16" and some outside of it, some in the business center and some in less valuable locations.

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In 1880 ground leases of the sites included in "Block 142" and of some other lots, were made for the term of fifty years, with provisions for readjusting rentals every five years. At the first date for readjusting rentals, 1885, the lessees threw the matter into the courts and forced the school trustees to make a compromise. One of the features of this compromise was an extension of the fifty-year term to a 100-year term, expiring in 1985; another was the substitution of ten-year for five-year readjustments of rentals. At the first decennial appraisement of rentals under this compromise, in the year 1895, the school trustees agreed with some of the tenants to strike out the revaluation clauses in their leases altogether, thereby leaving the leases to run ninety years on the rentals of 1895, which were low rentals, even for that period of great business depression. In consequence of this action of the school trustees the Chicago Tribune, for example, now pays for a corner site at the rate of $2.74 a square foot per year, whereas McVicker's

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