a strong endorsement, adopted by unanimous vote. Referring to this action, the Oregon Journal of the 12th says:

The most astute and most powerful business men in Oregon are therefore back of the project. A body of them has been to Salem to urge passage of the measure submitting the amendment to the electorate. What else could have been expected? Are a good and indulgent people never expected to become weary of maltreatment? Oregon has been kind to her railroad owners. She was one of the last States in the Union to undertake control of railroads. She was one of the last five to enact a railroad commission law. Never was a people more indulgent. People are always considerate of corporations. They give them, gratis, franchises that become immensely valuable. They give them the right of eminent domain, which is denied the private citizen. They suffer long in discriminations, arrogance and oppression without even a murmur. They endure much in exorbitant freight and passenger rates, in delayed shipments and inadequate service. The history of all peoples is that they have showered kindnesses upon railroad and other corporations. The enormous wealth of these corporations and their integers is proof that the people have been generous, generous indeed, to a fault. The Oregon people have been the most generous of them all. They have been as innocent as lambs born to be shorn. They have been patience and humility personified. They have stood by and seen railroad earnings collected from them sent away from Oregon to build lines in other States. They have seen their money shipped into other States for railroad development there until their own State stands almost at the foot of the list in railroad mileage. They have seen the man who controls the railroads in their own State desperately disputing inch by inch the effort of other lines to enter Oregon, and have scarcely lifted their voices in protest. Have they not been kind, almost overkind to Mr. Harriman? What else then is to be expected, after all these years of meekness and humility, this meekness and humility that has been answered with increasing discrimination, arrogance and exploitation—what else could be expected than that the business and industrial interests reflected by the Portland Chamber of Commerce should determine to free themselves from an ungrateful and ungracious domination?

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Traction Progress in Chicago.

Plans for consolidating the two traction companies created pursuant to the "settlement ordinances" of two years ago in connection with the traction controversy in Chicago (Vol. xi, p. 868; xii, p. 51), were disclosed on the 17th. According to the Chicago Tribune of that date the City Railway Company, which operates the South side system, is ready at any time to consolidate through a licensee company to be organized under the "settlement ordinances"; but the Railways Company, which operates the North side and the West side lines, wishes "to postpone the deal" to the end of its rehabilitation period in 1911. "The city is in a position," says the Tribune, "to compel the consolidation at once, but there are personal, financial and political considerations that make municipal interference inadvisable." Continuing its explanation the Tribune says:

It was provided in the settlement ordinances that the city might designate a licensee company to take over and operate the lines of either or both companies, and it is proposed that the consolidated company become this licensee. . . The new company would pay for each company the price at which the city could purchase for municipal operation and a 20 per cent bonus in addition. It would expect to make up this bonus through economies in unified operation of the two systems. The J. Pierpont Morgan and allied interests in the City Railway are committed to this plan as being the most feasible method of achieving consolidation. It is being considered by a joint committee of the two railways consisting of the following members: John A. Spoor, chairman executive committee of the City Railway; Henry A. Blair, chairman executive committee of the Railways Company; Samuel Insull, president of the Commonwealth Edison Company. It recently was reported that all negotiations for the consolidation of the companies had been declared off on account of the failure of the diverse interests to agree on the price that should be given for the holdings in the Railways Company. This was true in a measure. The plan at that time was that the City Railway interests should buy out the Railways Company interests. The negotiations, however, did not get far along on this course before they discovered its futility. As in the Union Traction tangle, the holders of the securities were scattered all over the country and it was a hopeless task to get in communication with them and obtain their consent to the deal. . . About the same time, however, somebody in the New York office of J. P. Morgan had an inspiration. He saw the favorable possibilities contained in the licensee section of the traction settlement ordinances, and forthwith proposed consolidation under the terms of that section. This section of the ordinance was inserted at the demand of the most radical of the I. M. O.—Immediate Municipal Ownership—contingent during the traction negotiations and was designed as an easy step which the city might take toward municipal ownership in case it could not raise the money to purchase the properties for public operation. That the present street car interests whom the I. M. O. crowd fought so bitterly should be the first to seek to take advantage of this I. M. O. provision is considered in some circles as one of the delicious ironies of politics. Shorn of its legal verbiage, the licensee section of the ordinance includes these provisions: By the acceptance of the ordinance the company is bound to grant to the city the right and the city reserves the right to designate as its licensee any person, firm or corporation authorized to operate street railways in Chicago. This licensee shall have the right to purchase the property and all franchises of the company at the price at which the city could purchase for municipal operation plus a bonus of 20 per cent of that price. The licensee shall not be required to pay the 20 per cent bonus provided that it shall contract with the city to limit its beneficial interest in the enterprise to the return of the actual money invested plus a bonus not exceeding 5 per cent of that sum and interest on the sum and bonus not exceeding 5 per cent a year. In

case the licensee so contracts with the city the licensee shall be obligated to pay over all the net profits to the city. . . If the consolidation plan is worked out satisfactorily the City Council will be asked to pass a license ordinance designating the new company as the licensee and authorizing it to take over the properties of the present companies at the price of 20 per cent above the purchase price of the city. This ordinance, however, will provide that the 20 per cent bonus shall not be added to the capital account on which the 5 per cent interest is allowed by the present ordinances. By this plan the consolidated company would hold the same relation to the city as is held by the present companies. The same financial arrangement would exist, and the city would receive the same proportion of the net receipts as at present.

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The Traction Situation in Cleveland.

After a lengthy conference over the Cleveland traction problem (p. 176), between Mayor Johnson, Judge Tayler and John G. White (of the Tayler peace committee), held on the 17th, intimations of a satisfactory settlement were made. When interviewed about it by the Plain-Dealer for its issue of the 18th, Mayor Johnson said: "All I can say now is that some headway was made at a meeting between Judge Tayler, John G. White and myself this afternoon. A meeting of the Council Committee of the whole will be held in a day or two."

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Prior to meeting with the peace committee on the 17th, Mayor Johnson met with the street railway committee of the Chamber of Commerce. He told this committee of progress made and went into general details of the plan that has been worked out under the Tayler idea, expressing a hope also that a settlement will be made.

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Mayor Johnson's public statement mentioned last week (p. 176) is of sufficient general interest and importance to be given here in full:

RECEIPTS EXCEEDED EXPENDITURES BY $230,111.18. EVEN AFTER ALLOWING FOR A PROFIT OF $220,134 TO THE STOCKHOLDERS, THE RECEIPTS EXCEEDED THE EXPENDITURES BY $9,977.18.

The receivers in a communication to the City Council, January 13, 1909, reported a deficit for October, November and December of "approximately $125,000." Later reports to the court reduced this to $120,815.52 and revealed that it was reached after allowing not only for accrued interest of $120,470.59 on the funded and floating debt, but $220,134 which the Municipal Traction Company would have paid under the lease as a 6 per cent dividend rental. Including this unpaid dividend rental as if paid, the receivers reported the following deficits:

Deficit reported by receivers in October	$ 29,547.12
Deficit reported by receivers in November	37,911.89
Deficit reported by receivers in December	53,356.51
Total	$120,815.52

In making up this statement the receivers set aside, as though actually expended, 5c per car mile for maintenance and 0.7c per car mile for damages. This amount the Municipal Traction Company under the lease had been obliged to set aside, although this maintenance charge greatly exceeded the expenditures of the Cleveland Electric Railway Company for these items and was much more than the expenditures of most other roads. Since the court has ruled that for the purposes of this receivership the lease shall be considered void, it is not clear why the receivers in claiming a deficit of $120,815.52 did not explain the nature of this so-called deficit. The actual expenditures for maintenance and damages were $130,792.70 less than the expenses reported by the receivers in those three months.

Month.	Total excess reported expenditures over actual expenditures.	Reported deficit.	Actual surplus.
October	$ 31,362.79	$ 29,547.12	$1,815.67
November	42,906.37	37,911.89	4,994.48
December	56,523.54	53,356.51	3,167.03
Total	$130,792.70	$120,815.52	$9,977.18

Thus the receipts exceeded the actual expenditures and the unpaid dividend rental set up as an expense by $9,977.18. Yet the total operating expenses per car mile, aside from maintenance, were higher under the receivers in November and December than during August and September under the Municipal Traction Company.

CERTAIN EXTRAORDINARY EXPENSES THAT WERE NOT NORMAL AND THAT SHOULD BE ADDED TO THIS SURPLUS.

The receivers in their October report to the court relative to the deficit of $29,547.12 of that month gave the "normal deficit" as $7,191.00 and then described the items making up the rest of the deficit ($22,356.12). The receivers have done the same thing with respect to $12,838.01 of legal and expert expenses for November and December. Of this $35,094.13 of extraordinary expenditures $23,387.60 was for legal services that appear to have been due almost entirely to the receivership litigation, while $9,522.93 appear to be special charges. The latter charges were as follows:

So-called "deferred charges" of the Cleveland Trust Company and the Citizens' Savings and Trust Company of $6,000.00, which are declared by the receivers to have been incurred "for services for the entire period since January 1, 1908," and $3,522.93 which is declared by the receivers to have been a "transfer stock adjustment for the re-adjustment of the ledger balance to agree with the actual available transfers on November 1st. The stock was moved from Lake View Station to an office in the Electric Building during October and all old and obsolete transfers were destroyed." About three-fourths of this $9,522.93 of special charges or $7,142.20 might be properly applicable to the previous three-quarters of 1908.

The total of the above $23,387.60 of extraordinary legal expenses and of $7,142.20 of other special expenses was not part of the ordinary operating costs of the road in October, November and December, 1908. Therefore, if this $30,529.80 of extraordinary expenditures had not been included in the operating expenses and if the receivers had reported only the actual expenses for maintenance and damages, there