

**Death of the Governor of Ohio.**

After a lingering illness, John M. Pattison, Governor of Ohio, died at his home in Milford, near Columbus, on the 18th. Gov. Pattison was elected last Fall as a Democrat. He will be succeeded by Andrew L. Harris, the lieutenant-governor elected at the same time, who is a Republican. Upon assuming the duties of his new office, Gov. Harris issued a proclamation calling upon the citizens of Ohio to join him in paying the last tribute of respect to the memory of the late Gov. Pattison. Attended by his staff and escorted by a regiment of militia, Gov. Harris will attend the funeral services on the 21st.

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**The Traction Question in Cleveland.**

Further steps have been taken for the establishment of municipal ownership of traction facilities in Cleveland and low fares meanwhile (pp. 26, 33, 55, 56), by the incorporation on the 19th of the Municipal Traction Company. This is to be a "holding" company for the construction and operation of the 3-cent lines, in accordance with Mayor Johnson's plans for municipalization. The "holding" company is to guarantee dividends only on the outstanding stock of the 3-cent lines, all excess of earnings to be expended in betterments and extensions; and the company is to give the city the right to buy the property for municipal operation as soon as the laws of the State are amended so as to permit the adoption of the municipal ownership policy.

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**The Traction Situation in Chicago.**

Mayor Dunne succeeded at the meeting of the City Council on the 18th in obtaining such an amendment to the trolleyizing ordinances (p. 250) as to secure the city against trickery in the pending negotiations for municipalization. Instead of either approving or vetoing the trolleyizing ordinances outright he vetoed subject to an amendment which he recommended as follows:

The authority proposed to be granted by these ordinances, to construct and maintain poles, wires and equipment, is expressly provided to be temporary in its nature and to be subject to termination at any time by the passage of an ordinance or resolution of the City Council. It has been passed by your honorable body in view of the negotiations which are now pending for the settlement of the existing controversies between the street railway companies mentioned in said ordinances and the City of Chicago. If these negotiations should not result in a settlement within the next few months, it may become highly desirable to have all of the said poles, wires and equipment removed from the streets in which the same have then been constructed under these ordinances, or that they shall pass to and become the property of the City of Chicago. If the company is given a reasonable time within which to remove its poles, wires and equipment after the right to maintain the same has been terminated, it can have no valid objection to an amendment expressly providing that such of the poles, wires and equipment as are not removed within this time shall become the property of the City of Chicago.

Accordingly the Council inserted an amendment in terms proposed by the Mayor, and thereupon the ordinances were approved by him.

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In the message proposing the foregoing amendment, Mayor Dunne described as follows the pres-

ent traction situation and the relation to it of the trolleyizing ordinances:

In offering this amendment, I ask your indulgence for an explanation of the circumstances under which it has seemed to you necessary to adopt and to me to approve these ordinances as thus amended. Such explanation is in my judgment important to forestall any possible misunderstanding as to the bearing of these ordinances upon the pending negotiations with the traction companies for the construction of a complete traction system to be owned by this municipality as soon as paid for, and operated by it whenever the people shall in legal manner order such operation.

The people of Chicago have by advisory referendum on more than one occasion declared for municipal ownership of the traction system, and by mandatory referendum they have authorized the issue of financial securities for establishing such municipal ownership. Since the latter referendum, all good citizens have acquiesced in the adoption of the principle of municipal ownership of the traction service, subject to the approval of the existing law and ordinance by the courts; and, upon the request of the chairman of the committee on local transportation of your honorable body, I have recently outlined what seems to me ought to be the irreducible principle of negotiation with the traction interests for adjusting the transition from the present private to the coming municipal system. In my judgment, this principle should be the City's ultimatum to the private companies.

The companies have formally stated their ability and willingness to make the adjustment upon that principle, and they are now reorganizing, ostensibly, and in good faith as we are bound to assume, to enable them to give legal effect to their sanction of this basis for negotiations with reference to details.

Meanwhile it has become necessary, under Federal laws requiring the lowering of the tunnels under the Chicago River, to permit the trolleyizing of the North Side and the West Side systems. To meet this necessity is the purpose of one of these ordinances. There is no such necessity for permitting the trolleyizing of the South Side system, but your honorable body has authorized it by the other ordinance, and this action, also, I approve.

Even if there were no legal necessity for trolley permits to any of the companies, I should nevertheless regard it as desirable to grant such permits to all, for the purpose of securing as good service as possible and as soon as possible, pending the change from private to public ownership, consistently with the preservation of the right of the people to municipalize.

Heretofore we could not safely grant permits for this purpose, because the companies made extravagant claims under the so-called 99-year act, and there was danger that trolley permits might possibly strengthen those claims in law. But now that this danger has passed, I see no reason for not granting the permits, except the possible refusal of the traction interests, after getting trolley permits, to continue negotiating fairly upon the principle of adjustment set forth in my letter to the chairman of the local transportation committee, and openly and formally accepted by the traction companies. While I personally do not question the good faith of the companies in this respect, I might, from motives of caution in behalf of public interests, advise a brief postponement of the privileges granted by these ordinances, so that the whole matter might be embodied in one negotiation and arrangement. But as to the North and West Side lines this postponement is impossible. The ordinance granting trolley permits as to them must be enacted without delay in compliance with Federal law.

The only question, therefore, is whether the trolley ordinance to the South Side company should be withheld until all negotiations are finished, I think not. I see no possible objection to granting it, except the one noted above, namely, that in this case the company controlling that system, the Chicago City Railway Company, or its successor, having obtained the trolley privilege, might abuse our confidence by refusing in good faith to make a fair adjustment of terms in the negotiations now pending for substituting municipal for private ownership. I do not believe that such reprehensible conduct is either probable on the part of the companies or that its sanction by the Council would be possible. The terms I have proposed as an ultimatum being in principle fair, and the City Railway Company, as well as the West and North

Sides Companies, having indicated its intention to accept, I am convinced that if the city offers fair terms in details these companies will accede to them; and I am sure that no trifling would be tolerated by the people. The traction adjustment has now reached a stage at which, in my judgment, absolutely equitable considerations either way can alone prevail.

Added to the foregoing considerations is the fact that the need for the good traction service which these permits would enable the companies to give is exceedingly desirable, irrespective of any such necessity therefor as applies to the West and North Sides lines. There is also the further fact that I, along with your honorable body, am eager to secure good service from the companies at the earliest possible moment, and to maintain it pending the negotiations and the adjustment for municipal ownership which I firmly believe will produce still better service.

Finally, I do not think that the street car patrons of the South Side should under any circumstances be discriminated against in the matter of the good service which has been promised by the companies upon the granting by the city of trolley permits. I am, therefore, in favor of granting the permits for the South Side as well as for the North and West Sides.

For these reasons and in the confident expectation of honorable negotiations and a fair and equitable adjustment in execution of the declared will of the people with reference to municipal ownership of the traction system, I have recommended the amendment of both of said ordinances, as above suggested, and the repassing of said ordinances as amended.

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#### Electric Lighting Monopoly in Chicago.

At the same meeting at which by his message he protected the city with reference to its traction rights, Mayor Dunne killed an ordinance for an electric monopoly. This ordinance would have granted a consolidation franchise to the Chicago Edison and the Commonwealth Electric Companies. It was generally regarded as a stock-jobbing scheme at the expense of the city and other consumers. The Record-Herald denounced it as "clearly against the public interest," saying:

In former days such ordinances were passed by the aid of corruption. To-day, it seems, they are passed through undue heedlessness of the rights of the real grantors—the citizens by whom the aldermen are elected; through undue humility toward the grantees—the private corporations that get the benefit.

Mayor Dunne vetoed this ordinance for several specific reasons, and was sustained by the Council; for, although a considerable majority voted to pass the ordinance over the veto, there were less than the necessary two-thirds.

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#### San Francisco and the Insurance Companies.

Insurance disagreements over losses from the San Francisco disaster (pp. 78, 106) came to an issue at a meeting of the Underwriters' Adjusting Bureau, held at Oakland on the 13th. A vote was taken on a proposition to cut all adjusted losses by 25 per cent. and pay only 75 cents on the dollar. Sixty-one companies voted for the cut, while 32 held out against it. The question was left unsettled, however, and will be brought up again at a future meeting. The most likely outcome of this split in the Underwriters' Bureau is, as predicted in insurance circles, that the 32 dollar-for-dollar companies with such as may be won over, will withdraw from the bureau and do their own adjusting for the future. This course had already been taken by the inter-insurance interests.

The State is preparing for drastic action against the companies that fight for the discount.

## NEWS NOTES

—Wm. J. Bryan, Jr., returned to the United States on the 13th.

—The Minnesota Republican convention at Duluth on the 13th nominated A. L. Cole for governor.

—The fifth conference of the Woman's International Council, under the presidency of Lady Aberdeen, began at Paris on the 15th.

—An appropriation of \$25,000 annually was inserted in an appropriation bill by the House Committee of Congress on the 19th for defraying the President's traveling expenses.

—A conference of social reformers is to be held at "Summerbrook," the Adirondack camp of Mr. and Mrs. John Martin, near Elizabethtown, N. Y. beginning September 1st next.

—The National Editorial Association at Indianapolis (p. 252) decided on the 15th to meet next year at Jamestown, Va., and elected John E. Junkin of Sterling, Kan., as president.

—The Chicago, Burlington and Quincy Railway Co. was found guilty in the Federal Court at Kansas City, Mo., on the 13th of granting concessions (p. 252) on packing house shipments for export.

—George Foster Peabody, of New York, has withdrawn from business to devote the remainder of his life to philanthropic uses, especially with reference to educational and church work. Mr. Peabody was treasurer of the Democratic National Committee in 1904.

—The President on the 16th signed the bill for the admission as one State (vol. viii, p. 840) of Oklahoma and Indian Territory, and for the admission of Arizona and New Mexico together, provided they so decide by referendums in each Territory.

—Harry N. Pillsbury, the chess expert, died at Philadelphia on the 17th of apoplexy at the age of 34. He held the record for blindfold chess, having once played at Moscow 22 games, at another time at Philadelphia 20, and again at Vienna 20, simultaneously and without sight of the boards.

—The International Harvester trust, charged by the State of Arkansas with violating the anti-trust law of that State by inserting in its contracts with agents a clause prohibiting the sale by them of goods made by competing concerns, agreed to plead guilty and submit to two fines of \$10,000 each.

—The statistics of exports and imports for the United States (p. 80) for the eleven months ending May 31, 1906, as given by the statistical sheet of the Department of Commerce and Labor for May, were as follows (M standing for merchandise, G for gold and S for silver):

	Exports.	Imports.	Balance.
M. ....	\$1,618,912,839	\$1,125,821,671	\$493,091,168 exp.
G. ....	35,311,949	92,892,293	57,580,344 imp.
S. ....	61,355,677	40,647,357	20,708,320 exp.
	\$1,715,580,465	\$1,259,361,321	\$456,219,144