

that 3-cent fare has actually come on both sides of the river, and has come to stay—3-cent fare and universal transfers; and, secondly, that the minds of all parties concerned have turned towards the holding plan as the only practical solution. The only question now in dispute is the price which must be paid by the public company to the private company.

The Cleveland Electric Railway Co.'s stockholders have a right to be fairly and fully paid for their physical property, and they are fairly entitled to the present worth of their unexpired franchises.

In previous negotiations the fixing of a value on physical property has never been difficult, but the franchise value has had two elements upon which agreement has been hard to get. One was the actual date of franchise expiration, and the other was whether or not the remnants of franchises should be appraised on a monopoly basis, or with consideration of the fact that there is actual and low fare competition to be reckoned with.

The United States Supreme Court has settled forever the theory of perpetual grants or indefinite extensions by implication, and the existence of low-fare competition is a physical fact.

So then the only question is one of price, and this can be arrived at between the parties, subject to the consent of the people of the city and the Council.

The holding plan, as proposed by Mr. du Pont to the Council should be well understood by every citizen of Cleveland.

Mr. du Pont has offered the Municipal Traction Co. as an instrument ready to hand, but when he did this he suggested that the membership of that company should be changed in any way that may be agreeable to the Cleveland Electric Railway Co., and all other interests.

The purchase of the stock or of the property of the Forest City Railway Co. by the Cleveland Electric Railway Co., is, of course, out of the question. That cannot be thought of for an instant in the face of the public ledges of the lessees of the Forest City Railway Co.

The holding plan is intended, primarily, to remove private interest from public service. This is done by miting earnings and forever forbidding the watering of securities. The plan as now applied to the Forest City Railway Co. is by du Pont's offer applied to the Cleveland Electric Railway Co., with one exception, namely, at while the Forest City Railway Co. is leased on a sis that strips it of all franchise value, the Cleveland Electric Railway Co. is conceded the right to be paid franchise value—but not so much as may be thought isidering the elements of low fare competition and exceeding short life of those expiring grants.

The practical way to work this out would be for the Cleveland Electric stock issue to be shrunken in volume il it is on an equal basis with the Forest City Railway Co.; that is, until each \$100 share of the Cleveland Electric stock represents an actual value of \$90, and this stock a rental-dividend of 6 per cent. would be l by the holding company. The total issue of the atered stock would then be equal to the total phys- and franchise values of the Cleveland Electric prop- as agreed upon. Each \$100 share would then be ed, by option, to a top value of \$110.

the water being as far as possible eliminated from stock no more could get in, as further securities l issue only for new money actually put into new ruction, and no stock to be issued for betterments for out of surplus earnings.

his plan worked out, we will have in Cleveland a sion of men, chosen and trusted alike by the city gives the franchises, the people who use the cars the investors who furnish the money. These men ave but two obligations: one to pay a fixed return absolutely limited capital, and the other to give est possible service to the public. With speculation ated, private gain cut out and a practical trustee- between public and public servant, Cleveland will be

able to turn her energies to new and greater things—to be Free Cleveland.

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The Traction Question in Chicago.

Chicago is not advancing toward municipal ownership of her traction system (p. 967) as satisfactorily as Cleveland. A belief is gaining ground among municipal ownership advocates, which appears to have been for some some time a settled conviction among the adversaries of municipal ownership, that the pending ordinances will, if adopted, make municipal ownership almost an impossibility. These ordinances, however, are not yet completed. Although reported into the City Council on the 15th they are still subject to amendment. They were agreed to by the local transportation committee on the 14th.

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Aside from the intrinsic merits or demerits of the ordinances, a serious question regarding referendum has arisen. Mayor Dunne is pledged not to sign any ordinance for a settlement of the traction question unless it is approved by referendum. So are the members of the Council and the Council itself. It was in consequence of the apparent disposition of the local transportation committee to evade a referendum that Mayor Dunne appealed to the Council last week (p. 967) to make good its referendum pledge, and upon the refusal of that body that he issued his letter to the people (p. 968). Three organized bodies responded to that letter: the Referendum League, the Chicago Federation of Labor, and the Municipal Ownership Delegate Convention. Through a joint committee they proposed and began to solicit signatures for the submission of the following questions:

Shall the City Council proceed by condemnation under the Mueller law to acquire and equip a complete, modern, unified street railway system, with one fare and universal transfers for the entire city, instead of passing the pending franchise ordinances?

Shall all ordinances granting franchises to public service corporations be submitted to the people and by them approved before final adoption by the City Council?

Shall the Legislature repeal the Sunday closing laws, which forbid, under penalty, attending or taking part in amusements or diversions, maintaining open bars, and engaging in business or work on Sunday?

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On the 14th the local transportation committee completed its work on the ordinance and by a vote of 9 to 3 recommended their disposition by the Council and with reference to referendum as follows:

Resolved, That 100,000 copies of a petition in the following form be printed forthwith by and at the expense of the City of Chicago:

"To the Board of Election Commissioners of the City of Chicago: We, the undersigned, registered voters of the city of Chicago, respectfully petition that the following question of public policy be submitted to the voters of the city of Chicago at the regular election to be held in and for the said city of Chicago on the first Tuesday in April, A. D. 1907:

"For the approval of ordinances substantially in the form of the pending ordinances reported to the City Council of the City of Chicago on January 15, A. D. 1907, authorizing the Chicago City Railway Company and the Chicago Railways Company, respectively, to construct,

maintain and operate street railways in said city, and providing further for the purchase thereof by the said city or its licensee."

Be It Further Resolved, That copies of these petitions be placed in the public offices of the city of Chicago and be distributed by the Mayor and the members of the City Council and the heads of the departments of the city government to such persons as may wish to sign the same or circulate the same for signatures.

Be it further resolved, That the ordinances hereinbefore referred to, being the ordinances reported to the City Council by its Committee on Local Transportation on the 15th day of January, A. D. 1907, be placed on final passage by the City Council after (but not before) the 2d day of February, A. D. 1907, and that if, on said date, the above mentioned petition has been signed by the requisite number of legal voters to entitle the question of public policy therein set forth to be submitted to the voters of said city at the election to be held therein on the 2d day of April, 1907, and has been filed with the Board of Election Commissioners of said city, then and in that event the said ordinances shall be then placed on passage, after being amended by inserting therein a provision that such ordinances, respectively, shall not take effect until a majority of the votes cast upon said question of public policy at the said election shall be in the affirmative.

Alderman Dever tried to change the proposition from negative to affirmative, by moving that if at the election the proposition should receive a majority of the votes, "then the City Council should pass the ordinances" at the first regular meeting after the election, and if it should not receive a majority vote that the Council should place the ordinances on file. This amendment was defeated 54 to 12. Another amendment offered by Alderman Dever provided that if on February 2nd the petition has been signed by the requisite number of legal voters to entitle the question of public policy therein set forth to be submitted to the voters at the election to be held on the 2nd day of April, 1907, then the ordinance shall not be placed on passage until after the ballots have been counted and the result of the election determined, and immediately thereafter the ordinances shall be taken up and disposed of by the City Council in accordance with the decision of a majority of the votes cast at the election. This amendment also was defeated, 48 to 18. The committee's proposition quoted in full above, was then adopted by the following vote:

Yeas.

Kenna, Coughlin, Dixon, Foreman, Pringle, Martin, McCormick, Young, Bennett, Snow, Moynihan, Harris, Scully, Hurt, Cullerton, Riley, Considine, Harkin, Maypole, Smith, Nowicki, Schermann, Conlon, Powers, Bowler, Stewart, Reese, Foell, Sullivan, Dougherty, Werno, Jacobs, Hahne, Krumholz, Dunn, Williston, Lipps, Reinberg, Siewert, Blase, Larson, Herlihy, Wendling, Golomblewski, Burns, Bradley, O'Connell, Roberts, Fisher, Badenoch, Hunt, Bihl, Kohout, Race—54.

Nays.

Harding, Dalley, Richert, Derpa, Zimmer, Uhlir, Bellfuss, Sitts, Dever, Brennan, Flinn, Nolan—12.



Prior to the voting President Mitten of the Chicago City Railway Company, submitted the following statement:

The Chicago City Railway Company desires that your committees and the City Council should clearly understand the position of the company with relation to the clause proposed to be added to the ordinance providing, in case of a referendum, that the ordinance should only

take effect in case a majority of the votes cast upon the question should be in favor of the ordinance. The company is advised by its counsel that said proposed clause will be legal and valid and the company will, in no event, and under no circumstances, make any claim to the contrary. In case a referendum as proposed, if a majority of the votes cast are not in favor of the ordinance, the company will make no claim that the ordinance is operative and will make no claim to any rights under the ordinance. The company does not desire to undertake the reconstruction of its street railways under any ordinance which is disapproved by a majority of the people of the city. The company is willing to execute any formal contract which may be desired by your committee to further protect the city in the matter above referred to.



Mayor Dunne for Re-Election.

Edward F. Dunne, Mayor of Chicago, announced on the 16th his candidacy for re-election at the municipal balloting in April. His formal address will not be made public until the 17th.



Senatorial Elections.

Several elections for United States Senator were held on the 15th. The following persons were elected:

Montana—Joseph M. Dixon, Republican.
Massachusetts—W. Murray Crane, Republican.
Tennessee—Robert L. Taylor, Democrat.
Colorado—Simon Guggenheim, Republican.
Nebraska—Norris Brown, Republican.
New Hampshire—Henry W. Burnham, Republican.
Maine—William P. Frye, Republican.
Delaware—Harry A. Richardson, Republican.
Idaho—William E. Borah, Republican.



The election in Texas has been postponed, in consequence of the charges against Senator Bailey (p. 657). The lower House of the legislature on the 15th adopted a resolution calling upon the Attorney General to submit for consideration all documentary evidence in his possession implicating Senator Bailey in dealings with the Waters-Pierce Oil Company.



The Pope Addresses the French Church.

The text of an Encyclical addressed by the Pope to "Our venerable brothers, the cardinals, bishops and clergy of the French people," was promulgated on the 11th (p. 970). Some of the paragraphs cabled over are as follows:

We have been accused of prejudice and inconsistency. It has been said that we refused to approve in France what we had already approved in Germany. But this reproach is unjust and unfounded, for while the German law is commendable on many points and was only accepted in order to avoid greater evils, the situations are different. The German law explicitly recognized the Catholic hierarchy, which the French does not.

As to the annual declaration required for public worship, it did not offer the legal guaranty that the church had the right to expect. Nevertheless, to obviate worse evils the church might have tolerated making declarations; but the law, laying down that the clergy shall be only occupants of the churches without any legal status and without the right to perform any administrative act in the exercise of their ministry, placed them in such a vague and humiliating position that the making of declarations could not be accepted.

It remains to examine the law recently voted by the Chambers. From the point of view of church property