

AUTOMATIC PHONE TO BE SOLD TO BELL FOR \$6,300,000—WORTH LESS THAN \$2,000,000

Four aldermen failed in their efforts to get a "square-deal" for the people when the ordinance allowing the sale of the Automatic Phone Co. to the Chicago Telephone Co. for \$6,300,000 was passed out of committee yesterday. They were Buck, Merriam, Kearns and Wallace. The ordinance has been juggled around in the gas, oil and electric light committee of the council for months. The rest of the aldermen have stalled as though they were afraid to act upon it.

The bone of contention at yesterday's meeting was the amount which the Chicago Telephone Co. should be allowed to add to their capital account for rate-taking purposes and the amount the Automatic Co. should pay to the city as compensation for being allowed to consummate the sale.

The aldermen adopted the valuation of \$1,532,054 estimated by their engineer, Kempster B. Miller. This was a slap in the face of Walter Fisher, counsel for the mayor and "friend" of the people, who said it was too low, and to Bernard Sunny, president of the Chicago Telephone Co., who valued the plant at over \$4,000,000. Mr. Sunny's engineers later came in with a valuation nearly \$2,000,000 lower than his.

Ralph Shaw, att'y for the bondholders of the Automatic, spoke earnestly in an effort to try and get the amount at \$3,000,000. He told the irreparable injury done the company when the city refused to allow them to sell in 1909, and of the daily deterioration of their property.

After hearing Shaw speak one alderman left the room with tears (of laughter) in his eyes. He said he thought the city should give the Automatic Co. \$500,000 instead of taking money away from the poor bondholders.

After fiddling around for some min-

utes Ald. Cross finally motioned to have \$500,000 fixed as the amount of compensation. Ald. Merriam came back with a substitute making the amount \$4,000,000.

"We have already fixed the value of this property at \$1,532,054," he said. "Why do you suppose the Chicago Telephone Co. is so willing to pay \$6,300,000 for the property? It means this \$4,000,000 difference is the monopoly value, the franchise value. It is to eliminate competition. It is for the franchise which belongs to the city of Chicago. You will lose more than \$500,000 in your next rate-making deal."

Both Ald. Bergen and Lawleyspoke against the substitute. They declared there might be a chance of getting \$500,000, that the city needed the money; but if the amount were fixed at \$4,000,000 the company would refuse to buy and the city would lose \$500,000.

The substitute was defeated.

Then Ald. Merriam moved to pass the forfeiture ordinance drawn by Judge Foster, the committee's att'y. This motion was also defeated.

Then the aldermen started to fidget. They were waiting for some one to move the recommendation of the ordinance to the council. They didn't like the sardonic smile upon the faces of John Fitzpatrick, pres. of the Chicago Federation of Labor; Morton L. Johnson, pres. of the Penny Phone league; Miss Harriett Vit-tum of the Woman's Civil club and representatives of other civic organizations who are fighting for the public operation of the Automatic's plant.

Before the ordinance was passed on Ald. Bergen's motion, Ald. Merriam moved to amend it by inserting a clause calling for a referendum vote of the people before the sale is permitted.

The aldermen who voted against