

A PYRRHIC VICTORY

A REMARKABLE event took place on the evening of April 27, 1908, in the Chamber of Commerce building. It was the public exchange of the documents which gave the whole street railway system of Cleveland into the hands of Mayor Tom L. Johnson, and secured for the "Concon" a mortgage on the property.

On the platform of the assembly hall sat the generals of the street railway war, before them an audience of interested citizens. Speeches were made and applauded, speeches of peace and good will unto mankind. Mayor Johnson, radiant with happiness, strong and well-looking, saw the fulfilment of his ambition, a straight, three-cent fare. Mr. Horace Andrews hoped for success, Newton D. Baker offered a sigh of relief and a

eulogy for his master. Peter Witt, a modern Cassandra, was also prepared to have his say. This was a speech that was never made, for Mr. Johnson suppressed his friend for once with success. Peter had a few wretched minutes in the midst of general happiness.

The "Concon" as lessor took the name of The Cleveland Railway Company and under this name all the stock was to be issued. It also received the stock of the Forest City Railway Company, which was in time to disappear from the earth. The Municipal Traction Company was to run the road and, in case of failure, to return it to the lessor. A so-called "gentlemen's agreement" was entered into by which, in event of calamity, the property of the Forest City Railway Company was to be restored to the company. This agreement was regarded as a side issue, though Mayor Johnson considered it of much weight. The lawyers doubted its legal force.

Mayor Johnson, after all, was confident of success and impatient of any criticism. He

had indeed accomplished a marvel. Without the expense of a single dollar he had acquired possession of a great street railway system. His business genius, his official position, and the people had been his assets. Yes, the people enabled him to win his great victory, and to the people should the road belong. It was to be run in their interest, run better than ever before, and at a three-cent fare. To celebrate this great event the next day, April 28, was declared Municipal Day, during which everyone would be allowed the free use of the street railway, and it should be thus on the 28th of April in all the years to come.

After the ceremonies at the hall of the Chamber of Commerce, the Mayor and his entourage, later on known as the Kitchen Cabinet, went away to celebrate, which was human. Envious people claimed that a hilarious time was had that night, but even if so, the Katzenjammer too belonged to the victors.

The next day was the day of the people, especially of the children, who took joy rides

as long as they were allowed. Again, the next day business began—earnest, pitiless business. Mayor Johnson organized his company by rewarding his young friends and assistants with offices. As they were nearly all lawyers they were not possessed of street railway knowledge. The president, A. B. du Pont, and Mr. Johnson as treasurer, were the only experts in the business. The Mayor in those days almost deserted the City Hall. He spent many hours in the offices of the old "Concon," where Horace Andrews and his friend John Stanley had planned their warfare against the Mayor. In fact, he ate and even slept there, so busy a man was he. Time was too precious to be lost, and the work too plentiful to be neglected in any form or manner. It was there that the Kitchen Cabinet became accustomed to coming together "to work their jaws" in the double sense of the phrase.

Within two weeks troubles of a serious nature began, and it has always been claimed that John Stanley was at the bottom of it.

Two unions of street railway men were in existence at the time Tom Johnson undertook the management of the road. The "Concon" men demanded the observation of their contract with their old company, refusing to recognize the employés of the "three-cent lines." Mr. Johnson, on his part, refused to make a one-sided settlement. The leader of the "Concon" men ignored his brethren of the other road. The debates were bitter, and the result a disagreement, and a strike. One fine morning in the beautiful month of May, the people on the lines on which a 5-cent fare had been charged were asked to walk. The strike proved very unpopular and was speedily suppressed by Mr. Johnson, who developed the genius of a general in handling the situation. He enjoyed the advantage of being, not only manager of the street railway system but also Mayor of Cleveland.

The fine Italian hand of the *Deus ex machina* came now into play. A few weeks before the events just related the Legislature

of Ohio had passed a referendum law in connection with street railway franchises. The Mayor had advocated the law, which bore the name of Senator Schmidt, one of his best friends. John Stanley and his "Concon" men took advantage of the new law. Petitions were circulated, and soon bore the necessary number of signatures for a referendum election to approve or reject the railway settlement.

Now, the incredible happened. Mayor Johnson, for almost twenty years an ardent preacher of the initiative and referendum, fought the petitions instead of welcoming them and ordering through his Council a popular and speedy election. The citizens of Cleveland were painfully surprised, the enemies of the Mayor jubilant. The friends of the latter tried to excuse him on the ground that his adversaries were "playing a mean trick" upon him, but he, himself, resorted to all kinds of expedients to invalidate the petitions and prevent a referendum. Why that fear of an election? The people were with

him, they had trusted him for many years, and were ready to trust him in this case. The old Johnson nature that liked a straight course and went a crooked way loomed up. He lost his fight, and the referendum election was set for October 22, 1908. He also lost the confidence of many of the people.

In another month or so some of his best friends had become his opponents. His popularity was in jeopardy. Once in possession of the railway property, he began to see that under the losses caused by the strike, and under the curtailed income due to business depression, he could not make both ends meet. A plan to reduce expenses was inaugurated. The beginning was made by discontinuing car lines long in existence and along which streets and business had developed. A great cry went up from the injured people. Delegation after delegation visited the City Hall to demand relief from the Mayor against Tom L. Johnson, the street railway manager.

Once more the Mayor failed to do his duty

by the people, and to keep his promises of the old campaigns, that under a three-cent fare the service would be still better. The clamoring delegations found a haughty man, defiant and impatient. Railway operating expenses must be reduced. The people would have been willing to pay the higher rate of fare until their road was in better financial condition. They knew that the strike had been costly and that times were bad. The self-announced "man of the people" would not take them into his confidence. He was not willing to lay before them the true state of affairs. Instead he continued reducing the service on the lines until half the city was in an uproar.

"It is but natural," he explained, "that we have some people against us, for we are now running the road. The majority is with us; they are satisfied."

It was also natural that his old enemies should take advantage of the situation and of his mistakes. During the summer months the interests bestirred themselves and formed

a strong combination for an energetic campaign against the railway franchise. It was not always a fair fight. It was not even a fight in which the end justified the means, for the leaders declared that defeat of the franchise meant a three-cent fare, in which that body had never believed. But it was a fight in which much money and much venom were spent.

The Mayor had his tents out and was speaking nightly, together with Newton D. Baker, his Directors and Peter Witt. His was from the beginning a double contest, for a county election was to be held in November. The former enthusiasm of the people was no longer visible at these tent meetings, though there were throngs of men and women present. The tents of the enemy were also filled and men who had never before spoken in public mounted the rostrum to voice their sentiments.

Under these conditions the referendum election day arrived; 75,893 citizens voted and the Goff-Johnson pact was undone by

605 votes. The rejoicing of the victors knew no bounds. True, the margin in their favor was small, but it accomplished the purpose sought.

Mayor Johnson was crushed at the time. He had held the prize of his long endeavors in his hand and lost it. For some months he had been declining in health, his wife was ill in another city, his daughter had passed through a sad experience, and the outlook for the next election was gloomy. By an almost superhuman effort he managed to appear in public as the old Tom L. Who knows what this sick and defeated man suffered in the silence of his home, which was no home at that time? But time, business and fight went on and demanded their man. The enemies, encouraged by their success, kept up their organisation to execute their *coup de grace*. Their victim arose like a wounded lion, full of fight.

Matters in the City Hall went their placid way, but not those in the office of the Municipal Traction Company. The Central Trust

Company of New York, holder of the "Concon" bonds, asked for the appointment of a receiver, and on November 12, Judge Tayler of the United States Circuit Court appointed two men to conduct the affairs of the company, which had been declared bankrupt by the complaining bondholders. An examination of the books revealed a sad state of affairs. There were big and little debts and deficits in the different funds; yea, not even the dinner bills of the Kitchen Cabinet had been paid. The powerful Mayor of Cleveland, the conqueror of the "Concon Monster" found himself in a position where he had to explain a restaurant debt left standing. Still worse, it was discovered that he and Mr. du Pont had formed a private company for the manufacture of fare boxes and for it had used \$35,000 of the street railway company's money. The receivers, who were close to the old "Concon" officials, did not even honor the firm with an order, and the fare boxes were thrown into the scrap heap. Yet, Mr. Johnson had spent many a day in

inventing and supervising their construction, and meant that they should prove of much value to the Municipal Traction Company. His enemies accused him of having committed an unlawful act. They reproached him also with having given his son a position at the expense of the public.

Traction affairs progressed from bad to worse. The Mayor was obliged to close his bank, which was founded as an auxiliary to his street railway. The depositors received their money, every cent of it, but the stockholders suffered a severe loss. They were almost without exception his friends and admirers. This was too much for Mr. Johnson. Therefore appeared, one day, in a Cleveland paper, a front page article in which the Mayor announced that he had suffered great losses in his private business, which he had neglected in serving the public. Consequently he would be constrained to sell his home in Euclid Avenue, to do away with his automobiles and his servants, and to lead the simple life, as he had become a poor man.

His sycophants shed tears, and spoke of buying him a new automobile. His friends were amazed and in turn indignant, puzzled and sad. There was no dignity in a misfortune heralded through a newspaper.

Tom L. Johnson had become hysterical. He was physically a sick man and destiny spared him not with reprisals. He had lost his self-control and in his weakness revealed his innermost characteristics. The same weakness exposed later on a great tenderness for his family, a tenderness that was most honorable and becoming. To the initiated the failure of his bank was not a surprise, for they knew that the other banking institutions of Cleveland had harassed it from the beginning and would not lend it any assistance in time of need.

Under the receivership the railway company charged a five- and three-cent fare according to the nature of the several franchises under which they operated. Judge Tayler looked at the situation from the standpoint of its wants and announced it his duty to

protect the interests of the investors. He listened neither to the demands of Horace Andrews nor to those of Mayor Johnson. Both wanted the receivership removed, and to that end new negotiations were begun, which lasted till the middle of March, 1909. By direction of Judge Tayler himself, the Mayor, Mr. Andrews, City Solicitor Baker, and the eminent jurist, John G. White, became members of a new street railway commission. Their deliberations were without result. During that time, however, the so-called Tayler plan was outlined, the main features of which were to limit the dividends to six per cent, to give the city the right to own the Street Railway at a certain time after the Legislature had made municipal ownership a possibility, and to give good service at the lowest possible rate of fare or a sliding scale. In the course of the negotiations Mr. Andrews had been obstinate as always and Mayor Johnson had taken new courage. He tried anew to become master of the situation. To that end he induced the

City Council to pass the Schmidt franchises, which were to cover a number of expiring grants and to secure a new three-cent road. In the meantime, City Solicitor Baker prepared a new ordinance in accordance with the Tayler plan, and again public meetings were held, covering two months. Once more Mr. Johnson asked for a holding company, but Mr. Andrews absolutely refused to entertain any such proposition. At this time Prof. Bemis appraised the value of the street railway property at \$5,750,000, instead of twelve million dollars as before. There was to be no water on the stock value and no payment for expiring franchises. Horace Andrews withdrew from the deliberations and Mayor Johnson granted Mr. Herman Schmidt his first franchise in June, followed by a dozen extension grants. Mr. Andrews answered by declaring that his company was willing to accept any ordinance which Judge Tayler might present.

The people, who could not understand

Mayor Johnson's tenacity of purpose, and who had become tired of the street railway warfare, thought that he did not know when he was defeated. The newspapers demanded a Tayler ordinance, and the Chamber of Commerce became aroused. A referendum election on the Schmidt franchise was demanded and was set for August 3, 1909. The Chamber created a committee of one hundred citizens to direct a campaign against the Mayor and his ordinances. The Hundred did their work thoroughly, with means in abundance. Great tent meetings were held on hot summer evenings; debates took place, and leaflets and pamphlets were distributed. The truth was not always regarded as essential in some of the statements of the Hundred, and Mayor Johnson dealt in rosy figures of the future, in which art he certainly was a past master. But there was no hope of success for him. The noise in the tent-meetings was made by his immediate followers. The people at large came to listen, not

to applaud. On August 3, the Schmidt ordinances were defeated by a plurality of 3,773 votes.

With the people against him the Mayor had lost his last chance to regain the much coveted street railways of Cleveland. He, too, was now ready to accept a Tayler ordinance. He was obliged to regain lost ground, for he was up for re-election. His Council opened peace negotiations, but now the old "Concon" spirit showed itself again. The ghost was playing politics, for it did not want the franchise question settled before the election. It knew that Judge Tayler was favorable to three-cent fare, and feared that Mr. Johnson would profit by a Tayler ordinance. Thus it delayed the new meetings until it was too late to bring them to a close before the fall election. On the 18th of October Judge Tayler began work upon his ordinance and two weeks later Mayor Johnson was defeated. Two days afterwards he appeared again in the United States Circuit Court room to oppose his old enemy, the "Concon."

His strength was gone, while on the other side of the table sat Horace Andrews in the glory of vigorous manhood. Weeks of torture could not down the great will power of Mr. Johnson, though more than once he could be seen in a state of drowsiness. Yet, he would shake off the miserable feeling and reason and plead with the judge with almost his old-time keenness. When the work of framing a new ordinance was finally finished, around Christmas time, neither he nor Mr. Andrews was satisfied with it, a fact which proved that the ordinance was a fair piece of legislation under the circumstances. It provided a three-cent fare with one cent for a transfer and a sliding scale to four cents, or six tickets for a quarter as a maximum. It secured six per cent dividends and the right of the city to buy the road after a new valuation plus ten per cent. The stock must be sold at par. Judge Tayler valued the property at twenty-one million dollars, which Mr. Johnson declared too high and Mr. Andrews asserted was too low. It was a repetition

of the old contentions. Mr. Johnson made it known publicly that he would not be bound to vote for the ordinance at the referendum election, which was set for February, 1910. The presumption is that he did not vote for it, but the people sanctioned the labor of Judge Tayler by a large majority. They had a high opinion of the jurist, which was well founded.

Mr. Johnson at last found time to look after his seriously impaired health, and left for New York to place himself under the care of a specialist.