FROM CENTRALIZATION TO DECENTRALIZATION: THE POLITICS OF TRANSIT IN CHICAGOLAND

by

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B.A., Urban Studies
Lake Forest College, 1980

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Submitted to the Department of Urban Studies and Planning
in Partial Fulfillment of the Requirements for the Degree of

Doctor of Urban and Regional Planning

at the

Massachusetts Institute of Technology

June 1996

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Thesis Supervisor: Professor Ralph Gakenheimer

ABSTRACT:

This work examines the politics of how public transportation in the Chicago metropolitan area has been organized and financed from the mid-1890s up through the mid-1990s a century later. The greatest focus is on the years since 1970. Starting in 1970, Chicago's urban transit system became the last major transit property in the US to cease meeting its operating costs from the farebox. A series of emergency bailouts ensued, while the state sought a regional organization and tax base for transit carriers in the city and the suburbs. These efforts resulted in the enactment of the Regional Transportation Authority (RTA) in 1973, and its narrow approval in a referendum in 1974 which pitted the city against the suburbs.

Although the RTA did stabilize, improve, and expand transit during the 1970s, city-suburban conflict plagued the agency. The RTA's failure to control costs led it to the brink of bankruptcy in the early 1980s. In 1983 the state passed a package of reforms which included some cost control measures, and an institutional component. The RTA now became an administrative agency with oversight responsibilities for the urban system, and two new service boards: one for commuter trains and the other for suburban buses.

The major findings of this research are based on the Chicago experience, but have relevance for metropolitan areas throughout the US and in other industrial democracies. Through most of the history of the transit industry, there has been a tendency towards consolidation. But in Chicago (and in several other cities) there has more recently been a move in the other direction towards smaller, more accountable units. This move is linked to a shift in power from the city towards the suburbs. As the suburbs find a voice in transit matters (despite their varied needs), they seek greater local control and accountability of transit institutions. Even if the Chicago reforms have not brought about regional harmony on transit issues, they have made it possible for the city and suburbs to work together more smoothly than before.

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PREFACE

Many people went out of their way to help me during the course of my research, during which time (like many doctoral students) I gathered much more material than I was able to use in my thesis. Dozens of people helped me in little and large ways, and I apologize in advance to all those who I omitted. I have tried to be comprehensive within the limits of space, and fair within the limits of trying to tell a story of political controversy and complex organizational relationships. I accept full responsibility for all errors which I may have allowed to slip in, and for all of my interpretations of what went on. Observers and participants with almost every conceivable position on Chicago's public transportation were pleased to share their perspectives and insights with me. I trust that any interview informants, other resource people, and stakeholders who disagree with anything I say in these pages will understand that I do not mean it personally.

My research took me to my native Chicago several times, and many people have gone well out of their way to make my way easier. I am grateful to Joyce Malden and her highly capable staff at the Municipal Reference Library, City of Chicago, for accommodating my extensive research needs while much of their collection was in the process of being relocated. Alice Schreyer and her staff at the Special Collections department at Regenstein Library, University of Chicago, were also very helpful while I was examining the George A. Ranney, Jr. papers.

The staff at the regional government archive at Northern Illinois University, DeKalb, went out of their way to facilitate my use of the Cal Skinner, Jr. papers when they learned that I was commuting from Chicago by bus to use their collection. I am also grateful to CTA Librarian Violette Brooks for her help and generosity, and to Judson Lawrie of the CTA's Corporate Planning Department, who kindly let me dig through his files and copy material related to the formation of the Regional Transportation Authority.

David Young, former transportation editor and now business writer for the Chicago Tribune, generously shared his extensive research sources and perceptive insights with me. Without his help, I might not have been able to track down several excellent but obscure documents. I hope I was able to provide him with even a fraction of the help with sources for his book as he has given me for my thesis. Jim Jarzab, Manager of Strategic Planning, Pace, and Paul Gross of the CTA Operations Planning Department went above and beyond the call of duty to get me information, both historical and current.

Special thanks go to Mrs. Alice Ryerson Hayes for putting me

in touch with her nephew George Ranney Jr. Mr. Ranney graciously invited me into his home to talk with me further about my research, and we conducted an interview around the very same kitchen table where Mr. Ranney and other top officials drafted the RTA bill during a hectic Thanksgiving long weekend in 1973.

On the opposite side of the RTA issue, State Representative Cal Skinner, Jr., kindly set time aside from constituent business for an interview at his Crystal Lake office, and drove me to and from the local train station. Former state representative Eugene Schlickman generously went out of his way to accommodate my request for an interview shortly before I was due to leave Chicago on one of my research visits in September 1993, and we enjoyed a long and far-ranging conversation (including an interview) over an extended lunch. Since then he has taken a warm interest in my progress.

Professor Pastora Cafferty of the University of Chicago School of Social Service Administration (and Regional Transportation Authority board member) has been unbelievably helpful. Our schedules did not mesh during my earlier visits, but when we finally did meet in September 1995, she helped arrange interviews for me with a number of highly-placed officials. She also read parts of my thesis and provided me with very helpful comments at the highest level of detail.

All of my interview informants (who I have listed along with my bibliographic references) were happy to fit me into their oft-busy schedules. I am honored by their willingness to put their perspectives across to me. In several of these conversations I sensed a real delight that somebody was interested in what they had done twenty-odd years earlier.

I have also had much encouragement and help at MIT. Ralph Gakenheimer, Professor of City Planning and Civil Engineering, my advisor and committee head, has given me the benefit of his sound, measured advice and his thoughtful comments on all of my drafts. He always heard me out and took my ideas seriously. For his ongoing help throughout the evolution, research, and writing of my thesis I am deeply thankful.

Urban historian Robert Fogelson, Professor of City Planning, and Nigel Wilson, Professor of Civil Engineering, generously served on my thesis committee and gave me good, solid advice about history writing and transit management. I am also grateful to Professor Martin Rein, Professor of Social Policy, for kindly consenting to serve on my qualifying examination committee and sharing his inspirational style with me. Brenda Blais, Nimfa DeLeon, and Debby Kunz of the staff of the Department of Urban Studies and Planning have been of great help with many of the little details of my life as a doctoral student.

Frederick Salvucci of the Department of Civil Engineering at MIT and former Massachusetts transportation secretary offered me many helpful insights based on his own enormous experience in transportation, especially in the Boston area. Finally at MIT, I have benefitted from conversations with Michael Shiffer of the Computer Resources Laboratory at the Department of Urban Studies and Planning. Mike has the rare ability to integrate the perspectives of the transportation professional with an appreciation of the rich technical, operating, and political history of Chicago's transit system. It has been a pleasure for me to share my research findings with him and enjoy his encouragement.

Other people who are neither associated with MIT nor with the realms of transit or politics have been invaluable to me. In Boston, many thanks to my friend Christopher Loring, who has followed my progress with interest and has always been happy to share his knowledge of cities and transportation with me. He provided me with much-needed friendship and moral support over my years at MIT.

In Chicago, Mrs. Jane Rosenthal, Mr. and Mrs. Robert Uretz, and Mr. and Mrs. Martin Glusberg have given me their hospitality (including taking dozens of telephone messages for me) and followed my progress with interest. They have all done wonders to make my usually hectic visits a lot less stressful than would otherwise have been the case. Gwin Kolb, Professor Emeritus of English at the University of Chicago, provided me with encouragement, sound advice, and help in digging out the occasional useful book from the university's library. Arthur Miller of the Lake Forest College Library and president of the Ragdale Foundation has taken an interest in my thesis, and has given me intelligent feedback and good ideas.

Mr. and Mrs. Mallory Fitzpatrick have been of enormous help and encouragement. They have given me a place to stay in Chicago and shown great interest in my research. Their son Thomas Fitzpatrick generously opened the doors of the law offices of Fitzpatrick, Eilenberg, and Zivian to me. On many occasions, his office provided me with a telephone and a word processor whenever I needed to obtain information or arrange an interview. I hope he will forgive me for the extent to which I took him up on his kind offer. His mother, the firm's erstwhile corporate concierge, followed my progress with unflagging enthusiasm and smoothed my use of the office. I would also like to thank Sylvia Flores of Fitzpatrick, Eilenberg and Zivian, who went above and beyond the call of duty to help ease my way in and around the office. Everybody associated with the firm tolerated my coming, going, and using the premises with the best of grace, even in the midst of an office renovation during my visit in September and October of 1995.

I am deeply grateful to the late Professor Helene Kantor of the Oriental Institute of the University of Chicago, for all of her enormous help in letting me stay with her and allowing me to use her office during her last years. Her moral support for what I was doing was unwavering. I am sorry that she did not live to read this, but she never doubted for a moment that I would make it. Her spirit still looks over my shoulder.

Finally, my parents, Mr. and Mrs. Greer Allen, know how grateful I am to them for being with me all the way through this long effort. They were always there whenever I needed them, and encouraged me through all the usual tight spots of a doctoral student's progress. I am indeed blessed to have parents like these.

CHAPTER 1
THE CHICAGO SETTING

For historians, transportation planners, students of politics, and transportation users, Chicago is the place where everything converges. Not only do roads, rails, and airways come together in Chicago; so do the conflicting agendas of policy makers, elected officials, and their constituents--with a forceful clarity which has made the city a favorite for political scientists.

Local public transportation in the six-county area of Northeastern Illinois (Cook, DuPage, Kane, Lake, McHenry, and Will) has a long and rich history. Mass transit has been a fiercely-disputed issue within Chicago itself for fully a century, and the city's modern agenda for transit traces its roots back to angry debates of the 1890s over the organization and finance of public transportation.

As postwar growth brought increasing numbers of Chicagoans and their daily commutes across the city limits into the suburbs, the long-standing city debate over transit policy eventually spilled into the suburbs. Chicago sustained its transit system from the farebox longer than any other large American city (in large part by deferring maintenance), but started to lose money in 1970.

At first, state officials and their allies in the city sought to keep urban transit afloat with subsidies, but the state eventually insisted on a regional solution with a new Regional Transportation Authority (RTA). Much as previous mergers of city streetcar lines in the 1910s, elevated lines in the 1920s, and the entire city transit network in the 1940s and 50s had resulted in better service and management, officials in the early 1970s

now hoped that a regional approach would provide the right mix of oversight and financial capability--in other words, subsidies with accountability. But this was not to be. Almost from the outset, the RTA was embroiled in city-suburban controversy.

The RTA barely won a bitterly-contested referendum in 1974, and the divisions from the referendum plagued the agency during its first decade. The city voted strongly in favor of the RTA, the five outer "collar counties" were staunchly opposed, and the intermediate zone of suburban Cook County[2] formed a "swing" constituency where residents generally voted according to their immediate commuting interests.

To its credit, the RTA saved and sustained lines which would have otherwise gone bankrupt. But it also extended poorly-patronized bus routes deeper into low-density suburbs, and, most seriously, failed to control mounting transit deficits in the city. From the standpoint of many suburbanites (most of whom did not depend on transit), the RTA had been implemented against their will to use much of their money for a city transit system which needed greater efficiency, not more money. As a result, the politics of transit were widely framed in terms of a zero-sum competition pitting the city against the suburbs.

By the early 1980s, the RTA itself was approaching bankruptcy, much as the city system had been a decade earlier. Fares soared on buses and trains in the city and suburbs alike, and parts of the suburban bus system even shut down when the RTA could not make its scheduled subsidy payments to financially-pressed bus companies. Scores of school buses now came into downtown Chicago every day, ferrying commuters who found that they could ride to work this way for almost half the cost of the recently-doubled commuter train fares.

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[2] Chicago is the seat of Cook County.

But this time, the state did not come to the rescue with more money. Instead, the state decided that the time had come to overhaul the agency's administration and make the institutional setup of transit more accountable--particularly to the majority of the region's population now living in the suburbs.

The 1983 reforms accomplished these essential goals, but in so doing acknowledged (and strengthened) the stake that many suburban voters and officials have in mass transit. The creation of new, suburban-controlled bus and commuter rail agencies (along with a suburban majority on the RTA board) has given many suburbanites a sense of participation they lacked in the 1970s. Suburban politicians and voters now balance their traditional fiscal conservatism with a desire to ensure that the benefits of mass transit are distributed to their communities. These ambivalent suburban agendas are likely to play an important role in the years to come as the Illinois legislature, like its counterparts elsewhere in the country, comes to grips with the phasing out of federal aid to transit operators.

Since the mid-1950s, the market for public transportation in Chicago has changed greatly with the decline of many inner city neighborhoods, yet there has been little change in the levels of transit service provided, the routes operated, or the public sector predominance in service provision. The urban transit system has pursued various strategies which have enabled it to avoid major changes in fares, routes, and the technology and organization of rail and bus operations--at least so far. As shrinking budgets reduce the city's maneuvering room, however, these issues promise to become increasingly contentious. Knowing what has happened already, and why, will make it easier to understand the transit debates of tomorrow.

The central question is how it happened that after continued consolidation of the Chicago area's transit operators during most

of the 20th century, there was a move (however incomplete) towards increased fiscal accountability and local control in the early 1980s. We examine which political actors have benefited and lost from different ways of organizing and paying for transit, through a history of the politics of mass transit in the Chicago area. These issues are important not only to Chicago, but also to the broader question of optimum organization of mass transportation.

Why study Chicago?

The Chicago area is an interesting laboratory in which to study the pressures on a large mass transit system, both in policy and transportation terms. Chicago is legendary in political science circles for the persistence of machine-style government well into the late 20th century, although analysts debate the extent to which traditional machine models are appropriate for analyzing events since the 1970s. Furthermore, many elected officials in Illinois make decisions in terms of an almost businesslike analysis of their choices on the satisfaction of their "customers," as expressed in terms of their personal prospects for reelection.

Chicago is North America's greatest transportation crossroads, and enjoys some of the most comprehensive public transit of any big city in the United States. Within the City of Chicago, 98% of the population lives within three-eighths of a mile of a bus route or a rapid transit station. Although most suburbanites depend on their automobiles for their daily travel needs, downtown-bound commuters enjoy some of the best suburban rail services in the country.[3]

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[3] With a few exceptions, Chicago's suburban railroads did not undergo the same long period of postwar decline that affected virtually all other public transportation services in the US. For this component of the transit system, a comparison with transit properties in Canada might be more appropriate than with those in

Yet despite all of these advantages, transit in Chicago has been in almost continual turmoil from the late 1960s on. Since the early 1970s, Chicago's transit institutions have been changed twice, amid recrimination between the city and suburbs. It is ironic that one of the best transit systems in the US has also been one of the most controversial.

An added dimension existing in Chicago and in very few other US cities is the large stake that certain elite and middle class actors have in mass transit. In the Chicago area, these groups include downtown business interests, urban elites living in upper-income lakefront neighborhoods, and suburbanites who ride commuter trains to work in downtown Chicago. These constituencies appear to have provided strategic help in the passage of the Regional Transportation Authority referendum in 1974, and remain important latent forces in any consideration of events since then.[4]

In addition to all these other important elements, Chicago is the first and largest US city to offer an example of administrative centralization followed by decentralization of its public transit system. In 1983 the Illinois legislature transferred the administration and operation of transit to different organizations under conditions of political and financial pressure. This 1983 legislation reformed an agency which had been created only ten years earlier and was narrowly approved in a referendum in 1974.

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other US cities.

[4] Among US metropolitan areas, only in New York does there exist similar or greater support for transit among elite groups and the middle class. Not even the Philadelphia, Boston, or San Francisco Bay areas seem to have pro-transit constituencies as solid as Chicago's. All the same, transit in Chicago is widely identified in political terms with service to the urban poor, in contrast to Toronto and other Canadian cities.

What happened in Chicago is relevant to what is happening elsewhere. Since 1983, reforms similar to Chicago's, with separate bodies overseeing and operating transit, have taken place in such varied metropolitan areas as London,[5] Minneapolis-St. Paul,[6] Dublin,[7] Detroit,[8] Stockholm,[9] and Buenos Aires.[10]

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[5] A substantial literature has grown up around the reform of London Transport. For instance, see Paul E. Garbutt, London Transport and the Politicians (London: Ian Allan Ltd., 1985); John Glover, London Transport Buses and Trains Since 1933 (Shepperton, Surrey, England: Ian Allan Ltd., 1988); Martin Higginson, "Deregulate: Who Dares? - The London Experience" (presented at the International Conference on Competition and Ownership of Bus and Coach Services, Thredbo, N.S.W., Australia, May 1989); and Peter White, "The future for buses in London" (Transport, November-December 1994).

[6] See Metropolitan Transit Planning (St. Paul: Office of the Legislative Auditor, State of Minnesota, January 1988); also David Rafter and Joel Alter, "Local Government Involvement in Metropolitan Transit Planning" (Transportation Quarterly, April 1991).

[7] "Eire: Taking a new line" (Transport, June 1985); also "G.T. Paul Conlon" (Transport, December 1989). For more on the historical background of mass transit in Dublin, see P.J. Flanagan and C.B. Mac an tSaoir, Dublin's Buses (Dublin: Transport Research Associates, 1968); also "Dublin Transit: No Laughing Matter" (Mass Transit, May 1981).

[8] See Chris Bushell, ed., Jane's Urban Transport Systems 1996-96 (Coulsdon, Surrey, England: Jane's Information Group, 1995), pp. 91-92.

[9] "SL restructures management" (Railway Gazette International, January 1991); also Leif Axén, "Finding Economy in Service" (Developing Metros 1991, a Railway Gazette International yearbook). For historical background on transit in Stockholm, see O. Hultman, "Problems of peak hour bus services in regional transport in selected conurbations" (Brussels: Union Internationale des Transports Publics, 1983).

[10] For recent developments involving rail privatization, see Fernando Lozada Islas, "Una red de subtérraneos inadaptada" in Gabriel Dupuy, ed., Las redes de servicios urbanos de Buenos Aires: problemas y alternativas (Caen, France: Paradigme, 1992); and Enrique Garibotto, "TBA takes over last BA suburban trains (Railway Gazette International, August 1995).

This makes Chicago's experience important to transportation professionals in other cities worldwide, as they grapple with the contradictory demands of ridership, finance, and politics.

Why study transit?

Transit is both a capital-and labor-intensive industry. As it is currently organized in the US, mass transit is almost exclusively in the hands of the public sector, and is often viewed more as a money-losing charity service than as a mode of choice (from the consumer's point of view) or as a business (from the producer's standpoint). Thus, most public transportation is seen as being largely for the benefit of the socially disadvantaged. In Chicago and a handful of other big cities, there is another important constituency, composed of (usually affluent) city and suburban commuters who work in the city center and use public transportation in order to avoid traffic jams and parking problems.

What happened in Chicago is important because the Chicago experience sheds light on similar problems of other large cities. Although the common budgetary tensions affecting mass transit have resulted in different outcomes elsewhere, broad similarities are clearly visible both in terms of policy inputs and outputs in several other cities.

Buenos Aires also experienced an earlier phase of bus privatization in the early 1960s. See John Hibbs, "Urban Bus Transport in Buenos Aires: The Colectivos" (Transportation Research Record 914, 1983); Nora Clichevsky, "Políticas urbanas, transporte y condiciones de vida en Buenos Aires Región Metropolitana" in Transporte y servicios urbanos en América Latina (Joinville, Arcueil, France and Quito, Ecuador: INRETS and CIUDAD, 1985); Patricia Brennan and Olga Vicente, "Génesis, organización y funcionamiento de los operadores privados del autotransporte en Buenos Aires" (Buenos Aires: mimeo, April 1988); and Andrea Ferrarazzo, "Mass Transit in Buenos Aires" (Mass Transit, July-August 1990).

Illinois government

If Chicago is a transportation crossroads, then Illinois is a political crossroads, with elements of the north, south, east and west. Its mix of big city, suburban, and small town voters makes it a microcosm of the nation. Since 1945, the state legislature in Springfield has been the arena where issues of transit funding and organization for the Chicago area have been decided.

Much of Illinois government is similar to other states. The governor is elected to a four-year term,[11] and has line-item veto powers. The General Assembly may override a veto by a three-fifths vote, which is also the margin required for passage of all legislation during a special session convened by the governor. This happens with surprising regularity when the General Assembly ends its regular session without taking care of various items of business (sometimes as important as the state's budget). In 1973, 1979, and 1983, important laws enacted during special sessions changed the institutional landscape and funding sources for transit in Chicago and the suburbs.

The Illinois Senate has always used single-member districts. However, until 1982, each district had three members in the House of Representatives, elected by a system known as cumulative voting. Each voter had three votes to allocate among one, two, or three candidates. The usual result was that a district would have two representatives from one party and a third from the

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[11] Up through 1976, gubernatorial elections were held in presidential years. For the 1976 election only, the term was shortened to two years in order to put gubernatorial elections on an "off-year" timetable, as mandated in the new 1970 Illinois constitution. Since 1978, the gubernatorial term has been four years.

other party.[12] This led to Democrats being elected in the suburbs and Republicans being elected in Chicago (some of whom were not considered loyal party members by their suburban and downstate colleagues). There were also internal party effects: the system helped Democrats not aligned with Chicago's machine get elected in the city and suburbs. At its best, cumulative voting was a system worthy of a discerning electorate.

Cumulative voting came to an end with the 1982 election, following a referendum in 1980 on the so-called "Cutback Amendment" (which replaced cumulative voting with single-member House districts). The principal appeal of the Cutback Amendment was not the elimination of cumulative voting (which many voters may not have fully understood), but rather an overall reduction in the number of state legislators.

Chicago politics

Although decision-making about Chicago's mass transit system had largely shifted to the state by the middle of the 20th century, the City of Chicago remains crucial to the politics of mass transit. Chicago, uniquely in the metropolitan area, is the only local government which appoints members to the boards of transit agencies, and the city is guaranteed by law a four-to-three majority on the Chicago Transit Authority's board.

Informal political factors also make the city of vital importance. Chicago's Democratic machine-- properly known as the Regular Democratic Organization of Cook County--is legendary to

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[12] Under the old 1870 constitution, parties were able to minimize competition by putting up less than a full slate of candidates. Thus, where one party was known to be dominant, the first party would put up two candidates, and the other party would run just one--thereby ensuring that all nominees would be elected. The new 1970 constitution eliminated this loophole and required parties to run three candidates in all House seats they contested.

even the most casual observers of American politics.[13] To many, Chicago's machine is synonymous with Mayor Richard J. Daley (1955-1976), even though the machine preceded and, to some extent, outlived him. The machine's power was already on the wane (although still strong in absolute terms) by the time regional transit became an issue in the early 1970s. For several years from 1979 through 1987, Chicago's traditional machine politics appeared to be increasingly obsolete. During those years a new politics dominated by distinct black and white voting blocs took hold, culminating with the election of Harold Washington as the city's first black mayor in 1983 and 1987.

Yet the city's Democratic organization has survived in an age of increasingly professionalized government. The racial politics of the 1980s coexist with a modernized, more managerial version of traditional Chicago politics, heralded by the election of Mayor Richard M. Daley in 1989. Son of Chicago's most famous mayor, Daley won reelection easily in 1991 and 1995. Starting with an alliance between Chicago's white, Latino, and affluent "lakefront liberal" voting blocs, Daley has since expanded his appeal to include a third of the city's black voters.[14]

The mayoral primary occurs in February of the year before

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[13] The term "machine" is used in a non-judgmental sense to mean a strong party organization which mobilizes its followers by rewarding their participation with goods and services (as opposed to rallying them with ideological proclamations). Indeed, as Fuchs (1992) shows, any comparison of the "reformed" system which has been in place in New York since the 1930s with Chicago's machine government is likely to cast grave doubts on the desirability of municipal reform.

[14] Interestingly, Daley has been able to solidify the Regular Democratic Organization's position despite the honest conduct of elections and court decisions outlawing much of the openly political "patronage" hiring for city agencies. Some reformers had once anticipated that these changes would lead to the machine's downfall.

presidential elections, and the general election is in April. At the primary, voters also elect their City Council representative (alderman). If no aldermanic candidate receives a majority, the two top vote-getters face a runoff at the time of the mayoral general election. Each of the city's fifty wards elects one alderman. There are no "at-large" seats.

Chicago's wards are not just voting districts; they are electoral fiefdoms. In traditional Chicago politics (although not any longer), the party office of ward committeeman often overshadowed the public office of alderman. Chicago's once-legendary ward committeemen sometimes held the alderman's seat themselves, but more often they would hold another elected or appointed office, or maintain a politically-connected law practice or other business. Under the most traditional Chicago politics, the most powerful ward committeemen had a variety of entry-level jobs within their giving to reward the faithful--including jobs on the transit system. Also in the old days, aldermen who defied their ward committeemen could expect to face a more tractable machine candidate at the next election--and more often than not, the machine's candidate won.

Chicago's Democratic organization enjoys the solid support of a majority of the city's voters, despite the flow of ethnic and racial change across many neighborhoods. The Republican party is so weak that in 1955 and 1971 liberal Democrats were able to run under the Republican banner as a flag of convenience. The greatest political competition is not within the city so much as it is between the city and the suburbs. This competition is somewhat muted within Cook County, where the city still makes up a majority of the county's population. But in the west suburbs, DuPage County's Republicans have taken advantage of the demographics of suburban growth to build a strong party organization which promises to become a suburban counterpart to Chicago's legendary machine. Increasingly, metropolitan politics

are dominated by bargaining between Chicago Democrats and DuPage County Republicans.

To help understand the institutional changes sweeping Chicago's transit landscape during the 20th century, Figure 1 summarizes the overall flow of events in the development and revision of mass transit institutions in the Chicago area. Figure 2 shows some of the major political and transportation features of Chicago and its nearby suburbs. Figure 3 shows the six county RTA area of northeastern Illinois and the commuter railroads in the early 1990s. Figure 4 shows the city-oriented Chicago Transit Authority system as of 1975, when the RTA was beginning to channel subsidies to the Chicago system on a regular basis. And finally, Figure 5 shows the Illinois Central Electric, which has led developments on both sides of the city line since the 1920s. We now take up the long debate on mass transit policy in the Chicago metropolitan area from its roots at the end of the 19th century.[15]

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[15] The term Chicagoland is widely used and accepted throughout the city and suburbs. It refers, in its most limited sense, to the six northeastern Illinois counties of Cook, DuPage, Kane, Lake, McHenry, and Will. It is used here interchangeably with the Chicago metropolitan area.

In a more general way, the term can be applied to the entire commutershed encompassing Chicago and its suburbs. This wider definition may extend beyond the 6-county metropolitan area in northeastern Illinois to include adjacent parts of northwestern Indiana: Lake and Porter counties, and sometimes LaPorte County as well. An even broader definition might also include adjacent parts of southeastern Wisconsin as far north as Kenosha, but this begins to overlap with the Milwaukee area.

FIGURE 1. TRANSIT ORGANIZATION IN CHICAGO SINCE 1930

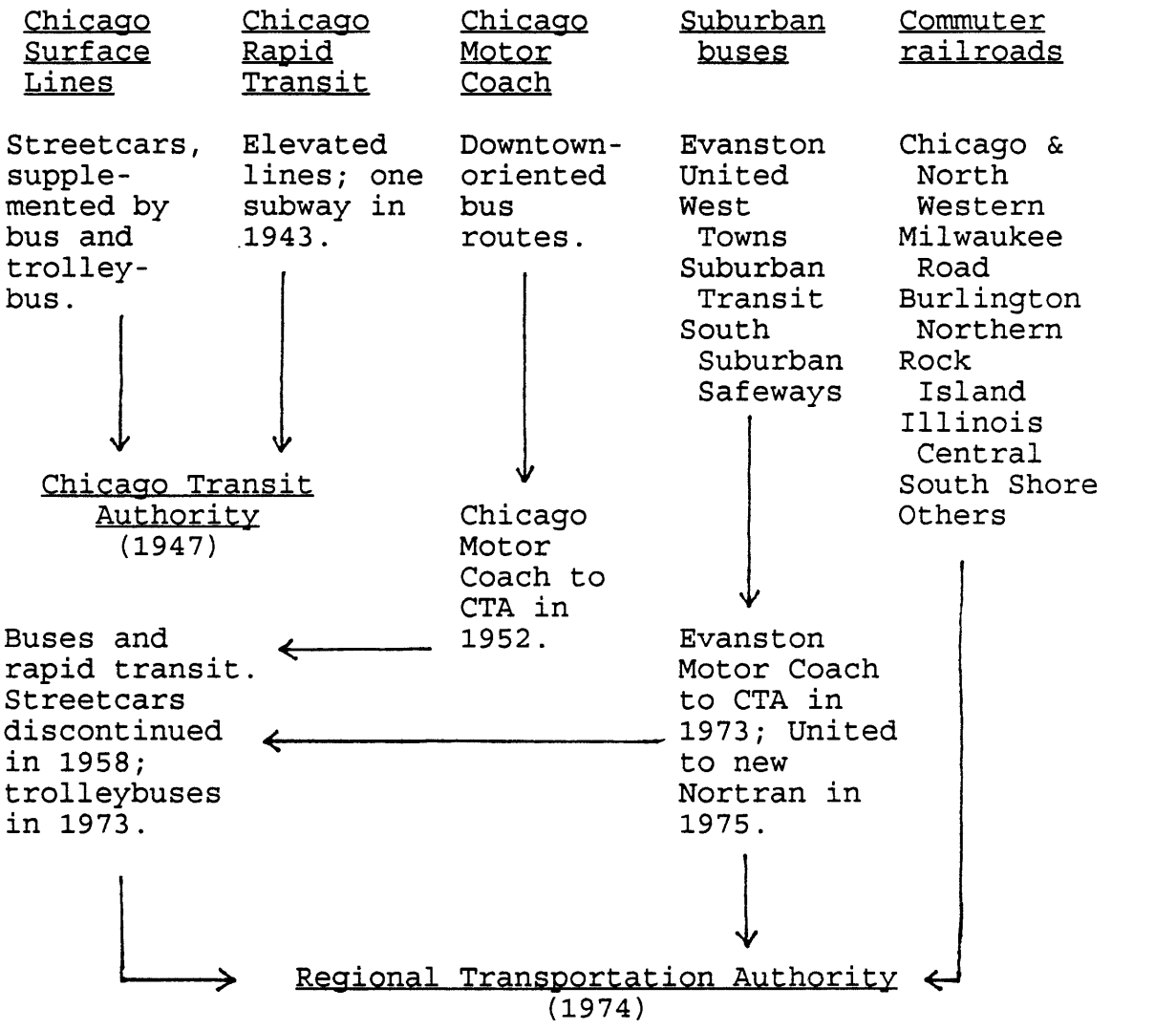


FIGURE 2. CHICAGO AND NEARBY SUBURBS



FIGURE 3. SIX-COUNTY RTA AREA
AND CHICAGO AREA COMMUTER RAILROAD LINES

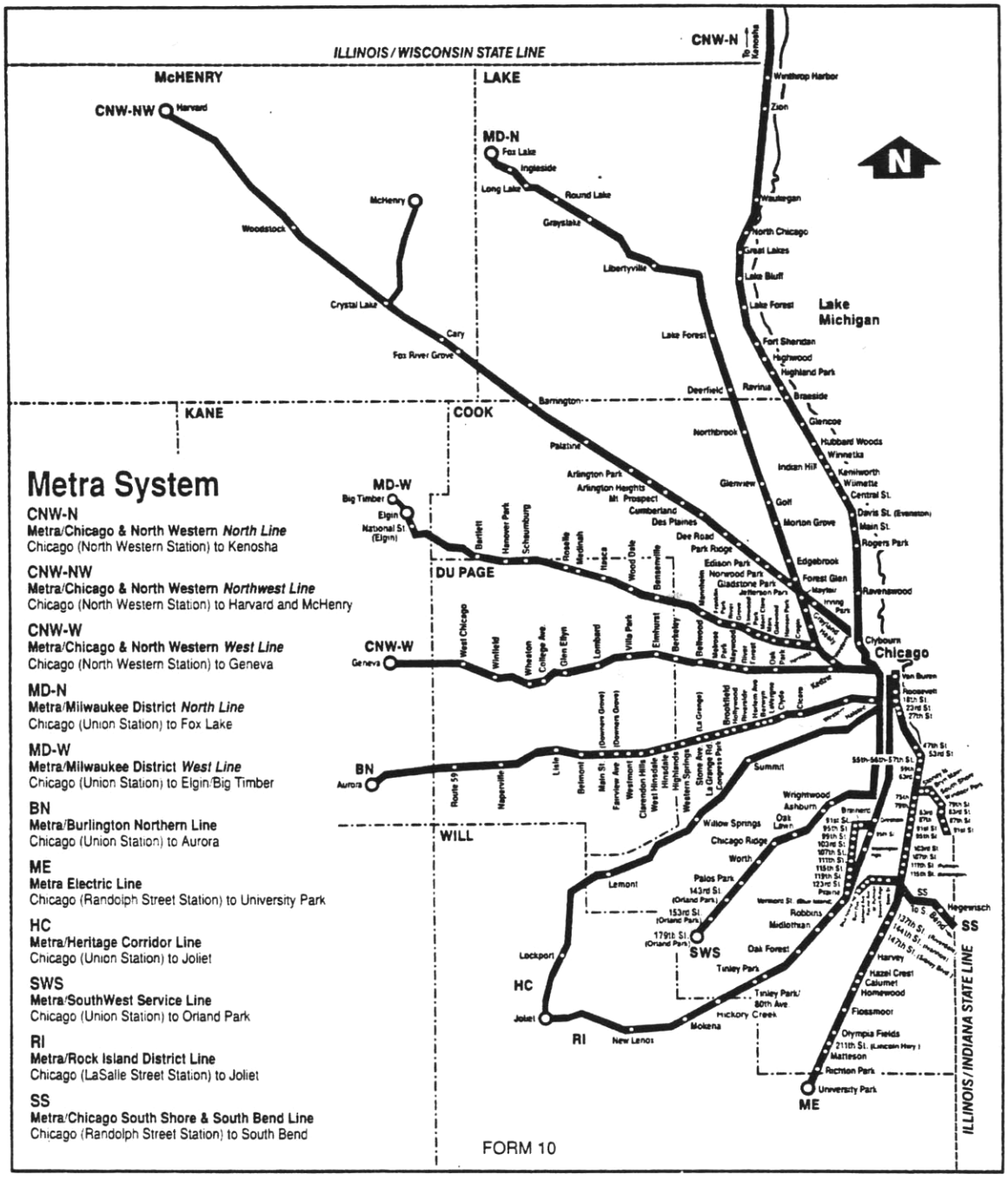


FIGURE 4 (A). CHICAGO TRANSIT AUTHORITY -- DOWNTOWN AND NORTH

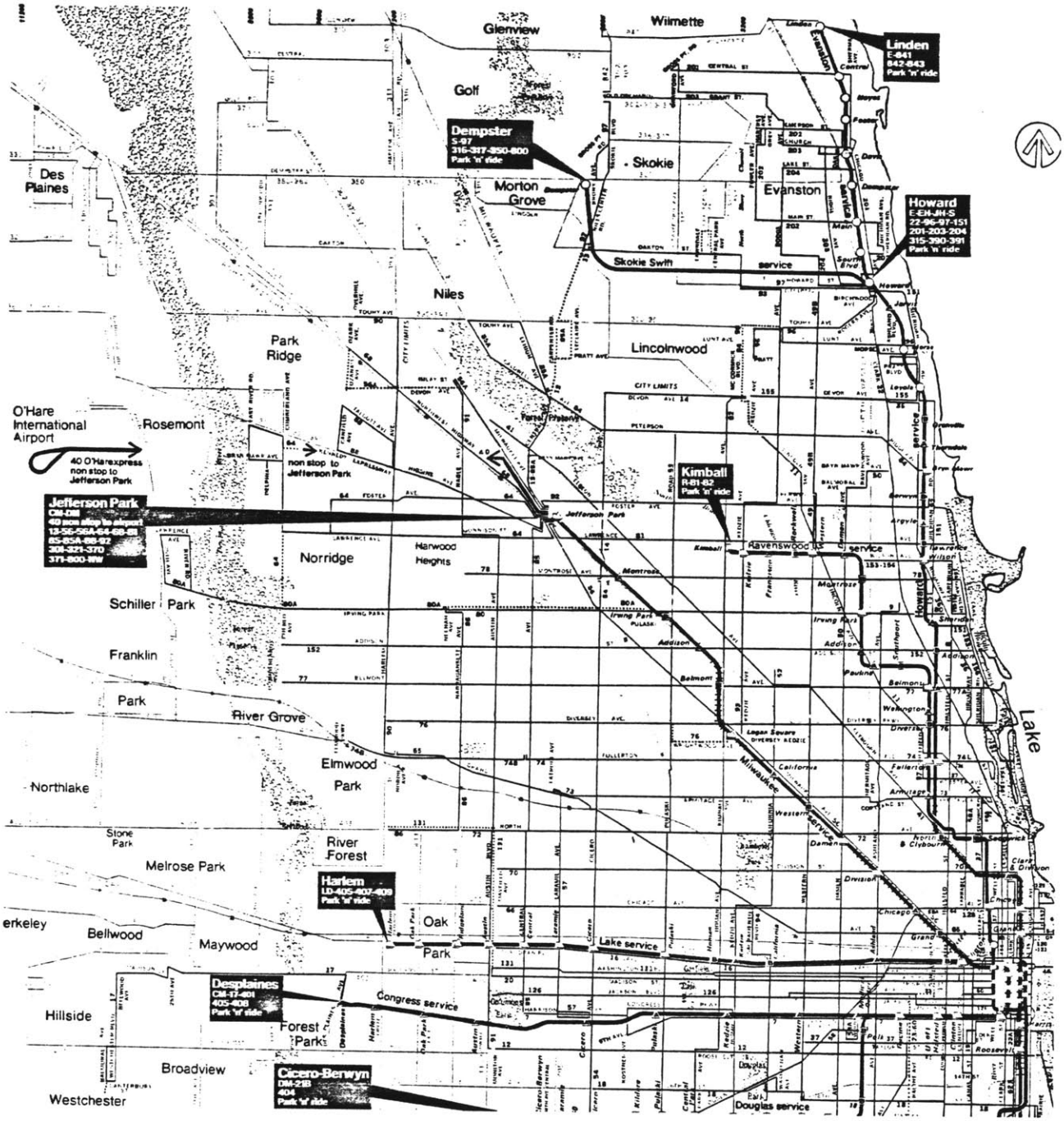


FIGURE 4 (B). CHICAGO TRANSIT AUTHORITY -- DOWNTOWN AND SOUTH

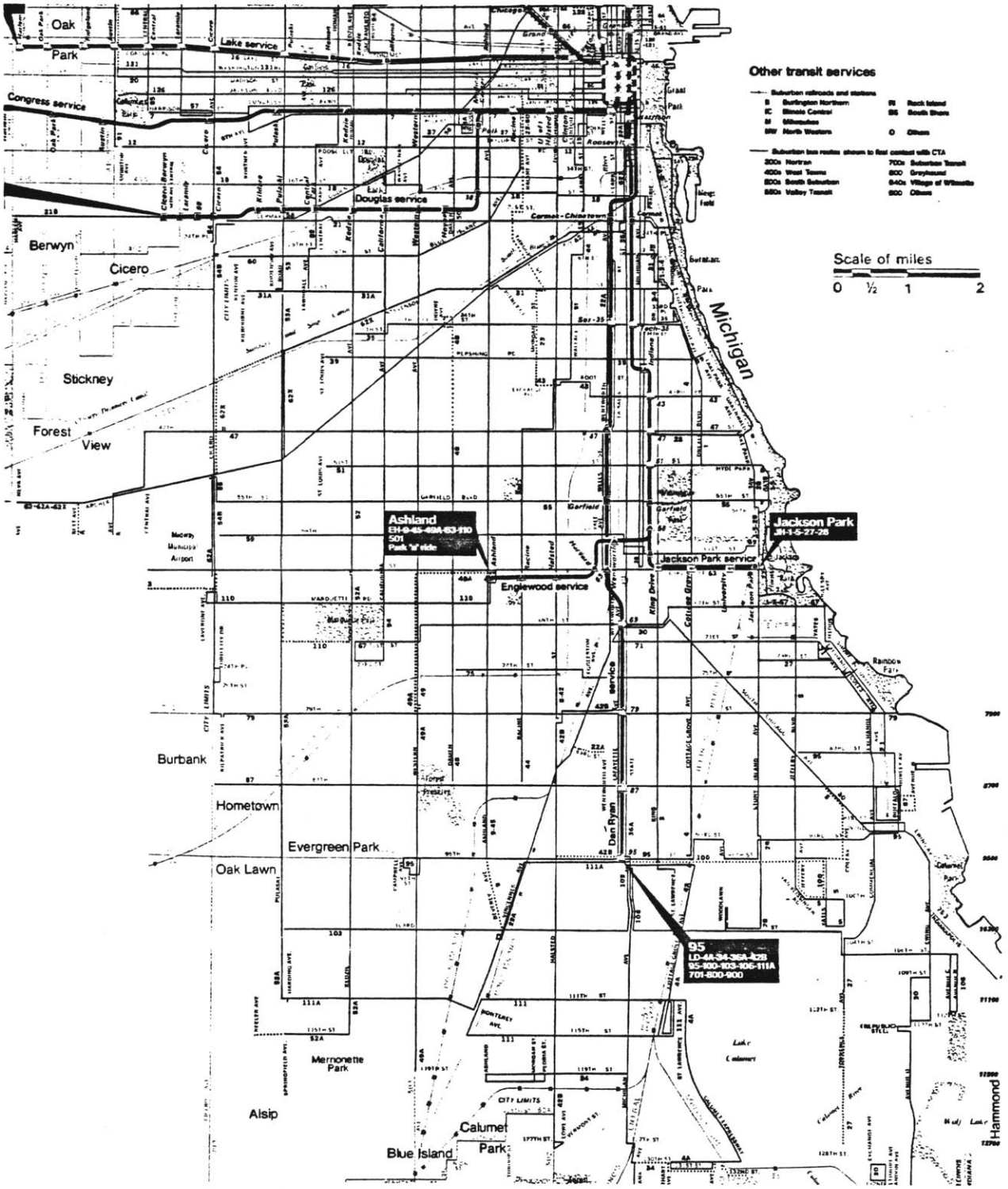
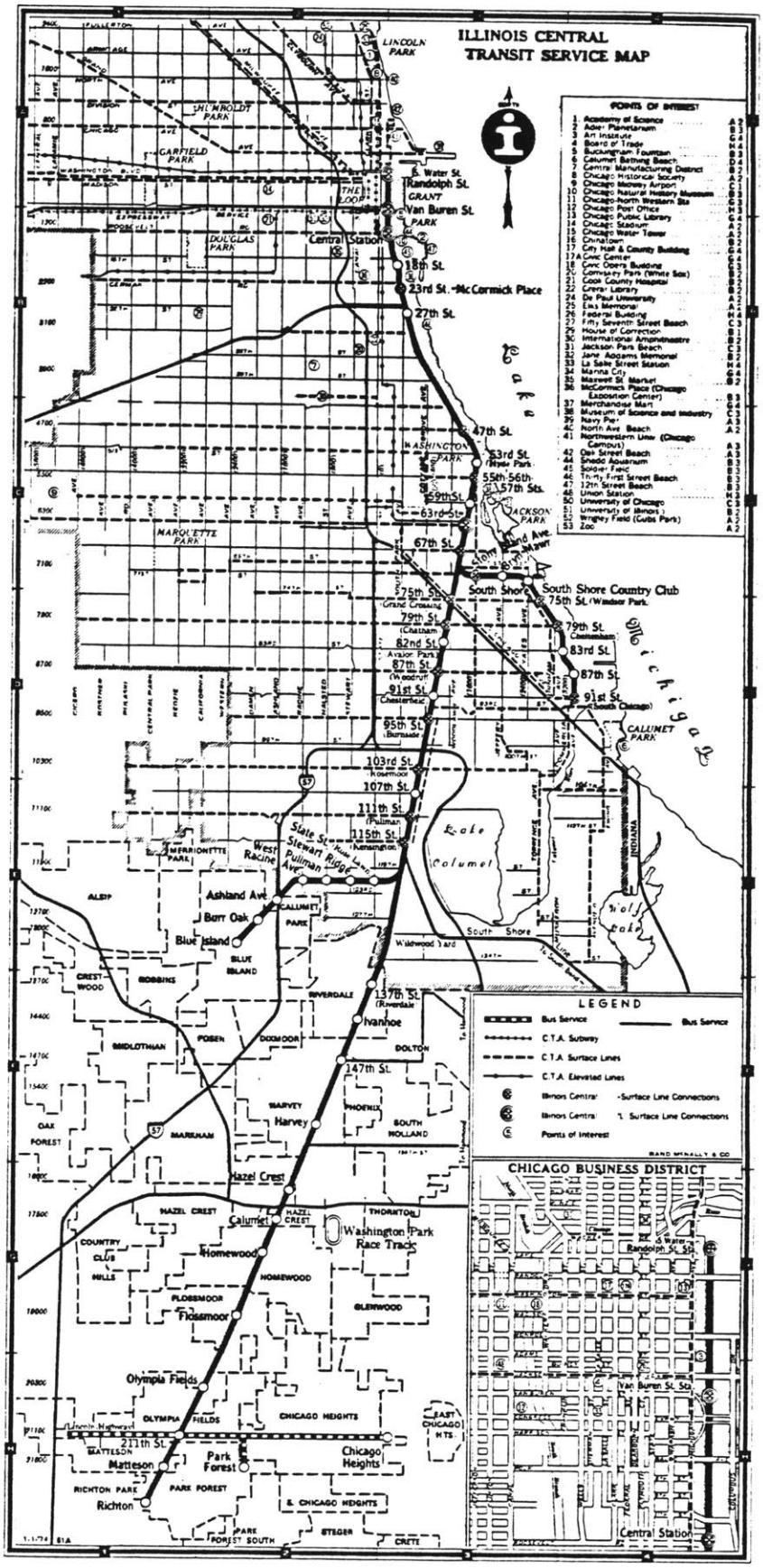


FIGURE 5.

ILLINOIS CENTRAL ELECTRIC



CHAPTER 2
TRANSIT IN CHICAGOLAND BEFORE 1945: ROBBER BARONS, NOBLESSE OBLIGE, AND BANKRUPTCY

In 1973, the Illinois legislature created the Regional Transportation Authority (RTA). Its proponents argued that the RTA would help the city and suburbs work together for common purposes, but instead it turned out to be a very divisive issue because most of the suburbs were incorporated into the new agency against their will. Yet there was little being proposed in the early 1970s which had not been discussed or foreshadowed in the 1950s or even the 1920s. Instead, there has been an ongoing debate mass transit in Chicago since the late 19th century. In order to understand the issues surrounding Chicago's transit system during the 1970s and 1980s, it is necessary to go back to the late 19th century, when public transportation became a fiercely debated issue. The city responded to controversy by pursuing plentiful service at affordable fares through the political process--an agenda which continues to this day.

Transit Operators in the City

Historically, private mass transit carriers within the City of Chicago were organized both by geographic area and by mode. Until the 1910s and 1920s, a confusing variety of private companies provided local transit within the city limits.[1] Initially there were a bewildering number of street railways, but by the early 20th century, consolidation had taken place to the extent that there were a smaller number of firms organized along

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[1] This does not include commuter railroads, which are discussed below. Today these are primarily city-to-suburb carriers. However, two of the South Side's railroads (the Illinois Central and the Rock Island) were principally city neighborhood-to-downtown carriers until postwar suburban growth shifted their centers of ridership gravity beyond the city limits. Even now many residents of Chicago continue to use their services.

geographic lines. Thus, by the dawn of the 20th century there was a North Side streetcar company and a North Side elevated railroad company, with similar patterns elsewhere in the city. Each firm had its own fares. Transfers between different parts of the city, or between modes, did not become available until companies merged their operations, or the regulatory authorities mandated some degree of fare unification.

By the early 1920s, the city's public transportation system had taken on something resembling its late 20th century form as three large companies emerged, each with its own separate fares. These companies were:

1.) Chicago Surface Lines (CSL). In 1914 all of the city's street railways consolidated their operations under a single management. CSL's primary business was streetcar service, but the company also operated an extensive trolleybus system, and ran shuttle buses as feeders beyond the outer ends of streetcar routes. CSL reached into neighborhoods all over the city. Only the Surface Lines provided crosstown service, enabling riders to bypass the Loop, Chicago's congested downtown area. But since most CSL routes followed Chicago's grid pattern of streets, many riders had to change cars in order to reach the Loop via CSL. Service was frequent and comprehensive, but slow because of traffic congestion and snowstorms.[2]

2.) Chicago Rapid Transit (CRT). Formed in 1924 from four predecessor companies, CRT operated elevated (or, to Chicagoans, "L") lines along major travel corridors between the downtown area

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[2] In its later years, CSL replaced several long crosstown lines with trolley buses. The Chicago Transit Authority continued this practice after acquiring CSL in 1947, although bus substitution was even more common under the CTA. Chicago's last streetcar ran in 1958.

and the North, Northwest, West, and South Sides.[3] CRT's largely grade-separated rights of way for travel to and from the Loop gave it an advantage over its competitors, which were confined to the city's streets.[4] The "L" offered all-weather reliability, which was important during Chicago's long, rough winters. However, frequent station stops, sometimes as little as ¼ mile apart, cancelled out most of the time savings made possible by the elevated's technology.

3.) Chicago Motor Coach (CMC). In a city as large and varied as Chicago, there was ample scope for transit services aimed at different segments of the market. If CSL offered basic, no-frills service to ordinary Chicagoans going to work in factories or shopping along neighborhood streets, then Chicago Motor Coach catered to the upper end of the market. In contrast to the rough-hewn image of the Surface Lines, CMC provided deluxe service for a premium fare. Unlike CSL, Chicago Motor Coach was not saddled with slow, money-losing lines, and its buses could maneuver in traffic more readily than streetcars. CMC's low fixed costs (no private rights of way, no tracks, no electrical substations, third rail, or trolley wire) enabled it to expand readily in pursuit of opportunities. The company's aggressive growth during the 1920s led it into conflict with CSL, which accused CMC of poaching on its territory when it expanded onto

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[3] CRT was the only one of the three Chicago-based transit companies to serve some adjacent northern and western suburbs as well as the city. Several of these communities still enjoy rapid transit service today. At the same time, large areas of the city, particularly the far Northwest, Southwest, far South, and Southeast Sides, had no elevated service.

[4] CRT's lines, almost uniquely in North America, included several outer sections of line which crossed local streets at grade. Rapid rail designers elsewhere rarely built lines with grade crossings, but this unconventional approach allowed CRT and its predecessors to maximize service to outlying areas (where the companies sometimes sought to develop real estate holdings) at minimal capital cost.

the Northwest Side.[5] CMC went only where it saw the potential for profits. In contrast to CSL, there was no attempt to serve the entire city. Even at its peak, CMC carried only one-tenth of the city's transit ridership.

CMC routes were of two basic types: line-haul service between residential neighborhoods and downtown Chicago, and downtown routes in and around the heart of the city, particularly to and from the major railroad terminals just west of the Loop. CMC enjoyed a monopoly on one of the most profitable segments of the transit market: its buses were the only transit vehicles allowed on North Michigan Avenue, which was already beginning to emerge as a prestigious shopping alternative to the Loop by the interwar years.

Suburban Transit Operators

Transit did not become a political issue in the suburbs until the early 1970s. However, to understand how some suburban services did become politically troublesome at that point, it may be useful to consider the array of suburban carriers:

1.) Railroads, providing commuter service between downtown Chicago and suburban locations (examples: Burlington Northern, Chicago & North Western, Illinois Central).[6]

2.) Streetcar and bus lines serving suburbs adjacent to Chicago. These services were better suited for local travel than were the suburban railroads, as these local lines operated in

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[5] CMC was ultimately forced to withdraw from the routes in question. For more on the legal battle between the two companies, see Lind (1974), pp. 353-355.

[6] Many of these lines also provided extensive service within the city, especially the Illinois Central and the Rock Island on the South Side, although the Milwaukee Road and the Chicago & North Western also had many stops on the West and North Sides.

directions other than those paralleling the railroads. Often, riders could make connections with Chicago streetcar, bus, and elevated lines for travel into the city. The territories which these companies served all bordered on Chicago and stretched for up to five or ten miles away from the city limits. This proximity to Chicago distinguished these companies from the third group of transit operators.

3.) Streetcar and bus lines serving industrial cities beyond Chicago. Several industrial cities, large enough to have developed their own local transit services, lie at the edge of the metropolis, about 30 to 40 miles away from downtown Chicago. (Examples include Aurora, Elgin, Joliet, and Waukegan, Illinois; also Gary, Indiana.)

The typical commuting suburb in the 1920s had a local streetcar or bus company (if it was within five or ten miles of the city limits), and by a railroad providing commuter service. Up through the 1940s, train service to the city put a community "on the map" in much the same way that proximity to an expressway did for postwar suburbs. Occasionally a steam railroad had competition from an electric interurban, or, if the suburb was close to the city, an extension of Chicago's elevated. The industrial cities on the edge of the metropolitan area had their local transit systems, a commuter railroad to Chicago, and, until the postwar period, usually an interurban as well.

It was not until the late 1960s that suburban transit carriers began to seek subsidies and buyouts from the public sector. Until then, the transit situation remained relatively stable in the suburbs. But in the City of Chicago, transit had become a hot political issue by the 1890s.

Charles Yerkes and the entrepreneurial era

Chicago's rapid growth attracted entrepreneurs in a variety

of economic sectors, including mass transit.[7] The most notorious figure in the history of Chicago's electric traction was Charles Yerkes. Originally from Philadelphia (where he had served seven months in prison for embezzlement), Yerkes came to Chicago in 1886 and promptly began a very active career as a financier and developer of mass transit. As Roberts explains,

> Yerkes' techniques were to borrow money, obtain leases, offer dividend guarantees, juggle accounts, create subsidiary corporations, and then issue watered securities. His bookkeeping methods and business tactics were so complicated that a clear account of how he captured control of Chicago's street railways can hardly be made (1961, p. 348).

At the height of his career, Yerkes was in control of the street railways on the West and North Sides, and of the "L" linking the North Side with the downtown Loop area.[8] Entrepreneurs like Yerkes did not endear themselves to commuters, as Barrett explains:

> [T]hose who could sought some form of access to the richest territory (...) [of] the Loop... Each [company] feasted on the daily rush hours, sending as

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[7] For a summary of the intricate corporate history of mass transit in Chicago, see the "Family Tree of Chicago's Transit Operating Companies" in Chicago Transit Authority (1966, pp. viii-ix). Bullard (1987) describes the various predecessor companies in exhaustive historical detail (pp 15-34), although the sequence of events and the causal relationships are less than clear at several points during his narrative.

[8] The dominant South Side street railway company had already converted from horse to cable traction by the time Yerkes began his Chicago street railway dealings in 1886. The North and West Side companies, by contrast, had failed to make this conversion. This failure provided Yerkes with an opportunity to present himself to dissident stockholders as a dynamic manager who would make overdue changes in the operation of the companies, in much the same way as a later generation of "corporate raiders" would seek out undervalued firms in the 1980s.

> many cars as possible [into the Loop]...[9] Each ran as few cars as it dared at other hours of the day, and with few exceptions, none at all at night (1983, p. 13).

Despite the prominent role Yerkes played in Chicago's political demonology, he and his contemporaries built large amounts of infrastructure quickly which allowed Chicagoans to move to more spacious quarters further away from their places of work. Under Yerkes, horsecars were replaced with cable cars, which in turn soon gave way to electric streetcars. On the "L", Yerkes converted from steam to electric traction. He built the Loop elevated which enabled the "L" trains of his and other companies to circulate through the city's business center rather than terminate on the edge of downtown. This accomplishment still facilitates commuting in Chicago today.

Yerkes is best remembered today, however, for the negative aspects of his regime. Overcrowding was widespread on the streetcar and elevated lines. Once, when confronted by a group of dissident stockholders who called for more service to relieve overcrowding, Yerkes told them, in a reply which was to become infamous, "It is the people who hang to the straps who pay you your big dividends" (Roberts 1961, p. 352). Not only was overcrowding inconvenient, but it also led to frequent accidents in which people were hurt and even killed (Roberts 1961, p 352;

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[9] Since Yerkes' day, there has been a major change in the way in which the economics of mass transit is perceived. Today, transit managers agree that off-peak ridership is valuable and should be cultivated because it helps counterbalance the large costs of providing rush hour service. Since much of the fleet and workforce of a modern transit agency are fully used for only about four hours a day, the service strategy of Yerkes and his contemporaries makes little sense in modern terms. Part of this change in the prevailing wisdom in the transit industry is due to the rising standards demanded by the traveling public, who are no longer a "captive audience" at the mercy of traction companies which sought to maximize profits by squeezing in as many riders as can be physically accommodated on board during rush hours.

Barrett 1983, pp. 10-12). In one year, 46 people were killed and 336 were injured by overhead wires that were poorly strung" (Roberts 1961, p. 352).

Yerkes, in the eyes of many Chicagoans, exemplified the capitalist spirit of the time in the worst possible way.[10] In his efforts to secure the franchises he sought, Yerkes bribed Chicago aldermen and state legislators on a widespread scale.[11] The franchising system pushed the stakes so high that Yerkes competed against his rivals by securing preferential treatment through corruption as much as they did by offering more attractive service.[12]

Forrest McDonald, in his otherwise excellent book, suggests that entrepreneurs like Yerkes were the victims of corrupt legislators who made approval of projects conditional on the payment of bribes to them (1962, p. 85). McDonald correctly notes that many legislators insisted on direct personal rewards for political favors and even the granting and continuation of franchises. What McDonald overlooks is that it takes a buyer as well as a seller of favors to do business. Entrepreneurs may not have invented the practice of bribing lawmakers, but this by no means made them victims of these corrupt practices. The real

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[10] Yerkes was the model for the principal character in Theodore Dreiser's novels The Titan and The Financier (McDonald 1962, p. 85, footnote).

[11] According to Roberts (1961, p. 351), Yerkes

> was most adept at bribing aldermen and in obtaining valuable franchises. Yerkes "always got what he wanted" from the City Council, and in turn, aldermen "became the owners of new race horses, new homes, and new bank deposits." Yerkes played no small part in earning for Chicago the reputation of being the "Boodle Capital of the World."

[12] Roberts 1961, p. 351.

victims were Chicagoans of modest means who paid higher fares and carried increased tax burdens as a result of the arrangements that corrupt politicians made with the likes of Yerkes.

Ginger argues that entrepreneurs who engaged in bribery, far from being prisoners of a system not to their liking, were simply following the logic of economic self-interest:

> Yerkes saved money when he paid the alderman $250,000 for a crooked franchise instead of paying the city $1,000,000 for an honest one. A man came out ahead if he paid off the tax assessor instead of paying his proper taxes (1958, p. 99).

Machine politicians instinctively understood the logic of maximizing utility, and translated it into political terms:

> The ward bosses together controlled the nominating conventions of both major parties. When their candidates won, it was the bosses who dispensed the jobs on the payrolls of the city and county and state. Also the ward bosses gave out franchises to the public utilities and favors to other big corporations; in return, the private firms hired men suggested by the bosses (Ibid.).

These forces dominated the politics of Chicago's traction companies. Prior to 1907, the City Council had the power to grant franchises to street railway operators such as Yerkes, but only for 20 years at a time. Yerkes was very interested in renewing his streetcar franchises:

> The ability to sell bonds was inseparable from franchise security (...) because no one was anxious to buy thirty-year bonds from a company which might cease to exist in less than a decade" (McDonald 1962, p. 86).

But rather than build public support for his position, Yerkes sought to reduce the uncertainty of the political environment through his usual manipulations. His first effort was the so-called Humphrey Bills, a legislative package known for its principal sponsor in the State House. The bills provided for a 99-year franchise extension, and were known by their detractors

(who included Governor John Altgeld) as the "Eternal Monopoly Bills." When they passed both houses in the spring of 1895, Governor Altgeld was seriously overextended in his own business holdings, but he rejected a reported offer of $500,000 from Yerkes and vetoed the bills. A legislative battle ensued to pass the Humphrey package by a three-fifths majority over Altgeld's veto, but the override failed by a margin of one vote (Ginger 1958, pp. 173-174).

Yerkes, however, was not daunted by the defeat of the Humphrey Bills. With many of his most important franchises due to expire in 1903, Yerkes pushed legislation through the state house in 1897 granting transit operators a 50-year franchise guaranteed by the state. Although Altgeld had been defeated in his bid for reelection by the time the measure was passed, the new Allen Law created a great political uproar in Chicago which strengthened the hand of reformers (Roberts 1961, pp. 354-363). Even though the law made 50-year franchises possible, but Yerkes still had to go to the city to obtain the franchises he sought, and it was city politics that proved his undoing. He had now so deeply alienated the citizenry that few aldermen were willing to risk political suicide by supporting Yerkes in his quest for extended franchises.

In 1898 an alderman friendly to Yerkes proposed the 50-year extension Yerkes sought, but Mayor Carter Harrison II called on Chicagoans to mobilize against Yerkes. Several angry mass meetings made the strength of sentiment against Yerkes clear to aldermen, and the proposal was defeated. As if that were not enough, the state legislature, responding to the demands of Chicago voters, repealed the hated Allen Law in 1899 (Roberts 1961, pp. 363-371).

Rather than live with the political reality he had helped create, Yerkes sold his Chicago transit interests in 1901 and

moved to London. He started several of that city's underground "tube" lines before his death in 1906.

The Yerkes Legacy

When Yerkes sold his traction interests and left Chicago, he left a contradictory legacy. On the positive side, he had built miles of streetcar and elevated lines which were to serve the city efficiently, if not comfortably, for decades to come. But Yerkes had also left an institutional legacy of political corruption, intense public suspicion of entrepreneurs like himself, and a deep reservoir of bitterness among voters.

The post-Yerkes years of private sector mass transit in Chicago were characterized by almost continuous political controversy over the city's streetcar and elevated lines. The disputes revolved around two distinct but closely related issues. The more contentious of the two was whether private companies should continue to operate transit, or the city should take over their assets and operate services itself. The subsidiary issue was fare integration, and was neatly captured in the slogan "One city, one fare."

Post-Yerkes Developments

Once Yerkes had left Chicago, various contending forces struggled to occupy the vacuum which he had left. Events moved rapidly until the dust settled in 1907. In 1902, voters approved an advisory referendum calling for municipal ownership. Edward Dunne, who was mayor from 1905 to 1907, was active in the 1902 campaign. In 1903 the state passed the Mueller Law (ratified a year later), which once again limited franchises to 20 years and also allowed the city to build, acquire, and operate street railways, subject to voter approval at a referendum. A simple majority was enough for ownership, but operation required a two-thirds majority (Barrett 1983, p. 31). In 1905 voters raised the stakes in another referendum by rejecting a franchise the City

Council had granted the major South Side streetcar company.

A year later Chicagoans put the Mueller Law to the test, amid concern about the extent to which their politicians could be trusted with the city's streetcars. The electorate approved municipal ownership by just a simple majority, not by the two-thirds needed to allow the city to operate the lines and make ownership meaningful. The 1906 referendum produced a deadlock: voters had rejected the traction companies without endorsing municipal operation. In 1907 the Illinois Supreme Court invalidated the financing mechanism whereby the Mueller Law would have enabled the city to buy the street railways, on the grounds that it would raise the city's debt beyond the limits established in the Illinois Constitution of 1870.

The outcome was a compromise in favor of private ownership and operation, subject to government regulation. The so-called "Settlement Ordinances" of 1907

> were remarkable because they appeared to give all major parties to the long-standing "traction wars" a large portion of what each had wanted, and to do so without departing (...) from the reform tradition which held that neither corporations nor politicians could be trusted. To achieve this unlikely feat, the ordinances simply put off (...) some important issues and "solved" others by attempting to create a balance of power... (Barrett 1983, p. 37).

The companies had their operating rights secured for the next 20 years, which could only be revoked through a referendum. In return, the companies committed themselves to a 5-cent fare, free transfers between streetcar lines, and various service improvements. The same year, voters approved the Settlement Ordinances in a referendum. The city created the Board of Supervising Engineers (chaired by transportation engineer Bion Arnold, perhaps best remembered for the "one city, one fare"

concept) to oversee the streetcar companies.[20]

The last time that Chicagoans voted on municipal ownership was in 1925. The 1925 proposal called for operation of the streetcar and elevated lines by a board which would be dominated by shareholders of the traction companies until the investors had been reimbursed, thus ensuring that fares would be kept high enough to pay the costs of acquiring the companies. Voters rejected the plan by a margin of more than three to two, largely because they saw the terms as too advantageous to the companies (Barrett 1983, p. 204).

The other big political issue surrounding Chicago's transit system was fare integration. The 1907 Settlement Ordinances had given riders their demand for "one city, one fare," albeit only as far as streetcar travel was concerned. There was a move as early as 1911 among the streetcar and "L" companies to amalgamate into a unified system, which would have required the city to repeal laws prohibiting such mergers. Negotiations between the city and the companies on the consolidation plan broke down in 1913 when the parties could not agree on the valuations of the properties for fare regulation purposes.

The next steps towards consolidation came from the city and the state. In 1912 the city passed a resolution calling for street railway unification, followed by a report demanding unified service. In 1913 the state created the Illinois Public Utilities Commission (subsequently the Illinois Commerce Commission,) which assumed its duties in 1914.[21] This move,

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[20] Perhaps wisely, the creation of the Board of Supervising Engineers had the effect of making enforcement of the ordinances a matter between private and public sector technocrats, without the direct involvement of the more volatile political process.

[21] The Illinois agency is not to be confused with the federal Interstate Commerce Commission of the same initials.

which empowered the state to regulate all public services, including transit, shifted regulatory control away from the city.[22]

By the eve of World War I, the streetcar companies were coming around to the city's view that they, as well as the public, would benefit from unification (Barrett 1983, p.98). The companies agreed to merge their operations under a single management, known as Chicago Surface Lines (CSL), which took control in 1914.[23]

As for the elevated lines, other forces were at work to bring about fare and service integration among the four different companies. The catalyst for these changes was utility executive Samuel Insull, one of the most forceful business figures in Chicago from the 1890s until the Depression.

Samuel Insull: Hints of the Future

If Charles Yerkes epitomized the worst sort of transit entrepreneurship up until the turn of the 20th century, then Samuel Insull set a much more positive tone during the 1920s.[24] Born and raised in a lower-middle class London family, he became

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[22] Barrett (1983), pp. 90-91 ; also see McDonald (1962), pp. 180-182 for a full account of events.

[23] To the public, CSL presented itself as a single company, and continued to offer free transfers between all streetcar lines in the city. The underlying companies continued their corporate existence until the Chicago Transit Authority bought out CSL in 1947. See Bullard (1987), p. 25 for exhaustive legal details of the merger.

[24] Forrest McDonald's 1962 book Insull remains the definitive biography. Bullard (1989, pp. 44-50) offers a brief synthesis of the electric traction aspect of Insull's career, which was at best an adjunct to Insull's role as a developer of utilities. Platt (1991) covers Insull's career in Chicago's electricity business, giving full attention to the economic and technological forces which shaped the market.

the head of Thomas Edison's European subsidiary as a young man, and came to the US in 1881 at the age of 22 to become Edison's personal secretary. Following the consolidation of General Electric, Insull came to Chicago in 1892 to head up the local electric company, and stayed there for the next four decades. From his original power base as president of Chicago's electric utility Commonwealth Edison, Insull became commander of a business empire which came to include the Chicago area natural gas company, elevated and interurban railroads in and around Chicago, and electric utilities throughout the Midwest.

The collapse of Insull's holdings during the Depression wiped out the investments that many small shareholders had made in Insull's firms. As a result, many Chicagoans who lived through the Depression remembered Insull in negative terms. The time, however, may be overdue for a more favorable reappraisal of Insull. If Yerkes personified the worst behavior of Chicago's business leaders, then Insull represented Chicago capitalism at its best. Yerkes had eagerly sought political advantages to enhance his business prospects through the widespread purchase of legislative votes. By contrast, Insull confined his quest for hegemony to the business sphere and sought to get along with all politicians (with one exception in 1926 which eventually brought about his undoing).

Insull's primary business focus was electric utilities, which intertwined with his real estate and electric railroad holdings (indeed, the latter were a small part of his overall business interests). Insull's first real estate investments were the North Side of Chicago, in areas adjacent to the "L". Later, he sought to develop large areas of real estate in west suburban Westchester and north suburban Skokie, and extended Chicago Rapid

Transit and North Shore Line interurban service to these areas.[25] (Similarly, certain companies in Japan today maintain real estate holdings served by electric railways belonging to the same firms.)

Insull was arguably well ahead of his time in promoting a mass basis for capitalism by encouraging small investors to buy into his holdings. In particular, he offered employees of his firms the opportunity to buy stock at reduced prices. He was also quite advanced in his approach to labor relations, negotiating with union leaders on a pragmatic basis well before organized labor won nationwide political legitimacy during the New Deal.[26] Another feature of Insull's career which bears reinterpretation in progressive political terms today was his sustained policy of promoting his financial independence (and, by implication, that of the Chicago area) from New York banks. Insull did business with Chicago banks whenever possible, and when the Chicago banks were unable to extend the credit he needed to finance his growing interests, he preferred the City of London to Wall Street.

Insull is best known for his dynamic leadership of Commonwealth Edison, the region's electric utility, but he was also a major figure in Chicago's mass transit, a field which he entered largely by default. Insull came to control the elevated lines because the early 1910s found the four "L" companies unable to pay their electric bills. Insull and a bank advanced the "L" companies money in the form of loans, for which the elevated lines themselves were collateral. The loan was based on the

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[25] Yago (1984) p. 158; Central Electric Railfans Association (1961) p. 40; Central Electric Railfans Association (1963) p. 28.

[26] For a more complete discussion of Insull's attitudes and his contributions towards the development of businesslike relations between capital and labor, see McDonald (1962), pp. 108-112.

shaky assumption that the "L" and streetcar companies would be merged by 1914. When this failed to happen, the "L" companies could not repay the loans, and Insull came into possession of the city's entire "L" system.

On its own terms, the "L" barely paid its way at best, but in the broader picture it supported Insull's electric and real estate holdings. At any rate, if Insull had any doubts about his new Chicago mass transit role with good grace, he accepted it with good grace. Upon coming into possession of the various "L" lines in 1914, Insull instituted free transfers between them.[27] In 1924 Insull formalized his takeover by merging the city's four elevated lines into the new Chicago Rapid Transit.[28]

Foreshadowings of Regionalization

Through their sheer extent, Insull's electric traction holdings, which included the "L" and three Chicago area interurban electric railroads, hinted at the regionalization of mass transportation in the city and suburbs in the 1970s. Furthermore, Insull had a stake in the well-being of all of the region's electric railways because he supplied their electricity. More than any figure in the public sector for the next several decades, Insull presaged the regional approach to mass transit.

After taking control of the "L", Insull had purchased three electric interurban railroads--the Chicago, North Shore &

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[27] This move brought the "L" into line with the situation prevailing on the streetcars as a result of the 1907 Settlement Ordinances, which required free transfers between different streetcar routes. Customers transferring between the "L" and streetcar lines, however, had to wait another two decades before they could do so without paying an additional fare.

[28] Bullard (1987), p. 31. The provision of free transfers between different "L" lines downtown, of course, meant that the "L" had been presented to riders as a single system as early as 1914, well before the formation of Chicago Rapid Transit ten years later.

Milwaukee (North Shore Line), the Chicago, Aurora & Elgin, and the Chicago, South Shore & South Bend (South Shore Line)--by 1926.[29] Insull invested heavily in their modernization, buying new cars and improving service on all three interurbans.[30]

At the height of mass transit in Chicagoland during the 1920s, an intensive and extensive array of streetcar, bus, elevated, interurban, and commuter railroad lines criss-crossed the city and suburbs. Travel opportunities and transfer points abounded, but despite the Chicago streetcar and "L" consolidations, no carriers offered inter-company transfers. Nevertheless, Insull did promote travel on his own lines on a joint basis, with advertisements promoting travel on the "L" and

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[29] For a comprehensive history of the North Shore Line, see Central Electric Railfans Association (1962) and (1963), two companion volumes published at the time of the railroad's demise. Middleton (1964) traces the history of the North Shore in a single volume for readers seeking a general overview with less detail.

Central Electric Railfans Association (1961) has long been the definitive history of the Chicago Aurora & Elgin. This work has recently been joined by Plachno (1989), which covers the interurban's history in often absorbing detail. Johnson's (1965) pictorial history contains considerable information (largely in the captions), despite its brief introductory narrative.

There is no single definitive history of the South Shore Line, but two works, taken together, offer a reasonably comprehensive overview. Middleton (1970) covers the South Shore from the railroad's inception up through the 1960s. Kaplan (1984) focuses on the decade from the early 1970s through the early 1980s.

[30] Most of the nation's interurbans failed to survive the Depression, but Insull's three large Chicago interurbans fared better. The Chicago, Aurora & Elgin lasted until 1957, the North Shore Line survived until 1963, and the South Shore Line continues to this day (largely thanks to its freight traffic, as its passenger service alone would not have sustained it through the postwar era until the advent of public subsidies in the 1970s).

the interurbans.[31] Also, Insull's Chicago area transit companies were closely integrated in corporate terms not immediately visible to the traveling public. They often shared the same top management, and technical personnel were frequently rotated among CRT and the interurbans.

Tentative as Insull's regional approach was, in some respects it was more comprehensive than the Regional Transportation Authority which emerged in the early 1970s. Because of Insull's real estate and utility interests, he saw transportation investment as having other business benefits. For instance, while the Westchester branch of the "L" might not have paid its own way from the farebox, Insull justified its construction as a business decision in terms of potential profits from subdividing adjacent land and selling it to home buyers. Also, Insull, unlike elected officials and government bodies, thought in terms of markets rather than political jurisdictions. One of Insull's interurbans, the South Shore Line, served northwestern Indiana, which adjoins northeastern Illinois and functions as an integral, if a minor, part of the metropolis. Because Insull responded to commercial rather than political demands, he was able to overlook jurisdictional boundaries in pursuit of business opportunities.

The Illinois Central electrification

Insull was not the only force prefiguring the future scope of transit policy. With the electrification of the Illinois Central, the city pursued another initiative which unconsciously

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[31] During the Insull years and afterwards, advertisements for the North Shore Line and the Chicago Aurora & Elgin noted the existence of free transfer opportunities at stations along the "L" which they served on their way to downtown Chicago. Benedict (1988) details the various free transfer possibilities which formerly existed during the histories of the Insull interurbans.

hinted at the direction of things to come.[32]

The Illinois Central has long been one of Chicago's busiest railroads. Its alignment along the South Side lakefront from downtown to 51st Street placed the railroad in conflict with its neighbors, who objected to the smoke of the steam locomotives.[33] In 1919 the city passed the Lake Front Ordinance, the most important provision of which was to require the IC to electrify its commuter service by early 1927. Electric service started half a year earlier, in the summer of 1926.

Today the IC (now Metra Electric) carries around two-thirds of its riders between the city and the suburbs. By today's standards, the Lake Front Ordinance might seem to carry an element of extraterritoriality on the city's part. But at the time, the IC was an overwhelmingly urban railroad, with service so frequent that few riders within the city needed to look at a timetable before traveling.

Until after World War II, the overwhelming majority of the IC's riders lived and traveled within the city. In 1926, fully half the ridership was between downtown Chicago and 63rd Street. In many ways, the electrified IC was more like the "L" than like Chicago's other commuter railroads. With only one exception, the IC had stations at every major half-mile-interval street on the

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[32] Insull did invest in the electrification; his "Commonwealth Edison and Public Service Company of Northern Illinois owned and operated the seven substations along the line..." (Lind 1986, p. 74).

[33] Stanford (1980, pp. 11-12) shows that the Illinois Central was one of the railroads least frequently cited by the city for excessive smoke even before electrification; perhaps this was part of a conscious effort on the IC's part to be a good neighbor in environmental terms.

South Side from downtown to 115th Street.[34] Most fare collection took place at the stations (and conductors did not even check all tickets until 1981). Until the postwar decline in its urban ridership (caused by demographic shifts), the IC was very much a city transit service with ridership volumes around one-half of Chicago Motor Coach--and unlike CMC, the IC served only one travel corridor.

Insull and Transit Consolidation

Samuel Insull's influence on transit policy was not limited to his acquisition of the elevated and interurban lines. He almost brought about the unification of Chicago Rapid Transit and Chicago Surface Lines into a mixed private-public company.[35] The proposal also included plans for considerable rapid transit extension, including subway construction. Insull's plan, which was approved but not implemented, explicitly acknowledged the operating, managerial, and consumer benefits of consolidation. Insull may have stood to benefit in broad business terms from the plan, but to some degree he may have felt sense of noblesse oblige as one of Chicago's leading figures to find a lasting resolution to the city's transit problems.

At the root of the problem was the 1907 street railway Settlement Ordinance, which had been created with a twenty-year validity period. The City Council did not renew, modify, or

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[34] Although the IC abandoned several of the stations on Chicago's South Side after World War II, a majority still remain. It is ironic that even today, the average station spacing on the IC (theoretically a suburban railroad), is more frequent than on San Francisco's BART, which is supposedly rapid transit.

[35] For more about the proposal, see McDonald (1962), p. 259. Under the Insull plan, the city would have owned the subway which was planned for construction. The plan did not propose any changes in the three Insull-owned interurbans, two of which presumably would have continued to reach the Loop via the "L". Insull's proposal made no direct provision for Chicago Motor Coach, which was the smallest of the city's three local transit carriers.

revoke the franchise once it expired. Thus, from 1927 on, Chicago Surface Lines operated under "day-to-day" authorization which the city theoretically had the right to revoke at will. The political uncertainty surrounding CSL's future interacted with financial problems to bring the streetcar system into receivership effective April 27, 1927.

Over the next several years, CSL became the subject of complex and controversial political maneuvering. The decline in surface line ridership which was to hit Chicago with a vengeance after World War II was still a long way off in the 1920s. Thus, Insull and his contemporaries might be forgiven for assuming that there would be a solid basis of ridership which would make transit self-sustaining for years to come.

The ambitious capital plans of the consolidation proposal might not have been crucial from a transportation perspective, but made perfect political sense for the Depression. Chicago, with its emphasis on industry and trans-shipment of goods, was one of the cities hardest hit by the collapse of the productive sectors of the economy. The capital expansion aspect of the 1930 transit plan appealed to voters because it promised jobs (Barrett 1983, p. 207).

A complex series of events led up to the 1930 referendum. A set of bills which Insull arranged to be introduced in the state legislature met with unexpected opposition in 1928 when several downstate members demanded bribes in return for their support. Insull refused to pay as a matter of principle, and the bills went down to defeat. Major Loop interests, acting in cooperation with Insull, continued to push for consolidation, and new legislation was passed in 1929 (McDonald 1962, pp. 257-260).

The final step was a referendum on the proposal, which was held on July 1, 1930. The result was a clear success for Insull:

there were 325,468 votes for the plan versus 58,212 opposed, or more than five votes in favor for every vote against (McDonald 1962, p. 261). But then Insull's empire crumbled during the winter of 1931-32. Since the money was no longer there, the transit plan was now a dead letter.

As if Insull's financial problems were not enough, he had political troubles as well. In the 1932 electoral campaign, Democratic presidential contender Franklin Roosevelt attacked Insull as a manipulative financier (McDonald 1962, p. 272).[36] The US Department of Justice, presumably reflecting the Herbert Hoover administration's efforts to position itself for the 1932 election, initiated proceedings against Insull for fraud. The US Attorney, Dwight Green, was an up-and-coming Chicago Republican

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[36] McDonald portrays Insull as a scapegoat for the political frustrations of the millions of Americans who had lost almost everything they had in the Depression. Nevertheless, McDonald admits that Insull's political problems were largely of his own making.

Normally, Insull sought to enjoy good relations with all elected officials. However, he made one ill-advised exception to this rule. He made the fatal mistake of spending $500,000 of his own money in the 1926 Illinois Republican senatorial primary to defeat incumbent William McKinley, a downstate utility and electric railway magnate with whom Insull had been feuding for the past decade. (See Bullard 1989, pp. 32-36 for a description of McKinley's career.)

Although McKinley was defeated, Insull's role in the campaign led to a federal investigation of what critics described as an abuse of his power. US Senate allies of the defeated McKinley charged that Insull was rewarding the victorious candidate, Frank L. Smith, for his role as Illinois Commerce Commission chairman, during which it was claimed that Smith had granted favorable electric rates to Insull (McDonald 1962, pp. 254-255, 262-273, and Bullard 1989, pp. 47-48).

Insull had enough problems in 1930 trying to obtain credit when his brother Martin made matters even worse by publicly attacking Franklin Roosevelt, then governor of New York State (McDonald 1962, p. 272). Apparently Roosevelt remembered this attack when he became a presidential candidate.

who became governor of Illinois in 1940 and would still be in office when legislation creating the Chicago Transit Authority was enacted in 1945. But the jury in Insull's trial was not impressed by the government's case and acquitted Insull on all charges.[37] Insull returned to Europe, and died in Paris in 1938. Chicago's transit companies were now on their own. CSL and CRT did, however, make one last attempt to solve their problems.

After Insull: Private transit caught in the squeeze

The collapse of Insull's holdings forced the transit companies to get by as best they could for another decade and a half. The companies were caught in the squeeze between the conflicting demands of their investors, employees, and creditors on the one hand, and of the traveling public and state regulators on the other.

The three companies were forced into a certain amount of cooperation starting in 1935, when the Illinois Commerce Commission ordered them to offer free transfers valid on one another's routes on a limited basis. The 1935 ICC decision brought about the long-held goal of many Chicagoans for a single transit fare within the city, as exemplified by the slogan "One city, one fare."[38] In theory, expanded transfer privileges should have been a major step forward for transit in Chicago.

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[37] See McDonald (1962, pp. 310-333) for details of the trial and preparations on both sides. In 1935 Insull was tried on related federal and state counts alleging embezzlement and violation of federal bankruptcy law, and again was acquitted.

[38] The first and most important step in implementing the court decision was interline transfers between CSL and CRT at certain specified points, effective in 1935. This was followed a year later by a similar agreement between CRT and CMC, but it still left a gap in coverage for riders wishing to transfer between CSL and CMC. In 1943 all three transit companies instituted universal transfers (Schroeder 1956, p. 38).

But inter-company transfers did nothing to address the fundamental lack of investment. The transfers accomplished little besides giving riders access on a single fare to all of a seriously rundown system.

There was one final attempt at a merger under private sector auspices. Following a 1937 City of Chicago report urging a merger of all of the city's transit operators, the receivers for both CSL and CRT filed reorganization plans in 1939 which would merge their two companies. The city cooperated with these plans by passing an appropriate ordinance, comparable in its provisions to the Insull consolidation plan.[39] City voters ratified the plan in a 1942 referendum by a margin of ten to one. But a year later, the Illinois Commerce Commission, which regulated the private transit companies, threw out the plan on the grounds that it did not ensure the merged system's financial health (Illinois 1972, pp. 73-79). This effectively foreclosed any resolution within a regulated private sector framework.

The final analysis

Any transit issue was almost automatically framed in zero-sum terms of winners and losers whose interests were fundamentally irreconcilable. This suspicion was almost an integral part of the political culture, and the belief that the transit companies could not be trusted reinforced the citizenry's natural preference for low fares. The result was to make it virtually impossible for elected officials to allow the Illinois

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[39] Remarkably, this ordinance was far ahead of its time in allowing the merged system to establish transfer privileges with suburban railroads (Illinois 1972, p. 76). In the 1990s, two decades after the Regional Transportation Authority had been brought into being, there was no hint of establishing transfers between commuter trains and connecting buses and rapid transit lines. Today, only monthly commuter rail ticket holders can avail themselves of this benefit by purchasing a "Link-Up Passport" sticker allowing them to ride CTA and suburban bus routes.

Commerce Commission to let the companies price their services according to private sector criteria, i.e., at levels high enough to attract investors.

With the transit consolidation plans of Samuel Insull and the traction companies, which voters endorsed in referenda in 1930 and 1942, there was finally a political common ground. Unfortunately, by then financial realities had made it impossible for voters and investors to carry out their reconciliation.

Thus, by 1945, when the public sector stepped in, there was no future for CSL or CRT to earn profits in Chicago's mass transit. The private operators had once feared and resisted public ownership, but their poor financial prospects now made them receptive to any reasonable offer. The reformers' long-held dreams of a unified, publicly-owned transit system were about to come true, albeit under the auspices of Chicago's political machine, and more by default than by design.

CHAPTER 3
THE CHICAGO TRANSIT AUTHORITY'S EARLY YEARS, 1945-1969

In 1945 the state legislature succeeded where Samuel Insull had failed in consolidating Chicago's transit system. The Chicago Transit Authority (CTA) started operations in 1947 with high hopes which were slowly deflated over the next decade, like air leaking out of a tire. For its first decade, the CTA concentrated on replacing technologically obsolete equipment, rationalizing service, and converting to lower-cost technologies. Once the agency had reached the immediate limits of modernization, however, it lost its momentum and slowly sank into a cautious, passive conservatism.

The CTA was the result of negotiations between Edward Kelly, Chicago's Democratic mayor, and Dwight Green, Illinois' Republican governor. Chicago's last Republican mayor, William H. "Big Bill" Thompson, lost his bid for reelection in 1931 to his Democratic rival Anton J. Cermak. Thompson, known for his flamboyant style, colorful language, and toleration of widespread corruption, was widely popular during the prosperous 1920s. But his reckless fiscal policies helped bring him down in 1931, when Thompson blamed the financial community for the city's inability to obtain credit when the Depression struck. His successor, Mayor Cermak, cooperated with bankers to cut the costs of city government to the extent necessary to restore credibility with investors. Cermak found that his working-class background and his position as a family man in an ethnic neighborhood rang true to many voters in a way that Thompson's attempts to appear as a man of the people did not.

In 1933, while visiting Roosevelt in Miami in an effort to secure federal funds for Chicago, Cermak was killed by a would-be

presidential assassin whose bullet reached an unintended target. But his Democratic organization would continue to elect Chicago's mayors until 1979. Edward Kelly, Cermak's successor, was reaching the end of his political career in 1945 when he and Governor Dwight Green helped bring the Chicago Transit Authority into being. After a two-term Democratic interlude under Henry Horner, control of the governor's office passed to Republican Dwight Green, who had been the federal prosecutor in charge of the Samuel Insull case in early 1933.

Creation of the CTA

Republicans and Democrats agreed on the need for a public authority to address Chicago's transit problems. There was no question but that the city could not afford to acquire and modernize mass transit on its own. Ideally, the city would have probably preferred an authority with taxing powers or other access to public subsidies. However, the governor and many legislators were Republicans who believed that the state should help Chicago's transit without funding it. The resulting legislative compromise produced an agency which did not offend Republican principles about financial responsibility.[1]

The CTA was required by law to meet its expenses from passenger revenues. In order to give the CTA the freedom to set fares at a level adequate to meet its needs, the enabling legislation removed the CTA from regulation by the Illinois Commerce Commission. This probably reflected an awareness of the role the commission played in crippling the financial well-being of Chicago Surface Lines and Chicago Rapid Transit. Perhaps in

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[1] During the late 1920s, when Samuel Insull was assembling support for his transit consolidation plan, proposals were made for an amendment to the Constitution of 1870 allowing the city to exceed the constitutional debt limit and use special assessments to buy and build transit facilities. These efforts went nowhere in the face of opposition from downstate legislators (Illinois 1972, pp. 59-61).

return for respecting the principle of financial sustainability, Green was willing to give the city political control of the CTA. Of the seven board members, the mayor named four and the governor three, an arrangement which has continued to this day.[2]

As often happens in Illinois politics, the governor and the mayor relied on help from their allies in the legislature. The Senate sponsor of the Metropolitan Transit Authority act was Richard J. Daley. At the time, Daley was simply one of several capable and dedicated adherents of Chicago's Democratic machine, but he would rise to much greater heights of power a decade later as mayor of Chicago and chairman of the local Democratic Party.

The General Assembly created the CTA in April 1945, subject to voter consent in a city referendum. On June 4, 1945, Chicagoans approved by a margin of six to one, albeit with a low voter turnout. It took the CTA two years until it could market enough farebox revenue-backed bonds to pay for the acquisition of Chicago Surface Lines and Chicago Rapid Transit, both of which were taken over by the CTA effective October 1, 1947. On October 1, 1952, exactly five years later, the CTA absorbed Chicago Motor Coach, the smallest of the three transit companies and the only one not functioning under a court-appointed receiver.

Although on paper the CTA was in charge of its own affairs to a degree that the private companies never were, in practice the CTA did not use this new commercial freedom. The CTA's board had to approve all changes in fares, thus leaving ultimate control of the CTA's finances indirectly in the hands of the mayor and the governor, who appointed the board's members.

The CTA modernizes

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[2] Each chief executive's nomination is subject to the approval of the other.

Given the immediate problems of the transit companies' overaged, undermaintained, and outmoded physical plants, rationalization and modernization were obvious imperatives for the CTA. But despite the many benefits to riders, modernization only enabled the CTA to slow down the rate at which it fell behind the automobile in attractiveness. By the late 1950s and early 1960s, the CTA was operating with a largely modernized physical plant, but served a declining market and was increasingly balancing its budget by postponing maintenance and deferring further replacement of its capital stock.

The centerpiece of the CTA's efforts was the authority's modernization program, funded by bonds which pledged future passenger revenues as collateral. The modernization affected both the former Surface Lines, where the CTA converted from streetcars to buses, and the former Rapid Transit, where the CTA ordered new cars and eliminated the weaker portions of the "L". Since the era of subsidies was still two decades away, the CTA still largely adhered to business criteria. Thus, management had to persuade the board and the financial community that modernization would reduce unit costs to the point where operating savings would more than offset capital investments.

Much of the capital stock was worn out, and the technology dated largely from the 1920s, if not earlier. On the former Surface Lines, the CTA had inherited a huge fleet of largely worn-out streetcars which required a two-person crew to operate and could not be reasonably converted to one-person operation. Nor did the CTA see more of the modern "Blue Geese" and "Green Hornets," streamlined cars from the 1930s and 1940s, respectively, as the ultimate answer. As long as the CTA continued to operate streetcars, it was burdened with the tracks

and wires associated with street railways.[3]

The CTA replaced all of its streetcars with buses and trolleybuses by 1958. Initially, the CTA simply strung a second overhead wire above streets on many crosstown lines and replaced the streetcars with trolley buses. Although there were few operating problems with the trolleybuses, the CTA discontinued them in 1973 on economic grounds.[4] The bulk of the former streetcar routes, though, were replaced with buses. During the 1950s the CTA invested heavily in propane-powered buses, and by the early 1960s the CTA's propane bus fleet was the largest in the US (Krambles & Peterson 1993, pp. 47-49). By the early 1970s, however, the propane buses were due for retirement, and were replaced by diesel buses which were standard in the transit industry.

There was also a clear case for modernizing the "L". When the CTA took over, trains made frequent stops at a number of little-patronized stations, entire branches were rapidly becoming

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[3] As conditions of its franchises, CSL was required to pave the area around its tracks and for keeping them clear of snow--conditions which the CTA inherited. By contrast, in Toronto local governments assume responsibility for paving and snow removal on streets where street railways exist. These factors helped make the economics of streetcars more attractive in Toronto, where the Toronto Transit Commission met its costs from the farebox for about as long as the CTA did. Toronto now has the largest streetcar system in North America.

[4] Some observers questioned the wisdom of the CTA's decision, both in terms of the quiet, smooth ride of trolleybuses compared with that of diesel buses, and the context of the energy shortfall which hit the US starting in the fall of 1973. These criticisms are valid on their own terms, but they overlook the essential budgetary constraints in place at the time, particularly as Chicago's trolleybuses were nearing the end of their useful service lives. Since the Regional Transportation Authority, with its subsidy-granting capabilities, had not yet been created, the CTA was in no position to make decisions based on considerations other than its shaky finances.

obsolete in the new postwar spatial rearrangement of the metropolis, and most of the equipment was visibly, even dangerously outmoded.

> On October 1, 1947, the former Chicago Rapid Transit Company handed over to CTA 1,028 motor cars and 595 trailer cars. Except for four articulated cars ordered (with court permission), two of which were just delivered that summer, the newest in this fleet were already in their third decade of service and the oldest dated to 1893 (Krambles & Peterson 1993, p. 56).

The rationalization of the "L" had several components. First, there were massive station closings. Many stations were originally spaced as closely together as every ¼ mile, thus making nonsense of CRT's claim to be operating rapid (as opposed to merely grade-separated) transit. If CTA's "L" trains were to compete with the automobile on a basis of choice, management had to reexamine the optimum tradeoff between conveniently accessible stops and the running speed of its trains. The CTA decided in favor of increased train speed, and closed down dozens of stations within its first several years.

Another problem was that the CTA had inherited a number of branch lines with few riders and little prospect for growth. These fell by the wayside during the CTA's first decade. In the city, the Humboldt Park "L" on the Northwest Side was abandoned. The South Side lost no fewer than three lightly-patronized branches (Stockyards, Kenwood, and Normal Park). Rapid transit abandonments also affected several nearby suburbs. To the north of the city, the Skokie line was abandoned.[5] In the western

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[5] Local service on the Skokie "L" ceased in 1948. Trains of the North Shore Line interurban, which had trackage rights to downtown Chicago on the CTA, continued to operate between Dempster Street, Skokie, and downtown Chicago on the North Shore Line interurban. The North Shore's abandonment in January 1963 left Skokie without rail transit service, which was resumed in April 1964 with the CTA's Skokie Swift, a nonstop shuttle between Dempster Street and the Howard Street "L" station.

suburbs, the last mile and a half of the Douglas Park "L" was abandoned, as were the Westchester branch and the main line Garfield Park "L", which the Westchester branch joined, beyond the present terminal at Desplaines Avenue.[6]

Finally, many of the elevated cars which the CTA had inherited from CRT desperately needed to be replaced. The most obvious candidates were the wooden cars, which antedated the years of Insull management.[7] They were all replaced by the late 1950s with modern cars, many of which used window frames and other parts from modern "Green Hornet" streamlined streetcars which the CTA was phasing out. The 1950s cars also enabled the CTA to retire many of its Insull-era cars from the 1920s (the last of which ran in the early 1970s). An added benefit of "L" modernization was that the old wooden cars required a gateman on board every car, while the postwar cars could be operated with a motorman and a guard.

The postwar view of rationalization

The elimination of less-patronized stations was a visible result of a unified management which was for the first time able to see transit in the city as a coherent whole, rather than as specific sub-systems. One of the reasons for which the CTA was presumably founded was to allow decision-makers to do what was best for Chicago's public transportation as a whole. Demographic changes offered an additional reason for the CTA to take a critical look at 50-year old station location priorities.

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[6] In the late 1950s, the Garfield Park "L" itself was torn down to make way for the Congress Street Expressway (now the Eisenhower Expressway), and a new rapid transit line was built in the expressway's right-of-way along with the highway itself.

[7] A serious accident with 8 fatalities happened in 1956 when a wooden "L" train collided with a steel North Shore Line interurban train on the elevated line. "The accident put CTA on the front pages, and people began to take its needs more seriously" (Banfield 1961, p. 103).

Interestingly, although the CTA took a broad view of mass transit, it did not consider transit's impact elsewhere in the economy. Under Samuel Insull, CRT had been able to use the "L" to help his real estate ventures and to balance the peak loads of his electric utility. But neither of these considerations held after Insull's empire fell.[8]

Labor relations and automatic cost of living adjustments

Chicago's transit labor relations have been politicized almost as long as the industry itself. Labor relations were combative with bitter strikes during the free-wheeling era of Charles Yerkes and his contemporaries in the 1890s. Under the Illinois Commerce Commission's regulated regime which started early in the 20th century, a grab-share arrangement developed, whereby riders and stockholders paid for generous labor settlements. During the 1920s there were tentative moves towards a welfare capitalist orientation under Samuel Insull, who owned the elevated and interurban electric lines. Under Insull, Chicago Rapid Transit's "labor relations [were] so favorable that labor newspapers would attack politicians who said unkind things about the company..." (McDonald 1962, p. 158).

In labor relations, as in other aspects, there was an uneasy and slowly deteriorating status quo during the 1930s. The streetcar and elevated companies operated under court-appointed receivers, and the Depression meant that most workers were glad to have a steady job at any rate of pay. During World War II, however, the transit companies, like other employers, were faced

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[8] The collapse of Insull's holdings was not the sole factor which would have forced transit managers to see their activities in a narrower perspective. The federal Utility Holding Company Act of 1935 (which forced the separation of electric power and transit companies) would have had a similar effect on corporate strategies, even had Insull's Chicago area holdings survived the Depression under unified management and the 1930 transit consolidation plan been enacted.

with labor shortages, forcing them to offer higher wages and seek out what were then non-traditional sources of labor for transit operations--including not only blacks but also whites of non-Irish descent. In the postwar period, after the CTA had taken over, the ethnic composition of the transit work force came to reflect that of the city more closely.

The labor cost issue started almost innocuously, and was a long time in developing, well out of the public eye. The CTA's enabling legislation assumed that both management and labor entered into legally binding agreements with their eyes open. The law creating the CTA had left collective bargaining rights intact, which meant that nothing would be done until such time as the CTA's operating costs became a serious political issue.

In 1951, the CTA granted automatic cost of living adjustments (COLA) to its operating unions in return for their cooperation with the CTA's modernization program. This agreement enabled the CTA to withdraw the older streetcars, with their two-person crews, and replace them with one-person operated buses, without fear of labor unrest. On the "L", this cleared the way for retirement of the remaining wooden cars, which required a gateman on each car, with new cars which had remotely-controlled doors controlled by a single conductor. It was not until much later that the far-reaching financial consequences of this decision became apparent.

The managerial approach seems to have played a valuable restraining function at the CTA during the agency's first two decades. The business outlook appears to have had a moderating influence on those actors it affected. This polite fiction was largely upheld as long as the CTA complied with its statutory requirement to balance its budget, although by the late 1960s the facade was wearing thin as the CTA deferred maintenance to help balance its budget. When the CTA crossed the line between

business and politics, it happened more by gradual osmosis than a concentrated onslaught.

As long as the CTA met its expenses from operating revenues, its managers could function in a manner analogous to those in a publicly regulated investor-owned utility. Managerial decisions came under close public analysis, but in the final analysis were determined by the need to meet a large payroll and operate a complex system from the fees paid by its users.

Once the CTA began to lose money openly starting in 1970, political forces became increasingly dominant. The business criteria which management had used to guide their decision could no longer resist political demands in the face of the unwillingness of management and the board alike to raise fares, claiming that further increases would cause such a decline in ridership as to reduce net revenue. The full effects of politicized decision-making did not become apparent until the late 1970s, after Mayor Daley's death.

Wages were a major factor in pushing the CTA's finances out of balance by 1970. By the time wage costs had become a major concern for management, there was relatively little that could be done to reduce the CTA's labor requirements without reducing the amount of service provided. By subsequent standards, management was seen as "giving away the store" by agreeing to the automatic Cost Of Living Adjustment. This had become an understandable interpretation by the 1970s and 80s, but back in the 1950s the COLA may well have seemed almost innocuous or even part of a beneficial tradeoff. Inflation was, at most, moderate during the 1950s. The CTA's management may have simply assumed that the then-prevailing economic conditions would continue indefinitely into the future, an assumption which it shared with many of its private sector counterparts who reached similar agreements with their unionized employees.

However mutually advantageous the COLA may have seemed at the time, there were two problems with it. First, there was no cutoff point or phasing-out process for COLA based on the reality that one-person buses and two-person rapid transit crews had become the standard for the North American transit industry by the end of the 1950s. Furthermore, COLA became the basis from which increased wage settlements above and beyond the automatically-adjusted rate of inflation were based. It was not until the late 1960s, when the combined effects of large government spending on social programs at home and on the Vietnam War abroad drove the inflation rate up, that the COLA became a serious burden to the CTA. By then, observers took the benefits of labor-saving postwar transit technology for granted, and began to reinterpret COLA as a serious mistake.

As long as the CTA covered its direct operating costs from the farebox, as it was legally required to do in the absence of subsidies (and did up through the 1960s), there was little reason for elected officials to invest their energy in seeking to restrict the power of the CTA's unions. The CTA did not operate at a deficit in accounting terms prior to 1970 (though it would have reached a financial crisis point earlier had it not deferred maintenance and routine replacement of life-expired vehicles and facilities). It was not until the December 1979 CTA strike that the level of transit workers' wages became an explicitly political issue, by which point the CTA's rank and file employees had become the most highly paid transit workers in the continental US. The intervening years gave the transit unions ample opportunity to entrench their vested interests, as management control was being slowly but surely tilted away from financial towards political criteria.

Political changes

Political change was sweeping northeastern Illinois rapidly, and it took talented politicians merely to keep up with the pace

of events. Both of the chief executives who had made the CTA's creation possible in 1945 were nearing the ends of their political careers. Green was defeated in 1948 when he "insisted on running for a third term with an eight-year record of alleged corruption in office ... [when he] was actually unelectable in the state" (Rakove 1975, p. 146). Mayor Kelly had declined to seek reelection a year earlier, possibly saving him from Green's fate.

Ward committeeman Jacob "Jack" Arvey became Cook County Democratic chairman in 1946 as a compromise choice among different rival factions. The most powerful ward bosses who decided the affairs of the party were growing increasingly restive under Kelly's leadership, fearing that the mayor's image of doubtful integrity might threaten their positions if he ran for reelection in 1947. Arvey convinced Kelly that he was no longer electable, and persuaded him to retire from politics for the good of the organization.

When Kelly removed himself, the ward leaders slated Martin Kennelly, a businessman with good government credentials and a reputation for integrity. Kennelly was more acceptable to reform-minded voters, and since he lacked a power base of his own, he would have to work with the machine-dominated city council in order to govern. One of Arvey's supporters in the move to replace Kelly was Richard J. Daley, committeeman from the politically powerful 11th ward.

Mayor Kennelly, who was elected to two terms (1947 and 1951), was a well-intentioned and capable administrator, but deficient in political skills and unable to carry the city council (and especially the ward committeemen) with him on important issues. He lacked the confidence of party leaders, in large part because he took his role as a reformer seriously. Nevertheless, Kennelly served the party bosses purposes until a

more useful candidate came along.

Party chairman Arvey was a ward boss of the old style, but was more farsighted than most of his contemporaries, and was almost uniquely able to bridge the gap between traditional Chicago machine politics and the rising expectations of an increasingly affluent postwar society. No reformer himself, Arvey was mostly concerned with keeping the party one step ahead of potential voter dissatisfaction. Arvey was a historical figures of pivotal importance because of his ability to straddle a political divide hitherto thought to be unbridgeable. An attorney by profession, Arvey anticipated the "pinstripe patronage" that was to characterize more and more of Illinois politics by the end of the 20th century.

Arvey was party chairman from 1946 until 1950. His stock was at its highest in 1948, when the Democrats did very well at both the state and national levels. Unlike earlier party bosses who tried to end the careers of dissident candidates, under Arvey's leadership Chicago's Democrats dealt with liberal reformers by slating them for higher office, or "kicking them upstairs". Unfortunately for Arvey, he failed to select a winning slate in 1950. A poor showing by local Democrats in that year's elections called his leadership into question, and he stepped down in favor of a provisional chairman. Three years later Richard J. Daley became party chairman. In 1955 he became mayor, from which position he would play a vital role in Chicago's mass transit.

<u>The "Black Belt" and ethnic succession in Chicago</u>

Another force which would have a great effect on the future of mass transit in Chicago would be racial succession. Until the 1960s, Chicago was a city of great opportunity for millions of people who came in hope of a more rewarding life. One of the greatest migrations to Chicago, both in terms of numbers and of

human aspirations, was the arrival of hundreds of thousands of blacks from the American South.

Compared to Alabama, Mississippi, or Georgia in the 1910s, 1920s, or even the 1950s, Chicago offered great rewards to black migrants who moved north.[9] To new arrivals just off the train from the South, Chicago presented an aspect of promise and freedom. Chicago was not a Southern-style Jim Crow city, as blacks and whites drank from the same water fountains and rode together on buses, streetcars, and trains. And the city's black middle class was among the oldest and largest in the country.

Yet on closer inspection, Chicago turned out to be among the most segregated cities in the US. Black-owned businesses thrived in large part because blacks could not be served at white establishments. It was not until the 1960s that the city's best department stores began serving blacks (perhaps not coincidentally, many retail shops in black neighborhoods went out of business at the same time). And most importantly of all, in few US cities did blacks have a harder time finding housing beyond certain specific neighborhoods.

Until the 1950s, the areas of black settlement remained strictly limited despite the rapidly-growing black population. As a result, blacks and whites experienced separate housing markets. Since blacks could neither buy a home nor rent an apartment outside certain areas, blacks paid more than whites to live at higher densities in housing of poorer quality. Owners of rental housing in the city's black areas benefited from this setup, as a nonracial housing market would reduce their profits.

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[9] Indeed, in the early 20th century one of the most telling criticisms of any black person lacking in initiative was to say that "he couldn't even make it in Chicago".

One of the most important developments in the postwar social geography of the city was the large increase in the area of black settlement. Part of this expansion was the result of migration as modernization of agriculture in the southern US threw large numbers of blacks off the land, but another critical factor was the US Supreme Court's decision in 1948 that racially restrictive covenants were unconstitutional. This decision was to have decisive long-term impacts on metropolitan politics not only in Chicagoland but throughout the US.

Before 1948, Chicago's black settlement had been legally restricted in large part to the "Black Belt" on the South Side. There were small pockets of black settlement on the West Side and in Morgan Park on the far South Side, but most blacks lived in a tightly-constrained area along the main South Side elevated line. The "Black Belt" was a long, narrow zone approximately a mile wide roughly from State Street to Cottage Grove Avenue, and six miles in length, from Cermak Road (22nd Street) to 63rd Street.

Prior to 1948,

> Restrictive covenants were widely used in Chicago's neighborhoods. These agreements by the landowners of a given area prohibited people from selling, leasing, or renting property to specified groups... If a certain percentage of property owners signed the agreements, any owner who violated the contract could be sued by another owner. The covenants were appurtenant to the land, which meant that they bound any future purchasers of the property. (...)
>
> Ultimately, the agreements proved to be inherently unstable. Covenants for areas that bordered the Black Belt were particularly tenuous, and ... almost impossible to maintain for any length of time. In areas ... which bordered on the Black Belt, the temptation to violate the agreement was often great because African-Americans would, to escape the confines of the ghetto, pay much more than whites for housing. (Winger 1992, pp. 57, 59)

In 1948, the US Supreme Court declared racially restrictive

covenants in property deeds to be legally unenforceable. This removed all formal barriers to where blacks and other groups could live. But many informal barriers remained, including imperfect information, hostility and violence from white residents, and practices by the real estate industry such as panic-peddling and steering which had the effect of segmenting the housing market along racial lines. Unfortunately, the 1948 decision did not have the effect of creating a true housing market in Chicago, but simply released a large pent-up demand for better housing among black Chicagoans. With very few exceptions, this resulted in formerly white areas undergoing rapid racial change, followed by almost complete resegregation:

> "Block-busting" real estate agents often offered one or two whites on a block inflated prices for their homes, which the agents then sold to blacks. The agents then frightened remaining whites by spreading rumors of an imminent black takeover... Whites sold their houses at low prices, and these houses were resold to blacks at huge profits. Houses for sale were those adjacent to black neighborhoods. Thus blacks never escaped the ghetto; they merely expanded it.
>
> It is a migration pattern which has hurt both whites and blacks. Whites sold houses for a loss and abandoned streets where many lived for decades. Blacks, even after paying inflated prices ... suffered other hardships (Frèmon 1988, pp. 107-108).

This unfortunate pattern of change continued well into the 1960s and beyond. The greatest friction occurred where issues of ethnicity interacted with those of social class. In situations of this sort, working class whites would fear and resist the succession of less well-off blacks. The resulting tensions were greatest on the city's Southwest Side, most notably in the Marquette Park neighborhood. Ethnic tension was less pronounced on the West Side, where Latinos (mainly Mexicans to the south and Puerto Ricans to the north) formed buffers between areas of

predominantly black and white settlement on the West Side.[10]

More affluent blacks (i.e., with the greatest pent-up demand) sought housing commensurate with their economic power in the 1950s and 60s. Certain neighborhoods such as Avalon Park, Chatham, and South Shore, which today are dominated by the black middle class, underwent relatively peaceful transitions. A few neighborhoods have sought to manage rather than resist or otherwise delay racial change in the interest of stabilizing the class composition of their communities. Hyde Park and Beverly in the city and Oak Park, just beyond the city limits due west of the Loop, have been able to make their locales attractive to middle-class whites and blacks alike.

The rise of Mayor Daley

During his leadership of Chicago's Democrats, Jack Arvey had helped save the party's established organization by convincing Mayor Edward Kelly to step aside in favor of Martin Kennelly. But if corruption had its costs, so did honesty. Mayor Kennelly lacked the influence to implement his own agenda, yet he presided over the city with a self-righteous style. As a result, neither he nor the ward committeemen could govern effectively. The consensus among the ward committeemen was that his time had come and gone, and their choice was Richard J. Daley.

In the 1955 Democratic mayoral primary, Daley defeated both the incumbent Mayor Kennelly and Benjamin Adamowski, whose appeal

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[10] Black-white frictions on the Southwest Side were mitigated to some extent with the arrival of Arabic-speaking immigrants, particularly Palestinians and Jordanians, during the 1980s. As these new arrivals occupied the transitional zone between the areas of white and black settlement, they began to play a buffer role comparable to that of Latinos on the West Side.

was strongest among Chicago's large Polish community.[11] In the general election, Daley faced Robert Merriam, a liberal Democrat who was running as a Republican. Despite his liberal, intellectual image, Merriam gave Daley the narrowest percent margin of victory of Daley's mayoral career. Much of Merriam's strong showing was attributed to the still-substantial middle class element in the city, which tended to support "good government" candidates.

As a candidate, Daley had stated that he would resign as party chairman if elected mayor, a pledge which he promptly disregarded after the election. He was to hold both offices until his death in December 1976, by which point he had become the longest-serving mayor in the city's history, with over 21 years as mayor. Although he was not the first mayor to combine the mayor's office with the Democratic party chairmanship, Daley's tenure of both offices was crucial to any understanding of his career.

Daley contributed little that was original in Chicago politics, but he did combine existing elements in new ways that enabled the machine to survive, even prosper, an almost unique situation after World War II. Few observers saw the true importance of Daley's mayoralty until the late 1960s, but his genius was to modernize, indeed, to reform the machine to the point where it survived the social changes of the postwar period. Traditional machine mayors, such as Tom Pendergast in Kansas City or James Michael Curley in Boston, had seen the public sector largely as a source of enrichment for themselves and their

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[11] Kennelly vanished from political sight after losing the primary, apparently missed by few voters. Adamowski, however, had the fighting spirit of a Chicago politician. Following his defeat, he chose a high-risk alternative strategy for advancing his political career by switching parties and winning election as state's attorney as a Republican.

associates. Daley's contribution was to make the efficient delivery of city services--including transit--a major goal of the machine.

Daley went beyond consolidating the strong party which Cermak had built, and centralized it more than it had ever been before (or since). Daley's control was not absolute, however. Kahn and Majors, who describe the machine as a polyarchy, note that

> Daley consulted often with his "board of directors," that is, with those party leaders whose judgment and interpretations he had learned to trust over the years. One informant described the relationship between Daley and this inner circle: "All of us have access to the mayor if we need it. We don't hesitate to go and argue with him or occasionally ask him to reverse an action. Sometimes he will change, very often he will not. The major thing, though, is that we get an opportunity to make our points" (1984, p. 102).

Daley built on Arvey's concept of proactive machine-led reform. Arvey had seen the need to accept just enough reform to keep the party attractive to a majority of voters. Daley had learned this lesson, as he repeatedly responded to scandals that arose during his administration by cleaning house--at least to the extent necessary to convince voters that he was addressing the immediate problem seriously.

Daley differed from all previous machine leaders by embracing the traditional reform goals of efficiency and honesty in government (at least at the upper levels of city administration) so as to all but eliminate anti-machine reform as a political force. If corruption persisted at the grass-roots level (which, by most accounts, it certainly did), Daley could distance himself from these excesses at the lower levels of government.

All in all, Daley coopted much of the appeal of traditional reform politics. To a degree hitherto unknown in American politics, Daley gave Chicago's voters many of the better features of both machine and reform governance in a single electoral package. Like the machines of previous decades, Daley's organization was responsive to the specific needs of individual voters. At the same time, Daley's administration was sympathetic to downtown business, and worked closely with private sector leaders to maintain the economic vitality of the Loop--a vitality which required plentiful transit at affordable fares.

Certainly Daley used the precinct system to mobilize voters for machine candidates. There is little doubt that Daley turned a blind eye towards traditional machine practices of questionable integrity. On the positive side, though, the precinct system did offer established channels of political recruitment and advancement for residents of all neighborhoods of the city.

Most important of all from the voter's point of view, the machine had the customer orientation of a market-responsive service organization. Most Chicagoans were prepared to overlook petty corruption as long as the city government was responsive to their immediate concerns. Voters faced with routine, practical problems such as broken street lights or potholes could bring the matter to the attention of their precinct captains, who in turn would ensure that the relevant city agencies took care of the problem promptly. This was the grass-roots basis for the proud claim of Mayor Daley's administration that Chicago was "the city that works".

A good precinct captain would see to the needs of his voters, and ask in return only that they support the machine's candidates for city and county offices at the polls. But this bargain was two-sided: it was implicit in the relationship between the voter and the machine that if the machine failed to

deliver its side of the bargain, the machine's candidates would be held accountable for their failures at the next election. Daley's successor found this out the hard way in 1979 when he lost the election following a series of brutal snowstorms snarled traffic and put much of the rapid transit fleet out of commission.

Daley, like the early 20th century reformers, sought to professionalize city services by appointing capable, qualified experts at the upper echelons. This policy was reflected in the mayor's appointments to the most important transit positions. Nevertheless, the mayor did make some decisions on an avowedly political basis, and early on in his administration defended himself with the remark that "good politics is good government".

Finally, if good politics was good government under Daley, it was good business as well. Daley was the first machine mayor to bring business, traditionally a stronghold of efficiency-minded reform efforts, into his coalition. Business leaders were somewhat skeptical of Daley in 1955, but by 1959 they had largely become his supporters, and provided all his reelection campaigns with financial backing. Daley, unlike many Democrats, prided himself on maintaining good relationships with the city's business community. He identified the future of the city with that of the Loop and other prosperous areas which contributed to the city's tax base.

The many urban renewal and public works projects undertaken during his administration (including expressways, new rapid transit extensions, and O'Hare Airport) pleased the business community, provided thousands of construction jobs at union wages, and made the Loop more accessible, thus encouraging more construction downtown. Such a growth coalition was dependent on general economic prosperity, but the Daley administration provided an environment in which private construction was

encouraged as much as possible, given Chicago's limits as a large city with serious social problems.

Although a loyal Democrat, Mayor Daley was an intensely pragmatic politician who dealt only in the currency of the politically feasible. His classic response, when asked why a candidate slated by the machine lost, was "He didn't get enough votes" (Rakove 1975, p. 69).

The 1957 subsidy issue: a dress rehearsal?

Mayor Daley soon had an opportunity to use his legendary political skills on behalf of the CTA. In early 1957, the CTA was facing a deficit which could only be avoided if the agency raised its base fare from 20¢ to 25¢ or found new sources of funding. Before resorting to a fare increase, Mayor Daley decided to seek support from the state legislature.[12]

By subsequent standards, the CTA's situation was far from a crisis. The CTA board could have raised its fares to keep its budget in balance at any point. Before the CTA took this step, however, Daley decided to seek outside sources of funding for capital and operating costs.

Daley was dealing with Republican governor William Stratton on the CTA issue. The departure of two-term Democratic governor Adlai Stevenson II to run for president in 1952 cleared the way for Stratton to win the governorship. Reelected in 1956, Stratton, like Daley, understood that rank-and-file followers wanted to enjoy the traditional rewards of politics. Neither the mayor nor the governor sought to impose moralistic standards on

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[12] For a full account of the events of January-June 1957, see Banfield (1961), pp. 91-125. Under the Illinois Constitution of 1870, then in force, the General Assembly met only in alternate years. Thus, if Daley had chosen to wait in seeking state aid for the CTA, 1959 would have been the next opportunity.

the lower echelons of their respective parties. With this similarity in outlook, Stratton was able to conduct business with Daley on a pragmatic basis, much as Stratton's predecessor Dwight Green had dealt with Mayor Edward Kelly.

As early as 1956, the CTA board had presented the mayor and the governor with a policy statement urging the diversion of highway funds to the CTA to help finance its modernization efforts and to hold down the fare. The board offered several possible financing mechanisms for consideration by public officials, without expressing a preference among them. One of the more attractive (but controversial) options under discussion was the gasoline tax. The city had a powerful argument for using the state gasoline tax for the CTA. Chicago motorists paid the same taxes at the pump as did their suburban and downstate counterparts, but about four-fifths of the gasoline taxes raised in the city were spent on downstate and suburban roads.

When the legislature convened in January 1957, Governor Stratton, Mayor Daley, Cook County Board President Dan Ryan, and the CTA's general manager met to discuss mass transit. The most pressing item on the agenda, however, was not the CTA, but one of the former Insull interurban lines, the Chicago Aurora & Elgin (CA&E). The CA&E wanted permission to discontinue all passenger service, and the state was considering stepping in to save the line from going under. Daley apparently sought to link his effort to obtain subsidies for the CTA to suburban efforts to rescue the CA&E, but the mayor bet on the wrong horse.

Stratton may have been willing to consider Daley's CTA initiative on its own merits, but it became clear to both men that the prospects for passage of any cross-subsidy from motorists via the state gasoline tax were dim. Not even in the CA&E's territory did solid support exist for using state highway funds for any public transportation purposes. In the face of

solid and unyielding opposition from highway interests, both leaders backed away from the issue. Stratton agreed that if Chicago or Cook County voted to tax itself for the CTA, he would not stand in the way, but refused to commit himself any further.

The city's daily newspapers reflected the consensus among downtown business in favor of subsidies. The downtown interests themselves, however, were not willing to fight for subsidies, preferring to let elected officials embroil themselves in the controversy. Governor Stratton had expressed public support for diverting some highway funds to the CTA, but he did little to support the necessary legislation. Daley, sensing that downtown business groups would not back him politically, went through the motions of pushing for the subsidy but did not put his political weight behind CTA subsidy bills awaiting passage in the state house.

The transit subsidy bills expired with the end of the legislative session at the end of June 1957, the CTA raised its fares from 20¢ to 25¢, and the CA&E case, which had been under litigation, came to an end as the court allowed the railroad to drop all passenger service in July 1957. As soon as the judge granted the interurban permission to go out of the passenger business, the CA&E halted all service immediately, forcing commuters who had taken the CA&E into Chicago that morning to find other transportation home. All further proposals for reviving the CA&E came to naught.

Without the CA&E, Mayor Daley lost the only hope he had of building a coalition with suburbanites who might have gained from more diversified uses of gas tax monies. Rather than do battle with suburban and downstate legislators who were overwhelmingly against any subsidy for the CTA, and the highway interests, the mayor apparently decided to invest his political influence

elsewhere.[13]

Stagnation in the Sixties

The next decade was one of slow decline for the CTA, a decline which was for the first several years masked by the completion of much of the postwar modernization program. This decline manifested itself in falling ridership throughout the postwar period, but became increasingly visible as the buses and "L" cars which were brand-new in the 1950s began to show their age with alarming rapidity during the 1960s. Reluctant to raise fares, the politically appointed CTA board instead approved budgets which held maintenance costs to a minimum.

Another, more subtle change underway was invisible to the average rider, but not to administrators or politicians. When the CTA was created, the agency was strongly identified with its general manager, a transit professional who had risen through the ranks. Starting in the mid-1950s (when Daley became mayor) the CTA became more strongly linked with the mayor's top political appointee in charge of the system.[14] Although Daley saw the choice of competent top-level administrators as crucial to the consolidation of his power, this shift did suggest that political considerations were gaining strength--a problem not limited to Chicago.[15]

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[13] Mayor Daley dropped his goals for transit subsidies until the early 1970s. The city did, however, persist in its efforts to obtain state aid which would reimburse the CTA for the transportation of school students at half fare. In 1965 the Illinois General Assembly granted funds for this purpose.

[14] Interview, Harold Hirsch, Manager, Operations Planning, CTA, June 1992.

[15] In fairness to Daley, he resisted the temptation to use the CTA for short-term political gain by undermining its future. By contrast, the New York City Transit Authority (and its riders) suffered from years of short-sighted decision making during the 1960s and 70s under the Wagner, Lindsay, and Beame

On the state government front, the 1960s passed with few, if any, policy initiatives in the field of mass transit. In 1960, Otto Kerner, the last Democratic governor who enjoyed the support of the machine, was elected to the first of two terms in office.[16] Although Kerner showed a certain amount of liberalism in the wake of the urban riots of the late 1960s (he headed the Kerner Commission on Civil Disorders), the governor never challenged Mayor Daley or the machine head on. In 1967, with a year left in his term of office, Kerner resigned to accept a federal judgeship, and was succeeded by the lieutenant governor.

Chicago Republican Richard Ogilvie won the 1968 gubernatorial contest. Aside from the machine's ability to get along with Ogilvie (if not agree) on most issues, the new governor vacated the Cook County board president's office, to which he had won election in 1966. The board appointed George Dunne, a powerful ward committeeman from Chicago's Near North Side, as acting county board president when Ogilvie assumed the governor's office in 1969. Dunne was elected in his own right in 1970, and retained the county board presidency until his retirement in 1990.

Civil unrest, Chicago politics, and mass transit

If Mayor Daley paid the CTA scant attention during the 1960s, he had more pressing big-city matters on his agenda to deal with. In April 1968, the social climate in Chicago took a turn for the worse as a result of several days of riots on the city's predominantly black West Side following the assassination

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administrations, especially by cannibalizing New York's transit capital budget to pay for operations.

[16] Kerner had one very personal link with the machine: his wife was the daughter of Anton Cermak.

of civil rights leader Martin Luther King, Jr.[17]

Although much of Chicago was tense during April 1968, the bulk of the violence, arson, and looting took place on the West Side. By contrast, the South Side, the larger and more historically-established base of Chicago's black community, remained relatively peaceful. Therefore, instead of the liberal-versus-conservative debate about the riots, it makes sense to ask why the West Side burned while the South Side did not.[18]

According to Fremon (1988, p. 178), one factor may be historic patterns of black settlement and politics in Chicago. With its decades of residential segregation enforced by property deed restrictions, the South Side has had a firmly established black community with recognized political influence from the beginning of the 20th century. Black voters on the South Side, whatever problems they may have faced in other aspects of life, have been able to draw upon a large pool of local political

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[17] The Kerner Commission report (headed by former Illinois governor Otto Kerner) offers a liberal interpretation of the root causes of rioting in black neighborhoods of US cities. For a contrasting discussion from a conservative perspective, see Banfield (1974), pp. 210-233.

[18] One explanation has to do with the higher levels of organization among community groups and street gangs on the South Side, where community activists and street gangs worked to restrain people from taking the law into their own hands (see Mike Royko's journalistic Boss [New York: E.P. Dutton, 1971]). Community organizations did not wish to see their gains wiped out by the senseless destruction that swept across parts of the West Side. Presumably, street gangs followed a similar course of restraining would-be looters in order to enhance their own prestige vis-a-vis the community organizations, which otherwise might have competed with the gangs for the loyalties of underprivileged youth. The gang leaders also wished to avoid a full-scale police crackdown in the neighborhoods whose residents they intimidated, thus disrupting their routine criminal operations.

talent when electing their aldermen, state representatives and senators, congressmen, and ward committeemen. In contrast to this rich political history prevailing on the South Side, West Side blacks have been poorly organized, at least prior to the 1980s.[19] The West Side did not become predominantly black until the 1950s, and as far as political control was concerned, the process of ethnic succession was delayed until even later.

However the riots may be interpreted, their effects were clear. On the one hand, they increased fear and suspicion between black and white Chicagoans. Another effect, less conspicuous but vitally important all the same, was to heighten the class divide among blacks. If racial polarization helped increase black political solidarity, the riots also helped undermine class solidarity among black Chicagoans. Blacks who shared the same values of personal achievement and community stability that prevailed among white Chicagoans redoubled their efforts to move into better neighborhoods in the city, and beyond the city limits altogether into the suburbs.[20]

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[19] In much the same way that a pervasive informal North Side-South Side rivalry exists among many white Chicagoans, there exists a comparable black rivalry between the South and West Sides. In this rivalry, South Siders perceive West Siders as being politically unskilled, perhaps owing to their later arrival in the city. Other differences between the South and West Sides have to do with class and geography. Both parts of Chicago contain large areas where the social tone is established by the sub-proletariat. However, there are many working class and middle class black neighborhoods on the South Side, with few or no parallels within the city limits to the west of downtown Chicago. (A few comparable areas do exist for West Side blacks, but these are in suburbs rather than inside the city.)

[20] At the political level, the efforts of the black middle class to find its own voice have been largely ignored by white observers, who tend to treat black voters as a single undifferentiated bloc. Grimshaw (1992), however, describes this process in its richness and complexity. It was in middle class black neighborhoods like South Shore, Avalon Park, and Chatham that the voter mobilization for Harold Washington in 1983 and 1987 was greatest.

The CTA's 1968 annual report made it clear that the rioting had a serious impact on the transit system. The CTA suffered little direct property damage during the riots, but the long-run impact on ridership (and thus on revenues) was serious, even devastating. The rioting undermined investor confidence in the very areas with the most intensive transit service, as businesses and residents with the means to leave did so.

At the same time, for political reasons it became increasingly difficult for the CTA to rationalize its route structure in response to declining patterns of ridership. From a market standpoint, the logical response would have been to consolidate bus routes, close elevated stations with poor ridership, and even prune poorly-performing elevated lines. This strategy had become almost unthinkable by the late 1960s, because by that point a more market-driven approach might have been interpreted as a racially-motivated reallocation of municipal services away from already-disadvantaged neighborhoods. Widespread rationalization of service might well have hurt the electoral fortunes of the machine.

In contrast to the April 1968 West Side riots, the violence surrounding the Democratic National Convention in August 1968 was of greater significance outside Chicago than it was locally.[21] The 1968 convention violence may have had a traumatic impact on the national Democratic Party and its liberal supporters, but it certainly did not hurt Daley's standing with most Chicagoans (Allswang 1986, p. 131). To the machine and its supporters, it seemed as though the demonstrators had showed up largely for the

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[21] Unlike the April riots on the West Side, the August disturbances were largely confined to the city's lakefront parks, although marches and incidents did occur downtown as well.

purpose of embarrassing Mayor Daley's "show".[22]

The violence at the 1968 Democratic convention probably had the effect of boosting the anti-Daley candidacies of Richard Friedman in 1971 (a liberal who ran on the Republican ticket as a flag of convenience in the mayoral general election), and William Singer, who opposed Daley in the 1975 mayoral primary. In both 1971 and 1975, however, these reform candidates only carried the north lakefront and the University of Chicago areas, while elsewhere in the city Daley won reelection by record margins.

The convention violence did not affect ridership the way the riots did, but it did have subsequent impacts on the politics of transit. Dan Walker, the author of the Walker Report on the convention violence, was able to translate his criticism of the Daley administration into a successful gubernatorial campaign in 1972. Although Walker lasted only one term as governor, he was to play an important role in the formation of the Regional Transportation Authority in 1973. Over the long term, the convention violence helped set into motion a more mature politics of reform, many of whose supporters became part of the coalition that made Harold Washington the first black mayor of Chicago in 1983 and again in 1987.

Mayor Daley and the suburbs

One of the two most serious mistakes of Daley's career was to underestimate the aspirations of black Chicagoans, although the full implications of this did not become apparent until 1979,

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[22] Of course, given the temper of the times, it is likely that violent protests would have marred the Democratic convention no matter where it had been held. The choice of Chicago as the site probably had little more than a marginal effect on the number of demonstrators and the strategy they followed. Their primary interest was in national politics; any embarrassment they were able to cause Mayor Daley was merely an additional benefit from their standpoint.

when black voters helped unseat the machine's mayoral candidate. The mayor's other great error was his failure to appreciate the significance of postwar suburbanization. This failure was to have serious consequences for the politics of mass transit for the 1970s and beyond.

Suburban opposition to expansion on the part of the City of Chicago can be traced all the way back to 1889. The annexation of Hyde Park that year, against the community's will, served as an object lesson for other localities seeking to maintain their independence from the city.

> When the 48 square mile village of Hyde Park voted in favor of annexation to the City of Chicago by a five to three margin on June 29, 1889, the old Village Center (present-day Hyde Park-Kenwood) found itself in the minority opposed to annexation. It was the ... precincts in the southern part of the Village along the Calumet River that ... really carried Hyde Park into Chicago. (...) In regarding annexation to the central city as the proper solution to the problems of suburban growth, the majority ... was typical of 19th century American attitudes; in opposing annexation, however, the Village Center was foreshadowing a stance that would become dominant among suburbanites in the twentieth century (Markun 1980, p. 54).

By 1893 the city had expanded to include most of its present area, with a few subsequent, incremental annexations taking place mostly on the northwestern and southwestern edges. Young (1986) argues that the example of Hyde Park resulted in a heightened wariness of the city's political motives on the part of communities wishing to preserve their political independence from the city.[23] Community leaders in Evanston and Oak Park learned

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[23] It is questionable today whether annexing Hyde Park-Kenwood (known as the Village Center at the time) was in fact a good idea from the standpoint of Chicago's political machine. The Hyde Park-Kenwood community, anchored by the University of Chicago, has long been a stronghold of the politics of reform in Chicago. If Hyde Park-Kenwood had been able to escape annexation in 1889 and instead incorporate itself as an independent village (much as Oak Park is today), the community's liberal politics

from the example of Hyde Park and developed successful techniques for resisting annexation by the city. As the metropolis grew over the decades, housing, jobs, and transportation spread steadily outward from the Loop, beyond city neighborhoods, and further into the suburbs. By the time transit became a political issue in the suburbs, the population of the six-county Northeastern Illinois region was about equally divided between the city and suburbs.

Public transportation in the suburbs

Virtually all suburban mass transit carriers remained in the private sector until the early 1970s, but they went through the same processes of modernization and retrenchment as did the CTA in the city. Once streetcar lines had been converted to buses (a process which was largely completed during the 1930s), there was little change in service patterns or operating technology.

Except for the Illinois Central (which was electrified in 1926), the commuter railroads waited until the postwar years to transform their technology and operating practices. The first operator to modernize was the Chicago, Burlington & Quincy (CB&Q), which became the Burlington Northern in 1970. The Burlington's postwar modernization set the standard which most other Chicago area commuter railroads eventually followed.

Faced with the need to replace its oldest coaches in suburban service, the Burlington chose a creative design for its new coaches. The Burlington took full advantage of the generous vertical clearances which characterize North American railroading west of the Allegheny Mountains. In 1948 the railroad introduced air-conditioned bilevel cars, and refitted other cars with air conditioning (Dorin 1970, pp. 125-126). The railroad retired its

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would have been isolated from the city government, thus removing a thorn from the side of the machine.

remaining single-level coaches and replaced them with additional bilevels in the early 1960s.[24]

By the 1960s, the bilevel had become the standard commuter railroad car in the Chicago area. The bilevel had a set of sliding double doors at the center of the car, usually with room for three passengers to board or alight simultaneously. Once inside, passengers could select seats on the lower level, or else climb a narrow set of stairs on either side to reach a long "gallery" on the upper level where additional seats were located.

The greatest postwar private sector accomplishment in public transportation in Chicago, and probably in all of North America as well, was on the Chicago & North Western (C&NW). By the 1950s, several decades of deferred maintenance were showing on the railroad's suburban lines, which used steam locomotives and coaches dating back as far as 1910. Rather than try to get out the commuter business (which would have been politically difficult), the railroad made the most of the situation and modernized its operations. The C&NW started by following the Burlington's lead and buying new bilevel coaches and then introduced an innovation of its own, push-pull operation, around the beginning of the 1960s. Push-pull operation, with trains driven either from the locomotive or from a cab at the other end of the train, enabled the North Western to enjoy the same operating flexibility that the "L", the Illinois Central Electric, and the interurbans had long enjoyed with their multiple unit cars.

When it modernized its equipment, the North Western

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[24] One factor influencing the Burlington's choice of bilevel cars was the financial arrangements at Union Station, where the railroad was a tenant. The station assessed per-car "wheelage" charges, irrespective of the carrying capacity of each car.

introduced hourly off-peak service on repeating headways, and publicized its improved services through aggressive marketing (Dorin 1970, pp. 103-104). Starting in 1962, the North Western began to earn profits on its commuter trains, a situation which continued until 1975. Although the other railroads were unable to duplicate the North Western's profitability, the push-pull revolution quickly spread to all but Chicago's smallest diesel-operated commuter services, as it made operations more efficient and economical.

The North Western's commuter rail profitability was certainly an accomplishment. All the same, the North Western was serving a finite market. The railroad might not have been able to earn a profit on its commuter service if it had not been for the abandonment of two of the three Insull interurbans, which competed directly with two of the North Western's lines.

The demise of the CA&E

The first interurban to go was the Chicago Aurora & Elgin (CA&E). Physically, the line emerged from the Depression and World War II in relatively good shape, and the CA&E was even able to afford ten new cars in 1945--the last interurban cars to be bought with private capital. With a service area that included established bedroom communities and semi-rural areas ripe for suburbanization, the CA&E was optimistic about the future. Its rapidly-accelerating electric cars were able to make more stops than the competing steam and diesel railroads and still maintain competitive schedules, and the CA&E's Wells Street Terminal was closer to most downtown locations than Northwestern or Union Stations.

But the state and city undermined CA&E's competitive position in the early 1950s. Highway planners chose the alignment of the Garfield Park "L", which the CA&E used to reach the Loop, for the new Congress Street Expressway. The

construction work forced the interurban off the "L". Starting in 1953, CA&E passengers had to transfer to "L" trains at Desplaines Avenue in west suburban Forest Park to continue to Chicago--at a time when the use of temporary tracks during expressway construction slowed "L" operations considerably. Ridership fell as many CA&E passengers sought other, faster ways (including the Chicago & North Western) to reach their destinations.

In 1950 and again in 1952 the interurban petitioned the Illinois Commerce Commission to abandon its passenger service, but the ICC rejected these requests. Now with the change of trains at Forest Park and the disruption of "L" service caused by the expressway construction, the CA&E lost its former comparative advantage, and was locked into a downward spiral of falling patronage.

For the first time suburban actors entered the political arena over a transit issue affecting them directly. Some CA&E riders sought to preserve service through the political process--logically enough, as politics had brought about the decision to build the Congress Street Expressway which now threatened the CA&E. West suburban DuPage County, the interurban's core service area, was an electoral stronghold of vital importance to Illinois Republicans. Governor Stratton was reluctant to spend public money on mass transit, but he convinced the CTA to study a takeover of the CA&E from a purely operating perspective, i.e., assuming that the political and financial issues could be resolved. In February 1956, six weeks after the governor's request, the CTA completed its study.[25]

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[25] The CTA suggested two alternatives. One was a through service over the rapid transit line in the median strip of the Congress Street Expressway, using the interurban's more modern cars dating from the 1920s and 1940s. The other option was a shuttle service between Forest Park and Wheaton. This would have used streamlined one-person streetcars which were being made surplus by the CTA's conversion of its remaining streetcar lines

But then Illinois' longstanding and bipartisan tradition of political corruption derailed efforts to save the line:

> Attempts were made to sell the line to the state, and in fact, Governor Stratton agreed to buy it in 1956. But a scandal broke in the state government with the indictment and subsequent conviction of Orville Hodge, State Auditor, for having "appropriated" millions in state funds. It was rumored that Hodge held a large block of CA&E stock in trust, and stood to "clean up" if the state purchased the railroad. Both Hodge and Stratton were of the same political party, so the deal was off (Johnson 1965, foreword).

The so-called "Hodgepodge" scandal eliminated any possibility of a public takeover of the CA&E.[26] Following the demise of the CA&E in 1957, which coincided with that of the city's short-lived efforts to seek gas tax money for the CTA, transit advocates retreated from the political arena for the next decade. This change in orientation was evident when the North Shore Line sought to abandon service. The failure of political action to save the CA&E may have convinced North Shore Line commuters that their interurban could not be saved through political pressure, and instead they concentrated their efforts on attempting to purchase the line.

"Do-it-yourself" fails on the North Shore

After the North Shore had emerged from bankruptcy in the

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to bus operation. The streetcars would have required certain modifications for operation on the CA&E, including the installation of shoes for electrical pickup from the third rail which CA&E used almost exclusively (rather than overhead wires, as on the other interurbans). See Shapotkin (1988) for more about the CTA's study.

[26] See Kenney and Brown (1993), pp. 87-88 for a concise description of the Hodge scandal. Hodge himself served six and a half years of a 12 to 15 year sentence. Governor Otto Kerner, overlooking partisan differences between himself and Hodge, commuted the remainder of Hodge's sentence for reasons of the former auditor's health. See "Hodge Will Be Paroled Jan. 31," Chicago Sun-Times, January 18, 1963.

1940s, the interurban's prospects, although far from rosy, were not hopeless, either. The 1955 abandonment of the interurban's old, slow Shore Line, which competed directly with the Chicago & North Western, seemed to give the rest of the railroad a new lease on life.

But this reprieve was short-lived. During the 1950s, the Delaware-based Susquehanna Corporation bought the hitherto locally-owned interurban. Many observers believed the holding company had bought the North Shore largely for its value in tax credits if the railroad were liquidated, a theme which came to dominate much of American business during the "quick buck" 1980s.

In 1958 the North Shore's management applied to the US, Illinois, and Wisconsin commerce commissions for permission to abandon the entire railroad. The abandonment proceedings dragged on for several years before the last trains ran in January 1963. During those years, there were efforts to save the railroad, but in contrast to the CA&E, a public sector takeover of the North Shore did not enter the realm of serious political discussion.[27]

A group of commuters responded by forming the North Shore Commuters' Association (NSCA). Initially, the group limited itself to arguing its case before the regulatory authorities. In 1962, however, NSCA changed its strategy:

> Possibly realizing that a case against abandonment had not been made, the commuters' association solicited for pledges of money from riders and employees for

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[27] In 1958 the CTA carried out a study, limited to operating issues, of how the CTA might provide North Shore service to Waukegan and Mundelein, possibly with new cars. In 1961, by which time the abandonment of the North Shore appeared imminent, the CTA updated the study. This appears to have been purely a matter of contingency planning, as no serious suggestions emerged as to how a CTA takeover of the North Shore would be organized or paid for. Portions of the study and the update are reproduced in First & Fastest, Autumn-Winter 1988.

> purchase of the railway at salvage value. No specific figures were made public, but it is thought that only about $750,000 was pledged. (...) Postponement [of an order permitting abandonment] came on June 15 [1962], partly in order to allow the commuters' association time to raise funds for purchase [of the railway] (Central Electric Railfans Association 1963, pp. 83-84).

In November 1962, the commuter group formed the North Shore Commuters' Railroad as a legal vehicle for taking over the line. Standard historical accounts cite eleventh-hour negotiations with the holding company, which failed because NSCA did not raise enough money to buy the line, even at its salvage value. However, a former NSCA activist offered another, more political version to the Sun-Times' Dennis Byrne:

> ... a pro-railroad Interstate Commerce Commission ordered the abandonment. And when the commuters raised what they believed was enough money to buy the line, the Kennedy White House quietly blocked the sale...[28]

The last straw for the North Shore may well have been the opening of the Edens Expressway in 1960, which closely paralleled the interurban's Skokie Valley Route along much of its alignment. The North Shore's last trains ran on January 20, 1963. The NSCA disappeared shortly thereafter, and took with it the idea that commuters could successfully mount a market-based, rather than a political initiative to preserve threatened transit services. It would be nearly another ten years before transit became an issue in the suburbs again, and when suburban commuters attempted to defend their interests, it would be through political rather than market forces.

So it was that by the early 1970s, the CTA's problems were becoming acute. The city and state governments soon became preoccupied with the CTA, and their efforts on the CTA's behalf

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[28] Dennis Byrne, "North Shore Line Battle Wasn't In Vain," reprinted in First & Fastest, Summer 1988.

overwhelmed whatever suburban agendas might have otherwise developed for stabilizing mass transit. The political drama of 1957, when the city first sought subsidies for the CTA, would be played out again on a changed stage, with a different outcome.

CHAPTER 4
THE CTA FALTERS AND THE STATE CHIPS IN, 1970-1972

The early 1970s were years of irony for mass transit in Chicagoland. No sooner had the Chicago Transit Authority triumphantly opened two new rapid transit lines in 1969 and 1970 than it entered its worst financial crisis to date. In the late 1940s and early 50s, the CTA took over the worn-out streetcar and "L" companies and, by making hard choices, fused them into a more modern and efficient system. But the vigor had gone out of CTA management by the end of the 1960s. The CTA was rescued from its financial shortfall not by its own managers, or even by its own board, but rather by the state in the form of subsidies.

Meanwhile in the suburbs, the future of Chicagoland's commuter rail service, considered the best in the country, grew clouded, and suburban bus companies started to fall by the wayside. Transit in the suburbs crossed a point of no return in the early 1970s, as the same financial problems which were afflicting the CTA now spilled across the city line. With few exceptions, the 1970s found the suburbs unprepared to deal with the challenges of mass transit.

The CTA: the best of times, the worst of times

At first glance, the CTA seemed to have a lot going for it in the late 1960s and early 1970s with new lines and equipment. Yet the CTA's finances were in decline despite some of the highest fares in the country, and as the agency began to lose money, it sought repeated bailouts from the state and city. The state government became increasingly frustrated with the CTA's problems, but it lacked a coherent mechanism for addressing the needs of the CTA or of financially-shaky commuter railroads and suburban bus companies. These problems led to a growing consensus among transit managers (in both the public and private

sectors) and state government officials that the entire Chicago region needed a new area-wide transit organization to channel funds both to the CTA, and to suburban carriers which (unlike the CTA) might otherwise go out of business.

The CTA's triumphs were highly visible in the late 1960s and early 1970s. In 1969 a completely new rapid transit line opened in the median strip of the Dan Ryan expressway, opening up the far South Side to "L" service. The terminal at 95th Street, which immediately became one of the CTA's busiest rapid transit stations, was a major transfer point where a variety of CTA and suburban bus routes met the "L".

In 1970 the CTA opened the Jefferson Park extension of the Milwaukee Avenue "L". From the former "L" terminal at Logan Square, the extension proceeded north in a subway to reach the Kennedy Expressway, where the rails ran in the median strip to a new terminal at Jefferson Park. There, riders could change to a wide variety of CTA and suburban buses, or even to the Chicago & North Western's Northwest Line commuter trains.

Yet at the same time the agency's finances were going over the brink from a shaky (and largely illusory) solvency to the equivalent of bankruptcy. The CTA was the last large transit system in the US to receive public subsidies, and the state's failure to act earlier were now bringing matters to a head. To make matters worse, years of capital neglect were about to catch up with the agency, thus forcing the region's elected officials to find more money for the CTA.

Even the CTA's presumed accomplishments were by no means good news to all transit providers in the region. The importance of the 95th Street and Jefferson Park "L" terminals as convenient connection points probably helped the suburban bus companies which routed their buses there. But whatever marginal advantage

the suburban buses may have gained were offset by the impacts of the new "L" lines on nearby commuter railroads.[1] In response to the publicly-funded competition, the Illinois Central raised its fares, the Rock Island shifted its services, and the Chicago & North Western threatened legal action.

The Illinois Central, and to a lesser degree, the Rock Island, served the far South Side surprisingly well by the end of the 1960s. This part of the city had been a declining commuter travel market for both railroads. This was particularly the case by the 1960s as the far South Side beyond 63rd Street underwent widespread racial change as a result of pent-up demand on the part of blacks who sought a better life outside the traditional "Black Belt". In some areas, the change was largely in the ethnicity of the residents as middle class blacks replaced middle class whites, but elsewhere ethnic succession was compounded by (and widely confused with) class change. The six-flat apartments and the modest bungalows across the far South Side were definite improvements in the lives of their new black residents. But they were less inclined to ride the commuter trains than their white predecessors, reflecting the increasing working-class composition of much of the far South Side that accompanied racial change.

On the heels of these slow but steady demographic changes, both railroads felt sharp declines in their ridership counts from the day the new Dan Ryan "L" opened in 1969. The Illinois Central Electric accepted its ridership losses (which were no doubt partly reflected in subsequent requests to the Illinois Commerce Commission for higher fares). The Rock Island, however, which was less secure in financial terms, responded by cutting

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[1] Ironically, by setting up new, publicly-funded competition to several of the commuter railroads, the city may have accelerated the regionalization of transit in the Chicago area--which, along with increasing deficits, ultimately led to reduced autonomy for the CTA.

service.

Before the Dan Ryan "L" opened, the Rock Island had offered separate off-peak trains between Chicago, Blue Island, and Joliet on its Main Line, and between Chicago and Blue Island on its Beverly branch, which rejoined the Main Line at the latter point. The Beverly branch was considerably slower than the Main Line, but had more local ridership on Chicago's far South Side, particularly from the middle class neighborhoods of Beverly and Morgan Park. When the Dan Ryan "L" opened, the new line drew away many riders from the Rock Island, but more so along the Main Line, which was closest to the new "L", than from the Beverly branch.

The Rock Island decided to withdraw as best it could from a market segment where it could no longer compete. The railroad eliminated Main Line service between Chicago and Blue Island in the off-peak hours, and moved its off-peak Chicago-Joliet trains from the Main Line to the Beverly branch (which was slower but better-patronized) between Chicago and Blue Island. The Rock Island announced its service reductions and train consolidations in a May 1970 brochure to its riders. The folder's headline announced "Impact of Dan Ryan CTA Line Forces Adjustment of Commuter Schedules Between Downtown Chicago and Blue Island."

On the Northwest Side, the Chicago & North Western had invested much of its own money in buying new diesel locomotives and bilevel coaches, modernizing stations, and publicizing the improved services on its three commuter lines--one of which competed directly with the new Jefferson Park extension of the "L". Although the North Western's commuter trains mostly carried suburbanites to and from the Loop, they also did some business at stations on the far Northwest Side of the city.

Understandably enough, the North Western was not amused to

see tax money being used to help the "L" compete with a line which the railroad had improved with its own money. The North Western had considered trying to get out of the commuter business entirely during the 1950s, but decided to invest in an ambitious program of modernization instead. The North Western's suburban trains were returning a modest profit, thus enabling the railroad to recoup some of its investment. Then in the late 1960s the city and the CTA planned to extend the Milwaukee Avenue "L" in the median strip of the Kennedy Expressway, first to Jefferson Park and ultimately to O'Hare Airport. An extension to O'Hare would have brought the "L" uncomfortably deep into the North Western's commuter territory.

Making the most of a bad situation, the C&NW noted the Jefferson Park "L" terminal's convenient location next to the railroad's own station in its publicity. Nevertheless, the station's major beneficiary was the CTA.

> The most ... comprehensive intermodal interchange ... is at Jefferson Park station, which is served by a dozen city and suburban bus routes, the Chicago & North Western Railway as well as ... rapid transit trains to the city center... Here the railroad lies between the rapid transit in the Kennedy [Expressway] median and Milwaukee Avenue [the principal thoroughfare of Chicago's Northwest Side]. The bus terminal is on land connected to the railroad and rapid transit platforms by a passageway under the railway and over the southbound expressway... (Krambles 1970, p. 9).

Particularly once a regional resolution to the area's transit problems had been implemented, the Jefferson Park transfer point would facilitate intermodal connections. But there was little cooperation between the CTA and the North Western in 1970. Indeed, as Krambles explains, the railroad threatened to take the CTA to court over the issue:

> Ultimate extension of rapid transit to ... O'Hare International Airport was anticipated in the planning for the Kennedy [Expressway rapid transit extension] project, as it was in the design of the expressway itself. However, the short supply of both city and

> federal funding and the urgency of spending what was available to meet the highest priority transit needs ... made Jefferson Park the logical terminal a this stage [i.e., 1970]. Although the North Western Railway, which claimed that rapid transit to O'Hare would irreparably damage its suburban service through rider diversion, threatened to block the whole project until [the] CTA agreed not to operate in the median beyond Jefferson Park, the decision to build rail [rapid transit] only that far had already been reached (1970, p. 10).

It was not until 1976, when the Regional Transportation Authority signed a purchase-of-service agreement with the North Western, that the railway dropped its opposition to further extension of the expressway rapid transit line. The "L" reached O'Hare Airport in 1984.

The commuter railroads

The principle of public sector subsidies for commuter rail reached Chicagoland a good 10 to 15 years after it had become commonplace in the large cities of the Northeast. Part of the reason was historical. As Christopher Knapton, director of public information for Metra (Chicago's commuter rail system) explained in a 1987 interview,

> Chicago has a tradition of very good commuter rail service. Chicago having been the rail hub [of the US] for a century, an awful lot of shipping decisions having been made here, the private railroads probably went the extra mile to make sure that their money-losing commuter services still looked good (quoted in Kunz 1987-a, p. 32).

Another factor may have been the continued profitability of railroad freight service in the Midwest as compared to the Northeast. By the early 1970s, all of the railroads which operated commuter trains in Philadelphia, New Jersey, New York, and Boston were bankrupt (except for the Long Island Railroad, which was bought out by New York State in the 1960s). Most of the Chicago area railroads which had extensive commuter service were in better financial shape than their eastern counterparts,

and were financially able to cross-subsidize suburban trains with profits from freight service, even if they did not wish to do so.

Although all was not perfect, the commuter lines to the north and west of the city presented a generally positive picture. The Chicago & North Western was able to operate its suburban trains at a profit until 1975. The railroad had completely modernized its rolling stock by the early 1960s, and had pruned some of its less-patronized stops within the city in the interest of expediting service to and from the suburbs.

The Milwaukee Road offered service of a comparable standard to the North Western until the Milwaukee Road's financial problems became severe in the late 1970s, culminating in bankruptcy in 1979. Although service quality suffered as a result of bankruptcy, by that time the RTA had been subsidizing operations, and took over commuter operations in 1982.

Despite the North Western's claims to excellence, Chicago's best commuter railroad may have been the Burlington Northern. By the early 1970s, the BN operated a fully modern fleet of cars, and provided creditable service to some of the area's most rapidly-growing suburbs. Although this was largely an accident of political geography, the BN had a minimum of inner-city stations, a happy accident which allowed the railroad to focus on its busy suburban stations.

The railroads serving the suburbs to the south of the Loop, by contrast, were the most troubled, regardless of their financial condition. These problems were caused by various combinations of financial and demographic woes. The region's first commuter railroad to go bankrupt was the Rock Island, although this was for reasons having nothing to do with its

suburban trains.[2] The Rock Island's unsteady finances prevented the railroad from following the lead of the North Western, the Milwaukee Road, and the Burlington Northern in buying an all-new fleet of cars in the 1950s and 60s. The best that the Rock Island was able to do was to buy enough new cars for its off-peak trains.

In 1926, when the Illinois Central inaugurated electric operation of its suburban services, it was the pride and joy of Chicago railroading, but the IC's former glow of modernity had long since tarnished into old-fashioned obsolescence. The Illinois Central's fundamental problems were not financial like the Rock Island's, but were instead the product of demographic change and an aging physical plant. The North Western (and other railroads to a lesser degree) had eliminated many marginal inner-city station stops by the early 1960s, but most of the IC's numerous stops on Chicago's South Side remained in service.[3] As

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[2] Much of the blame for the Rock Island's troubles may be attributed to the Interstate Commerce Commission. In the late 1960s the Union Pacific requested permission to acquire the Rock Island. By the standards of the 1990s this would have been a small merger, but it was a substantial proposal by the standards of the time. The federal regulatory body weighed the pros and cons of the proposed merger with glacial slowness, and before the agency had finished its deliberations, the Union Pacific had lost interest in the Rock Island, contributing to the Rock Island's bankruptcy in 1975. The railroad underwent court-ordered liquidation in 1980.

[3] A purely market-driven logic would have dictated that the Illinois Central take a critical look at its South Chicago branch, and reexamine its Blue Island branch in an even harsher light, in addition to reevaluating the need for many of its main line stops between 59th and 115th Streets.

The IC did close six stops within the city limits by the mid-1960s, but by the standards of the "L" or the C&NW, additional stations might well have been closed. The IC's conversion to automatic fare collection in the late 1960s, however, may explain much of the railroad's willingness to tolerate marginal stations. Automatic fare collection cut the operating expenses of all stations to a minimum, which may have been the line of least resistance for the IC.

the 1970s opened, old wooden platforms remained in use at all of the IC's stations except the downtown terminal at Randolph Street and a single suburban stop. The IC's electric cars were still remarkably reliable despite their 45 years of age, but their wicker seats were hardly in keeping with the rising standards of comfort of the postwar era.

Finally, the South Shore Line, the only surviving interurban from the Insull era, was the most trying of Chicago's major commuter railroads for its riders. The railroad's mechanical department did a commendable job of keeping late 1920s cars in service right up to the early 1980s when new cars finally arrived. Nevertheless, during their last decade the old cars (and their remarkably patient riders) suffered with each successive Midwestern winter.

The South Shore also had unique political problems which the Illinois legislature could alleviate. All but one of the railroad's outlying stations were in northern Indiana and therefore outside the purview of the State of Illinois. The presence of that one Illinois station, however, provided a basis for transportation agencies on both sides of the state line to work together, especially by the early 1980s once the Indiana legislature had given the South Shore a secure source of revenues.

Commuter service was a money-losing annoyance for all of the railroads except the still-profitable Chicago & North Western suburban lines. With the exceptions of the Rock Island and the South Shore, however, it was still a tolerable burden. Politically, it would have been all but impossible for any of the major commuter railroads to get out of the business, so to some extent the pride that many of them showed in their operations may have been making the most of the situation.

All the same, the railroads, including the North Western, wanted the public sector to buy them out. As early as the late 1960s they had suggested a "Chicago Metropolitan Area Transportation System," which was the first detailed proposal to anticipate in broad outline the RTA which was enacted in 1973. The railroads had been pushing their CMATS proposal in the General Assembly for several years, but without success. Their failure to enlist the support of the CTA and the suburban bus companies (whose problems were more serious than those of the railroads) may have been a key factor in the failure of the CMATS proposal to take hold.[4]

Also, most of the commuter railroads were still in relatively healthy financial shape. Many Chicago residents and Illinois lawmakers may have figured that the railroads, as profitable freight carriers, could afford to wait until the CTA's more urgent problems had been addressed. The lack of a credible threat by the railroads to go out of the commuter business deprived them of much of the negotiating leverage their eastern counterparts had enjoyed in their negotiations with transportation authorities.

Suburban buses

Despite the high visibility of the CTA and the commuter railroads, the suburban bus companies were in the shakiest financial shape of all. The companies were not in a position to receive direct subsidies like the CTA, they did not have profitable services to cross-subsidize money-losing operations as most of Chicago's commuter railroads did, and they lacked influential friends in downtown Chicago. For many suburbanites it was a status symbol to ride the commuter train, but most

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[4] Another factor which may have contributed to the General Assembly's unsympathetic reception of the railroads' CMATS proposal was the higher average incomes of commuter railroad passengers compared with CTA or suburban bus riders.

suburban bus riders were too young, too old, or too poor to drive.

The relatively few riders the suburban bus companies had tended to be blue-collar workers, students, and senior citizens--in short, people at the margins of America's motorized suburban society. When they could, suburban bus riders switched to their own automobiles, and when they did not have this option, they endured slow, infrequent, inconvenient service in silence. A few suburban village governments such as Wilmette and Downers Grove had their own shuttle routes feeding rail commuters to their local stations, but the fact of having local government sponsors meant that these services were not at risk.[5]

In 1972 several suburbs formed the North Suburban Mass Transit District (Nortran).[6] The district was formed to subsidize United Motor Coach, which had just gone bankrupt. United had staved off bankruptcy for several years by buying out its rivals, but this strategy had reached its limits by the early 1970s. Nortran eventually bought out United Motor Coach in 1975.

Evanston, a lakefront suburb just north of Chicago, took a different approach when its bus service was threatened. Evanston, which had enjoyed "L" service for decades, agreed to pay the CTA to take over local bus service in 1973 following a prolonged strike at Evanston Motor Coach. The Evanston drivers were hired by the CTA (at the CTA's higher wage rates), and passengers benefited from the ability to use CTA transfers between the elevated and the local bus routes. Although the CTA

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[5] This social stigma attached to riding trunk-line suburban bus routes did not extend to rush-hour feeder routes serving local commuter railroad stations. Apparently some of the high prestige associated with commuter rail ridership also rubbed off on the commuter shuttles.

[6] See Young (1982) for more on Nortran's first decade.

paid higher wages than Nortran did, the CTA takeover made it possible for riders to transfer between Evanston bus routes and the "L"--which may have made the additional cost of CTA operations worth while from Evanston's perspective.[7]

Although other suburban bus companies may not have had such extreme problems as Evanston or United Motor Coach, none of them were doing well. Over the course of the 1970s, the Regional Transportation Authority stabilized (and in many cases expanded) their services with subsidies, before buying the companies entirely. Although the relatively few suburban bus riders may have been the greatest beneficiaries of the regionalization of transit in the mid-1970s, the late 1960s and early 70s were difficult years for suburban bus companies and their riders.

The ambivalent role of the CTA board

Theoretically, one of the reasons why the CTA had been set up with substantial autonomy was to bypass politically motivated regulation by the Illinois Commerce Commission. Presumably the CTA board would set fares at more realistic levels than the ICC had done. But as far as fare policy was concerned, by 1970 the transit system had come full circle back to where it had started in 1945. It seemed that the politically-appointed CTA board had taken over where the state regulators had left off in preventing management from adjusting fares and services in response to rising costs and declining ridership.[8]

The CTA's management had also contributed to this state of affairs. Management had given the unions an automatic cost of

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[7] This rationale disappeared in 1976, when the RTA instituted transfers between the CTA and suburban bus lines such as Nortran.

[8] This, of course, is not to say that if CTA's managers had enjoyed commercial freedom to set fare and service levels, their decisions necessarily would have been optimum either for the CTA or its riders.

living adjustment of indefinite duration in 1951, in return for cooperating with the postwar modernization program. This made it politically difficult to control labor costs.

There was little objection to reversing the physical deterioration of CTA's elevated lines, bus garages, and rapid transit car shops, even at taxpayer expense. With the help of a state transportation bond issue (made possible under a new state constitution) and federal funds, the CTA was replacing old buses with new ones and rehabilitating old track and stations.

Yet at the same time the CTA's finances had never been in worse shape. The CTA's fares were among the highest in the US. Virtually all political actors agreed that the CTA was no longer able to meet its costs from the farebox (as it was required to do by law), but there was little agreement on what should be done, as the city and state sought different resolutions while attempting to fill the short-run gaps in the agency's budget.

In the final analysis, much of the ambivalence of the CTA board can be attributed, however indirectly, to Mayor Daley, as he appointed four of the seven members to the board (the governor appointed the remaining three). Clearly, Daley wanted the CTA to run smoothly in terms of day-to-day operations. A well-running CTA was part of the image of Daley's Chicago as "the city that works."

Yet Daley may not have wanted too much efficiency, either. Most city departments and quasi-city agencies such as the CTA and the Chicago Park District filled many entry-level positions according to political criteria.[9] The CTA was no less efficient

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[9] This tradition of political criteria in the selection of entry-level employees predates the CTA by many decades. Like many other Chicago businesses, the franchised private transit companies routinely filled their lower-level vacancies with applicants

than comparable big-city transit systems (and on some indicators was even more so), but neither the CTA nor its political masters pursued technological innovations to make the CTA substantially more efficient than its peers. Articulated or double-deck buses, increased automation to replace agents at rapid transit stations, and the conversion of rapid transit cars for one-person operation would have all made the CTA more cost-effective. But these measures would have required scarce money to implement, and would also have reduced the number of jobs available for distribution to the faithful through the machine's ward organizations.

Furthermore, even if it were to the machine's political advantage to increase the use of labor-saving technologies, the entrenched position of labor made any such moves risky. As with the CTA's modernization program in the 1950s, the unions might well demand even higher wages in return for their cooperation. At worst, any unilateral attempt by management to adopt more efficient operating practices might provoke a strike. The mayor might also risk a strike if he were instruct his board members to have management to take a harder line in wage negotiations. The image of Chicago as "the city that works" would certainly survive a CTA strike, but the machine's reputation for reliable city services would be tarnished to some degree.

Most city agencies and special districts settled labor issues through Chicago-style political bargaining rather than the more confrontational styles of labor negotiation found in many other cities. As a result, Chicago lagged behind other big cities in the signing of collective agreements with public employees, but wage rates were high nevertheless. In effect, Daley used high wages as a quid pro quo to forestall unionization of public services other than mass transit (which had inherited its labor unions from the days of private enterprise).

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recommended by their ward committeemen.

Established labor leaders who were willing to conduct business through Chicago-style negotiations were among Daley's closest associates and strongest supporters. These proponents of business unionism cooperated with the mayor's strategy of buying labor peace before militant unionization had a chance to take hold.[10] Nevertheless, the growing independence and wage militancy of the Chicago teachers' union may have suggested the limitations of the handshake and the smoke-filled room as labor relations techniques.

As a result of these various factors, Daley may have been excessively vulnerable to the explicit or implicit demands of labor. Had he been willing to take on a strike, as Mayor Jane Byrne did in 1979, Daley might have been able shift the balance of power from labor to management and thus bring the CTA's finances under greater control. But particularly in the wake of the April 1968 riots on the West Side and the disturbances associated with the Democratic National Convention in August of that year, Daley may well have been determined to minimize any further disruption to the normal life of the city.

Mayor Daley and Michael Cafferty

Part of Daley's genius was his ability to embrace just enough of the reform agenda to coopt his opposition. The mayor had displayed a keen sense of political timing in the early 1960s, when he reacted to scandal in the police department by appointing criminologist Orlando Wilson to run the department in

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[10] Public-spirited business executives were another crucial part of Mayor Daley's coalition. On some issues business was at odds with labor, but on others (including transit) they shared a common interest. Downtown business groups did not express public concern about the CTA's generous wage rates, especially since the state was making good most of the CTA's losses starting in 1970. If Mayor Daley were to take a harder line on wage increases, resulting in a strike, downtown businesses would be immediately and strongly hurt. Thus, downtown business groups would be unlikely to urge wage restraint on the CTA.

a professional manner. Now in the early 1970s, the CTA was too visible for the mayor to neglect. Anthony Downs describes the problem facing the leaders of ideologically outmoded bureaucracies such as the CTA:

> they can retain the obsolete ideology ... thereby failing to serve the true interests of the bureau's beneficiaries [in this case, transit riders]... [T]he leaders risk being exposed later as inefficient and obsolete (1967, p. 244).

An opportunity now presented itself for Daley to address the CTA issue boldly. The death of CTA board chairman George DeMent in 1970 forced the mayor to appoint a new chairman. DeMent was appropriate as a defensive manager of an embattled agency, but he was by no accounts an imaginative or visionary leader. Now the mayor chose a dynamic figure with innovative ideas for the CTA. The mayor's new appointee was Michael Cafferty, an attorney with a background as a transportation planner at the federal level.

There was more to Cafferty's appointment, however, than meets the eye. His widow, RTA board member and University of Chicago professor Pastora Cafferty, offers some background on her husband's appointment and events to which newspaper reporters were not privy:

> George DeMent was one of Daley's commissioners of public works. The traditional thing in Chicago was if you were commissioner of public works and did a good job, the reward was going to the CTA. At that time [the early 1970s], the CTA was the premier [public] transportation system in the country, it ran in the black, it was a posh job, and it was also the highest-paying public job in the State of Illinois. You got paid more than the governor and the mayor. The CTA was a nice plum.
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> When George DeMent died, Milton Pikarsky was commissioner of public works, and should have become chairman of the CTA. Dick Ogilvie was governor. Dick Ogilvie said to [Mayor] Richard Daley that he would not confirm whoever was appointed as chairman of the CTA. They were [temporarily] at war on a number of other

things.

> And Richard Daley ... found the one person in the country that Dick Ogilvie would have to confirm, because Michael was very respected nationally for his work in public transportation. Michael Cafferty had never met Richard Daley, but Dick Ogilvie knew Michael Cafferty and respected him. Richard Daley thus appointed a man that Dick Ogilvie confirmed within two hours of his appointment.
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> Michael was also the second person who had been brought in by Richard Daley from outside as a reform appointment. The other one had been [police chief] Orlando Wilson. So they came in on a wave of glory because they were not seen as traditional city servants.[11]

It was incongruous that Michael Cafferty assumed the leadership of the CTA as the agency slid into the greatest financial difficulties in its history as the financial realities affecting the entire transit industry forced themselves on Chicago. Nevertheless, Cafferty's arrival was as welcome as a breath of fresh air to many riders, and seemed to promise straphangers a better future. For the first time in over a decade, the agency was led by a energetic figure who saw the CTA's clientele as customers rather than mere "fares". Cafferty was able to articulate a vision for the CTA which the city and state were able to translate into political support for a bond issue to modernize the CTA.

Cafferty's unexpected death in 1973 cut short both a promising career and a measure of hope for the CTA. Daley filled the vacant CTA position with his public works commissioner, Milton Pikarsky, who was more of a technocrat than a visionary. Pikarsky was to become a major figure in the passage of the RTA

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[11] Interview, September 1995. Professor Cafferty, with her extensive experience as an RTA board member, added that this was the only instance of the governor refusing to approve a mayoral appointment to any board concerned with public transportation.

and would later serve as the agency's first chairman.

Changes in state government

At the state level, Governor Otto Kerner had been elected in 1960 with the backing of the Chicago machine. As the years went on, however, Kerner apparently sought a broader audience and distanced himself from the machine. Kerner brought himself to the attention of the nation in chairing a presidential commission on civil disturbances. The Kerner Report, which sought to explain urban riots in politically liberal terms of reaction to white racism, could hardly have pleased Mayor Daley. Whether President Lyndon Johnson appreciated Kerner's conclusions or not, he offered Kerner a federal judgeship in 1967, which the governor accepted.

Kerner was replaced by Lieutenant Governor Sam Shapiro, who served out the remainder of the term. In 1968 Illinois voters elected Republican Richard B. Ogilvie as governor. Ogilvie had been Cook County Sheriff until 1966, when he was elected Cook County Board president. As a Chicago Republican who had held elected county office, Ogilvie enjoyed a broad appeal across partisan lines.

The Ogilvie administration in power

Ogilvie was very much of a downtown establishment figure, but he projected enough of a good government ethos to enable his administration to be on decent terms both with Chicago's Democratic machine and reform elements in both parties. All the same, he never allowed his image as a good government Republican to prevent him from making the compromises needed for transacting political business. Ironically for a Republican, the state government grew considerably in scope under his administration.

A principled leader, Ogilvie was willing to take risks for what he believed needed to be done, like John Volpe, a popular

Republican governor of Massachusetts in the early 1960s. Both men were able to gain the support of a largely Democratic electorate and work with lawmakers on both sides of the aisles of their respective state legislatures.

Ogilvie's downfall, which made him a one-term governor, was the state income tax, which was enacted under his administration with his blessing. Ogilvie saw the income tax as necessary to pay for the programs which the General Assembly was intent on enacting (with the cooperation of his administration). To his credit, Ogilvie did not evade or confuse the issue, but instead did what he believed was appropriate and took the consequences without complaint.

The new 1970 constitution

One of the major accomplishments of the Ogilvie administration was the new state constitution of 1970. The 1870 state constitution had been adequate for the needs of its day, but as the decades passed growing numbers of Illinoisans became interested in constitutional reform. A proposed new constitution went before the voters as early as 1922, but it was voted down in a referendum.[12] Without neglecting his other agendas, Ogilvie helped set the tone for the Constitutional Convention's deliberations, which began in December 1969. The results of the Convention's work went before the state's voters in December 1970, who approved the new constitution in a special referendum. The new Constitution of 1970 took effect on July 1, 1971.

The 1970 referendum on the constitution included a separate ballot question on cumulative voting. It was thought that the manner in which the House was elected was important enough to be

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[12] Dodd & Dodd (1924), p. 119. The constitution proposed in 1922 would have eliminated cumulative voting, presumably to avoid the abuse of the system whereby the parties would only run as many candidates as they expected would win.

decided separately from the constitution itself. Voters approved both the new constitution and the continuation of cumulative voting.[13]

The new Constitution of 1970 eliminated the limits on local government spending of the old 1870 constitution.[14] Cities, villages, and special districts with taxing powers were now at liberty to take on as much indebtedness as their political masters (and ultimately the voters) would tolerate. The new constitution also anticipated state action on mass transit issues. One of its provisions specifically authorized the state to spend money on mass transit (Illinois 1972, p. 106).

The CTA deficit: bailouts or regionalization?

Meanwhile, the CTA was entering a state of financial imbalance. In January 1970 a confidential CTA memorandum warned that

> established revenues might not be sufficient to meet debt service requirements of $8.1 million. The [state] Bureau [of the Budget]'s fear, as reflected in the memo, was that trustees of the CTA bonds might demand a fare increase to ensure payment (Sudnik 1977, p. 21).

Governor Ogilvie, busy with the new constitution and perhaps mindful of his suburban and downstate electoral bases, did not act immediately on the CTA issue. Instead, he waited for circumstances to force the General Assembly to react. In May of

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[13] There was one important change in the way in which cumulative voting operated under the new constitution. Parties were now required to run three candidates in all districts which they contested, rather than estimate how many seats they could win and run only that number of candidates.

[14] Had the new 1970 constitution's provisions on local government spending been in force in the early 20th century, the history of transit in Chicago might have been very different. Under the new constitution, Chicago's voters would have been free to raise their local property taxes to pay for a municipal takeover of the streetcar and "L" lines.

1970, the Chicago Association of Commerce and Industry issued a report on the CTA's finances, echoing the CTA's own warnings.

The CTA faced the prospect of a fare increase from 40¢ to 45¢ if subsidies were not forthcoming. (For reasons noted above, a policy of wage restraint was not considered.) Ogilvie called a special session of the legislature in June 1970, and asked the General Assembly to approve the use of part of the existing gasoline tax for the CTA--a move which Mayor Daley supported. But the legislature, influenced by highway interests, declined to go along with Ogilvie's proposal. The special session ended without a subsidy, and the CTA's fare went up to 45¢--one of the highest basic transit fares in the US at the time.

As the CTA went before the state legislature seeking bailouts starting in 1970, the Ogilvie administration dealt with the problems as they arose. Apparently Ogilvie learned from the June 1970 defeat of his gas tax proposal, as he obtained subsequent funds for the CTA from general revenues. The state provided the CTA with stopgap subsidies for six months or a year at a time. Subsequently, the city and Cook County governments also contributed towards the succession of short-term bailouts. As each special subsidy expired, the agency invariably returned to Springfield hat in hand, asking for more money. Neither the state, county, or city demanded any financial controls on the CTA in return for the rapidly habit-forming subsidies, and the financial problems seemed to worsen each time.

But at the same time as Ogilvie was coping with recurring demands for subsidies for the CTA, he was laying the groundwork for a more lasting resolution of Chicago's transit problem. Illinois' political leaders made a number of crucial decisions during the early 1970s about how mass transit would be organized and paid for. The choices they made, sometimes rapidly and under intense political pressure, reshaped the institutional landscape

of transit in Chicagoland. The basis for all subsequent decision-making was established during the final year of Richard Ogilvie's administration, under his aide George A. Ranney, Jr. More than any other official, Ranney was responsible for the direction Chicago's transit system would take.

George Ranney, Jr. and regional transit

Upon taking office in early 1969, Governor Ogilvie appointed Ranney, then in the employ of Inland Steel's legal department, to create and help run the Illinois Bureau of the Budget. This was a new office, modeled on counterparts at the federal level, which Ogilvie intended to professionalize the state's budget making and fiscal oversight. (This new office was perhaps best known for implementing Illinois' new income tax, a move which observers generally credit as the largest factor behind Ogilvie's defeat when seeking reelection in 1972.)

It was while Ranney was assistant director of the Bureau of the Budget that he became involved in, and developed an interest in, transportation issues. When the CTA started to lose money in 1970 and required a succession of emergency bailouts from the state, city, and Cook County governments, Ranney became Ogilvie's "point man" on the CTA issue. Thus, Ranney was a logical choice to carry Ogilvie's regional transit initiative forward.

Ranney is a multifaceted figure who defies simple analysis. He is descended from two of Chicago's leading business families, the Ryersons (Inland Steel) and the Donnelleys (R.R. Donnelley & Son printers), and is a trustee of the University of Chicago. But rather than resting on his family laurels, he pursued high levels of personal accomplishment from the outset, both in business and in politics.

Politically, Ranney is a liberal Republican, a loosely-defined category whose members largely vanished from public view,

when a more conservative orientation became predominant among Republicans in the 1980s. In many ways, liberal Republicans such as Ranney were the direct ideological heirs of the progressive reformers of the early 20th century. Like their predecessors of half a century earlier, liberal Republicans like Ranney are concerned with "good government" issues. They have sought to "modernize" and "professionalize" government, with the large business organization as their implicit model. Yet at the same time, Ranney and his contemporaries, in contrast to some of the earlier reformers, were active in the expansion of government, in keeping with the then-current fashion of the 1960s and early 1970s.

Ranney's legal skills, his family background, and his liberal Republicanism made him an ideal choice for his role in creating and promoting the RTA in the early 1970s. The combination of his position and his views gave him not only an entree but also credibility with almost all of the relevant actors. He already had contacts in the Loop business community, which he expanded even further while pressing for the RTA in the campaign leading up to the March 1974 referendum. His standing in the business community and his position in the Ogilvie administration gave him ample influence within the upper reaches of the Republican Party, even if he had limited success in convincing rank and file Republican voters in the suburbs to support the RTA.

Ranney's various affiliations also offered him ready access to Democrats of differing persuasions. Thanks to the isolation of the Republican Party within the city, Ranney was no threat to the machine's interests. In fact, he was on good terms with the Democratic machine, with which he shared a common interest in the health of the Loop. Many respectable Chicago Republicans, or at least those who did not oppose the machine's candidates for city and county offices, shared Ranney's ability to get along well

with the machine. Thanks to his--and Governor Ogilvie's--good rapport with the machine, Ranney could readily negotiate and reach agreements with Mayor Daley and the mayor's allies.

At the same time, Ranney's liberalism made it easy for him to reach out to liberal Democrats. Judging from his ability to mobilize various "good government" interest groups in the RTA referendum campaign, it seems that few liberal Democrats held Ranney's Republicanism against him.[15] Normally it would be unusual for a Republican legislative committee chairman to be more liberal than his Democratic counterpart, but this raised few eyebrows in Chicago in the early 1970s. It was probably in good part thanks to Ranney that the RTA was among the very few issues on which machine Democrats, Republican Loop business interests, and reform Democrats were in agreement.[16] To borrow an analogy from art historian George Kubler, Ranney enjoyed "favorable entry". He was in the right place at the right time to accomplish what he did.

As one of the most pivotal figures in the creation of the RTA, Ranney was probably unique in his role and his

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[15] Ranney was probably aided by the thin and sometimes shifting line between liberal Democrats and Republicans. When Daley first came to power in 1955, liberal Democratic alderman Robert Merriam opposed him in the general election under the Republican label. More recently, liberal Democrat Richard Friedman ran against Daley in 1971 as a Republican. In his mayoral campaign, Friedman gained the support of many liberal activists who normally voted Democratic. Thus, the then-recent historical accident of Friedman's candidacy may have helped increase the credibility of such Republicans as Ranney in liberal Democratic circles.

[16] The three groups had varying reasons for supporting the RTA. To Chicago's Democratic organization, the CTA was a public service to be distributed to constituents (along with a number of patronage jobs). To downtown Republicans, the CTA brought employees and customers into the heart of the city. And to liberal reformers, the RTA was a classical "good government" issue.

qualifications. He led the state government task force which formulated the concept of the RTA in 1972, and helped persuade a reluctant General Assembly to pass an RTA bill in 1973. Ranney was also responsible in large part for the RTA's victory, narrow though it was, in a referendum held in March 1974. For better or worse, without him the RTA probably would not have been enacted in its original form, or might have been delayed a few years.[17]

1972: The Transportation Task Force

The RTA concept emerged from the work of the Ogilvie administration's Transportation Task Force, which worked through most of 1972 to recommend a specific resolution to regional mass transit issues. Chaired by Ranney and staffed by Illinois Department of Transportation and other high officials, the most important of whom was Judson Lawrie, who, according to Ranney,

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[17] Ranney's role has precedents in Chicago politics. Edward Banfield, in his book Political Influence, speaks of three types of civic figures: the advisor to the political head, the negotiator, and the publicist of policy. While Ranney did use negotiating skills behind closed doors, he conformed very closely to Banfield's "publicist of policy" as co-chairman of the Illinois Transportation Study Committee during 1973, and even more so during the campaign leading up to the March 1974 referendum. In these roles, Ranney was a good example of

> the "civic leader" who tries to create a public opinion favorable to certain undertakings. Whereas the advisor and the negotiators almost always work behind the scenes, the publicist is in the limelight, making speeches before civic associations, appearing on television, giving interviews to the press, and publishing endorsements and testimonials.
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> The publicist is likely to come from one of those occupations--real estate, advertising, public relations, or the law--in which smooth talking is at a premium. He is not likely to be the active head of a very large corporation. (...)
>
> The publicist is of great value to the political head when a "non-partisan" appeal must be made to the voters for approval of a bond proposal or a constitutional amendment (1961, p. 282).

did much of the work.[18] The Task Force also interviewed a number of transportation professionals (one of whom, Leo Cusick, subsequently became the RTA's chief of operations). The Task Force issued its report, Crisis and Solution: Public Transportation in Northeastern Illinois) in January 1973.

The study's findings came as little surprise to Illinois legislators or the transportation community. Ogilvie had already made his views on the transit issue clear in February 1971:

> In my judgment, detailed implementation planning and final grant allocations in an area as large and complex as the six-county region of northeastern Illinois can best be made on a limited geographical basis by an agency specifically entrusted with these responsibilities. I have no doubt that an agency with powers to coordinate routes and fares for all private and public carriers in the region would be able substantially to improve service and reduce costs... (Ogilvie 1971, p. 11)

With hindsight, Ogilvie's assessment of the proposed agency's prospects was overly optimistic, but at least he made himself clear from the outset. The Task Force worked for a year and prepared several reports on various aspects of the transit problem. The intention was to present a recommendation to the General Assembly in early 1973, at which point Ogilvie hoped to see a bill through to approval. His administration was not to survive that long, however; a volatile electorate angered at Ogilvie's state income tax turned him out of office in November 1972 and replaced him with Democrat Dan Walker.

The RTA Report

The Crisis and Solution report proposed a Regional

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[18] Interview with George A. Ranney, Jr., September 1993.

Transportation Agency,[19] which met the criteria the governor had outlined in 1971. The proposed agency, the report recommended,

> should be assigned a broad range of policy, management, and functional responsibilities related to the region's mass transportation programs. Further, these responsibilities are likely to expand over time as the agency proves its capabilities and as new areas of required involvement are identified (Illinois 1973, p. 62).

To its opponents, the RTA which emerged from the 1973 legislative session and the March 1974 referendum was a money-wasting bureaucratic monster. But such an outcome was probably far from the minds of Ogilvie administration officials. The 1970s would bear out the subsequent suburban critiques of the RTA, but these considerations were at best barely relevant to the Transportation Task Force.

From the standpoint of Ranney, Lawrie, and others, the crucial problem was a lack of administrative and funding capacity for mass transportation. By creating an agency with a flexible, loosely-defined mandate and broad powers, Ranney hoped to overcome the institutional inertia of a CTA required to meet its costs from the farebox, of private transit companies on the verge of going out of business, and of state and local governments whose hands had long been tied by the budgetary limitations of the Constitution of 1870. If the state created another problem by solving this one, surely the political process would deal with it. Ranney and his colleagues were reacting to the pressing issues of their time, rather than a very different set of issues which would soon come to dominate the discussion.

The RTA report was vague on various issues, seeking to define a range of possibilities rather than constrain the new

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[19] When the RTA concept was translated into legislative language in 1973, the RTA became the Regional Transportation Authority.

agency. The report spelled out goals for the agency to pursue, while leaving the specific legal tools for the legislature to select. One of the issues on which the report did attempt to limit the RTA, however, was the agency's involvement with transit operations. The report urged that the legislation should

> Provide for contracting for services through "purchase of service" agreements. It should not mandate the purchase of private systems since each purchase may not be in the best interest of the Regional Transportation Agency, hence the public (Illinois 1973, p. 83).

At the same time, the report stopped just short of saying that private systems should not be purchased. The point was that the RTA should not be required to purchase operators upon demand, which could become a very expensive proposition. This was an issue within the transportation community, as the commuter railroads' CMATS proposal called for an automatic buyout of any transit carrier requesting it. The question of administration versus operations was not a problem at the time, although this issue would become crucial ten years later when the state reformed the RTA and created new operating agencies in charge of commuter rail and suburban buses.

Ranney explained how the Task Force proceeded:

> We basically figured out what we wanted to do and worked with that, rather than bouncing off others... I don't think we were working off existing models particularly. We were giving a lot of thought to whether we wanted to have an authority or not. (...) But there was real concern about creating an authority.[20] We came to the conclusion, as I recall, that because we had a balance (...) in terms of population [i.e., between the city and the suburbs, which were approximately equal in population at the

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[20] The Crisis and Solution report discusses the pros and cons of different legal forms for an RTA to take (Illinois 1973, pp. 79-81). The report recommended a special purpose district, the most common form of government organization in Illinois. This option was eventually embodied in the 1973 legislation.

> time], it made sense to go ahead with this... (Interview, September 1993.)

The Task Force implicitly argued that the RTA represented a compromise between three different legislative proposals before the General Assembly in 1972.[21] Unlike the RTA proposal, each of these bills favored specific operators. First of all, one bill called for the CTA to extend its services throughout the six counties of northeastern Illinois. This was no solution, the report argued, because the CTA's high wage rates and its traditional technology of service provision would become the standard for the entire region.

A reading of the Crisis and Solution report might lead the innocent reader to think that the CTA and the city favored this bill, but nothing could have been further from the case. In fact, the bill's sponsor was Eugene Schlickman, a suburban Republican concerned with "good government" issues of regional cooperation. Indeed, as Schlickman recalled,

> There was no anticipation on my part that the bill I introduced would ever be passed. [The purposes were] testing of the water in terms of reception to the principle, and also to garner more attention to the need for a regional transportation system.[22]

Another bill before the General Assembly in 1972 would have created a Suburban Area Transit System, basically a suburban counterpart of the CTA. Although commuter railroads would benefit from this proposal, the financially hard-pressed suburban bus companies seem to have stood to gain the most. The RTA

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[21] See Illinois (1973), p. 82 for more about the three legislative proposals offered in 1972.

[22] Interview with Eugene Schlickman, September 1993. The Crisis and Solution report treated Schlickman's bill as though it might have had a following in the General Assembly, but in an interview with this author two decades later Ranney himself implicitly concurred in Schlickman's interpretation of this proposal as a very unlikely candidate for passage.

report rejected this alternative on account of the problems of fare and service coordination between the CTA and the proposed Suburban Area Transit System, overlooking the possibility that two operators might agree to coordinate their fares and services.

Finally, the RTA report cited the commuter railroads' pet CMATS proposal. The report noted several problems with the CMATS plan, including its institutional inflexibility, the likelihood that wage rates would rise to the highest level on a unified system, and the requirement that the CMATS agency buy out any transit carrier which wanted to sell its operations to the public sector. Comparing the RTA with these different legislative proposals and their flaws, the report implicitly painted the RTA as the impartial choice of reason and compromise.

The report of the Transportation Task Force was released to the public on January 15, 1973, literally the Ogilvie administration's last day in office. Incoming governor Dan Walker, who took office the next day, was not enthusiastic about the RTA report being released.[23] The content (if any) of Walker's transit agenda was not clear from his campaign, which contained few concrete policy proposals about transit (or other issues, for that matter). The outgoing Ogilvie administration apparently decided to force Walker's hand on the RTA issue. It was now up to Walker, Mayor Daley, and the state's legislative leaders to react to the report.

Other Task Force reports

In addition to Crisis and Solution, the Task Force produced a number of other documents, several of which are listed at the end of the Crisis and Solution report. Apparently a number of staff papers dealt with various demographic and institutional considerations. Despite its very specific focus, one of these

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[23] Interview, George A. Ranney, Jr., September 1973.

reports, the comprehensive Legal History of Mass Transit Operations in Northeastern Illinois, 1900-1970, is one of the best Chicago transit histories in existence.

The politically sensitive Cook report

A curious omission from the list of titles in the Crisis and Solution report, however, was Cost and Revenue of Public Transportation in Northeastern Illinois, 1960-1995, written by Illinois Department of Transportation (IDOT) staff member John M. Cook. Issued in December 1972 (after the Ogilvie administration lost the election but before it left office), the Cook report predicted that if the Chicago area's transit carriers were subsidized at 50% of their operating costs, the RTA (assuming it existed) would be paying nearly $230 million annually in subsidies by 1980. In fact, the real figure for 1980 was an even more drastic $368.5 million (Young 1981, p. 11). The implications of the Cook report were not lost on IDOT staffers. According to the Chicago Tribune's David Young,

> At the time Cook prepared the report, the state was spending about $15.5 million a year subsidizing the CTA, and horrified officials suppressed the report. "When we saw the dollars involved, we decided we could never release the report," said one official involved at the time. "It would have killed the RTA before it got started" (Young, ibid.).

Whatever coverup may have taken place, however, seems to have occurred below the top levels. When asked about the Cook report, George Ranney, Jr. did not recall it even when shown a copy.[24] Knowledge of the Cook report only spread beyond official transportation circles well after the RTA was an established fact. But to those few RTA opponents who subsequently learned about its existence, it must have confirmed their worst suspicions about the RTA and its proponents.

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[24] Interview, September 1993.

Political realities and the Ogilvie administration

Defining the problem was one thing; resolving it through the political process was another. However controversial the RTA later became, the problems facing the Ogilvie administration had little to do with the finer points of transit organization. Like most politicians, Ogilvie dealt with current, practical questions, not theoretical ones which might arise later on. The CTA deficit was a reality which Ogilvie could not ignore. The deficit was increasing; it was part of a national, indeed a worldwide pattern; and there was little the governor could do to make the deficit go away. Trying to force the CTA back towards a balanced budget was not a realistic alternative, for a variety of reasons.

First of all, Mayor Daley had appointed four of the CTA's seven board members (the governor appointed the others). Thus, even though Ogilvie, his predecessors, and his successors had some input to the CTA, they were by law outvoted by the mayor's appointees. Second, if the governor pressed for changes to which Mayor Daley was opposed, he risked alienating the mayor--and possibly the downtown business community as well. If the governor were to be seen as responsible for fare increases or service reductions to which the mayor was publicly opposed, he might face an unhappy Chicago electorate if he ran for reelection.

Finally, even if the governor were able to force change at the CTA, there was no guarantee that he could enforce his position aside from affecting legislative appropriations. In the final analysis, the governor would have little say over the CTA other than his line-item veto powers over total state appropriations for the CTA. These were not exactly fine-grained instruments of control, especially if the mayor were able to pin the blame for any CTA financial crisis on the governor.

Daley, Republicans, and the RTA

Many observers seem to have assumed that Mayor Daley benefited greatly from the creation of the RTA, and that Ogilvie made a serious mistake in creating a situation so advantageous to the mayor. Yet when we examine the situation from the standpoint of the early 1970s, without the benefit of hindsight, it appears that Ogilvie was balancing the interests of the city, the suburbs and downstate Illinois as best he could, given the political constraints under which he functioned.

Suburban opponents of the RTA sometimes brandished the threat of Mayor Daley as an evil force seeking to extend the tentacles of Chicago's machine into the suburbs, but this image of the mayor was largely a product of political rhetoric and had little basis in the real interests of the city, the machine, or the Loop business community. Daley's vital interests lay in his positions as mayor and party chairman. Thus, in terms of transit, his main goal was keeping the CTA financially afloat. Control of the commuter railroads through the RTA offered Mayor Daley very few political benefits, and control of suburban buses gave him even less. But if there was to be an RTA, it was in the mayor's interests to ensure that the resulting legislation was as favorable to the city as possible.

In fact, Mayor Daley's first preference was for steady subsidies to the CTA, without the RTA as an intermediary. As former representative Eugene Schlickman (R., Arlington Heights) noted, "Daley was not interested in regional transportation. He just wanted the money." Ogilvie and Ranney were determined to have an RTA, and made it clear to the mayor that the RTA "was the only way that the CTA was going to survive."[25] As Dennis Byrne of the Sun-Times noted,

To credit (or blame) Mayor Richard Daley for hatching

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[25] George Ranney, Jr., interview, September 1993.

> the RTA as some sort of Chicago plot to extend the city's power over the suburbs simply ignores history. Mayor Daley, in fact, initially opposed the RTA until he realized that without it the CTA would be in big trouble.[26]

Daley, who dealt only in the realm of the politically feasible, accepted the RTA as the cost of securing subsidies for the CTA.[27] As always, the mayor sought to optimize his position within the constraints of political reality. From Daley's standpoint, it was a significant concession to give the suburbs power of any sort over what was essentially a city service.[28]

The Ogilvie administration sought an institutionalized resolution to the CTA's deficits in order to avoid an endless succession of emergency bailouts. Ranney explained that Republican leaders rejected tax powers for the CTA because

> They didn't trust the city to raise and spend that sum of money, and they were right. This was an effort on the suburban Republican leadership's side to avoid what had happened in the Chicago schools and such.[29] The

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[26] "North Shore Line Battle Wasn't in Vain." Reprinted in First & Fastest, Summer 1988.

[27] Ogilvie may have enjoyed additional leverage over the mayor on the RTA issue because the CTA needed the state's help in financing overdue modernization of the transit system's aging physical plant.

[28] David Young, interview, June 1992.

[29] Ranney was referring to financial problems at the Chicago Board of Education. As Fuchs explains (1992, p. 258),

> Initially Daley kept an informal role in [Chicago teachers' union] contract negotiations and lobbied Springfield for the funds to meet teacher wage demands. However, after a teachers' strike in 1969, Daley decided to limit his role in closing the budget gaps that resulted from generous contract settlements. Once collective bargaining rights had been achieved, the school board had little political capacity to deal with a strong union that repeatedly went on strike (1971, 1973, and 1975) to increase its members' salaries and benefits.

> theory here was that there would be controls, and particularly fiscal controls imposed, that would make the CTA more efficient without necessarily trying to run it, but also fund it in concert with its needs.[30]

Donald Totten, a Republican state representative from the suburbs who opposed the RTA, agreed with Ranney's analysis:

> The issue of the creation of a regional transportation authority came because the [General] Assembly was not able to reconcile a subsidy to the CTA. Suburban interests were saying, "We're just throwing money down a rathole here," and the subsidy kept getting bigger because of the financial problems of the CTA. It became apparent that in the interests of Chicago, something else had to be done.[31]

Eugene Schlickman, another suburban Republican state representative opposed to the RTA, argued that

> there would not be regional transportation in the Chicago metropolitan area if it was not for a Republican governor and a Republican-led legislature. [Dan] Walker [a Democrat who was elected governor in 1972] wouldn't have done it.

Schlickman argued that Ogilvie's principles played an important role:

> I don't think it was a matter of his [Ogilvie's] being tired of Chicago's constantly seeking further aid for the CTA. I think it was a conviction on Ogilvie's part that sooner or later [there was a need for] a unified, integrated [mass] transportation system for the Chicago metropolitan area.[32]

Another issue motivating proponents of the RTA was the wish to make cross-subsidy possible from suburban motorists to Chicago

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[30] Interview, September 1993.

[31] Interview, Donald Totten, September 1993.

[32] Interview, September 1993. Schlickman's interpretation is consistent with Ogilvie's readiness to implement a state income tax which he believed was needed, even though doing so brought his own political career to an end.

transit riders. Those favoring cross-subsidies included not only Chicago machine Democrats and liberal reformers, but Republicans with roots in the downtown business community, such as Governor Ogilvie and George Ranney, Jr. As Ranney explained, "the big issue ... was not so much [coordination]. It was integration of the revenue base. Another [issue] was to get control of the CTA in a meaningful way."[33]

Favorable circumstances for transit

From the standpoint of Chicago Republicans like Ogilvie and Ranney, there was little to be gained and much to be risked from forcing the CTA to spend no more revenue than it took in. For one thing, transit enjoyed an unprecedented, if short-lived legitimacy at the time. This process had started in the late 1960s, when the environmental movement made concern with alternatives to the automobile politically acceptable, even fashionable.

The respectability of transit intensified greatly in the wake of the 1973 energy shortfall, which, although rarely voiced in the RTA debate, was probably a strong latent factor helping its legislative passage in late 1973 and again with the public in the March 1974 referendum. It was not until the late 1970s that it became clear that generous subsidies to transit were not affecting people's travel choices as long as local governments pursued land use policies which encouraged suburban sprawl. For several years starting in the late 1960s, transit advocates had more credibility than they did before or afterwards. In the months following the Arab oil embargo in October 1973, it was politically dangerous to be seen by urban constituents as opposing mass transit.

Even aside from the anxiety surrounding the Arab oil embargo

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[33] Interview, September 1993.

and rapid increases in energy prices, supporting the RTA made electoral sense for Governor Ogilvie. The symbolic value of support for transit outweighed its budgetary costs in political calculations, and provided Ogilvie and a number of other elected officials at the time with a way of showing concern about important issues without directly challenging the hegemony of the automobile.

Finally, another consideration which probably restrained Ogilvie's allies from taking a harder line on the CTA's deficits was the importance of the downtown business community in Republican fundraising circles. Simply put, Republican candidates for state office who opposed the vital interests of downtown business did so at the risk of their campaign finances. This created a tension between the electoral and the financial interests of Illinois Republicans, a tension which came to the forefront in the 1973 legislative session and the 1974 RTA referendum campaign.

Although downtown executives doubtless valued efficiency in their own organizations, other priorities may have been foremost in their minds as far as the CTA was concerned. In all likelihood, to make the CTA more nearly self-sustaining in accounting terms would not only require sacrifices on the part of labor and management, but would also result in higher fares in real terms--which would have hurt Loop businesses. Even if Chicago Republicans such as Ranney spoke of the need for efficient management (and by the early 1980s Ranney was in the intellectual forefront of calls for reforming the RTA), they were well aware that the CTA's 45¢ fare of the early 1970s was among the highest in the US. One of the last things downtown business leaders wanted in 1973 and 1974 was to see fares go any higher.

The RTA, its opponents, and the automobile

One of the RTA's greatest political problems outside the

city limits was the cross-subsidy issue. Some suburbanites contrasted the openly resource-redistributing RTA with the supposedly self-financing highway system, and claimed that if highway users paid their own way, they saw no reason why transit users should not do likewise.

The self-sustaining argument, however, fails to stand up to closer scrutiny. First, the distribution of Illinois gasoline tax funds, earmarked exclusively for highway purposes, transferred about 70% of the money raised in Chicago to other parts of the state--a fact which was known to some participants in the debate but was not widely publicized by RTA supporters.[34]

Additionally, the allegedly self-financing nature of the highway system is considerably exaggerated. In the early 1970s, RTA proponents did not dispute the claim that the road system paid its own way. Since the late 1980s, however, some researchers have been challenging this traditional view. A growing body of literature has been finding that even aside from the social costs of driving, motorists shift a substantial portion of the costs of the highway system onto society. States pay for a variety of road-oriented public works projects from general revenues. Local governments pay for a wide range of street improvements, and for the policing of traffic in their jurisdictions, largely through property taxes. For instance, Lowe (1994, pp. 34-36) estimates that US motorists in fact pay for less than two-thirds of the costs of building, maintaining,

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[34] There was one instance of this issue coming up during negotiations leading to the passage of the Regional Transportation Authority in 1973:

> As Daley explained that Chicago contributes more than $100 million a year in motor fuel taxes and receives only $30 million in return, [House Speaker W. Robert] Blair interrupted, "Yeah, I've heard that." But Daley placed a hand on Blair's arm and said, "But maybe you ought to hear it again" (Chicago Tribune, September 20, 1973).

and operating the nation's highways, with the balance being shifted onto state and local governments. Had researchers published such conclusions as these by the early 1970s, the debate might have been more informed. Advocates of conservative economic policies could hardly oppose a more market-oriented, cost-transparent approach to highway transportation.[35]

The RTA and potential alternatives

There was no serious political discussion of sustaining existing carriers without creating the RTA. Yet there were alternatives to the RTA which were neither discussed in the Crisis and Solution report nor drafted into legislative bills, but might have provided more efficient and politically palatable resolutions to the financial problems of mass transit in northeastern Illinois.

Why not simply subsidize?

Why did Illinois not simply set up some sort of subsidy program, and leave the CTA, the commuter railroads, and suburban bus companies in place without creating an RTA? In the Toronto area, the provincial government initiated a subsidy program which left existing operators intact, and simply channeled money to the transit carriers with no additional level of supervision.

Ontario's transit subsidy policy, articulated in the late 1970s, established target farebox recovery ratios for all transit operators in the province, based on the population of their service areas.[36] The larger the city, the higher the proportion

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[35] How much difference this would have made is questionable. Local governments anxious to secure such tax-producing land uses as shopping centers might still have been willing to spend tax money to upgrade roads to attract and accommodate businesses.

[36] Ontario's transit policy, like most aspects of provincial programs, came under severe budgetary stress following the 1995 election of Mike Harris, a premier who placed the elimination of

of expenses the province expects the operator to meet from the farebox. Under this policy (which was never enacted into law), the province committed itself to meeting half of the deficit that would result from a transit system meeting its fare recovery target. Local governments became responsible for meeting the remainder of the shortfall. This shared obligation gave local officials a strong incentive to keep their transit operators' finances under control.[37]

For Governor Ogilvie and top administration official George Ranney, Jr., such a minimal approach was out of the question for Chicago. In contrast to the implicit confidence which the government of Ontario placed in the Toronto Transit Commission and its political master, the Municipality of Metropolitan Toronto, the Ogilvie administration did not trust the CTA and Chicago's Democratic machine with what they saw as a blank check. The vastly different political cultures of Ontario and Illinois precluded a Toronto solution for Chicago.

In New Jersey, transit subsidies started with partial payments to commuter railroads in the late 1950s. Over the next two decades, subsidies were expanded to cover most transit carriers in the state. In 1979 the state created NJ Transit to buy out the dominant bus operator, and subsidize others. Those bus companies which continued to operate on a commercial basis received state assistance for the purchase of new buses in order to place commercial operators on a more equitable footing. NJ Transit took over commuter rail operations in 1983.

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the province's deficit at the top of his agenda. This discussion of Ontario's transit finance focuses on the two decades prior to the Harris government.

[37] For more about the Ontario "fare share" transit subsidy program, see Toronto Transit Commission (1984), and Girdhar (1985).

Political geography suggests why New Jersey was able to begin subsidies with less controversy more than a decade before the RTA was created in Chicago.[38] Almost all of New Jersey is suburban or urban, with only a small share of the population living outside the commutershed areas of New York City or Philadelphia. New Jersey's suburbanites live in one of North America's most densely populated areas, and are acutely aware of their dependence on existing transportation links. New Jersey's government is more securely in the hands of that state's suburban majority than is the case in Illinois, where the suburbs are the largest element in the political geography, but do not represent a majority. Also, there is only one large city in Illinois, but no single city dominates political attention in New Jersey.

Towards a Transit Federation?

One institution which was evolving under the pressures of the common problems of the region's public transportation providers was the Transit Carriers Coordinating Committee. The Coordinating Committee originated with the Chicago Area Transportation Study (CATS), which provided the group with seed money and technical support.[39] The CTA, which accounted for about four-fifths of the region's transit ridership and enjoyed economies of scale and organization, overshadowed the other participants at times. Nevertheless, it was the first organized forum for transit operators to articulate their joint interests and work out their difficulties--and it included transit

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[38] The author thanks David Young of the Chicago Tribune (interview, 1992) for his insights on Ontario and New Jersey.

[39] Founded in the 1950s to carry out a study of future transportation needs using computer simulation models, CATS assumed more permanent functions once the initial study was completed. As the Metropolitan Planning Organization (designated by the state), CATS also acted as a clearing house for federal transportation money for roads and transit alike and was responsible for ensuring that the various transportation organizations in the public sector maintained their eligibility for federal funding.

providers in Indiana as well as Illinois.

Over time, the transit operators' meetings became more institutionalized, and their topics came to include planning and operating issues as well as capital investment. In August 1971 the group changed its name to the Transit Carriers Coordinating Committee. CATS continued to provide secretarial support, but the transit providers themselves were increasingly setting their own agenda.

The Coordinating Committee had not yet accomplished a great deal by the time the RTA's victory in the March 1974 referendum rendered it largely superfluous.[40] Nevertheless, it did take the first step of publishing a "Transit Directory". This small folder, which the CTA published, contained a map showing the whereabouts of the various transit operators, large and small, and listed the telephone numbers at which potential passengers might contact them for information. This was the first time that a single publicity item attempted to portray the entire Chicagoland transit system (including lines in northwestern Indiana) as a comprehensive, interconnecting whole.

Given sufficient time (and, of course, enough subsidies to sustain the region's carriers), the Coordinating Committee might have theoretically taken on additional tasks and evolved into a federation which would market transit throughout Chicagoland as a single consumer service with one easily-understood fare structure.[41] This happened in San Diego during the 1980s with

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[40] Not all observers believed that the Coordinating Committee had promise; RTA proponent George Ranney, Jr. dismissed it as ineffective (interview, September 1993).

[41] Whether such a structure might have included transit carriers serving northwestern Indiana was questionable; such an outcome would have depended on the ability of financially troubled transit operators to seek financial relief from the State of

the Metropolitan Transportation Development Board, which arranged full fare integration while preserving the separate identities of seven operators. But in the Chicago area, downstate and suburban distrust of the city and the CTA would still have worked against the subsidies which would have been necessary to make this option work. Furthermore, any federation would have been seen in some quarters (rightly or wrongly) as dominated by the CTA.

Suburban Transit Districts

Nor was the Transit Carriers' Coordinating Council the only alternative approach which was passed up as a result of the RTA legislation. By 1973, several suburban transit districts were in existence. One of them had even taken effective control of transit in its areas before the RTA preempted its functions.[42]

The Illinois General Assembly authorized the creation of transit districts in the early summer of 1967. In the suburbs, like-minded communities banded together to form these bodies, which were empowered to raise money through taxation (although they rarely did so), enter into agreements with other governments for the funding of new equipment and other capital improvements, and contract with private sector railroads for the operation of the equipment thus acquired.[43] There were four of these

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Indiana (a doubtful undertaking at best), and from local sources.

[42] These districts, unlike the RTA, emerged with little controversy. Under federal law, private transportation companies could not put up matching funds directly for capital projects which were partly paid for by the federal government. Instead, the companies had to funnel the money through local government entities authorized to receive federal grants. In northeastern Illinois, this resulted in the suburban mass transit district.

[43] At the time, the formula for federal capital grants for mass transit projects was two-thirds federal and one-third local money. The typical arrangement was that the railroad for which new equipment was being bought would put up the local match, with no funding from the suburban transit district, which would simply act as a conduit for the railroad's money. The transit district would

districts in different parts of suburban Cook County by the mid-1970s, each one associated with travel corridors of commuter railroads.[44] If the transit districts had been subsidized in the absence of an RTA, the job of stabilizing transit in the suburbs might well have fallen to them.

But would transit districts have worked?

The North Suburban Mass Transit District (Nortran) was perhaps the best-known of the transit districts. Nortran served as a conduit for capital funds for the Milwaukee Road's North Line, but it was founded in 1972 to preserve the services of the bankrupt United Motor Coach, which served many northern and

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own the cars and locomotives, and lease them to the railroad for a token amount, such as one dollar annually per car.

[44] These transit districts were:

A. Chicago South Suburban Mass Transit District, concentrated along the Illinois Central line to the south.

B. North Suburban Mass Transit District, serving the Cook County suburbs north of Chicago, from Lake Michigan to a distance of about 15 miles west of the lake, with a territory including one Milwaukee Road and two Chicago & North Western rail lines. A few communities in adjacent portions of Lake County subsequently joined Nortran during the 1970s.

C. North West Suburban Mass Transit District, focusing on the "panhandle" area of far west-northwest Cook County served by the Milwaukee Road.

D. West Suburban Mass Transit District, grouped along the Burlington Northern line running west-southwest from Chicago. This was the only transit district in the Chicago area to serve portions of two counties (Cook and DuPage) from its inception.

In addition to the four districts in suburban Cook County, there were at least two other districts in the "collar counties." One was the Greater Lake County Mass Transit District, the only district of its kind to encompass an entire county, which was served by one line each of the Milwaukee Road and the Chicago & North Western. The other was the Joliet Mass Transit District, which operated a local bus system and showed little interest in the Rock Island commuter rail line which linked Joliet with Chicago.

northwestern suburbs. But Nortran was unusually fortunate in serving some of Chicago's most affluent suburbs, which could readily afford to acquire, modernize, and even expand a bus system. Among the Nortran suburbs, only Evanston offered anything comparable to the social variety found in the city.

The Chicago South Suburban Mass Transit District (CSSMTD) illustrates some of the limits of the transit district. Made up of eleven communities along the Illinois Central, CSSMTD's constituencies shared a common interest in obtaining replacements for the IC's old cars (which dated from the railroad's electrification in 1926). CSSMTD's members were linked by geography, but not much else.[45]

In contrast to the almost uniformly upper-middle class composition of Nortran's service area, the southern suburbs offered a potentially more contentious set of agendas. Working-class suburbs such as Harvey were interested in local bus service as much as they were in improving the Illinois Central. Maintaining high-quality rail service to downtown Chicago was at the top of the agendas in the amenity-oriented upper-middle class suburbs of Homewood, Flossmoor, and Olympia Fields. Finally, such postwar suburbs as Park Forest, Matteson, and Richton Park shared their neighbors' interest in efforts to improve IC service, but their lower population densities might have led them to focus more on demand-responsive paratransit service than conventional fixed-route bus service.[46]

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[45] If anything, the prospects for making the likes of the CSSMTD into a smoothly-functioning organization have probably decreased since 1967. Several south suburban communities underwent racial change during the 1980s, a factor which might hinder any intergovernmental special district in this area from arriving at decisions agreeable to most of its constituencies.

[46] The author is indebted to David Young of the Chicago Tribune (interview, June 1992) for placing the contrast between Nortran's high-profile track record with CSSMTD's more limited

The other suburban transit districts may not have been as varied in their social composition. Nevertheless, comparable issues of divergent agendas may have prevented them from following Nortran's activist role. Futhermore, transit districts were not formed along the C&NW's West Line, where the railroad had already upgraded service with its own money prior to federal assistance for transit capital projects, nor along the Rock Island, where the railroad could not afford the local share for new cars.

There was another reason why creating the RTA (as opposed to making it work harmoniously) was the line of least resistance compared to the suburban transit districts. Creating the RTA required only a single, concentrated effort in the state legislature. By contrast, increasing the number, extent, and scope of suburban transit districts would have required a multitude of highly diffuse lobbying efforts aimed at dozens of village boards and their electorates. Although few suburbs balked at the idea of a district created to help purchase new commuter rail cars with the railroads' money, there was less reason to expect different suburbs to join forces to preserve suburban bus lines, which in the view of many suburbanites were little more than charity services for those who did not have access to an automobile.

The lack of alternatives to the RTA

The RTA was not necessarily a better option than the suburban transit districts or other alternatives, but it was easier to enact. Government officials may have had a built-in preference for a single agency which would employ many people and control the allocation of millions of dollars. Even aside from this, though, the RTA was easier to bring about in political

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activities in the context of the different social geographies of the two districts.

terms than a more modest, incremental approach. Making a New Jersey or Ontario-style subsidy program work presupposed the continued survival of the carriers it would benefit. Yet the public sector would still have had to take further action, at some level or another, if the carriers went bankrupt or otherwise attempted to force a buyout.

Taken together, Ogilvie's unwillingness to provide operating aid to all money-losing transit carriers outside the RTA framework, the late development of the Transit Carriers' Coordinating Committee, and the reluctance of most suburbs to take responsibility for both commuter trains and suburban buses (as Nortran did) effectively foreclosed other options which might have proven less expensive than the RTA. As in a game of chess, the moves that the suburbs had made--and even more, the moves they had not made--now conditioned the outcome.

The RTA, by making transit a regional responsibility, may have been preferable to direct state subsidies for the CTA. But this was soon forgotten in the heat of the debate over the RTA. The suburbs' failure to occupy the institutional terrain of mass transportation was to leave the field wide open for the city and Loop business interests to do so. Because there was no coherent agenda for public transportation in the suburbs, many suburbanites felt outmaneuvered by the city, whose political and business leaders were united on the issue of mass transportation, and knew what they wanted to accomplish.

CHAPTER 5
THE 1973 LEGISLATIVE BATTLE

Nineteen-seventy-three was the year of decision for mass transit in Chicago. In a legislative cliffhanger, the Illinois General Assembly enacted a Regional Transportation Authority, subject to ratification in a March 1974 referendum throughout the six counties of northeastern Illinois.

At no point since the Traction Settlement Ordinances of 1907 or the creation of the CTA in 1945 did a legislative decision have a more long-lasting impact on the future course of transit institutions. The decisions being made in 1973 were all the more important, as for the first time in Chicago's transit history, the suburbs as well as the city were directly involved.

The bleak outlook for transit

The financial picture was not encouraging for the CTA as 1973 began. The new year had hardly opened when a Tribune article warned that the CTA was "spending more money than it is taking in... Without an immediate infusion of operating subsidies ... the CTA is doomed to go broke by fall" (January 4, 1973). Offering readers a preview of the Transportation Task Force report, the Tribune held out the hope two days later that a "regional authority would handle the administration, planning, and financing of all public transportation in the six-county ... region."

Nor did the CTA make any effort to conceal its impending cash flow crisis. As George Krambles, the CTA's respected operating manager, told a downtown business group on January 31, 1973,

> Embarrassing as it is to be in a bankrupt status, and painful as it is to the morale of [CTA's] 12,500

> employees... we are grateful that this is the case, because it clearly brings to public attention the dilemma which has once again developed in public transportation. Are we to have a bus, rapid transit and suburban railroad network or are we going to opt for complete dependence on autos?[1]

The CTA was able to stave off insolvency when the state enacted yet another temporary bailout. This time, however, legislative leaders made it clear that they wanted a more lasting resolution than just another temporary subsidy when this money ran out.

As if the CTA's problems were not enough, the much-publicized "transit crisis" was spilling beyond the city limits into the suburbs. Some of the area's commuter railroads, particularly the Milwaukee Road, the Illinois Central, and especially the financially hard-pressed Rock Island, were seeking higher fares to cover their costs. This led to fears that these fare increases, if granted, might have the same counterproductive effect of turning away so many riders that the net result might be at least as bad as before the higher fares, a prospect that was widely discussed with reference to the CTA.

During the early 1970s, Chicagoland's suburban bus companies were increasingly in tight financial straits. Two of them fell by the wayside, and public authorities rescue their services. In 1972 United Motor Coach, serving the north and northwest suburbs, went bankrupt. This led to the formation of the North Suburban Transit District (Nortran), which started subsidizing United until 1975, when the transit district bought out the bus company. In Evanston, the first suburb to the north of Chicago, the local Evanston Motor Coach Company suffered a prolonged strike in 1973. The drivers went back to work (under conditions more advantageous to themselves) when the suburb's government subsidized the CTA to

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[1] Krambles (1973), p. 1.

take over the local bus line.

Meanwhile in Springfield...

Regional transit dominated the 1973 legislative session. The RTA consumed the efforts of former Ogilvie administration official George Ranney, Jr. and CTA chairman Milton Pikarsky, and was a major priority for Mayor Daley. On the other side of the issue, a small but dedicated group of suburban legislators fought against the RTA as best they could. In between was Governor Dan Walker, whose acquiescence, if not his support, was vital to any outcome, although he exercised little decisive leadership on the RTA issue.

For RTA supporters, the prospects of victory were uncertain until the final vote was taken in a special legislative session towards the end of the year. George Ranney Jr., Milton Pikarsky, Mayor Daley, and other pro-RTA forces faced an increasingly restless group of backbench legislators from the suburbs who, with the help of many Downstate lawmakers, came close to defeating the RTA bill.

In addition to the vote in the General Assembly, the RTA's proponents were looking over their shoulders at the region's voters. Governor Walker and some legislators had insisted on a referendum, so that even if the legislature enacted the RTA, suburban voters might still stop it.

The Walker administration

Governor Dan Walker, who lasted only one term in office, has been described as the first governor of Illinois who was able to use television to his advantage. Yet the highly telegenic Walker seems to have been more style than substance. In contrast to his outgoing predecessor Richard Ogilvie, Dan Walker was not a known quantity. He had brought himself to the attention of the state (and, indeed, the entire US) as the author of the Walker report

on the civil disturbances surrounding the 1968 Democratic National Convention.[2] His gubernatorial campaign, which involved such publicity-attracting actions as walking the length of Illinois, was characterized more by populist rhetoric than by specific policy proposals.

In retrospect, Walker's election appears to have been a fluke, made possible in large part by the state income tax implemented under the Ogilvie administration. Walker tapped voter resentment against Ogilvie's income tax, but he had few ideas as to how the state might do away with the tax, which he let stand once he was in office.

Walker also ran against the Daley machine, capitalizing on his role as author of the definitive report on the 1968 Democratic convention violence. At one point during the campaign, he charged that the mayor sought to install "Richard Daley Junior" as president of the Illinois Senate.[3] Walker's hostility to the machine may have helped him get elected, but it hurt him once he became governor, as his anti-machine politics prevented him from entering into the sorts of pragmatic negotiations needed to put political deals together.

As governor, Walker followed the shifting winds of public opinion almost as accurately as a weathervane. Yet if Walker avoided giving offense, he also failed to build a strong base of support for himself. For Walker, reaching office was to be much

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[2] Daniel Walker et al. 1968. Rights in Conflict. New York: E.P. Dutton & Company.

[3] This was apparently a reference to the mayor's eldest son, Richard M. Daley, who was elected to the state senate in 1972; there is no such person as Richard J. Daley, Jr. After serving in the Senate, Richard M. Daley was Cook County State's Attorney from 1980 until 1989, when he followed his father to become mayor of Chicago.

easier than retaining it, as the one-term governor was to learn the hard way in the 1976 primary. He was defeated in his bid for reelection when an ally of Mayor Daley won the Democratic nomination.

The Ogilvie and Walker styles

Ogilvie's administration was relatively low-key in public relations terms, yet for better or worse he and his officials could point to a number of milestones in many areas of state government. Illinoisans best remember the Ogilvie administration for a new constitution and a state income tax, but Ogilvie also balanced numerous demands for action on a variety of issues with good grace. If he was not particularly skilled at making friends, neither did he make political enemies.

Walker, by contrast, was given to public posturing, which may have limited the effectiveness of his administration behind closed doors. Television helped put Walker into the governor's mansion, but it did not help him stay there. Legislative leaders and Chicago mayors were more accustomed to doing business behind the scenes than through press conferences. For all of Walker's self-conscious posing for the news cameras, he seemed to have fewer principles than Ogilvie, and it is hard to point to any major accomplishment for which his administration could take credit. Although the RTA was enacted while Walker was governor, he did not make it a major concern. There were few other conspicuous changes in the state's political landscape which happened while he was in power.

Transportation Study Committee co-chairmen George Ranney, Jr. and Milton Pikarsky found themselves working with Walker as well as with Daley and the State House leadership. Although Ranney did not think very highly of Governor Walker as a politician, this did not translate into a poor working relationship. On the contrary, as Ranney recalls,

> He [Walker] asked me to be his secretary of transportation, not once but five different times. He asked me to do three or four other things for him. I knew him quite well, and we spent a lot of time on the weekend of Thanksgiving of 1973.[4] We were able to work together.[5]

Nor was Walker's request to Ranney an exceptional instance. "Although Walker tried to retain many Ogilvie men for his administration, most left."[6] In addition to the partisan change of administration (accentuated by the fact that Walker had used resentment of Ogilvie's income tax to help propel himself into office), Walker's erratic style of management may have further encouraged the exodus of Ogilvie officials.

Former state representative Eugene Schlickman, an opponent of the RTA bill, assessed Walker in terms which were not exactly positive. Schlickman noted, rather diplomatically, that "there was no depth of thought and programming within the Walker administration" with regard to metropolitan transportation.[7]

Walker's ambition did not stop with the governor's mansion. He was widely viewed as using Illinois as a springboard for a presidential bid in 1976. The populist niche he sought to occupy, however, was taken by Jimmy Carter of Georgia (who was a US Naval Academy classmate of Walker). To some degree this reflects Carter's superior ability to obtain positive coverage

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[4] This was a particularly busy time for those involved in drafting and ensuring the enactment of the RTA legislation. The bill was passed and signed into law before the end of December.

[5] Interview, September 1993.

[6] Sudnik (1977), p. 54.

[7] Interview, September 1993. Schlickman might have well made the same statement about the entire Walker administration, which was rarely noted for the consistency or coherence of its policy initiatives.

from the news media, but Walker's failure to provide decisive leadership and build up a strong following in Illinois appears to have been a more important factor in the brevity of his political career.[8]

Mayor Daley's conversion to the RTA

Until the 1973 legislative session, Mayor Daley had been at best cool towards proposals for regional transit, preferring instead to seek funds from Springfield to cover the CTA's deficit as the previous emergency bailout appropriations ran dry. But in early 1973 the mayor made a quiet 180-degree turn on the RTA issue, coming out in favor of regional transit and negotiating hard with other political actors in favor of the RTA.

Clark Burrus, who was acting city comptroller at the time (he would be appointed as permanent city comptroller in 1974) recalled the mayor's conversion to the RTA cause in terms of dollars, cents, and practical politics:

> One of the reasons that changed the mayor's mind is that when he looked at the flow of funds, and I did this for him, by the way, there was no way that the CTA could survive with the funding and financing scheme that existed prior to the RTA. The reason why he changed his mind and went over to support the RTA (...) was that the RTA was to be the conduit for getting the money from where it was to where it was needed. And that was the only reason that he had to make some concessions in terms of sharing control with the suburbs. ... There was no way you could get it [subsidy money for the CTA] any other way.[9]

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[8] Walker, interviewed in Rakove (1979), claims that Daley offered him the 1976 Democratic presidential nomination in return for the governor's support of the Crosstown Expressway, one of Mayor Daley's pet projects. Walker declined the offer. Few observers of Chicago politics would deny the implication that the 1976 Democratic presidential nomination was at least partly within Mayor Daley's power to give.

[9] Interview with CTA chairman Clark Burrus, October 1995. At the time Mr. Burrus showed the mayor his projections, he was the city's acting comptroller. In January 1974, the mayor appointed

George Ranney concurs with this analysis, arguing that the Ogilvie administration

> didn't trust the city to raise and spend that sum of money, and they were right. This was an effort on the suburban Republican leadership's side to avoid what had happened in the Chicago schools and such.[10] The theory here was that there would be controls, and particularly fiscal controls imposed, that would make the CTA more efficient without necessarily trying to run it, but also fund it in concert with its needs.[11]

Donald Totten, a Republican state representative from the suburbs and an RTA opponent, agreed with Ranney's analysis:

> The issue of the creation of a regional transportation [authority] came because the [General] Assembly was not able to reconcile a subsidy to the CTA. Suburban interests were saying, "We're just throwing money down a rathole here," and the subsidy kept getting bigger because of the financial problems of the CTA. It became apparent that in the interests of Chicago,

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him to that position on a permanent basis (thus making him the highest-ranking black official in the Daley administration), a position he held until he stepped down in 1979 to take a position in the private sector. Mr. Burrus continued his involvement in transit issues, however. In 1983-84 he was a member of the RTA Transition Board as an appointee of House Speaker Michael Madigan, and was CTA chairman from 1988 until his retirement in October 1993.

[10] Ranney was referring to financial problems at the Chicago Board of Education. As Fuchs explains (1992, p. 258),

> Initially Daley kept an informal role in [Chicago teachers' union] contract negotiations and lobbied Springfield for the funds to meet teacher wage demands. However, after a teachers' strike in 1969, Daley decided to limit his role in closing the budget gaps that resulted from generous contract settlements. Once collective bargaining rights had been achieved, the school board had little political capacity to deal with a strong union that repeatedly went on strike (1971, 1973, and 1975) to increase its members' salaries and benefits.

[11] Interview, September 1993.

something else had to be done.[12]

Eugene Schlickman, another suburban Republican state representative who fought against the RTA, argued that

> there would not be regional transportation in the Chicago metropolitan area if it was not for a Republican governor and a Republican-led legislature. [Dan] Walker [a Democrat who was elected governor in 1972] wouldn't have done it.

Schlickman argued that Ogilvie's principles played an important role:

> I don't think it was a matter of his [Ogilvie's] being tired of Chicago's constantly seeking further aid for the CTA. I think it was a conviction on Ogilvie's part that sooner or later [there was a need for] a unified, integrated [mass] transportation system for the Chicago metropolitan area.[13]

Ogilvie, Ranney, and other Republicans were adamant: no more subsidies without some regional oversight. Yet this alone might not have changed the mayor's mind on the RTA. By trading support for bills dear to the hearts of suburban and downstate lawmakers, Mayor Daley might have obtained financial support for the CTA, at least for a few more legislative sessions. But the election of Dan Walker as governor introduced a new element of political risk which the mayor could not afford.

Mayor Daley could always deal with Republicans on a pragmatic basis, as their opposition to specific measures would usually bend if enough of them were offered various political inducements. However, reform Democrats such as Walker were opposed to Mayor Daley's machine on an ideological basis. Thus,

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[12] Interview, Donald Totten, September 1993.

[13] Interview, September 1993. Schlickman's interpretation is consistent with Ogilvie's readiness to implement a state income tax which he believed was needed, even though doing so brought his own political career to an end.

the mayor could not rely on being able to negotiate a straightforward political deal with Walker, in which favors were exchanged for votes. If Governor Walker wanted to raise the stakes in his on-again, off-again hostilities against the Chicago machine, he could use his line-item or amendatory veto powers to hold transit subsidies hostage, and it would require a three-fifths majority to override the governor's veto. At least with the RTA, transit subsidies would be protected against the whims of a governor whose dislike of Mayor Daley was well known. At any rate, by March of 1973 the mayor had come out in favor of regional transit and placed his political clout where his mouth was.

The Transportation Study Committee

The mechanism for establishing the RTA was the Illinois Transportation Study Committee. Ostensibly a creature of the Illinois General Assembly, in practice it functioned as a combined high-level political forum for top leaders of both parties who favored the RTA, and an interest group seeking to influence rank and file legislators. The Committee had two co-chairmen, one Democratic and the other Republican. These co-chairs were ostensibly chosen by the legislative leadership. In practice, however, Pikarsky and Ranney were the hand-picked choices of Mayor Daley and outgoing Governor Ogilvie, both Chicagoans who shared an interest in the economic well-being of the downtown area and agreed on the desirability of the RTA.

Mayor Daley's choice for Democratic co-chairman of the Illinois Transportation Study Committee was CTA chairman Milton Pikarsky. The choice was Daley's, not Walker's. Few Democrats (Governor Walker included) were in a position to challenge Daley on an issue like this of obvious importance to the city. Pikarsky was widely seen in suburban circles as an agent of Mayor Daley, a charge Pikarsky himself did little to dispel, although he was above all a transportation professional who was loyal to

the mayor who appointed him.

Pikarsky, who died in 1988, was a complex figure who often elicited strong admiration or an equally intensive dislike among those whom he met. He was by all accounts a capable administrator whose rise in the Chicago government hierarchy verified Mayor Daley's reputation for selecting highly qualified managers to run the city's public services. Nevertheless, some remember Pikarsky as lacking the political skills which might have helped him get along with those who did not share his perspective. He may well have found himself out of his depth in the highly political RTA chairmanship from early 1975 until the suburban board members forced his resignation in mid-1978.

On the Republican side, Governor Ogilvie (who was leaving office) chose his cabinet member, aide, and chairman of the Transportation Task Force, George A. Ranney, Jr. as Republican co-chairman of the Transportation Study Committee. As with Ranney's Democratic counterpart Milton Pikarsky, Ranney spoke for the most powerful figure among the state's Republicans at the time. It would be a few more years before James Thompson became the dominant figure among the state's Republicans.[14]

As Republican co-chairman of the Illinois Transportation Study Committee, Ranney enjoyed a good working relationship with his Democratic counterpart, CTA chairman Milton Pikarsky. Ranney's legal training enabled him to translate political bargains into legislative language. During the 1973 legislative session, when time was often of the essence due to the fluid political situation, this was an ability that served Ranney and

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[14] Following Ogilvie's defeat in 1972, House Speaker H. Robert Blair (R, Park Forest) had gubernatorial ambitions which he did not attempt to disguise. His failure to secure reelection in 1974 in the wake of the RTA referendum, however, put an end to his political career, and cleared the way for Thompson to emerge.

the pro-RTA forces well.

The 1973 Session

The 1973 legislative session saw passage of the Regional Transportation Agency in a special session at the end of the year. During the year, the RTA went through several legislative metamorphoses, and was the subject of convoluted negotiations and countless proposed amendments. The RTA stimulated much debate, inside the State House, in smoke-filled rooms, in front of television cameras, and elsewhere.

The dramatis personae of the 1973 legislative session included such political actors as Ranney, Pikarsky, and Mayor Daley, who were not members of the Illinois General Assembly but nevertheless carried considerable weight with legislators and with Governor Walker. At times, the mayor and his allies seemed to overshadow the established House and Senate leadership. On the other hand, a group of suburban legislators unhappy with their leaders' pro-RTA positions coalesced into a countervailing force in both houses.

The established legislative leaders in both houses and on both sides of the aisle were in favor of the RTA. One of the more conspicuously self-interested actors during the 1973 legislative session was House Speaker W. Robert Blair, a Republican from south suburban Park Forest. The defeat of incumbent Republican governor Richard Ogilvie in November 1972 had created a power vacuum within the party, and Blair made little effort to conceal his ambition to become the next governor of Illinois.

However much Blair might have appealed to a broader statewide constituency, he made several enemies among rank-and-file lawmakers from his own party. He seems to have viewed himself as a political power broker with the ability to deliver

legislative votes on a wholesale basis like Mayor Daley. But the mayor had a large, comprehensive organization which offered rewards to its supporters, while Blair had little more than the sometimes-intimidating force of his own personality to back him up.

Blair's counterpart in the Senate, William C. Harris,a Republican from downstate Pontiac, was more content with his existing position and played a less conspicuous part in the proceedings. Democratic House minority leader Clyde Choate (from downstate Anna) and Senate minority leader Cecil Partee (a long-standing and well-respected black lawmaker from Chicago) were overshadowed in their roles by Daley and Walker.

Blair's efforts to push the RTA legislation through an often recalcitrant House were widely seen as a prelude to the 1976 gubernatorial campaign. In his attempts to force the RTA bill and others through the House, however, many of his fellow Republicans resented what they saw as his domineering style. Many backbench legislators doubtless breathed sighs of relief when Blair went down to defeat in the November 1974 legislative elections, thus ending his political career.

The Senate majority leader, Republican William Harris from downstate Pontiac, had little direct stake in the outcome, but nevertheless threw his weight behind the RTA legislation. In the best Illinois tradition of mutually beneficial compromises, Mayor Daley may well have had the foresight to instruct state legislators loyal to the Chicago Democratic machine to cooperate with Harris on matters of vital interest to him.

The shifting issues

The 1973 legislative session brought up many issues and concerns which Ranney's Crisis and Solution report did not anticipate. The issues which lawmakers debated were not ones of

administrative tools and financial needs. Instead, the most articulate of them spoke eloquently of a power grab by urban interests and the dangers of entrusting a large, faceless bureaucracy with large budgets.

For such Republican advocates of the RTA as Ranney, it was a total shift of the terms of debate. After considerable effort, they had convinced Mayor Daley that he could no longer have the unconstrained subsidies he sought, and that the Republican leadership would require some measure of budgetary oversight in the form of a regional agency in return for continued subsidies. Now, suburban legislators (mostly but not exclusively Republicans) were acting independently of such establishment figures as Ogilvie and Ranney. These backbench lawmakers opposed the RTA on the grounds that it was too generous to the city and the CTA, and denied that the RTA could be trusted to do the job for which it was being created. Ironically, suburban opponents were fighting the RTA with the same arguments which Ranney used in favor of the RTA, by warning against giving more power and money to an agency which could not be trusted to manage itself well.

Mutiny in the Suburbs

A group of suburban legislators emerged as leading figures in opposition to the RTA during the 1973 legislative session. Once the RTA bill was enacted, they campaigned actively for a "no" vote in the March 1974 referendum, against the established leadership of both parties.

One of the most articulate opponents was Representative Cal Skinner, Jr. (R., Crystal Lake). Most of his constituents in semi-rural McHenry County were opposed to the RTA, or more specifically, to an RTA which included their areas. Skinner had a genius for placing his views in the news media using such low-budget techniques as legislative news conferences and letters to

the editor. Putting his views across in clear, concise language and marshalling his thoughts logically, he defended his core constituents' legitimate wishes to be left alone by a big city which few of them depended upon for their livelihoods.

Skinner's views on the RTA and other issues of the day suggested a greater sympathy with libertarians who believed in a minimum of any kind of government activity than with the more dominant currents of thought among Illinois Republicans. Unlike some of his colleagues who were willing to make compromises with actors based in Chicago's Loop, Skinner was fiercely loyal to the interests of his constituents as he saw them.

More typical opponents included such figures as Representative Donald Totten (R, Hoffman Estates), who hosted many of the kNOw RTA Committee's strategy sessions. Totten was the Republican committeeman in Schaumburg Township, located in the northwest suburban "panhandle" area of Cook County. Minimally served by commuter rail, Schaumburg was home to Woodfield Mall, the largest of its kind in the state, and much of the area was physically laid out in a way that all but precluded alternatives to the automobile. Some suburban legislators representing large numbers of Chicago-bound railroad commuters supported the RTA, but the parking lot culture which prevailed in Totten's district ensured that he had little to lose by going against downtown interests.

Other figures in the anti-RTA coalition included Representatives Donald Deuster,[15] George Sangmeister (who was a

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[15]. Eugene Schlickman had this to say about Mr. Deuster (interview, September 1993):

> Don had been an administrative assistant to a congressman in Washington, DC... He also had worked for the US Department of Transportation. So when Don came to Springfield, he was very much for the regionalization of

congressman by the early 1990s), Giddy Dyer, and Adeline Geo-Karis. All of these lawmakers marshalled clear arguments forcefully during the debates and later in the referendum campaign. Sangmeister was the only Democrat from the suburbs to join the anti-RTA forces. His presence doubtless gave the coalition additional credibility, if only by helping to exclude partisan issues from the debate. The RTA's opponents were careful to make it clear that they were representing geographic rather than partisan interests.

Good Government and Minimal Government

One of the more interesting, if less typical figures opposed to the RTA, was Representative Eugene Schlickman (R., Arlington Heights). Like Cal Skinner, he was outside the mainstream of the anti-RTA forces, but from another standpoint. If Skinner attacked the RTA from a perspective approaching that of a minimal-government libertarian, Schlickman argued that good-government reformers in the early 20th century Progressive tradition could also oppose the RTA.

Among Schlickman's committee assignments was the Legislative Advisory Committee to the Northeastern Illinois Planning Commission, which he chaired until House Speaker W. Robert Blair

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transportation. But he didn't approve of the manipulation and the corruption of the measure over which Blair presided. Now, when it came down to the eve of the vote, Don said "Gene, my position all along is that there has to be a regional transportation system. And as far as I'm concerned, this is it. I'm going to have to vote for it."

I talked him out of voting for it. I said, "You're giving up principle". He finally voted against [the RTA]. Later on, he said, "You know, if I had voted for it, I wouldn't have been reelected".

took Schlickman's chairmanship away from him.[16] Schlickman supported the Northeastern Illinois Planning Commission (NIPC) in its rivalry with the more technocratic Chicago Area Transportation Study (CATS).

NIPC articulated traditional reform, good-government arguments for cooperative regional planning (with little success). CATS, by contrast, was a more technically-oriented agency which gave both city and suburban governments what they wanted, without offering normative views on what they should want. It was no surprise, then, that CATS rather than NIPC was the officially-designated Metropolitan Planning Organization, serving as a clearing house for federal transportation money to the region. NIPC and its supporters argued that NIPC was better qualified to carry out the functions of the Metropolitan Planning Organization, but there was little legislative support for their position. Schlickman was fighting an uphill battle for NIPC, which apparently was at least as high a priority for him as the struggle against the RTA. Schlickman explained that proponents of the RTA

> would have gotten my vote, if necessary for passage, by including a provision that long-range transportation planning should be consistent with the Comprehensive General Plan of the region as developed by NIPC.[17]

Schlickman's position on NIPC was almost completely at odds with that of his anti-RTA ally Cal Skinner, Jr. To Skinner, NIPC was part and parcel of the same unwanted intrusion of government as the RTA. As early as 1958, NIPC had earned Skinner's enmity

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[16] This was in retaliation for Schlickman's having opposed Blair for the House Speaker's office (Eugene Schlickman, interview with the author, September 1993).

[17] Interview, September 1993. Schlickman went on to add that nothing of the sort happened (nor would have been likely to happen, given the enmity between himself and Republican House Speaker Blair).

by arbitrarily including McHenry County (where Skinner's district was located) in its definition of the Chicago metropolitan area without consulting local officials. The presence of such contrasting figures as Skinner and Schlickman suggests the variety of political opinions among suburban opponents of the RTA. The RTA battle produced alliances which made little ideological sense but could be explained readily in terms of geographic and economic self-interest.

The gas tax: hated in the suburbs even before it was enacted

A major source of suburban resentment from the outset was the power given to the RTA to enact a 5% gasoline tax throughout the six-county region by a three-fifths vote of its board. Understandably, many suburbanites who relied on their automobiles saw this as a blatant move by the city to take money away from them and give it to CTA employees and riders. The CTA and the commuter railroads were primarily oriented towards Loop-bound travel, but most suburbanites drove from one suburb to another. Thus, the suburban majority did not see themselves as benefiting even indirectly by subsidizing transit. To their sensibilities, the RTA's gas tax power was nothing short of outrageous.

There was in fact a strong rationale for funding the RTA from gasoline taxes, but it was one which pro-RTA forces rarely voiced, even among themselves. Motorists in Chicago paid the same gas taxes as they did elsewhere in the state, but the overwhelming majority--about four-fifths--of the gas tax funds raised in Chicago were spent elsewhere. If there was an injustice in an RTA gas tax imposed on the city and suburbs, it was that only the suburbs would join the city in subsidizing the CTA. To properly compensate for decades of massive city subsidies to the downstate road system, it could be argued that

downstate motorists should help subsidize transit in Chicago.[18] But Mayor Daley and other supporters of the RTA may not have dared to articulate such an argument, because they needed all the votes they could secure from suburban and downstate lawmakers in the General Assembly to help pass the RTA bill.

It was ironic that many downstate legislators were opposed to the RTA, as they were less vocal than suburban opponents were on the State House floor. Paradoxically, downstate Illinois had more to gain than the suburbs from the RTA. One of the fundamental principles which the RTA established was that transit in Chicagoland was a problem to be resolved within the metropolitan area. This meant that except for small subsidies from the state, almost all of the costs of building, upgrading, and running transit would come from taxpayers within the six counties of northeastern Illinois.

No longer would the CTA be coming to Springfield, hat in hand, begging for another half-year or year's worth of operating funds. Instead, downstaters would henceforth enjoy almost complete freedom from subsidizing transit in Chicago and the suburbs. Had downstate legislators only recognized this freedom for what it was, they might have been among the RTA's strongest supporters, rather than voting against it. Their opposition, however irrational when analyzed at close range, was nonetheless fundamentally sound in terms of the historical contours of Illinois politics. The suburbs had only recently become a significant political force independent of both the city and downstate, and many downstaters were still accustomed to

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[18] Downstate residents, on the other hand, might argue that there was nothing wrong having Chicagoans cross-subsidize their highways, since Chicago draws much of its prosperity comes from its large agricultural hinterland. In this logic, inadequate roads downstate would make it more difficult for farmers to bring their products to the market, and the resulting decrease in their buying power would hurt businesses in Chicago.

analyzing state politics in terms of "them" versus "us". If Mayor Daley supported a measure such as the RTA, many downstaters may have intuited that it could only be bad news for them. Thus, downstate opposition to the RTA makes sense as a reflexive instinct, rather than as a carefully-considered evaluation of their long-term interests.

Other funding sources

Much of the negotiations surrounding the RTA revolved around how much money would come from which sources; in other words, the raw materials from which all legislative bargains are molded. In addition to the gasoline tax, other readily available funding sources included city, county, and state subsidies, a parking tax, and a toll road tax. The details of each successive proposal and counter-proposal are not vital to the story of what happened, but the negotiations did allow city, suburban, and downstate politicians on both sides of the aisle to seek maximum benefits for themselves and their constituents.

The politics of transit became further embroiled in the issue of a state lottery. As a reform Democrat running on a populist platform, Walker was caught in a bind. On the one hand, he had run against the state income tax enacted under the Ogilvie administration. On the other hand, Walker had made campaign promises and raised expectations which could not be satisfied unless the state continued to spend large amounts of money. The lottery was considered as a possible funding source for the RTA, but was not included in the final funding arrangements, possibly because it was also controversial and its enactment was uncertain.

The negotiations

The RTA was the result of tenuous agreements reached through nine long months of often frustrating negotiations. There were multiple shifts of support and opposition involving Mayor Daley,

Governor Walker, Democratic and Republican legislators who supported the RTA under varying conditions, and a non-party (but mostly Republican) bloc of suburban lawmakers who fought their own party's leadership to oppose the RTA.

The business of political deal-making started in earnest when Mayor Daley publicly came out for the RTA.[19] Daley made a major concession in coming aboard the RTA. For the first time, the mayor gave his blessing to a set of arrangements which would give the suburbs a major say in the provision of a city-oriented public service. Mayor Daley put his previous opposition to regional transit behind him, and was the first witness to testify in favor of the RTA for the Transportation Study Committee.[20]

If the mayor was cooperative as to the overall concept of the RTA, there were limits to his willingness to compromise. Ranney and Republican legislative leaders seem to have backed down on the issue of a Suburban Transportation Corporation, which had been proposed as a suburban counterpart to the CTA. In a set of handwritten notes from a meeting, Ranney records the mayor's outright rejection of a Suburban Transportation Corporation.[21] As Ranney recalled, the mayor

> had an interest in what was going on throughout the state and the six county region. I don't have any problem with that. My recollection is that he was opposed to that, and adamantly. And I think the reasoning was that they were concerned about competition with the CTA (interview, September 1993).

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[19] Chicago Tribune, March 30, 1973. As recently as the January 31, 1973 Sun-Times, the mayor had been quoted as opposing a single authority which would operate transit throughout the region. Although the RTA was not intended to operate transit on a regional basis, Daley's previous opposition to the RTA can be inferred from his January statement.

[20] Chicago Tribune, April 3, 1973.

[21] George A. Ranney, Jr. RTA papers, University of Chicago Department of Special Collections, Regenstein Library.

Daley's rejection of a suburban equivalent of the CTA may not have made much difference with RTA opponents such as Representative Donald Totten, who noted that:

> It [the Suburban Transportation Corporation] was a matter that maybe concerned a few legislators. If you look at the legislative history of this thing, there were hundreds of amendments. [...] I don't think that detail would have made much difference. It would have been a hard sell convincing them that [the Suburban Transportation Corporation] would be much good for the suburbs.[22]

By April, an RTA bill sponsored by House Speaker Blair had crowded the CMATS proposal, favored by the commuter railroads, off the legislative agenda. Later that month, Governor Walker proposed that the RTA be put before the voters in a referendum. Daley and Ranney were not enthusiastic about a referendum, but since Walker's veto could derail any RTA bill, they had little choice but to go along.

The plot thickened in May as Walker and Blair agreed that there should not be operating subsidies from the state.[23] Shortly thereafter, six legislators from both parties and both sides of the city line set forth their agenda for an authority to be set up without a referendum and with the power to enact a gasoline tax.[24]

Next, the politics of transit became caught up in the volatile issue of tax relief--a campaign promise to which Governor Walker devoted more rhetoric than action. Blair proposed a ½¢ reduction in the sales tax for downstate, while

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[22] Interview, September 1993.

[23] Chicago Daily News, May 5-6, 1973.

[24] Chicago Sun-Times, May 11, 1973. Within a few months, for various reasons, two of the suburban lawmakers would be active RTA opponents.

holding the sales tax constant in the six northeastern counties and earmarking the ½¢ amount for transit subsidies.[25] This proposal passed the Transportation Study Committee's vote.[26] But then when Blair presented his bill to the House, the RTA relied on sales and parking taxes, and proceeds from a not-yet-existing state lottery.[27]

A deal that wasn't

Ranney and legislative leaders thought they had a deal which the General Assembly would pass in June of 1973 before adjourning for the summer at the end of the month. But the carefully-crafted agreement fell apart at the last minute, just before the legislature adjourned its regular session at the end of June.[28] Machine Democrats tried to revive the package, but to no avail.

The Transportation Study Committee apparently sought to use a carrot-and-stick approach with the governor in late June. A memorandum remarkable for its candor spells out a strategy to be used on Governor Walker in the waning days of the spring legislative session.[29] The governor, the memo said, should be pressured to exert his influence on behalf of the compromise package. If the package passed, Walker should be allowed to take all the credit; but if the compromise collapsed, Walker should be

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[25] Chicago Today, May 18, 1973.

[26] Chicago Tribune, May 23, 1973.

[27] Chicago Sun-Times, May 23, 1973.

[28] According to the July 1, 1973 Sun-Times, "negotiators had come within an eyelash of reaching agreement on an RTA package, but they said it blew up because of what they called a personal attack on [House Speaker] Blair by Gov. Walker." For a more detailed analysis of events leading up to the deal's collapse, see the July 5, 1973 Sun-Times.

[29] George A. Ranney, Jr. RTA papers, University of Chicago Department of Special Collections, Regenstein Library.

given the blame. Perhaps mercifully, the memorandum was not signed, but it appears to have emanated from the highest levels of the Transportation Study Committee. Certainly Ranney, Pikarsky, Ogilvie, Blair, and Daley all had ample reasons for applying pressure on Governor Walker.

Rerailing the RTA

With the CTA on the verge of budgetary collapse and the suburban carriers growing restless in anticipation of subsidies, RTA proponents had the force of urgency on their side. Joseph Tecson, an RTA board member from suburban Cook County at the time, argues that

> there would never have been an RTA except for the financial crunches which were so carefully calculated to take place in the summer of 1973. This calculation was done by legislative leaders. The General Assembly in 1973 was delicately balanced. There was only a one-vote [Republican] margin in each chamber. This balance induced negotiation and compromise. The governor, the mayor of Chicago and the legislature all had to give a little (1975 a, p. 335).

If Tecson's analysis is correct, it was a very shrewd move on the part of RTA proponents. Certainly the unsigned memorandum of late June calling for the careful orchestration of Governor Walker speaks for this view.

In July, Mayor Daley reached an understanding on the RTA with House Speaker Blair and Senate President William Harris at a summit meeting at which the governor was conspicuously absent.[30] The commuter railroads turned up the heat on the legislature by threatening fare hikes and service cutbacks if the RTA was not passed.[31] Then in September the governor threw a monkey wrench into the delicate negotiation process by using his amendatory

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[30] Chicago Daily News, July 20, 1973.

[31] Chicago Daily News, August 9, 1973.

veto to substitute his own tax relief plan for Blair's funding package with an RTA-dedicated sales tax. The politics of recrimination dragged on as Blair blamed the governor for the legislative doldrums besetting the RTA, and warned that the legislature would have to postpone consideration of the RTA until early next year.

Meanwhile, an initial meeting between Daley and Walker, the first of its kind on the transit issue, produced no agreement.[32] But then less than two weeks later, the two men announced they had agreed on a compromise to use motor vehicle license fees to help fund the RTA.[33] Walker may have felt the force of Daley's legendary clout when he called a special legislative session in October to vote on the RTA, the lottery, and other matters.[34] The usual squabbling ensued, focusing largely on the rivalry between Governor Walker and House Speaker Blair, who made no secret of wanting Walker's job. On the other hand, factional disputes among the Democrats receded somewhat as Walker and Daley put aside enough of their differences to work together on cultivating the support of downstate Democrats.

The Republican legislative leaders moved closer to Walker on one issue in October, when they endorsed a referendum (which they had previously opposed).[35] The governor, who had called for a referendum back in April, promptly reversed himself and came out against the referendum which Blair had just embraced.[36] Blair,

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[32] Chicago Daily News, September 19, 1973.

[33] Chicago Tribune, September 27, 1973.

[34] Chicago Sun-Times, October 13, 1973.

[35] Chicago Daily News, October 23, 1973.

[36] Chicago Sun-Times, October 24, 1973. It was precisely this sort of unreliable non-leadership which helped undermine Walker's efforts to build a base of political support in furtherance of his

not to be outdone in the one-upmanship derby, introduced a revised proposal aimed at

> tearing asunder Gov. Walker's alliance with Mayor Daley. (...) Blair reasons that the Walker-Daley RTA alliance is transitory and based on the mayor's extraction of political concessions from Walker... The speaker [i.e., Blair] is convinced that if Walker can be denied the scattering of Republican votes he needs to win passage of his RTA plan, Daley will be forced to ... throw his support to Blair in order to obtain an RTA solution (Chicago Sun-Times, October 25, 1973).

Blair's job was not becoming any easier as several backbench Republicans in the kNOw RTA group who were opposed to the regional authority made their voices heard in legislative debates and in the news media. However, downtown business groups enlisted their allies in favor of the RTA, Walker gave way, Blair's plan prevailed, and Mayor Daley (presumably aligned with the governor, at least for the moment) tried to keep out of the Blair-Walker feud.[37]

The rival Blair and Walker proposals collided head-on in November. Both plans came up for a vote in the State House (Walker's in the House, Blair's in the Senate), and both went down to defeat.[38] Over the next few days, newspaper articles carried obituaries for both plans.

The kitchen table compromise

Just as it seemed that legislative action on the RTA would wait until the spring of 1974, "Gov. Walker and party leaders of both houses agreed to negotiate ... after admitting that

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political career.

[37] Chicago Tribune and Daily News, November 11, 1973.

[38] Chicago Tribune, November 16 and November 17, 1973.

confrontation politics ... had produced nothing"[39]. Within less than a week, Walker and legislative leaders had worked out a deal which they felt they could sell to the bulk of their rank and file.[40]

As lawmakers adjourned for the Thanksgiving holiday, Ranney, Pikarsky, and other top officials worked hard to draft the compromise in legal language. Much of the actual drafting and redrafting of the RTA bill took place at George Ranney, Jr.'s home in Hyde Park, around the kitchen table. Ranney spent the long weekend with Milton Pikarsky and other leaders, rendering ideas into legal form, to a large degree without direct input from the leadership of either party. As Ranney explained, the RTA bill was "a complicated piece of legislation. A lot of it was worked out in this kitchen. Something that complicated, you don't negotiate every deal among the legislators."[41]

One interesting sidelight to the negotiations was Ranney's effort to put taxi service under the RTA's jurisdiction. The Ranney papers at the University of Chicago contain several articles about taxi service, including pieces criticizing the Yellow Cab-Checker Cab oligopoly, which prior to changes made during the late 1980s controlled 80% of the city's licensed taxis under an informal arrangement with City Hall. Ranney had this to say about the taxi issue:

> One of the things that I fought for and lost at the very last minute, in part because of Walker, was the cabs. And the reason I wanted to do that was to break up the monopoly of Yellow Cab and Checker, and introduce competition. And [I also wanted to bring

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[39]. Chicago Daily News, November 19, 1973.

[40] Chicago Tribune, November 25, 1973.

[41] Interview, September 1993. Mr. Ranney conducted the interview with this author at the historic kitchen table where the legislation was drafted.

competition] to the buses (interview, September 1993).

The kitchen table version of the RTA was the one which finally prevailed. The RTA passed in the Senate at the end of November, and in the House in early December.[42] Not even a last-minute disagreement about funding issues did more than delay passage briefly. The next major challenge would be the referendum in March, 1974.

The RTA package

The RTA legislation was passed as a package of several bills, the most important of which was the one setting up the agency itself, defining its administrative parameters, and (perhaps most importantly) authorizing its funding sources. Also in the package was more short-term bailout money to the CTA. This bill, unlike its predecessors, also advanced money to the suburban bus companies and the commuter railroads. Finally, a companion bill, tied to the package as an added inducement to downstate legislators, distributed highway funds to downstate Illinois.

The RTA's finances were contentious from the beginning of the 1973 legislative session right up through the agency's reform in 1983. The RTA's funding sources, as enacted in 1973, consisted of funds diverted from existing sources, and potential sources of revenue. The RTA received money from three existing sources (not counting farebox revenues, which each individual carrier retained, or federal operating subsidies):

1. The state diverted 3/32 of the state sales tax raised in the six-county RTA.

2. For every motor vehicle registered by the state in the City of Chicago, the state earmarked $14.00 to the RTA.

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[42] Chicago Sun-Times, November 30, 1973, and Tribune, December 2, 1973.

3. There would be a minimum contribution to the RTA of at least $5 million a year from one or more units of government in Cook County. Although these governmental units were left unspecified, it was understood to mean some combination of the City of Chicago and Cook County. Given the fact that the Cook County Board was safely in the hands of Mayor Daley's ally George Dunne, it was not anticipated that there would be arguments over which governments were to contribute how much of the $5 million minimum.

Then there were reserve powers for two new taxes, which could be enacted by the RTA board subject to a three-fifths supermajority vote:

1. A tax on off-street commercial parking facilities.

2. A tax of up to 5% on gasoline sales, to be applied at a uniform rate throughout the region.

The provisions attaching themselves to the reserve taxation powers were amended in 1974 by a General Assembly uneasy with the large anti-RTA sentiment in the suburbs. The RTA bill, as passed in 1973, provided that two-thirds of any taxes enacted by the RTA board (as opposed to sources already included in the legislation) would be spent on transit services and facilities in the area where the money was raised. The 1974 revision kept 100% of the money in the area where it was raised.[43]

The RTA also received bonding authority from the state:

> These instruments may pay interest of no more than eight per cent annually. They must mature within 40 years... At any given time, the [RTA] may have no more than $500 million of such bonds and notes outstanding (CTA Quarterly, Spring 1975, p. 7).

The RTA's debt securities were not specifically given the full faith and credit of the state (to mollify downstate legislators), but bondholders were given first lien on the

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[43] Tecson (1975 a), p. 341. For the purposes of tax revenue distribution, there were seven areas: Chicago, suburban Cook County, and the five outer "collar counties".

agency's income from all taxes the agency collected.[44]

The legislative debate

The RTA debate was dominated by opponents, understandably so since calling attention to their opposition was practically their only weapon against the majorities that legislative leaders in both parties and chambers had lined up in favor of the RTA. Machine Democrats were generally silent during the debates, perhaps preferring to place their trust in back room deals rather than silvery speechmaking. Another factor may have been that some of those who voted for the RTA were less than enthusiastic about doing so, and did not wish to add to their unease by speaking out.

Some of the amendments which the RTA's opponents offered were more serious than others. The more substantive amendments proposed by opponents included a number of issues of legitimate concern to the suburbs. Several legislators sought to create a two-track referendum process whereby Yes majorities would be required both in Chicago and in the suburbs in order for the RTA to be approved. Another issue was collar county representation on the board. Many collar county lawmakers believed that having five collar counties share two board seats was not enough to ensure their constituents adequate representation. Finally, a third major area of concern was a mechanism whereby counties or parts of counties could opt out of the RTA.

The debates provided ample opportunities for lawmakers to offer their different rationales for and against the RTA. What follows is a sample of the variety of positions on the RTA, starting with the most unequivocal positions in favor and proceeding towards the strongest opposition.

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[44] Tecson (1975 b), p. 11.

Chicago needs the RTA!

> It's essential now to prevent the total disintegration of our mass transit system. (...) Some of us have just voted for a bill which we did not fully believe in, the downstate supplemental freeway bill. That is the lifeline of downstate, its road system. This is our lifeline. Please let us have it (Sen. Netsch, November 29, 1973, p. 127).

> There are some of us ... who are under some compulsion to vote for almost any bill that will provide for the continuance of the CTA upon which many of our constituents rely for their livelihood (Sen. Newhouse, November 16, 1973, p. 15).

In support of the RTA

> If the CTA closes down, if our suburban commuter railroads, such as the Rock Island, are forced to close, if the bus companies go out of business, there won't be enough gasoline for you to worry about that 5% tax. (...) We must go ahead this week with this plan, including the referendum on the district-wide basis (Rep. Pierce, November 30, 1973, p. 11).

An RTA, but not this one

> I don't think there is anyone more committed to the need for an RTA than myself, and I want us to do it ... And so I think this is a beautiful opportunity to make this proposal a little bit more acceptable by the voters in the region... (Rep. Deuster, November 30, 1973, pp. 53-54).

Okay for Chicago, but...

> Gentlemen, I'd like to make it very clear that I do not oppose the creation of an RTA. I recognize the problems in Chicago and the suburbs, and I want to be able to support ... an RTA, but I cannot support an RTA which forces itself upon the people of my county... (Sen. Schaffer, November 13, 1973, pp. 15-16).

> We think we can make greater progress in this area [mass transit] on our own. We prefer to spend our money on our own projects... We recognize the need for transportation in Chicago ... and the responsibility of the outer counties that ... do send people into the

city to pay their fair share (Sen. Schaffer, November 13, 1973, p. 22).

Leave us alone!

> I represent ... a part of a county where less than two percent of my constituents ever ride a bus or a train. They could care less. I am forced to .. speak out for the people of my constituency... (Rep. Grotberg, November 30, 1973, p. 12).

The final vote

On Thursday, November 30, the Senate passed the RTA package by a vote of 38 to 15. Under the supermajority rule governing special legislative sessions such as this one, the bill needed 36 votes to pass.[45] On Saturday, December 1, the House followed suit, enacting the RTA by a 112 to 58 vote. For passage, the RTA needed 107 votes in the House.[46] In both chambers, the vote was narrow--a verdict which would be repeated three months later in the referendum.

As the referendum would show, Chicagoans were strongly in favor of the RTA, because the new authority would be a steady source of subsidies for the Chicago Transit Authority.[47] Representatives and senators from Chicago apparently understood their constituents' preferences and voted accordingly--reform Democrats and Republicans as well as machine Democrats.[48] The

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[45] Chicago Tribune, November 30, 1973.

[46] Chicago Tribune, December 2, 1973.

[47] In the March 1974 RTA referendum, those Chicagoans who went to the polls voted for the RTA by a margin of 71% to 29%--a margin which not even Mayor Daley himself received in mayoral elections.

[48] Under cumulative voting, most of the three-member House districts in Chicago sent two Democrats and one Republican to the State House Some districts elected reformers rather than machine Democrats, but regardless of their factional affiliations, Chicago's state legislators voted their constituents' travel needs with remarkable consistency.

legislative roll call for the RTA bill shows that all but two legislators whose districts were partly or completely within Chicago voted for the RTA.

Although on balance the suburbs were strongly opposed to the RTA in the March 1974 referendum vote, suburban opinion was divided, with the closer-in suburbs being more favorably inclined towards the RTA than communities further away from Chicago. Suburban legislators reflected this split to some degree. Votes for the RTA package from suburban legislators, however, should not be equated automatically with full support for the concept; some lawmakers who voted in favor may have been ambivalent about the RTA and hoped that their constituents would pass final judgment in the referendum.

Legislators from suburban Cook County, where many constituents depended on commuter trains to get to work, voted for the RTA more than they voted against it. Opposition was strongest among legislators from the collar counties, i.e., the five suburban counties outside Cook County.[49]

Of the senators from districts partly or wholly in Chicago, all 20 were Democrats who voted for the RTA. Of the 60 representatives from these same districts, 58 members (40 Democrats and 18 Republicans) voted yes, one Republican voted no, and one Democrat failed to vote. The member who voted against the RTA was from a district that included several south suburban communities as well as the far South Side of Chicago. He may have drawn much of his electoral support from his suburban rather than his Chicago constituents (easily imaginable in a three-member district straddling the city line). In that case, he may

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[49] No legislative district included areas both within and beyond Cook County. In the collar counties, however, some of the districts included areas outside the RTA area.

have been voting the preferences of the bulk of his supporters.

All of the ten legislative districts located entirely in suburban Cook County had Republican senators. Of these, 5 voted for the RTA, two voted against, and three failed to cast a vote. Of the 30 House members from suburban Cook County, 20 voted yes (10 from each party), 9 voted no (all Republicans), and one Democrat failed to vote.

In the 9 districts which included the collar counties, all of the senators were Republicans. Three senators voted for the RTA and the other 6 were opposed. Of the 27 House members from these districts, 9 voted yes (3 Republicans and 6 Democrats), 17 voted no (15 Republicans and 2 Democrats), and one Democrat did not vote.

In the Senate, the totals from the 39 districts partly or completely in the Chicago metropolitan area were 28 senators yes, 8 senators no, and 3 not voting. Of the 117 representatives in these districts, 87 voted yes, 27 voted no, and 3 cast no vote. Although there was resistance to the RTA from several suburban members, all in all it does not add up to a very strong legislative opposition to the RTA from the six northeastern Illinois counties included in the new authority.

Even under the three-fifths supermajority rule, the RTA would have passed easily had it been up to the Chicago and suburban delegations. Given the largely pro-RTA vote totals from the city and suburbs, only downstaters could have impeded passage. Why, then, were some of them wary of the RTA?

The suburban opponents were the most vocal in speaking out against the RTA in the debates. In the best tradition of Illinois politics, they defended what they saw as the interests of their constituents. The downstate opponents were less

forthcoming with their views in the legislative debates, so we can only speculate as to their motives.

Judged objectively on its own merits, the RTA should have been a subject of indifference to downstaters. In fact, downstaters even had a small stake in the victory of the RTA. Until the advent of the RTA, the state had been paying most of the CTA's losses from general revenue collected throughout Illinois, including downstate. With only a small exception, the RTA provided a strictly regional funding base for Chicago area transit carriers, thus largely relieving the state (including downstate taxpayers) of most of this financial burden.

One possible explanation may be that some downstate lawmakers failed to see that the RTA would lift a piece of the state tax burden from their constituents. They may have opposed the RTA on an instinctive basis, figuring that anything Chicagoans wanted was bad for downstate Illinois, almost by definition. Others may have been reluctant to force the RTA on reluctant suburban lawmakers, lest they later force unwanted legislation on downstate Illinois. Another, more pragmatic factor may have been that lawmakers with close ties to highway interests might have seen a threat in any state initiative having to do with public transportation.

Another possibility may be that downstate lawmakers did see the immediate (if marginal) benefit to their constituents, but feared that the RTA would be the thin end of the wedge. They might have anticipated that the RTA would fail to solve the CTA's problems, and speculated that the RTA would eventually return to Springfield seeking a direct subsidy from the state. Others may have feared that the RTA's success might encourage the formation of regional transit bodies to support financially shaky bus systems in downstate cities.

Finally, other legislators may have viewed the issue not on its own merits either for Chicagoland or for downstate Illinois, but rather as a bargaining counter to be used in political logrolling. Thus, some downstaters may have withheld their support for the RTA in response to the failure of metropolitan lawmakers to support bills important to them.

By the end of 1973, the lawmakers had done all they could with the RTA issue. The next step was the referendum, which was scheduled to coincide with the primary elections in March 1974.

CHAPTER 6

TRENCH WARFARE AT THE POLLS: THE 1974 RTA REFERENDUM

Once the RTA was signed into law in December 1973, there remained barely six weeks until voters in the six-county region of northeastern Illinois decided on the RTA in a referendum coinciding with the March 1974 primary elections. The contending forces battled one another strongly for the loyalties of the electorate, particularly in suburban Cook County.[1] The campaign left a legacy of mutual suspicion across the city line which was to hinder the RTA once it had been approved in the referendum by a hair's breadth vote. As RTA campaign chief George A. Ranney noted,

> The campaign was an extremely difficult one. It was ... run on negatives. I think it's almost impossible to submit that kind of a program [such as the RTA] to an electorate that would accept it.[2]

As it turned out, the electorate barely accepted the RTA, according to the official vote count. The divisions of March 1974 were to haunt the RTA for the next decade.

The campaign for the RTA

Ranney's greatest contribution towards the creation of the RTA may have been his ability to help patch together an otherwise unlikely coalition of Chicago machine Democrats, city and suburban liberals, and an easily-identifiable population of suburban Republicans who would benefit from RTA subsidies to

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[1] Metra (commuter rail) board member and former RTA board member Joseph Tecson argues that suburban Cook County should be considered as a third political constituency, distinct both from Chicago and from the outer "collar counties" where there is less demand for mass transit than in the suburban portions of Cook County (telephone interview, October 1995).

[2] Interview, September 1973.

commuter railroads.

It came as little surprise to Chicago area residents on either side of the RTA issue that George A. Ranney, Jr., who played such a crucial role in formulating and enacting the RTA, became the chairman of the RTA Citizens Committee for Better Transportation, the group which headed the referendum campaign for the RTA. Newspaper accounts, interviews, and the George Ranney, Jr. papers suggest that Ranney was a forceful, capable, and very active leader.

The campaign was clearly Ranney's to manage, and few other figures played roles of comparable prominence. Mayor Daley, of course, spoke in favor of the RTA, but he had many other pressing concerns and was probably also restrained by the knowledge that his activism on the RTA's behalf might alienate many voters outside the city. CTA chairman Milton Pikarsky certainly helped with speeches and other publicity favorable to the RTA.[3]

Most of the efforts of the RTA Citizens Committee were apparently aimed at generating support for the RTA from Loop businesses and other interest groups, identifying and mobilizing voters who might be inclined to support the RTA, and creating a climate of public opinion favorable to the RTA.

The opposition: miracles on a shoestring budget

The nominal leader of kNOw RTA was state representative Cal Skinner, Jr.. Other lawmakers who had led the rearguard action against the RTA in the state house also came on board: Donald Deuster, George Sangmeister, Donald Totten, Eugene Schlickman,

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[3] Suburban opponents of the RTA had claimed that if the RTA were to come into existence, board members beholden to the Chicago machine would cause Pikarsky to be selected as its chairman (which was precisely what happened in 1975). Thus, they argued, Pikarsky had a very direct stake in a "yes" vote in the referendum.

and others who had battled the RTA in 1973.

In contrast to the pro-RTA side, the opponents were much less professionally organized, a fact which probably spoke in their favor with many voters. Whereas the pro-RTA voices, machine Democrats and liberals alike, appear to have been reading from a single basic "script," the kNOw RTA participants accepted the variety within their ranks. Mainstream Republicans dominated the kNOw RTA discourse through their numbers, but Republicans of varying views and even a conservative Democrat such as George Sangmeister were made to feel comfortable. Republican opponents ranged from Cal Skinner with his articulate views on the need to hold government to a minimum, to Eugene Schlickman, who shared a good government orientation with pro-RTA suburban lawmakers.

The struggle for votes

In terms of political geography, the pro-RTA forces implicitly conceded the collar counties to the kNOw RTA side, although Ranney's organization went through the motions of contesting the vote outside Cook County. The pro-RTA efforts were concentrated in Chicago, where the crucial task was mobilizing a strong pro-RTA vote to outweigh the suburban "no" vote, and in suburban Cook County, where the problem was motivating suburbanites with a stake in public transportation to set aside their suspicion of the city's motives and vote to protect their buses and commuter trains.

The kNOw RTA Committee knew its core constituency well. There was no attempt to even bother trying to break the solid mass of pro-RTA votes in the city. With limited time and money, kNOw RTA forces wrote off the city as lost from the outset and focused instead on the suburbs. Their political bedrock was the heavy "no" vote outside Cook County. Thus, the kNOw RTA strategy was a mirror image of that of the RTA Citizens Committee: keep up the momentum in the collar counties, and urge as many voters in

suburban Cook County to trust their instincts over their fears and vote against the RTA.

Both sides had their own relatively strong areas of support, where the opposing forces had little realistic hope of making an impact. The only large area which neither side could afford to take for granted was suburban Cook County. It became the great battleground, where both sides understood that the referendum would be won or lost.

Suburban Cook County was a swing constituency because it was the most varied part of the metropolis in terms of attitudes towards mass transit. On the one hand, there were hundreds of thousands of voters, especially in the newer, postwar, automobile-oriented suburbs, who had little need for commuter trains because they rarely went to the city, nor for suburban buses because they drove. Whatever might be the indirect impacts of less and poorer transit in the suburbs, these voters did not think they would suffer directly if transit services were discontinued.

But there was also a substantial minority of suburbanites in older communities which had grown up along the commuter railroads and suburban streetcar lines. Many voters in these suburbs used the railroads and the CTA, had other family members who did so, or were otherwise attached to the idea of having transit service available to them. This constituency, though in the minority, was nevertheless large, and if mobilized, could help swing the results towards the RTA.

The pro-RTA forces followed a dual strategy in the suburbs. First, they reminded commuters and their dependents of their stake in the RTA. At the same time, they tried to convince as many other voters as possible that they should support the RTA for any one of a number of reasons, ranging from normative

arguments about civic responsibility (clearly aimed at the more affluent and altruistic segments of the electorate), to promises of considerably expanded service under the RTA (for the benefit of voters who sought "something in it" for them).

The Rock Island Railroad raised the ante shortly before the referendum when it announced that if the RTA failed to pass, the railroad would immediately petition the Illinois Commerce Commission for permission to discontinue all of its commuter service. The Illinois Central, which did not even have the excuse of being on the verge of bankruptcy, threatened to seek either much higher fares or else the end of all service.[4]

The railroads' threats were neither subtle nor admirable. All the same, the Rock Island's statements reflected very real financial problems which drove the railroad into bankruptcy in 1975 (and ultimately into liquidation in 1980). Whether this pressure influenced the undecided in favor of the RTA or backfired instead is not clear, although the referendum results suggest that this sort of pressure did not win over many suburbanites not already dependent on the trains.

Other opposition elements

Most of the arguments for and against the RTA fell into the range of discourse which the RTA Citizens Committee and the kNOw RTA Committee used in their campaigns. A few of the voices opposing the RTA, however, fell outside the mainstream positions on the issue. Although these forces had little impact either on the outcome, their existence is worth noting in passing.

A small number of blacks in Chicago came out against the

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[4] Chicago Tribune, March 14, 1974.

RTA.[5] Most of these opponents made arguments against the RTA which were of a black nationalist character. Much of this opposition seems to have been centered around the Chicago Metro News, particularly that journal's editorials. Their argument was that with black political control of the city increasingly likely in the coming years, passage of the RTA would result in mass transit, on which many blacks depended, falling into the hands of the suburbs. The Metro News failed to suggest how the CTA should otherwise close its deficit. Presumably the paper had few problems with the state continuing to subsidize the CTA, a position which even Mayor Daley had been forced to abandon.[6]

The minority of blacks in the city opposed to the RTA were not the only people on the edges of the RTA debate. In the suburbs, a small group at the right-wing end of the political spectrum attempted to convince voters of its interpretation. SOS (Save Our Suburbs) enjoyed an uncontested monopoly on that small portion of the RTA referendum discourse emanating from the right-wing cult-like, paranoid fringe of American politics. SOS leaflets characterized the RTA as part of a plot by liberal advocates of social engineering to replace the system of democratically-elected government with a centralized dictatorial system, and even included Mayor Daley in their demonology--an accusation which suggested the degree to which SOS was out of

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[5] One of the few black politicians who did not urge a yes vote in the referendum was state senator Richard Newhouse. His opposition, however, was idiosyncratic in nature. Since his South Side district included the racially integrated Hyde Park neighborhood, the specifically black content of his opposition is less than immediately evident. Furthermore, the depth of Senator Newhouse's opposition to the RTA was limited, as he voted for the RTA bill in late 1973.

[6] The Defender, Chicago's mainstream black newspaper, argued strongly for a "yes" vote. The outcome of the referendum suggests that most of the city's black voters agreed with the Defender rather than the Metro News.

touch with reality.[7] SOS had no explanation for the overwhelming support for the RTA by powerful Loop business interests such as law firms, department stores, banks, newspapers, and real estate firms--all of which had large and visible stakes in the capitalist system.

When asked if there was any cooperation between the very mainstream kNOw RTA Committee and SOS, former state representative Eugene Schlickman expressed horror at the thought. Schlickman also noted that SOS reproduced kNOw RTA material in its own leaflets, neither asking permission nor giving credit.[8] In so doing, SOS may have been trying to obtain additional support for itself by riding on kNOw RTA's coattails.

Campaign publicity

Both sides used such traditional weapons as news conferences and letters to the editor. The George A. Ranney, Jr. papers and the Cal Skinner, Jr. collection both abound in printed material from their respective sides, and also contain a smattering of pieces issued by opposing forces.

The most obvious difference between the two sides' printed publicity reflects the difference in their finances. The RTA

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[7] It was perfectly routine for suburban politicians, be they liberals or conservatives, Republicans or Democrats, to include anti-Daley rhetoric in their campaign statements. The mayor's powerful position in Illinois politics had made him the object of much resentment outside the city limits. But Mayor Daley was hardly an appropriate target for right-wing conspiracy theorists. His cautious, slow handling of issues with racial implications (an attitude which earned him much resentment among black Chicagoans at various economic levels), and his no-nonsense approach to civil unrest in 1968 made Daley a bulwark of stability for hundreds of thousands of white voters of modest means. These voters had become the core of electoral support for the machine by 1967, and their objective social and economic interests were broadly similar to those of much of SOS' intended audience.

[8] Interview, September 1993.

Citizens Committee issued leaflets, flyers, and stickers with a standard, up-to-date typographical format. The kNOw RTA material, by contrast, looked like the products of a modest, come-from-behind campaign of the underdog. Reproduced from typewritten or modest-looking, non-standardized typeset copy, the kNOw RTA material had a homemade feel to it which contrasted sharply with the more slick, corporate format of the RTA Citizens Committee's output.

The kNOw RTA group simply did not have access to downtown business money. Cal Skinner, Jr. charged during the campaign that the pro-RTA side was funded largely by downtown business interests: banks, department stores, real estate companies, and the like. He accused the RTA Citizens Committee of being largely bankrolled by these companies, and claimed that the pro-RTA side dared not admit this for fear of the impact this intelligence would have on the vote.[9]

Although RTA proponents issued the standard denials, a year after the referendum, Skinner uncovered a list of contributors and released it to the press. It showed the names of many of the very downtown businesses he had intuitively figured were helping to fund the RTA campaign.[10]

Ranney claimed a different motive for having been silent on the finance issue. Concealing the scope of his group's budget, he said, was more important than hiding its sources. Although Ranney stated that his side was operating on less money than opponents thought, the proponents were able to issue professionally-prepared leaflets and hire a public relations

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[9] Interview, September 1993.

[10] Press release, Rep. Cal Skinner, Jr., August 19, 1975. In the Cal Skinner, Jr. collection, Regional Government Archives, Northern Illinois University, DeKalb.

firm. Nevertheless, in the search for other publicity opportunities, the strategies of the two sides converged, as Ranney explained:

> We did a lot of the same thing. We had a lot of press conferences. Press conferences don't cost money; what costs money is advertising and print material, and we had much more of that. We had a pretty good spread of contributions, mostly from companies. They understood their interests (interview, September 1993).

The press on both sides of the city line tended to side with the bulk of their readers (or at least with their advertisers). The four major Chicago newspapers followed an almost indistinguishable editorial line in favor of the RTA--not surprisingly, given their reliance on advertising revenue from such transit-dependent businesses as department stores. Nigut (1975) dissects the various contradictory arguments the four Chicago newspapers made in favor of the RTA, but the downtown-based newspapers were more concerned with winning the referendum vote than with logical consistency.[11] In the suburbs, the Barrington Herald, the Daily Calumet, and the Southtown Economist came out editorially against the RTA.

The campaign's final days

As the kNOw RTA group tapped into a rising groundswell of suburban opposition, the pro-RTA forces made great efforts during the last week or two of the campaign to put their message across. As Ranney noted,

> In a campaign, you never really try to change the minds of the opposition if they were strongly opposed. What you worry about is the group who are undecided.

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[11] It is interesting that the Chicago Journalism Review, an "alternative" publication with a strongly left-of-center anti-establishment orientation in almost all of its other articles, would publish an article written from a middle-of-the-road suburban perspective. Such must have been the magazine's eagerness to expose the pro-establishment bias of the mass press that they would print Mr. Nigut's analysis despite its lack of leftist ideological content.

> Or people who are somewhat opposed, and you try to bring them around without irritating them. And what happened here--we did quite a lot of polling--what they showed was that there was an absolute trajectory. This strong opposition week by week got worse and worse from our point of view (interview, September 1993).

During the last week of the campaign, former governor Richard Ogilvie emerged from political retirement to spend several days campaigning for the RTA. Newspapers reported Ogilvie as delivering speeches urging a "yes" vote in the referendum, appearing at a commuter railroad station in the morning, and walking through a train while urging commuters to vote for the RTA. The newspaper accounts did not discuss the reasons for Ogilvie's brief return to political activity, aside from covering his statements about the extent to which the passage of the RTA was important to him.

Apparently the former governor came into the campaign at George Ranney's request. As Ranney recalled,

> I came to him [Ogilvie] and I said, "Look, we're going to lose this thing the way these [public opinion] polls are going". And the interesting thing was that with that jog from him, we turned it around for about a week. It [the pro-RTA standing in the opinion polls] went up just a little. I think if he hadn't done it [i.e., campaigned for the RTA], we might have lost. And probably if the [referendum] campaign had gone another week after that, we would have lost.[12]

Ranney's timing was fortuitous. The RTA's victory hung by the smallest of margins: according to the official results, the RTA won by just over 15,000 votes in a 1.3 million poll.

The results of the referendum

When the votes were counted, it seemed that the RTA had carried by the narrowest of margins. The official results were as follows:

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[12] Interview, September 1993.

Entire region:

676,349	yes	(50.6%)
660,614	no	(49.4%)
1,336,963	total	

City of Chicago:

422,162	yes	(71.1%)
171,353	no	(28.9%)
593,515	total	

Suburbs:

254,187	yes	(34.2%)
489,261	no	(65.8%)
743,448	total	

In the city, 48 out of the 50 wards produced majorities for the RTA.[13] Of those who bothered to vote in the city's poorest, predominantly black wards, the overwhelming majority voted Yes, showing that the small current of black nationalist opinion against the RTA had more bark than bite to it. Nevertheless, in the more prosperous wards, where more people went to vote, the results were at least as satisfactory to the pro-RTA forces as those in the poorest wards. More people did vote No outside the poorest wards, but this was at least, if not more than compensated for by a greater total Yes vote. The highest net Yes totals were in the more affluent lakefront wards, where many residents lived in apartments and commuted downtown by transit.

The only two wards to vote against the RTA were predominantly white, working class wards near the outskirts of the city. Two factors appear to have been at work here. One was the fact that most blue-collar jobs were more easily reached by car than by transit. Another was unease at the possibility that better transit might make the neighborhoods in question more accessible to blacks and Latinos. Similar considerations seem to

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[13] The following discussion of ward and township-level results is based on unofficial results appearing in the Chicago Tribune for March 20, 1974 (the day after the referendum).

have been at work in a handful of other wards where the Yes margins were relatively thin.

In suburban Cook County, the balance was relatively close (41% yes, 59% no). However, the results varied widely among the county's 30 suburban townships. Self-interest appears to have been the primary determinant of the results. Oak Park and Evanston were older, residential suburbs with variegated but largely upper-middle class populations, many of whom relied on "L" lines which served both suburbs. Overwhelming majorities of voters supported the RTA in these communities.

Cicero and Berwyn, by contrast, were solidly white, working class suburbs of modest bungalows similar to those found in many city neighborhoods. As with the two city wards where there were majorities against the RTA, the No vote in these suburbs seems to be a result of commuting interests and racial fears.[14] The existence of "L" service in Cicero and adjacent to Berwyn seems to have made little difference.

Further away from Chicago, Cook County suburbanites seem to have been influenced largely by their commuting habits. In plush New Trier Township, home of some of the region's most affluent North Shore suburbs traditionally favored by railroad commuters, not even Mayor Daley's lieutenants could have done much better at bringing forth an overwhelming Yes vote. In Niles Township a few miles inland (served by the CTA's Skokie Swift rapid transit), the Yes vote was not as preponderant, but it still carried the day easily. The Yes vote also won in north suburban Northfield Township and in River Forest, adjacent to Oak Park. Elsewhere, the No vote won, generally reflecting lower levels of transit use.

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[14] Interview, Eugene Schlickman, September 1993.

In the five collar counties beyond Cook County, the No vote was overwhelming. In DuPage and Lake, the two collar counties with the largest Chicago-bound commuting populations, the RTA gained only 25% of the vote. In Kane County, only 11% of the vote was in favor of the RTA, and in semi-rural McHenry County, the pro-RTA vote hit a low of 9%. As in the rest of the region, collar county residents appear to have voted their immediate interests as commuters. Only one suburban township outside Cook County produced a majority in favor of the RTA. This was Deerfield Township in Lake County, which included the older parts of Highland Park, a well-off North Shore suburb known as a desirable location for downtown-bound railroad commuters. Thus, the one exception in the collar counties proved the rule.

What it meant

As with many electoral contests, the RTA referendum vote was in large part a battle between opposing majorities among clearly-defined constituencies. Clearly, the three to one vote in favor of the RTA in the city reflected self-interest on the part of a majority of Chicago's voters. Conservative adherents of public choice theory might expect that this was due primarily to the working poor who could not afford to drive and members of the sub-proletariat who depended on income transfers. In fact, the yes vote in the city was far from limited to those particular strata of society. If the referendum results are any indication, it appears that the affluent residents of such communities as Chicago's Gold Coast and even the North Shore suburbs decided that they shared a common interest in seeking transit subsidies with residents of some of the city's poorest slums.

The turnout suggests that the more affluent transit riders (i.e., the ones who could best afford to pay higher fares) seem to have been the most organized in defense of their interests. In visceral terms, welfare recipients in Chicago who voted to tax motorists throughout the region to support low fares might have

made an emotionally satisfying target for suburban resentments. But suburban anger would have at least as well directed against well-paid white collar Chicagoans who rode the CTA every day and voted their interests. For that matter, they might also have been furious at their suburban neighbors who rode the commuter trains to the Loop and voted to maximize their utility by supporting the RTA.

Would cheap fares have made a difference?

It is possible that RTA proponents might have had an easier time of it at the polls had they seen fit to promise specific benefits in terms of improved service and reduced fares. The experiences of Atlanta and Cleveland, which had referenda on regional transit during the early and mid-1970s, suggest that popular votes on the creation of new transit authorities can be influenced by promising lower fares for the next several years.

In Atlanta, transit advocates won a 1972 referendum vote to create the regional agency MARTA by promising different benefits to different constituencies. A largely black urban population responded favorably to a promise of reduced bus fares, while a largely white suburban electorate was wooed by the promise of new rapid transit lines to carry commuters downtown. This followed a 1969 regional transit referendum which went down to a defeat. Much of the explanation for the earlier defeat was that the earlier version promised rapid transit but not lower fares. Thus, there was little incentive for inner city constituencies to support the earlier proposal.[15]

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[15] For more on the formative years of regional transit in Atlanta, see Timothy A. Almy et. al., Mass Transit Management: Case Studies of the Metropolitan Atlanta Rapid Transit Authority (Washington: U.S. Department of Transportation, 1981). There are certain important differences between Atlanta and Chicago, however. Atlanta had no rail transit prior to MARTA, and the lines which MARTA built are designed at least as much for the benefit of Atlanta's closer-in suburbs as for the inner city.

The Cleveland experience offers even closer parallels with Chicago. Like Chicago, Cleveland is an older Great Lakes industrial city with established rail transit lines. The city-owned Cleveland Transit System started receiving limited city subsidies in 1968, but all the same, much as in Chicago,

> Cleveland was the last major city in the nation to operate a transit system largely based on farebox revenues. Because of this, service improvements were not made, and maintenance of facilities and equipment suffered.[16]

The Cuyahoga County government and the City of Cleveland acted to create the Greater Cleveland Regional Transit Authority in December 1974, only a year after Chicago's RTA had been brought into being.[17] An important difference, however, was that Cleveland's new agency was not as plagued by city-suburban conflict as its Chicago counterpart.

The Cleveland RTA promised lower fares, increased transfer privileges, and improved service on new and existing lines. The suburb of Shaker Heights, synonymous with the best in upper-middle class living, was anxious to be rid of the deficits of its municipally-owned light rail line to downtown Cleveland. Presumably, the Cleveland RTA could have bargained hard with Shaker Heights officials. Yet the agency practically courted this comfortable suburb, promising a fleet of new cars and service guarantees in return for the suburb's transfer of its light rail operation to the new agency.

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[16] "An Introduction to RTA" (Cleveland: Greater Cleveland Regional Transit Authority, 1995, p. 3). The City of Cleveland had been granting subsidies to the Cleveland Transit System, but these subsidies were very limited in scope.

[17] The State of Ohio was not involved in the creation of the Greater Cleveland RTA; state law permitted counties to create their own transit authorities and give them the power to collect dedicated taxes (ibid).

Even before the Cleveland RTA had the money to enact any of its plans, it negotiated the transfer of ownership and merger of the Cleveland Transit System and Shaker Heights Rapid Transit, the region's two biggest operators. The realization of these and other plans was contingent on approval of a one-cent dedicated sales tax throughout Cuyahoga County in a referendum in July 1975:

> The [Cleveland transit referendum] campaign was intensive. Voters were promised a dramatic reduction in fares... They were also promised many new crosstown bus lines where there had been no previous service... Besides the transportation incentives the RTA promised, the campaign also capitalized on the renascent sense of civic pride... Cuyahoga County voters were suitably impressed; they approved the taxing authorization by a 70 percent majority. Shaker Heights voters were even more positive; they voted 87 percent in favor of the new tax.[18]

The Cleveland results suggest that upper middle class commuters are more than willing to tax themselves (and others) in order to improved service. In all likelihood, the prosperous voters of Shaker Heights and neighboring communities were probably swayed much more by the promise of new trains than by pledges of fare stabilization at reduced levels.

The implications for Chicago are clear. If the residents of such comfortable Chicago bedroom suburbs as Winnetka, Highland Park, Barrington, Lisle, and Olympia Fields were rational maximizers of their well-being like their counterparts in suburban Cleveland, they might have reacted with overwhelming favor to specific promises of improved service.[19] Similarly,

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[18] James Toman, The Shaker Heights Rapid Transit (Glendale, CA: Interurban Press, 1990, p. 99).

[19] In Chicagoland, promises of commuter rail service improvements would have probably been less of a necessity for securing passage of the RTA by a comfortable margin. With the exception of the Rock Island's older cars and its then-deteriorated track, few of Chicago's other commuter railroads needed major

Atlanta's experience shows that inner city riders who depend on transit are responsive to guarantees of low fares. The balance of political forces in Illinois might have prevented low fare guarantees from becoming part of the 1973 RTA negotiations, but it might have been an advantageous avenue for transit proponents to have pursued (particularly in conjunction with service benefits for suburban commuters). Of course, this course of action would have exacerbated the RTA's subsequent financial problems, so it may be just as well that this approach was not taken in Chicago.

The credibility of the referendum results

Opponents made last-ditch attempts to stop the RTA from being implemented. Among various other lawsuits, which were soon dismissed, Cal Skinner and Donald Deuster were active in efforts to force a vote recount in Chicago. Their defeat was all but a foregone conclusion from the start, however, given the Chicago machine's well-known influence with the local judiciary. Skinner's claims that the 60,000 spoiled referendum ballots in Chicago represented machine politics at its worst, and that a recount would show a victory for the kNOw RTA side, surprised few observers of Chicago politics.[20] Another lawsuit, based on less solid premises, sought to have the referendum results thrown out on the grounds that the ballot question was not sufficiently clear. The Illinois Supreme Court threw out the lawsuit instead.[21]

Even though it is common for the losing side to demand a recount in elections involving Chicago voters and close totals, the kNOw RTA suit does raise a legitimate question. Did the pro-

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capital investments by the early 1970s.

[20] Interview with the author, September 1993.

[21] Tecson (1975 a), p. 339.

RTA forces actually win the referendum, or was a narrow suburban victory in terms of the actual vote cast reversed by vote fraud in the city? It is unlikely that the full facts will emerge. The official referendum results were very close, there is little likelihood of a thorough investigation, and any findings would be moot in the first place. Although a definite answer is not readily available, we can infer the degree to which irregular electoral practices might have occurred.

The charges certainly ring true to many students of Chicago politics. Although elections are much more above-board now than they were in the heyday of machine governance, few observers would deny that fraudulent electoral practices were an important part of traditional Chicago politics. As Gosnell explained in 1937,

> According to the parlance of the politicians, there are some wards which are "dependable," meaning that the wards can be depended upon to deliver the number of votes which are needed to win regardless of how the duly qualified voters may mark their ballots (p. 34).

In these terms, the predominantly black inner-city wards of the South and West Sides would appear to have been the most "dependable" for the machine in the RTA referendum. At the same time, these wards also experienced lower-than-average voter turnout. No matter how much these wards might (or might not) support the RTA, mobilizing their residents on primary day was more difficult than in more affluent parts of the city.

Ranney was not directly involved in voter mobilization or the mechanics of the election itself. Nevertheless, after the polls had closed on the day of the referendum, Ranney was up most of the night in close telephone communication with Mayor Daley regarding the outcome of the vote.[22] Some election judges,

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[22] Interview, September 1993

precinct captains, and ward committeemen may well have compromised the integrity of the voting process. In some wards, lower-level machine personnel, if given to understand that passage of the RTA referendum was very important to Mayor Daley, might have taken such indications as permission, or even orders, to ensure an outcome favorable to the machine. Yet however much Daley may have sought to deliver the vote by fair means or otherwise, it is difficult to imagine him issuing any instructions that would link him to illegal intent.

The charges made by RTA opponents certainly do not strain the bounds of credibility. On the other hand, no matter how high the likelihood that the official results distorted the true preferences of the voters, the magnitude of any possible fraud must be kept in mind. It is easy enough to imagine that fraud may have occurred, but it is unlikely that the machine invented massive victories out of thin air. If fraud did take place--as it may have--it probably took place at the margin. The visibility of any possible fraud came largely from the close nature of the referendum vote. Whatever manipulation of the results may have taken place, the fact remains that there was an enormous basis of honest electoral support for the RTA in the city. George Ranney, Jr. was probably correct in saying "I suspect that it [i.e., possible electoral fraud] was no better and no worse than any other [Chicago] election."[23]

Although the machine's capacity for vote fraud is legendary in anecdotal accounts of Chicago politics, the machine did lose contests on issues of even more vital importance to its interests

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[23] Interview, September 1993. In the same interview, Ranney stated that during the evening and night after the polls had closed, "McHenry County was holding out votes". McHenry County has little of Chicago's reputation for irregular electoral practices. Nevertheless, Chicago may not have been the only jurisdiction to have allowed less than complete propriety in the vote-counting process.

than the RTA. On issues of race and law enforcement--arguably of greater interest to traditional machine politicians than mass transit--the machine lost both a primary and a general election for the office of Cook County state's attorney in 1972.

Additional evidence of the machine's willingness to lose an election rather than resort to widespread fraud can be found in the 1979 and 1983 mayoral primaries, when the winner was in neither case the candidate endorsed by the Regular Democratic Organization of Cook County. Admittedly, both of these instances occurred after the death of Mayor Daley in 1976. Nevertheless, the willingness of machine figures to accept the loss of hegemony over the mayor's office indicates the extent to which Chicago machine politicians adhered to the essentials of representative democracy.

As kNOw RTA leader Cal Skinner recalled the RTA debate and referendum two decades after the fact, he showed little of the bitterness of one who had been outspent and outmaneuvered by powerful forces. It would have been more than understandable had he spoken bitterly of George Ranney, Jr. Instead, much to his credit, he spoke of Ranney in matter-of-fact tones as a negotiating agent for downtown business, as a legitimate political actor against whom he fought a difficult legislative and referendum campaign, and lost.

But it would take many years for the bitterness that permeated much of suburbia to recede. Before city-suburban relations regarding the RTA improved, they would first get even worse--and by the late 1970s, the RTA experience would confirm the worst fears of many suburbanites.

CHAPTER 7
THE RTA: UNDER WAY, BUT WHERE? 1974-1978

Following the narrow victory of the pro-RTA forces in the March 1974 referendum, the focus shifted from political debates to the nuts-and-bolts business of subsidizing carriers and expanding service. The lack of a solid city-suburban consensus during the RTA's initial years helped set up the agency for the financial crisis that was to overwhelm it by the early 1980s.

The death of Mayor Daley in 1976 contributed to the sense of drift, as Chicago's Democratic organization began to lose some of its legendary discipline and coherence. The first key political figure to depart the scene, however, was a casualty of the RTA which he had helped to enact.

The Short Career of Robert Blair

The anger of suburban voters opposed to the RTA reshaped the future of Illinois politics in November 1974. House Speaker W. Robert Blair, who was well known for his gubernatorial ambitions, lost his seat as an angry electorate voted him out. Suburbanites had been unable to stop the RTA in the referendum, but at least they could hold its most vocal supporters responsible for their actions at the polls. Blair learned the hard way that playing to a statewide constituency does not necessarily help when running in a local district.

Following the RTA referendum results, which were strongly negative in his district, Blair did a flip-flop on the issue and proposed a bill allowing suburban counties to opt out of the RTA. Even though many suburban lawmakers knew from the referendum results that their constituents would favor such a bill on its own merits, few were eager to support a bill which seemed to have

as its main objective the preservation of Bob Blair's political future. (The General Assembly did pass a bill, not linked with Blair, which would keep the proceeds from any future RTA gas tax within the individual counties where the money was raised.)

Blair's colleagues on both sides of the aisle had little interest in saving his career. Democrats had partisan motives for seeing a Republican House Speaker embarrassed, but Blair had few friends on his own side of the aisle. Many Republican legislators whose interests and egos Blair had bruised must have been delighted to see Blair's constituents do what they themselves could not, and were relieved that the oft-domineering Blair would not become governor.

Starting Off With a Squabble

The first of many issues which were to set the city against the suburbs was the choice of a chairman for the RTA. According to the 1973 enabling legislation, the city was to choose four RTA board members, the suburbs another four, and these eight members were then to elect a ninth member from outside their ranks as chairman.[1] Since the chairman's vote would be decisive in case the city and suburban board members were in complete disagreement, whoever was able to choose the chairman would have de facto control of the RTA. Given the balance of forces between the city and the suburbs, it was easy for political actors on both sides of the city line to see the RTA chairmanship in terms of winners and losers.

Milton Pikarsky, Daley's CTA chairman and the Democratic co-

[1] The specific split between the city and suburbs (and among suburban counties) was subject to future revision as subsequent censuses documented changes in the proportions of people living in different parts of the metropolitan area. Until 1983 (following the results of the 1980 census), however, the city and suburbs each appointed half of the regular members of the board. (This did not include the chairman, who was chosen by the other members.)

chairman of the Illinois Transportation Study Committee in 1973, eventually became chairman of the RTA after much acrimony between the city and suburbs. The selection of Pikarsky was one of the more divisive issues that split the RTA board along city-suburban lines from the outset, and hindered subsequent city-suburban cooperation. It took the better part of a year before two suburban members, whose supermajority votes were necessary to elect a chairman, gave in and joined their Chicago counterparts in endorsing Pikarsky for the position. Pikarsky became chairman on January 31, 1975, fully nine months after the referendum.

Pikarsky: Daley's First Choice?

Many suburbanites resented Pikarsky as Mayor Daley's hand-picked choice, a charge which Pikarsky, the mayor, and his associates did little to deny. Yet putting Pikarsky in charge may not have been the mayor's highest priority for the RTA, according to George Ranney, Jr. Because the events which Ranney described took place behind closed doors, Ranney's account is worth quoting at length, despite his less than complimentary assessment of one of Mayor Daley's appointees:

> Daley asked Governor Ogilvie on the board and he turned it down because of conflicts. He'd done legal work [involving the CTA]. That would have been an absolutely fantastic thing [having Ogilvie on the board] because he would have been a Republican from the city but who everybody knew would go his own way.
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> And then Daley asked me to go on the board, and I told him no. Which professionally I sort of had to. I was told by the head of my company [that] I had spent an awful lot of time on these [government] activities. So anyway, I told them no, and then they appointed a guy named Nick Bosen. Nick's father was patronage chief for the Democrats in the sixties. So ... they went from a person like Ogilvie or me who would have been independent... [to Mr. Bosen].
>
> When Daley asked me to go on the board, I said "I'm not sure you really want me". And he said "Why?" And I said "Well, I don't think I'm going to agree with everything you want me to do." And he said fine. And what I had in mind was that I never would have voted

> for Pikarsky [as RTA chairman], and I don't think Ogilvie would have, either. But they put Bosen [on the board], he voted for Pikarsky, and that became a very divisive thing. Although Pikarsky was close, a friend of mine, I don't think he was a good choice. And he was not a strong manager. If he'd been a stronger manager, they [i.e., the RTA] might have been able to do something about the issues.[2]

It is a tribute to the ability of both Ranney and Ogilvie that Daley would have been willing to entrust them with decision-making power over something so vital to the city as mass transit. But Chicago Republicans with the qualifications of an Ogilvie or a Ranney were in short supply. When both men removed themselves from the running, the mayor may have simply wanted to put in a nominee--any nominee--whom he could trust to defend the city's interests.

Ogilvie was prudent to turn down a seat on the RTA board, given the fact that his law firm had worked with the CTA in the marketing of that agency's debt securities. Accepting the RTA seat might have embroiled the former governor in a scandal. Ranney, for his part, had his own career reasons for declining further involvement in the RTA. Nevertheless, his refusal of Mayor Daley's offer apparently foreclosed any possibility of an RTA that might have bridged the divide between the city and the suburbs. Ranney's refusal of the mayor's offer of an RTA board seat may have been a missed opportunity for the entire metropolis.

The suburbs knew that they did not want Milton Pikarsky as RTA chairman, but they did not have an alternative candidate of their own. Nor did suburban opponents of the RTA seem to grasp

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[2] Interview, September 1993.

that their inaction handed the initiative over to the city.[3] The kNOw RTA Committee, like its counterpart on the opposite side, had broken up after the referendum, and there was thus no coherent forum for RTA opponents to plan their strategy. Furthermore, the varied nature of the kNOw RTA coalition made it unclear who could in fact speak for the anti-RTA forces.

Although some indications of what was going on reached the newspapers, much of the politicking which resulted in Pikarsky's selection as chairman may have taken place outside the realm of public scrutiny. Mayor Daley was very discreet in his conduct of political business and left very few papers behind when he died. As a result, the full extent of the mayor's preferences and involvement in the formation of the RTA board may never be known.

Winners and Losers

To the city, and to a lesser degree those suburbs with many commuter rail or CTA riders, the RTA was generally good news, or at least relatively worthwhile on balance. No longer was the CTA staggering from one financial crisis to the next; nor were the railroads requesting large fare increases, let alone talking about getting out of the commuter rail business entirely. Even with this shared interest between city and suburban mass transit riders, there was still the question of which groups of commuters would benefit from different magnitudes and distributions of the RTA's budget.

From the standpoint of suburbanites who did not rely on mass transit, the RTA was less of a solution to a problem than an

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[3] A leading figures in the kNOw RTA group, such as Donald Deuster, might have been an appropriate candidate for the suburbs to promote in preference to Pikarsky. Unfortunately, this was not feasible in practical political terms, because the kNOw RTA leadership was composed entirely of state legislators, few of whom were likely to give up their political careers to lead a controversial agency which they had opposed in the first place.

expensive solution in search of a problem. For more and more suburbanites, the main transportation problem was not reaching downtown Chicago, but rather traveling from one suburb to another--a market where transit was simply not equipped to compete. An organization genuinely concerned with moving people, rather than transit vehicles in the suburbs might have experimented with the promotion of ridesharing. In all likelihood, the RTA could have financed considerable efforts in this direction using suburban gas tax revenues which would have been made surplus by simply stabilizing suburban transit service, rather than expanding it.

One Region, One Fare?

Like the entire mass transportation issue, the ideal of a standard fare structure, which the CTA and its predecessors had offered for decades, spilled across the city line into the suburbs. The first step towards uniform fares came in 1974, when the narrow passage of the RTA referendum guaranteed a more stable financial future for the CTA. The CTA, then under the leadership of Milton Pikarsky, eliminated additional zone charges for "L" travel from the suburbs (which dated from the earliest days of "L" travel in Chicago). Riders from the suburbs of Cicero, Evanston, Oak Park, and Skokie were the most obvious beneficiaries of this move.

In 1976, by which point Pikarsky had moved from the CTA to the RTA, the RTA undertook two fare policy initiatives affecting the fares which riders paid on transit carriers other than the CTA. One was to standardize bus fares in the suburbs and institute a city-suburban RTA Transfer. This meant that suburban bus riders could pay the same basic fare and transfer charge as their CTA counterparts, and receive a transfer which would be valid on all CTA services as well as on other suburban buses. Similarly, CTA riders could now use their transfers on suburban buses. The early 20th century concept of "one city, one fare"

had now come to the suburbs. Even though relatively few riders took advantage of the RTA Transfer, the move seems to have been well received in both the city and suburbs (at least to the extent that it was noticed).

The other move was to set up a single zone fare system for Chicago's commuter railroads. This time, there were clear losers as well as winners. The new fares, based on five-mile zones from each downtown commuter rail terminal, were somewhere in the middle range of the previously-existing fares.[4] Thus, Chicago & North Western riders enjoyed lower fares than before, but many Burlington Northern and Illinois Central commuters found themselves paying more under the new system. The RTA mollified much of the potential discontent of riders whose fares had been raised by upholding high standards of service on Chicago's commuter trains.

Success...

Whether or not the RTA did so in a cost-effective manner, it did produce some tangible benefits for Chicago area commuters. It helped channel much-needed money to the CTA for a variety of capital improvements. In the suburbs, it shored up the sagging finances of bus companies which might have otherwise gone out of business. When several companies warned the RTA that they were about to go out of business because they could no longer meet their payrolls, the RTA board, "then still operating without staff and in borrowed office space," acted quickly:

> Within a matter of days, emergency grant checks were issued which kept these failing bus companies in business. In addition, similar emergency grants were

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[4] See Metra (1987 a) for full details not only of Chicagoland's standardized commuter railroad fares, but also the individual railroads' fares at the time of the signing of purchase-of-service contracts with the RTA in the mid-1970s.

made to the CTA and to the commuter railroads.[5]

One of the few accomplishments of which the agency might be unequivocally proud during the 1970s was its rehabilitation of the Rock Island. The railroad, which declared bankruptcy in 1975, had neglected track maintenance, particularly on its Beverly line on the city's far South Side. Derailments and other delays were alarmingly common. Mercifully, the slow speeds at which, for safety reasons, trains operated over much of the track minimized the damage done by the various derailments.

The RTA rehabilitated the Rock Island's tracks during the late 1970s, and by the early 1980s had replaced all of the railroad's antiquated coaches dating from the 1920s with modern cars, thus bringing the Rock Island up to the same high standards prevailing on Chicago's other commuter railroads. Interestingly, the city's appointees to the RTA board were initially skeptical about rehabilitating the Rock Island. They changed their minds, however, when transit officials pointed out to them that fully half of the Rock Island's riders traveled within the city limits.[6]

... And Failure

The RTA seemed determined to give the suburbs their money's worth of bus service, whether the suburbs wanted it or not. If the consumer response, lukewarm at best, was anything to go by, they did not. In retrospect, the RTA missed a golden opportunity to build support in the suburbs by promoting and facilitating van pooling and other ride sharing alternatives to driving alone. Even if the RTA had focused its suburban efforts largely on the

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[5] Tecson (1975 b), p. 23.

[6] Young (1978 d), p. 17. Even by 1991, after a decade of rapid growth in the suburbs along and near the Rock Island, the city's share of the railroad's ridership still stood at 43% (Metra 1992, p. 2).

commuter trains, and had merely stabilized existing suburban bus services rather than start new ones as well, the agency might have evoked less suburban antipathy. In retrospect, conspicuously spending suburban tax money on inaugurating little-used bus routes was not a wise move.

During the mid-1970s, especially during 1976-1978, it seemed that several weeks hardly went by without a newspaper story announcing a new bus route somewhere in the suburbs. Yet little market research seems to have gone into the creation of these routes, which expanded the reach of bus service well beyond the five to ten mile range beyond the city limits which had characterized most suburban bus companies by 1973. Occasional journalistic accounts of trips taken on some of these routes over the years consistently describe near-empty buses, an impression which is confirmed by the low farebox cost recovery of the suburban bus system as a whole.

As the 1980s opened (and the RTA ran out of money), the agency seems to have recognized the need for more informed decision-making in the interests of increasing the cost-effectiveness of suburban bus service. By that point, James Jarzab (now Chicagoland's chief suburban bus planner) and Charles Metalitz of the Northeastern Illinois Planning Commission prepared a computer model which compared population density in the suburbs to the provision of bus service.[7] The commission's work, regrettably, came too late to forestall the creation of many routes of doubtful wisdom, which seem to have taken on considerable symbolic value to the suburbs they serve.

There was little negative reaction to the RTA's commuter

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[7] This author, a college student at the time, was an intern who assisted Mr. Jarzab in preparing some of the data in early 1980.

rail subsidies and other stabilization efforts. Nevertheless, it was less than self-evident that the suburbs needed the RTA even to carry out commuter rail functions. Suburban transit districts had shown that locally-controlled institutions could carry out specific, locally-agreed-on mandates with regard to commuter trains and, in the case of Nortran, suburban buses.

The board structure of the RTA, it seemed to many suburbanites, gave them little opportunity to resist the city's efforts to subsidize the CTA at their expense. Following the results of the 1970 census, the eight regular board seats were evenly divided between Chicago and the suburbs. The suburbs had already seen how the city members, who usually voted as a solid bloc on major issues, were able to wear down suburban resistance to the city's preference of Milton Pikarsky for RTA chairman.

Thus, the city enjoyed a virtually solid bloc of mayoral appointees. This guaranteed that the city would have its way on routine matters requiring only a simple majority vote (although in practice the city members were often more than willing to negotiate specific budget items with their suburban counterparts). But even on issues which required a three-fifths supermajority, such as the RTA's budget, the suburbs were still uneasy, as it took only one of the four suburban members to break ranks for the city's four appointees and the chairman to prevail.

Having been thwarted in the General Assembly in 1973, in the referendum in 1974, and again in the choice of an RTA chairman, suburban voters bided their time. Politicians in the suburbs were anxious to avoid the fate of former Republican House leader H. Robert Blair, whose entire political career (to say nothing of his gubernatorial aspirations) was abruptly derailed when his constituents unseated him in what observers saw as revenge for Blair's leading role in passing the RTA legislation. Greg Snow, an aspirant for public office in Lake County during the mid-

1970s, adopted the campaign slogan "Tell the RTA where to go." Snow's choice of words suggested the temper of the times.

The political demise of Dan Walker

One of Mayor Daley's last victories, occurring in the March 1976 gubernatorial primary, was to secure the defeat of Governor Dan Walker by supporting Michael Howlett, a genial (and older) machine loyalist. Four years earlier Walker had enjoyed the luxury of running against Richard Ogilvie's state income tax, but now he was running on the basis of his own record as governor. He had won against Richard Ogilvie and the state income tax, but when he ran on the basis of his own record, he lost. In 1972 many suburbanites and downstaters had support the telegenic, flexible Walker against the stolid, principled Ogilvie. In 1976, Walker found the Democratic faithful in Chicago rallying around Michael Howlett, while the mantle of good government passed to Republican James Thompson. After briefly considering a third-party challenge for office, Walker prudently withdrew from the political scene.

The rise of Jim Thompson

In 1976 Illinoisans elected a Chicago Republican, James R. Thompson, as governor. He went on to become Illinois' longest-serving governor (1976-1990). His four terms spanned a period of uncharacteristic instability in Chicago politics, and provided a stable counterpart to the rapidly-changing situation in Chicago. In a state where Democrats outnumber Republicans, Thompson's long survival in office demanded that he appeal to many Democrats, and above all to the growing number of suburbanites who, in an era of widespread education and all-encompassing mass communications, prided themselves on splitting their tickets.

Thompson became a household name in Illinois starting in 1973, when he led the prosecution of former governor Otto Kerner on corruption charges related to a racetrack. Thanks to

Thompson, Kerner became the first incumbent federal appeals judge to go to prison. Thompson was also well-known for his prosecution of no fewer than four of Mayor Daley's top associates in 1974. Thompson convicted Aldermen Tom Keane and Paul Wigoda, County Clerk Edward Barrett, and the mayor's press secretary Earl Bush on a variety of corruption charges.[8]

If Thompson considered running for the mayor's office in 1975, as some accounts suggest, he thought better of the idea, and instead entered the gubernatorial contest (a field which Bob Blair's constituents had cleared two years earlier by unseating the incumbent House Speaker). Winning his own party's primary with few difficulties, Thompson proceeded to wage a generally friendly general election campaign against the machine's nominee Michael Howlett. Mayor Daley seems to have accepted Howlett's defeat with equanimity, satisfied that Walker had been removed in the primary.

Chicago politics after Mayor Daley

All of Chicago, and much of the nation, was shaken by Mayor Daley's death from a heart attack the day before Christmas, 1976. Even his political opponents spoke respectfully of the master of the political craft who had brought Chicago's machine through challenging times. The identities of the man and the mayoralty had become so tightly interwoven during his 21 years in office that the name "Mayor Daley" tripped off the tongues of millions of Chicagoans as though it were a single word.

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[8] Chicago Republicans did their part during the early 1970s to sustain the bipartisan nature of corruption as a tradition in Illinois politics. In 1973, 13th Ward alderman Casey Staszcuk was convicted of bribery, and his 23rd Ward counterpart Joseph Potempa pleaded guilty to accepting bribes in return for changes in zoning (Fremon 1988, pp. 97 and 153). Both were Republicans, prompting Thompson to comment that "there are three Republican aldermen in the [city] council and now two-thirds of them have been indicted."

Black machine loyalist Wilson Frost understood the rules of succession to mean that he was acting mayor, but many white aldermen were not ready for a black mayor under any circumstances and bluntly maneuvered Frost aside.[9] The choice of a majority of the aldermen was Michael Bilandic, the level-headed alderman from Daley's own 11th Ward. When Daley died in December 1976, a special mayoral primary was hastily scheduled for late February 1977, with the general election following in early April. This short timing gave the party organization few realistic options other than slating Bilandic, its consensus candidate.

At the time of his appointment as acting mayor, Bilandic stated that he would not be a candidate in the special mayoral election which would be held in 1977 to fill out the remainder of Daley's term (which was scheduled to expire with the 1979 city elections). Bilandic must have found the mayoralty to his liking, however, as he had hardly taken office before he succumbed to the well-choreographed entreaties of a "Draft Bilandic" movement. The doubtful spontaneity of the "Draft Bilandic" movement may have seemed melodramatic to sophisticated lakefront residents, but the ritual doubtless pleased many voters in some of Chicago's more modest neighborhoods.

Two challengers put up at least a token opposition to Bilandic in the primary, if only to test the electoral waters. Northwest side alderman Roman Pucinski ran as a loyal opposition candidate in the primary. Harold Washington, a black state representative from the South Side, also challenged Bilandic in the primary, but failed to carry the vote against Bilandic even in the city's black wards. No liberal reform candidate even bothered to contest the mayoralty in 1977, either in the primary

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[9] Frost had frequently presided over City Council meetings in Daley's last years, when the mayor, conserving his energy, would excuse himself from the less essential parts of the proceedings.

or the general election. It was the first mayoral election in years, if not within living memory, with no candidate who enjoyed solid support from the city's liberal voters.

Bilandic won the general election with a comfortable majority, but on a low turnout (which may have been due in large part to the lack of a meaningful electoral contest). His share of the total vote was smaller than that which Daley had enjoyed at any point from 1959 onwards, but Bilandic's margin was substantially greater than Daley's in 1955.

The campaign posters urged voters "Elect Bilandic Mayor--Keep Chicago Strong," but Bilandic was not a strong leader. Like former president Gerald Ford, Bilandic was a chief executive of equable disposition who found himself catapulted, largely by accident, into an office he had never sought. He had no strong power base of his own, and whatever authority he enjoyed was on loan from the ward bosses who had placed him in the mayor's office in the first place.

Bilandic was a good choice for a caretaker role, but he lacked the decisive leadership which Chicagoans had grown accustomed to (happily or not) under Daley. The 1977 election seemed at the time to be the low point of opposition to the Democratic organization. In fact, it was the lull before the storm, as the turbulent 1979 and 1983 campaigns would demonstrate. But until January 1979, Bilandic was able to govern effectively without being called upon to lead.

Governor Thompson and Transportation

It was half a year into Thompson's first term as governor when he announced Chicagoan John Kramer as his choice for Secretary of Transportation. Kramer was the state transportation department's director of policy and planning, and had distinguished himself by lobbying Congress to obtain additional

highway money for Illinois. Partisanship was not Thompson's foremost consideration in choosing Kramer; as the new secretary described himself as

> a registered Democrat; his most active political role was to serve as coordinator of Carter's transportation task force, a group that contributed ideas for the President's campaign. "But my commitment to the Thompson administration is as sincere a one as I have ever made," he added.[10]

Thompson defended his choice in terms of Kramer's professional record. In order to minimize political friction with members of his own party, however, the governor delayed announcing Kramer as his choice until the General Assembly had adjourned for the summer.

The transportation secretary under the departing Walker administration had been Langhorne Bond, who became head of the Federal Aviation Administration under Jimmy Carter in Washington. Kramer might have followed his former boss to Washington or pursued any one of many public or private sector opportunities when he accepted Thompson's offer to head the Illinois Department of Transportation. Kramer remained in the background for several years, but became a pivotal figure when the RTA was reformed in the early 1980s.

The Gas Tax

The RTA changed to a new financial reporting system in 1978. Although the RTA claimed that this was an improvement in managerial and accounting terms, outside observers may be forgiven for suspecting other motives which date back to the late 19th century.[11] By leaving a highly confusing series of records

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[10] Chicago Tribune, July 7, 1977.

[11] David Young of the Chicago Tribune described the accounting change as having been made in large part to conceal the RTA's out-of-control finances (interview, June 1992).

behind him, Charles Yerkes had made it all but impossible for researchers to figure out how he performed his various financial manipulations. Similarly, some managers or other policy makers may have sought to hide the extent of the agency's financial problems.

But not even financial sleight of hand could change the fact that the RTA was spending more money than it was taking in. The Chicago delegation thought they had the answer: to activate the agency's power to collect a 5% gasoline tax throughout the six-county metropolitan area. Suburban board members disagreed, reflecting the overwhelming mood of the constituents of the officials who appointed them. But in the end, a crack in suburban solidarity gave the city the opening it wanted.

To pass the tax, the RTA needed the votes of a supermajority of six of the nine board members. All four city members and chairman Milton Pikarsky were in favor of the tax, but they needed a sixth vote for passage. Board member Daniel Baldino, from the suburb of Evanston (which was served by CTA buses and an "L" line as well as the Chicago & North Western commuter railroad) cast the deciding vote for the gasoline tax on June 30, 1977. Baldino was widely criticized in the suburbs for his vote, but he explained that he could not take the risk of forcing the financially-overextended RTA into a budget crisis, for fear of the effects on suburban transit riders.

Unlike city members, who sought to enact the tax on a permanent basis, Baldino agreed to the gas tax only for the next two years, thus ensuring that the tax issue would return in 1979. Nevertheless, the gas tax became a heartily-detested symbol of the RTA's unwanted intrusion into the pockets of suburbanites.

The Ouster of Milton Pikarsky

Rightly or wrongly, RTA chairman Milton Pikarsky was the

target of much of the growing suburban resentment of the RTA, even before he was appointed. By the summer of 1978, the city could no longer afford to resist suburban demands for his ouster. The suburban board members showed how serious they were by delaying approval of the agency's budget until Pikarsky left. Mayor Bilandic decided not to make an issue of the chairman's office. When Pikarsky resigned for the good of the RTA, his departure probably had the full approval of City Hall.

Unfortunately for the suburbs, their board members and elected officials had little idea of who they wanted in Pikarsky's place. As Clark Burrus, Chicago's city comptroller at the time, described it,

> There was no logic there. It wasn't that [suburban board members were saying] "We get Milton Pikarsky out ... and bring in this [other] guy who supports us." It was just "Pikarsky's got to go; we don't care who comes in to replace him." (...) They had no plans after getting rid of Milton Pikarsky.[12]

This lack of a planned strategy on the part of the suburbs enabled the city to take the lead in picking Pikarsky's successor. According to one account, Mayor Bilandic offered the suburbs a choice between Marshall Suloway, the city's public works commissioner, and Lewis Hill, the city's chief urban planner. The suburbs opted for Mr. Hill.[13] RTA critic Cal Skinner was among the few suburbanites prescient enough to refrain from cheering. He described the change as "replacing one Daley clone with another."[14] Skinner was probably speaking in political terms, as this analysis did not take personality differences between the two men into account.

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[12] Interview, October 1995.

[13] Chicago Tribune, August 7, 1978.

[14] Chicago Tribune, August 4, 1977.

The ouster of Pikarsky may have been emotionally satisfying for the suburbs, but in the broad picture it may well have been a serious mistake. Contrary to Representative Skinner's remark at the time, there was a difference between Milton Pikarsky and Lewis Hill. Pikarsky was a severe technocrat who often rubbed people the wrong way, but he was a transportation professional with an enormous knowledge of infrastructure systems. Hill, by contrast, started off on the right foot. As the city's planning chief, Hill may have been more palatable to the suburbs, if only because the top transit job had traditionally gone to the city's public works chief (Mr. Suloway at the time).

Hill had the added advantage, at least at first glance, of displaying an ability to get along with people--an area in which Pikarsky had not excelled. But over the next several years Hill gained a reputation in newspaper accounts (and among some of this author's interview informants) as a sociable political crony. This may not have been what the suburbs had in mind when they ousted Pikarsky.

The RTA's financial drift and leadership decline were not immediately apparent to the casual observer. The RTA's outward bustle of activity--new buses, new suburban bus routes, rail rebuilding, and new fares--concealed the growing malaise which would hit the agency in 1979 with all of the sickening thud of a train derailing on a section of bad track.

After years of neglect, any transit system might expect a spate of accidents. Similarly, the RTA's institutional problems were about to overtake the agency with a vengeance in a series of financial and political accidents starting in 1979, which was a distinctly unlucky year for mass transit in Chicago.

CHAPTER 8
1979: A BLIZZARD, A SALES TAX, AND A STRIKE

Public transit was a lively political issue in Chicago throughout 1979. Even if it was not a decisive year for mass transportation, it certainly was a controversial one. The Chicago area's mass transportation system came under unusual stress, both physical and institutional. Although it was not clear for several more years, 1979 was the first of two turning points for the RTA. It was the year that mass transit in the Chicago area wore out whatever political good will it had. And the events of 1979 led to and helped shape the 1983 reforms, the second turning point.

The early part of the year saw the rapid transit system, the backbone of public transportation in Chicago, buckle under the strain of a series of heavy snowstorms which helped bring down an incumbent mayor for the first time since Martin Kennelly lost the 1955 mayoral primary to Richard J. Daley. During the middle part of the year, the Illinois General Assembly replaced the gasoline tax with a sales tax, a move which was intended to ease the RTA's financial problems but ended up exacerbating them. Finally, Chicago endured a four-day strike in December 1979, which helped shift the political balance away from the unions.

The Blizzard of 1979

In January 1979, a series of blizzards, which arrived during a month of abnormal cold even by Chicago standards, demolished the image of Chicago as the city that worked, and swept Michael Bilandic out of the mayor's office. Driving and parking became impossible in many neighborhoods as the city bungled its traditionally effective snow removal efforts. Nor were all Chicagoans able to turn to the CTA as an alternative. Large numbers of rapid transit cars were sidelined during January and

February of 1979 with burned-out motors, short-circuited by fine-grained snow and salt.

The frustration of motorists and CTA riders alike with the city's poor response to the snow was all the more annoying in contrast to the city's handling of a record snowfall twelve years earlier. In January 1967 the CTA was hit hard, yet recovered quickly. In 1979 the snowfall was less spectacular, but the cumulative damage was greater.

The 1967 Blizzard: General Daley's finest hour

The snowstorm of January 1967 merits consideration both as an event itself, and as a yardstick against which (however unfairly) many voters measured the city's snow removal in 1979. The CTA and the commuter railroads had plenty of experience in keeping service going through the worst of winter weather, although nothing matched the January 1967 blizzard. A record snowfall of 23 inches in 29 hours started in the morning of Thursday, January 26 and came to an end the next day. Many commuters spent Thursday night on stalled CTA buses or IC commuter trains, and many more made it home only with great difficulty.

Virtually all traffic in the region, including CTA buses, ground to a halt until plows were able to clear a way and tow trucks removed disabled vehicles. The CTA suspended service on those portions of the "L" which operated at grade, but the above-ground and subway portions of the "L" survived the blizzard with few problems. On the commuter railroads to the west and north, the Burlington, Chicago & North Western, and Milwaukee Road experienced slight delays. The worst problems were on the commuter lines to the south: a derailment on the approaches to LaSalle Street Station caused long delays on the Rock Island. On the Illinois Central, service was largely limited to the railroad's grade-separated main line (even then, few trains made

it beyond the city limits). The IC's South Chicago and Blue Island branches ran entirely at street level, and the combination of snowdrifts and automobiles stalled on grade crossings put them out of service.[1]

Nor was the next day, Friday, January 27, 1967, easy for the region's transit operators. The CTA reported that 700 to 800 of their buses were stuck in the snow. The Howard, Englewood, Jackson Park, and Lake Street elevated lines all ran relatively smoothly, but a derailment in the yards on the Ravenswood line disrupted service there for several hours. Similarly, on the Congress line (located in the Eisenhower Expressway), snowdrifts and a derailment put the outer end of the line out of service.[2]

Mayor Daley ordered a snow removal command set up at the Streets and Sanitation Department headquarters downtown. The mayor and Illinois Governor Otto Kerner announced that their top priorities were clearing major roads and approaches to hospitals. The mayor ordered abandoned cars to be towed to the sides of streets, without being ticketed (as would normally be the case with abandoned vehicles). Some 2,685 cars were towed to police pounds, and a month after the snowstorm 639 of them remained unclaimed.[3] A subsequent newspaper article reviewing the mayor's efforts was headlined "General Daley", likening the mayor's role to that of a military commander leading his army through a major battle--an analogy which rang true to many Chicagoans who lived through the blizzard.

The city and suburbs started to dig out during the weekend;

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[1] Chicago Daily News, January 27, 1967.

[2] Chicago Tribune, January 28, 1967.

[3] Chicago Daily News, January 25, 1977 (in an article recalling the storm ten years later).

fortunately there were no further large snowstorms for the remainder of the winter. Mayor Daley urged people to use mass transit rather than attempt to drive. Crews were busy clearing the major streets for several days, and on many side streets residents simply waited for warmer weather to take away the accumulated snow.

Things were improving by Monday, January 30, 1967. CTA buses were operating where streets had been cleared. That morning's Tribune, preparing readers for the worst, listed about three dozen CTA bus routes which were partly or entirely out of service as the paper went to press. In fact, as the next day's Tribune reported, on Monday "the CTA had service on all but 10 of its 126 surface routes, but in most areas buses moved slowly. In some ... streets, only one lane was open to traffic."

Most rail service was more or less on schedule. Some "L" trains, however, were so filled with riders boarding at outer stations that they passed some closer-in stations where normally they would have made station stops (a problem which would become a volatile political issue twelve years later). The city's public schools remained closed until Thursday, February 3, a week after the big storm, thus mercifully taking some of the pressure off the city's transportation system (if not off parents).[4]

The 1967 storm soon became a memorable part of the area's history.[5] The city's response to the snow reinforced Mayor Daley's proud claim that Chicago was "the city that works".

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[4] Chicago Sun-Times, February 2, 1967.

[5] A Daily News headline on January 22, 1977, nearly ten years after the storm, asked readers a question which many Chicagoans who lived through the blizzard asked one another, "Where were you January 26, 1967?"

The 1979 snowfall

But Chicago did not work nearly as well in January 1979. The city's snow removal system collapsed, as officials urged motorists to drive to lots which they claimed had been cleared of snow but in fact had not. When motorists tried to drive back to their initial parking spaces over unplowed side streets, the result was chaos. Nor did the rapid transit system fare much better. As rapid transit car failure reached critical proportions, "L" trains on the through-routed Lake-Dan Ryan service ran straight through closer-in stations in some of the city's poorest black neighborhoods without stopping for passengers, a move which may have contributed to Mayor Bilandic's defeat in the February mayoral primary.

If the city had survived the 1967 blizzard so well, why was 1979 so much more troublesome? First of all, the 1979 storm was qualitatively different. The 23-inch snowfall of January 26-27 of 1967 had come in one massive storm, giving citizens and their governments ample opportunity afterwards to dig themselves out from under. By contrast, in 1979 the snows came in several smaller blizzards in rapid succession, which hindered snow removal. The snow itself was more finely powdered in the 1979 blizzard than it had been twelve years earlier. As a result,

> By the end of January there was an accumulation on the ground of more than 47" and it was mostly solid ice! Most of the time it was very cold, with a record setting temperature of -19° F one day. During all of January, the temperature went above freezing only on three days, and then only for a few hours. February began bitter cold and had no temperatures above freezing until the 20th. Real thawing weather finally arrived about March 18th [after the mayoral primary election]! (Krambles & Peterson 1993, p. 93).

As Krambles & Peterson note,

> Ice is an excellent electrical insulator and its presence at contact surfaces will cause severe [electrical] arcing and even total loss of traction power. (...) Successful (snow) removal under such

circumstances is dependant on thawing cycles between storms, and such did not occur in the 1978-1979 winter! (Op. cit., p. 92).

The "L" fleet and the storm

Second, changes in the composition of the rapid transit fleet affected its ability to cope with the 1979 snowfall. In 1967, the CTA had a relatively small number of new "high performance" cars (so called because of their rapid acceleration). These cars amounted to less than a third of the fleet. The vast majority of the CTA's "L" cars at the time had been built during the 1950s, and could not be operated in the same trains as the "high performance" cars because they did not accelerate as quickly.

The "high performance" fleet had been considerably enlarged by 1979, and accounted for about half of the total fleet by that point. The CTA's maintenance personnel learned the hard way that the new cars were particularly prone to breaking down when subjected to fine-grained snow. On the newer cars, snow got into the filters which fed air to the electric traction motors for cooling purposes. When this happened, the traction motors shorted out with alarming frequency.

Finally, the opening of the Dan Ryan line on the South Side in 1969 and the extension of the Milwaukee Avenue "L" in the median strip of the Kennedy Expressway on the Northwest Side had added new mileage to the system which was neither elevated nor underground, but instead was at grade. On the elevated lines, much snowfall either blew off the tracks or fell through the crossties to the streets and alleys below, and the subways ran underneath whatever bad weather was affecting the streets. But on the expressway medians, snow simply drifted over the low concrete barriers and through the fences which separated the roadway from the tracks. Not even the late Mayor Daley himself would have been able to do much against all these circumstances.

To make matters worse, the expressways were filled with salt which Midwestern transportation departments rely on to help keep their roads passable in the winter. As cars and trucks went along on the expressways, they sprayed slush in all directions--including onto the tracks and trains in the medians. Mixed in with the slush was salt, some of which entered the rapid transit cars' traction motors through the air filters and caused further damage.

Yet the damage that the blizzard did to motorists, the CTA's equipment, or its commuters would soon be overshadowed by the political damage it did to Chicago's Democratic organization. As a result of the February 1979 primary, the machine would lose control of the mayor's office, which had been directly or indirectly in its control since 1931.[6]

Black voters, remembering numerous past slights from City Hall, assumed that they were being intentionally shortchanged once again. Even Grimshaw (1993), in his otherwise superb analysis of black politics in Chicago, makes this assumption. It is certainly understandable in terms of the long history of white machine leaders taking black voters for granted, but there is another interpretation of what happened.

Who made the fateful decision?

The CTA's highly respected chief operating manager, George Krambles, was at the pinnacle of his long and distinguished career when the 1979 blizzard struck. He was faced with a number of difficult decisions during those trying weeks. A decade and a half later, this author introduced himself to George Krambles at a professional meeting, and asked Mr. Krambles about the decision

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[6] The machine slated a reformer, Martin Kennelly, in 1947 and 1951. Kennelly won office in both of these elections, but because he had no independent power base of his own, the machine considered him "safe".

to run the Lake-Dan Ryan trains nonstop through the closer-in stations. Mr. Krambles replied unequivocally that he and other top CTA personnel had made the decision without clearing it through City Hall, and that under the circumstances he had no other alternatives.[7] As Krambles and his co-author Art Peterson explain,

> Each day the car casualty list increased more rapidly than repairs could be made. In a futile attempt to keep the Dan Ryan line going, more cars ... were borrowed from the other routes but the salt and ice problem there just would not be overcome. By Monday, January 29th [1979], because of the daily decrease in the number of ... cars available for service, more than half of the 890 cars needed to provide a normal weekday rush period service over the [entire "L"] system were disabled...
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> With so little capacity available, there was severe overcrowding. Trains were being stalled by passengers trying to force their way in and out of fully loaded cars. (...) On the Dan Ryan line, northbound trains were receiving riders to crush capacity right at the terminal at 95th Street [in a black middle class area]. Stopping ... for more people at intermediate stations only worsened the delay... It was taking 30 to 40 minutes to make a run normally only 10 minutes long. ... somehow the passenger loading ... had to be reduced to the level that could be handled...
>
> ... only as the lesser of unattractive alternatives, it was decided to discontinue temporarily ... some intermediate stops during rush hours... The stops chosen were those on the inner portions of the Lake and Dan Ryan routes where there was the most alternative paralleling ... service within walking distance. (...) At no time were any areas denied access to <u>some</u> service. Even in the worst of the crisis <u>all</u> stations were open during off-peak hours (1993, pp. 94-95).

The decision may have made sense in operating terms, but politically it was a public relations disaster. Had all of the circumstances and the technical background forcing the CTA's

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[7] Conversation with Mr. Krambles at the January 1994 Transportation Research Board meeting, Washington, DC.

decision been fully understood in the areas affected (a tall order in any neighborhood), it might have made some difference at the margins of the 1979 mayoral primary. But whatever explanation there was came too late to save Mayor Bilandic.

The 1979 mayoral primary

In 1979 Michael Bilandic became the first incumbent Democratic mayor of Chicago to lose the primary despite being the machine's officially-slated candidate. He was not to be the last, as the same fate would overtake his successor, Jane Byrne, in 1983.

Jane Byrne had been an official in Mayor Daley's administration in charge of consumer affairs, and stayed on to serve into the Bilandic interregnum. Byrne impressed herself on the public consciousness starting in late 1977 when she asserted that Bilandic had improperly met with representatives of the taxi industry prior to approving an increase in the city-regulated taxi fares.[8] After a brief dispute with the mayor, conducted largely through newspaper headlines, Bilandic fired Byrne, after which she faded into obscurity. Had it not been for the snowstorm, Byrne would have probably become a historical footnote, even had she entered the mayoral contest.

When Byrne challenged Bilandic in the mayoral primary, her sole substantive issue was the incumbent's poor handling of the blizzard. If January 1979 had seen milder weather, it is doubtful that Byrne could have mounted a serious challenge to an incumbent mayor who enjoyed the endorsement of the Regular Democratic Organization of Cook County (an organization of which she had been a co-chair).

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[8] See Chicago Tribune, November 17, 1977 for the text of Byrne's July 19 memorandum to the mayor on the taxi fare increase.

The Byrne administration

Byrne was elected on a protest basis, without the benefit of a mass following built up through years of service to constituents (although she did enjoy the support of the police and firefighters' unions). The news media may have help Byrne get elected, but when it came to governing, the new mayor soon learned that there was no substitute for an organization at the ward and precinct levels. The machine already had just such an organization, and soon enough Byrne made her peace with her ostensible enemies in order to gain its backing.

Like Argentina's Isabel Perón, Byrne was dramatic, unpredictable, and highly personalized in her style of leadership. In contrast to all Democratic mayors since Anton Cermak, Byrne sought personal publicity to a degree reminiscent of "Big Bill" Thompson in the 1910s and 20s:

> She hired ex-newspapermen as her top aides. By making unexpected offhand announcements, she encouraged reporters to trail behind her throughout every minute of every day (...) Reminded of past inconsistencies on the frequent occasions when she broke old promises, she would say, "I've said this since Day One..." The line became as characteristic as Richard Nixon's famous one, "Let me make one thing perfectly clear" (Granger & Granger 1987, p. 202).

Mayor Byrne made important political decisions based on people's loyalty, service, and usefulness to herself, rather than to the party. Thus, for party chairman she replaced the experienced and gentlemanly George Dunne (who had backed Bilandic in the February 1979 primary) with the younger, more ambitious, and combative Ed Vrdolyak.[9] Perhaps the most fundamental and wrenching of her various changes of mind came in the first year

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[9] This was in spite of the fact that Dunne had made her co-chairman of the party. In fairness to Mayor Byrne, however, she needed the cooperation of Vrdolyak, then an important, up-and-coming alderman, if she was to govern effectively in cooperation with the City Council.

of her administration, when she made her peace with Vrdolyak and other members of the "cabal of evil men" whom she had denounced in her campaign, and brought the early pseudo-reform phase of her administration to an abrupt end:

> She held long, serious meetings with reform leaders like the scholarly Martin Oberman from the [North Side lakefront] Forty-third Ward; these men rushed elatedly out of her office to busy themselves setting up plans for her takeover of the City Council in the name of reform interests. And then, when they called back to report on their progress, she would not speak to them (Granger & Granger 1987, p. 201).

That the mayor would reconsider her alliance with reformers was not surprising:

> A large number of the votes that she had received in the primary were not as much votes for her as they were votes against Bilandic and the machine. Moreover, her diverse electoral coalition of the discontented--blacks, lakefront liberals, and Northwest Side ethnics--held sharply conflicting agendas. (...) Finally, the elected representatives of her [original reform-minded] coalition possessed little influence within the machine or the city council (Grimshaw 1992, p. 146).

Another mistake, which was to bring her political career to an abrupt end in 1983, was the degree to which she turned on the city's black voters who had helped propel her into office. When it became necessary to draw up a new ward map incorporating the results of the 1980 census, Byrne invited former alderman Tom Keane to be in charge of drawing up the new map of the city's fifty wards. Keane had been one of the machine's most powerful figures and one of Mayor Daley's most powerful allies prior to his conviction in 1974. The result was a ward map which actually reduced the number of black majority wards in the city, despite the growth in the city's black population during the 1970s.[10]

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[10] The ward map eventually became the subject of a lawsuit, resulting in a 1986 court decision ordering a remapping of four wards, where special aldermanic elections took place.

By the end of her term, Byrne had alienated most blacks who had voted for her in 1979, and left many liberal voters with serious doubts about the desirability of keeping her in office. When she came up for reelection in 1983, the machine rallied around her not out of any deep loyalty, but rather because the committeemen saw in her the twin advantages of electoral strength through incumbency and day-to-day weakness in government, which latter characteristic they were determined to exploit to their advantage.

During much of her administration, Byrne seemed to assume that being visible was as good as being popular, that erratic symbolism was as good as a consistent agenda, and that being on the evening television news was as good as having her own citywide organization at the precinct level. Yet despite her unpredictable, short-lived, and contradictory initiatives, to her credit she did offer decisive leadership from time to time. Mass transportation was one policy area where she showed capable, even courageous leadership during 1979.

Byrne, Thompson, and transit

The gasoline tax which the RTA board had voted to impose in 1977 was due to expire in mid-1979. There was no likelihood that the suburbs would consent to any further renewal of the much-hated gas tax. Clearly, some other source of funding had to be found, since not even the suburbs were willing to force a financial showdown with the city over transit (and risk having their commuter trains suffer along with the CTA). This left few other options than a sales tax, which had been authorized in the 1973 RTA legislation.

As David Young explains,

> In the spring of 1979 ... a series of mistakes were made that in retrospect became critical. The first was a plan hatched by the RTA board to increase its revenues by seeking a sales tax. Realizing the

> agency could never get a sale tax on top of its existing gas tax, the agency agreed to abolish the gas tax in return for a one per cent sales tax in all six counties of the Chicago area (1981, p. 22).

Unfortunately for the RTA board, the late 1970s were not prosperous years for the industrial cities of the Great Lakes. As people found their own spending power threatened by unemployment and inflation, the voting public was in no mood to hand over rising amounts of money to an unpopular transit bureaucracy. The growing resistance to high taxes during hard times made itself felt in the committee rooms of the State House, where the RTA funding package was being drafted. Thus,

> What finally emerged from the state legislature ... was a modified compromise leaving the RTA far short of its goals. The legislature empowered the RTA to levy a one-cent sales tax on Chicago and [the suburban remainder of] Cook County but only a 0.25 per cent tax on the five suburban counties [i.e., the so-called "collar counties"]. In return for the new tax, the gasoline tax and an existing state subsidy were abolished (Ibid.).

Expressways and "L"s

The changes in the RTA's funding arrangements were largely overshadowed by another issue which dominated discussions between the governor and the mayor. This had to do with capital financing for new downtown subways and urban expressways.

The late Mayor Daley had long sought to replace the Loop "L" with subways, and as long as he was alive there seemed little doubt that the Loop "L" would eventually be torn down. Indeed, the developers of the Apparel Mart, one block west of the Merchandise Mart just across the Chicago River north from the Loop, went ahead with their project partly on the strength of Mayor Daley's assurances that the proposed Franklin Street subway would reach their site.

But Mayor Daley may have overreached himself in his efforts

to build more transportation facilities. In addition to a subway replacing the Loop "L", the mayor also sought to build a circumferential Crosstown Expressway which would parallel Cicero Avenue all the way from the junction of the Edens and Kennedy expressways to the South Side, where the Crosstown would swing southeast to join the Dan Ryan Expressway.

The Crosstown Expressway threatened to become an unpopular political issue in the many neighborhoods it threatened to disrupt, but Mayor Daley died before the issue came to the fore. Not even Daley's legendary clout was enough to secure federal money for either of these mega-projects, let alone both of them.

After Daley's death, the city scaled back its plans, both for the subway and the Crosstown Expressway. Bilandic accepted the continued existence of the Lake Street and Wabash Avenue legs of the Loop "L", and only attempted to move forward with subway replacements for the Wells and Van Buren Street legs. The Crosstown Expressway took a higher profile in the press. In early 1977, Governor Thompson voiced his opposition to the Crosstown Expressway, and called for a compromise.

In March 1977, Bilandic dropped plans for the North Side portion of the Crosstown, and focused his efforts on the South Side segment.[11] The mayor and the governor agreed to proceed with the southern part of the Crosstown Expressway in May.[12] However, the project still had to compete with proposals from other cities which were also seeking federal highway money.

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[11] Chicago Tribune, March 6, 1977. According to the city's calculations, cancellation of the northern leg of the Crosstown Expressway would free up $475 million in transportation money for use on other projects. However, this money along would not build the proposed Loop subway, which carried a price tag of $621 to $767 million.

[12] Schneider (1978), p. 9.

Bilandic's defeat in early 1979 came before work on the Crosstown had gotten underway. As a candidate, Byrne had campaigned against both the Crosstown and the Loop subway. Once in office, she sought to trade in the money which was earmarked for the city towards these mega-projects for use on smaller, more neighborhood-scale transportation improvements. The Crosstown Expressway and Loop subway trade-in resulted in enough federal and state money to pay for the rehabilitation of the Loop "L" and the construction of the Midway rapid transit line (the first such serving the Southwest Side), which opened in 1993. Much of the trade-in money went to fund state highway projects, and thus resulted in less money for mass transit.[13]

The capital elements of the Byrne-Thompson deal are of little importance to the history of transit organization in Chicago. But the agreement to replace the RTA gas tax with a sales tax was to have a serious impact on fares, service levels, and ridership patterns within the next few years.

The RTA funding package

Had the General Assembly simply replaced the gasoline tax with a 1% sales tax throughout the region, the RTA might well have come out ahead. But that was not what the General Assembly

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[13] One interview informant who requested anonymity described the outcome of the Byrne-Thompson deal as the result of inexperience on the part of Mayor Byrne, along with a desire to spite the previous administration by repudiating its transportation plans immediately. According to this account, Byrne simply accepted the state's first offer, failing to recognize the offer as an unrealistic initial offer which she could have bargained to the city's advantage. This anonymous source had this to say about the net result for the city:

> What she [Byrne] did was to trade in $2 billion that were allocated ... for the Crosstown [Expressway]... and what she got out of it was essentially the Orange Line [rapid transit to Midway Airport]. So Chicago traded in $2 billion for a couple of hundred million dollars.

did. Instead, what emerged into law was a 1% sales tax in Chicago and suburban Cook County, a ¼% sales tax in the outer five "collar counties", and the withdrawal of an existing state subsidy of 3/32 of the sales tax revenues raised in the RTA's six-county area. The result was bad news for the RTA and for transit riders, but this did not become clear until after the funding package had been put into law. As a result,

> [The legislative] compromise ... cost the RTA $60 million a year--the difference between what the one-cent tax would have realized in the five suburban [collar] counties and what was actually brought in by the 0.25 per cent tax (Young 1981, p. 22).

Interestingly, both supporters and opponents of the sales tax seem to have shared the same miscalculation that the sales tax would place the RTA on a more sound financial footing.[14] When asked about this, the Chicago Tribune's former transportation editor David Young opined that this sort of miscalculation was well within the normal range of forecasting error for the prediction of tax yields by government officials.[15]

The full impact of the new tax arrangements on the RTA would not become clear for another year. The Chicago transit news in late 1979 was dominated by the CTA's negotiations with its operating unions, which climaxed with a strike during the height of the Christmas shopping season in December.

The December 1979 CTA Strike

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[14] This gave the debate on the issue a surrealistic quality. Opponents were correct in their assumption that not enacting the sales tax would punish the RTA for its spendthrift ways and force a drastic readjustment of fares and services. Proponents of the sales tax, on the other hand, argued that it would benefit the RTA, when in fact the outcome was to force transit into a serious cash flow crisis.

[15] Interview, June 1992.

Some of the CTA's woes, such as crime and traffic congestion, were in large part outside its control. One thing, however, which the CTA could not so readily blame on outside factors was its labor cost, which was high even by the generous standards of big city transit systems.

By 1979, the CTA's bus drivers and rapid transit crews were the best-paid transit operating employees in the continental United States.[16] Unwilling to sense the shifting political moods and leave well enough alone, the unions decided to test Mayor Byrne's political resolve with a strike at the height of the Christmas shopping season to press further wage demands.[17] To the surprise of many Chicagoans, Byrne took a tough line with the unions, perhaps reflecting her lack of a power base among organized labor (or, for that matter, among members of almost any other interest group).

As the CTA's front line "sales" force who represented the agency to its users, bus drivers, "L" station agents, conductors, and motormen came under considerable stress from such factors as traffic, crime, fare cheating, and rush-hour crowding. The fact that some operating employees dealt with these stresses by being less than courteous to their customers did nothing to raise the

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[16] Transit workers in Anchorage, AK were paid even more than their counterparts at the CTA. Alaskan wage levels, however, were not readily comparable with those in the continental US, particularly during the 1970s when high energy prices brought rapid job and population growth to Alaska. Thus, bus drivers in Chicago (and other large cities) may well have enjoyed greater purchasing power than their colleagues in Anchorage.

[17] Granted, the US economy was experiencing record levels of inflation in the late 1970s in the waning days of the Carter administration. Nevertheless, the unions' political judgment may be questioned on a solidaristic as well as a classical economic point of view: the non-organized working poor, arguably the hardest hit by the inflation of the late 1970s, made up a disproportionate share of the CTA's ridership. It is hard to imagine that many of these riders felt any deep fellowship with CTA workers.

esteem in which the traveling public held unionized CTA personnel. It was unavoidable that in the court of public opinion, the CTA's better employees suffered along with the worse ones.

Nor was there much sympathy for the economic demands of the unions. In labor economics terms, employment with the CTA scored high on all three dimensions of job quality cited in Beck and Allen (1994). Unionized employment at the CTA was well-paying, a legacy of the grab-share arrangements dating back to the days of the Traction Settlement Ordinance for Chicago Surface Lines and Samuel Insull's forward-looking management of Chicago Rapid Transit. Although CTA operating personnel did not enjoy civil service status, for all practical purposes their job security was almost absolute, as there was little likelihood that a unionized monopoly public sector provider of a vital service would seek to reduce its payrolls through other methods than attrition. Finally, unionized CTA jobs had high wage growth, a result of aggressive wage bargaining combined with automatic cost of living adjustments.

The changing economic climate surrounding the CTA had parallels in private industry. At the same time that the wage demands of CTA workers were meeting with a distinctly unsympathetic reception, manufacturing jobs which met all of the quality dimensions (high pay, high stability, and high wage growth) were disappearing throughout the Northeast and the Great Lakes as industries restructured to meet the challenges of an increasingly integrated world economy. Thus, as private sector firms were reexamining their pay practices in light of changing conditions, Illinois and Chicago could no longer accept levels of pay which had previously been tolerable as their governments came under fiscal stress.

Service expansion, yes; wage parity, no

Despite the RTA's expansion deeper into the suburbs, at least the agency's board and management did not seek a unified wage structure for transit workers in the city and suburbs. The first sign of resistance to labor's demands was when suburban operator Nortran rejected their drivers' demands for wage parity with the CTA in 1978.[18] This refusal made sense from both suburban and city perspectives. The suburban case was straightforward. If the wage costs of suburban bus operation were to reach the levels prevailing in the city, fewer suburban bus-miles could be provided for the same money.

The city also had good reason to be less than enthusiastic about city-suburban wage parity, as the wage differential helped the CTA to hire and retain qualified drivers. If the wages were equal on both sides of the city line, drivers would logically seek assignment to suburban rather than city routes. Union contracts require preference be given to senior drivers in picking their assignments. Thus, wage parity might have left the CTA with only the youngest and least experienced drivers, who would move out to suburban routes as soon as seniority permitted.

Alternatively (assuming barriers preventing drivers with seniority from transferring out to the suburbs), city-suburban wage parity might have fuelled increased wage demands from CTA workers. CTA bus drivers would have been justifiably outraged to find their suburban counterparts, who worked under safer and less stressful conditions, being paid the same wages. There is a world of difference between driving a crowded bus on a high-crime route such as Western Avenue in Chicago, navigating in busy traffic, and stopping frequently to let riders on and off, versus

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[18] Chicago Tribune, August 16, 1978. At the time, the hourly wage rates for bus drivers were $7.14 at Nortran versus $8.93 for the CTA.

driving a half-empty bus on free-flowing suburban streets, with few stops other than for traffic signals. Mercifully, the north suburban drivers did not win wage parity with the CTA.

What happened

The CTA strike of 1979 started and ended within a four-day period from Monday, December 17 through Thursday, December 20. At issue was a contested 24¢ an hour increase which the union sought. The bus drivers and rapid transit crews walked off the job at 3 AM on Monday, and ignored a court order directing them back to work. Mayor Byrne announced that

> she would "not put the [CTA] system in hock to keep trains running.
>
> She said she would not call in the opposing sides for more talks in her office. The Mayor blasted the leaders of Locals 241 and 308 of the Amalgamated Transit Union (ATU) for the betrayal of a "commitment" to continue negotiating she said wa made on Dec. 8.
>
> At that time, Mrs. Byrne and union leaders announced the central issue of a cost-of-living clause in the proposed union contract had been settled. The strike ... has been described as illegal by ... national ATU president...[19]

If the unions had expected that the city would be unable to cope with a strike at the height of the Christmas shopping season, they were mistaken. There was widespread inconvenience, but many Chicagoans adapted for a few days. "As expected, taxi drivers did a roaring trade."[20]

For once, the RTA proved its worth in the crunch. The RTA added additional commuter trains, and rerouting suburban buses to feed the railroads rather than the "L" (the normal destination of

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[19] Chicago Tribune, December 18, 1979.

[20] Chicago Tribune, December 18, 1979.

most suburban bus routes entering the city).[21] These moves were of little help to closer-in CTA riders, but they did facilitate normal travel to and from the Loop on the part of Chicagoans living in the outer portions of the city (and residents of nearby suburbs who normally used the CTA).

CTA management took a hard line with the unions, both in negotiations and in actions. Mayor Byrne rejected a union offer to end the strike immediately in return for a raise of 24¢ an hour. Meanwhile, CTA supervisors ran limited rush-hour service on the Lake, Dan Ryan, Howard, and Ravenswood "L" routes starting Tuesday evening. Chicago police helped provide security for trains and riders. The CTA chose these routes because they consisted of elevated or grade-separated surface alignments, which were easier to protect against potential sabotage than were subways. As all available CTA supervisors were involved in train operations, there was no attempt to collect fares.[22]

Union leaders kept up their bravado for several days, but with the CTA using management personnel to run partial train service, and the RTA adding extra commuter trains to help keep the city moving, the unions clearly lacked the ability to disrupt the normal life of the city as seriously as they had anticipated.

> The [CTA] strategy for Thursday morning changed only with the addition of the Evanston shuttle between Linden Avenue and Howard Street during rush periods...
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> Commuting was slow and crowded Wednesday night for CTA train riders, but officials said the operation generally was smooth.[23]

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[21] Chicago Tribune, December 17, 1979. The article noted that "Riders will pay appropriate fares when traveling on the ... trains. [Suburban] bus transfers will not be honored on commuter railroads."

[22] Chicago Tribune, December 19, 1979.

[23] Chicago Tribune, December 20, 1979.

The strike ended on Thursday when a court injunction gave the strikers the raise they had been demanding.

> With resumption of service [Friday morning] came the threat of a fare increase, which [CTA chairman Eugene] Barnes said "probably" would be required by the court-ordered payment of a 24-cents-an hour cost-of-living increase to motormen, drivers, and conductors.[24]

What it meant

The unions had won their economic demands, but at the political cost of losing much of their public support. As commentators attempted to draw conclusions from the strike, the fact that the unions had achieved their nominal aims was promptly forgotten. Instead, Mayor Byrne and CTA management were widely lauded for their consistent line taken during the strike.

Although the high inflation of the late 1970s was eroding the incomes of most Americans, unionized CTA workers were largely compensated for the effects of inflation by automatic cost of living adjustments in their labor contract. This difference between CTA workers and most of the riders they transported made it difficult for the strikers to garner much support from the general public.

Whether or not Mayor Byrne understood the significance of what she had done, she had just presided over the first decisive turning point in the hitherto-unbroken history of increasing centralization and government power with regard to transit in Chicago. A failure to follow through on the political weakening of the unions, however, meant that another four years--financially the most difficult of Chicago's transit history--would pass before the overall balance of forces would tip away from the unions and towards a cost-conscious agenda more agreeable to the suburbs.

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[24] Chicago Tribune, December 21, 1979.

CHAPTER 9
FINANCIAL CRISIS AND THE RTA, 1980-1982

In 1979 the state replaced the RTA's gasoline tax, which was due to expire, with a sales tax (at a lower rate than the RTA board had sought beyond Cook County), and also withdrew an existing state subsidy. The result was to push transit in Chicagoland to the brink of financial collapse as fares soared and services were cut.

Ten years earlier when political leaders warned of the impending collapse of the CTA and suburban carriers, the state acted, however imperfectly, to resolve the problem. But now after a decade of rising subsidies, the state was in no hurry to help the unpopular RTA. As the state struggled through the worst recession of its postwar history, many lawmakers and their constituents had more urgent problems on their hands than the entreaties of a large, inefficient bureaucracy. To many in the suburbs it seemed as through transit advocates had been crying wolf for years. If the cry was genuine this time, maybe it would teach the city, the CTA and the RTA a lesson.

The once-dreaded transit crisis was less feared in the early 1980s when it actually struck than it had a decade earlier, when it had merely loomed ominously over Chicago's commuters. As matters now came to a head, Chicagoans and suburbanites coped with the problems as best they could, and most adapted to the higher fares and reduced service that 1981 brought.

The Transit Cash Crunch

The General Assembly, in replacing the RTA gasoline tax with a sales tax, gave the RTA a 1% sales tax only in Cook County, rather than throughout the region, as the agency had sought. Instead, the lawmakers gave the RTA only a ¼% sales tax in the

collar counties, and also revoked a previously-existing state subsidy based on the sales tax.

> That, coupled with the reduced sales tax revenues because of the recession, actually gave the RTA less money than it would have received under the old. During the first four months of the 15-month fiscal year that ended September 30, 1980, the RTA received an average of $27.9 million a month in gas tax and state subsidy revenues. During the last 11 months of the year under the new sales tax formula, it got an average of only $20.8 million a month...
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> Making matters worse was the fact that Congress was late in passing the federal transportation budget that year, causing a two-month delay in the payment of more the $70 million in federal operating subsidies due the RTA. The agency was also forced to wait for three months after the abolition of the gas tax and state subsidy before revenues from the new sales tax came rolling in... The net effect was to put the RTA in an acute cash position (Young 1981, p. 22).

The effect of the lower intake from the 1979 tax changes, along with the political rigidities of wage and service demands, produced impacts throughout the Chicago area's transit system.[1] The CTA was the least seriously hit of the three main components of the transit system, although the impact was serious enough to most of its riders. During 1981, the basic CTA fare went up from 60¢, first to 75¢ and then to 90¢, for an increase of 50%.[2]

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[1] There is an alternative interpretation of the 1979 switch from the gasoline tax to the sales tax. As former Chicago city comptroller and CTA chairman Clark Burrus noted, "If we had a gas tax today, I don't think we would have nearly as much subsidy dollars available" (interview, October 1995). Mr. Burrus was referring to the sharp decline in real energy prices in the early 1980s. At best, retaining the gas tax might have delayed the RTA's financial crisis for a couple of years, but continued reliance on the gas tax would not have averted severe financial problems.

[2] The first increase took place in January 1981. The second increase took place that summer. Initially, the CTA board had held off on the second fare increase (from 75¢ to 90¢) in anticipation of a bailout from the state. When the legislature adjourned at the end of June without enacting a bailout, the CTA quickly raised its fares, seeing no other way of making ends meet.

This increase was enough to cover the shortfall in subsidies from the RTA, and restored some of the constant value of passenger revenues which had been eroded by the de facto low-fare policy of the high-inflation late 1970s.

The impact was greater on the commuter railroads. First, effective March 1, 1981, the RTA cut about 19% of the previously-existing trains from the schedules, affecting only mid-day, evening, and weekend service.[3] Also, there were three fare hikes during 1981, taking effect on January 1, July 6, and October 1. The result was that by October 1981, commuter rail fares had roughly doubled over the previous year's levels.[4] Riders on the Milwaukee Road paid even more. The railroad had entered bankruptcy in 1979, and its trustees tried to protect themselves from further losses in case the RTA collapsed altogether. They imposed an additional surcharge of about 10% on top of the already-doubled fares.

Hardest hit of all were the suburban buses. For all the increased service that had been lavished upon the suburban bus during the 1970s, when it seemed that the RTA could hardly spend suburban money rapidly enough, it remained the least important element of Chicagoland's transit system--both in ridership and political terms. Fare increases were the least of the problems for the relatively few suburban bus riders. As the RTA fell short on its subsidy payments to suburban bus companies, parts of the system would simply shut down. The shutdowns occurred on a rolling basis, with different parts of suburbia--north and

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[3] Chicago Sun-Times, December 23, 1980. Out of a total of 3,726 trains previously operated each week on the Burlington Northern, Chicago & North Western, Illinois Central, Milwaukee Road, and Rock Island, 719 trains were eliminated, for an aggregate cutback of 19%.

[4] See Metra (1987 a) for details by fare zone and ticket type.

northwest, west, southwest, and south--temporarily losing and then regaining service in turn.[5]

Although the suburbs were hit even harder than the city, there was little complaint from suburbanites. Most of them paid their increased fares or made alternative arrangements quietly. But when large numbers of them shifted from commuter trains to charter school buses to take them to and from downtown Chicago, the rest of the region sat up and took notice.

A Transit Finance Authority?

Meanwhile, there were various proposals for legislative action. In early 1981, Governor Thompson offered what he saw as a constructive solution to the RTA's problems. He suggested a Transportation Finance Agency, which would be funded by a 5% tax on the gross receipts of the Illinois business transactions of oil companies. Thompson envisioned that this agency would replace the RTA and limit its mandate to funding and supervising transit operators.

From a statewide equity perspective, the Transit Finance Authority had much to recommend it. If it was legitimate for downstate Illinois to absorb the bulk of the state gasoline tax revenues generated in the city, then there should be few ethical problems with having consumers of petroleum products throughout the state help pay for transit in Chicago and its suburbs. The Transit Finance Authority proposal seemed too good to be true, and it was.

The governor backed away from the Transit Finance Authority when his oil company tax proposal drew attacks from an unlikely

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[5] It is symptomatic of the near-invisibility of the suburban bus in political terms that the shutdowns received virtually no coverage in the newspapers or even in the transportation press.

combination of Chicago and downstate interests. Senator Charles Chew, Jr. (D-Chicago), chairman of the Legislative Black Caucus, attacked the plan for taxing gross receipts rather than profits. This distinction appears to have been a semantic one, made for the benefit of the electorate; surely Senator Chew did not really think that a tax on profits rather than income would prevent the oil companies from passing on the tax to consumers. A more serious objection came from the president of the Illinois Farm Bureau, who opposed the plan "because the proposed oil tax would place 'a disproportionate share' of the tax burden on farmers."[6]

Rumblings From the Suburbs

Meanwhile, suburban discontent was building up in the State House. The House approved a bill which would have reapportioned RTA board seats immediately (a move which would benefit the suburbs), rather than await the legally-required deadline of July 1, 1983. (The Senate held back, pending Thompson's efforts to replace the RTA with his proposed Transit Finance Authority.)

Another bill sponsored by RTA critic George Sangmeister (by then a Democratic state senator) would have given not only county but also township boards the power to opt out of the RTA, subject to approval by their voters in a referendum.[7] Although Sangmeister's bill died, it was an indication of how many suburbanites felt about the RTA.

Sound And Fury From City Hall

Mayor Byrne resorted to her accustomed style of governance by news conference when she announced to members of the press that Republican legislators had gone back on their side of a deal

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[6] Chicago Tribune, March 27, 1981.

[7] Chicago Tribune, May 5, 1981.

they had made with her administration.[8] According to Byrne, she had agreed to changes in the RTA board in return for more money for the agency. The mayor claimed to be leaving the door open for future talks, but by undercutting the process of legislative give and take, her announcement had the effect of calling the deal off.

The mayor's public denunciations of her negotiating counterparts in the State House did little for the fiscal health of transit in Chicagoland. The General Assembly passed a limited bailout measure before adjourning for the summer in June 1981, but its provisions were only enough to keep the agency barely functional.

The Governor's Reaction

Thompson did not give up his efforts to reform the RTA. In the fall of 1981, Governor Thompson proposed replacing the existing 13-member RTA board

> with a new nine-member board, controlled by the suburbs. Four members from Chicago would be appointed by Mayor Byrne. Three from suburban Cook County would be chosen by the suburban members of the County Board. One from DuPage County would be chosen by that county board, and another member representing the remaining four collar counties ... would be appointed jointly by their boards (Chicago Sun-Times, October 16, 1981).

Thompson also proposed that farebox recovery standards be set, so that "50 percent of operating expenses [would] come from fares or local contributions beginning July 1, 1982, and 55 percent beginning July 1, 1983" (ibid.). A suburban Cook County RTA board member called for making the authority a funding agency only, with all responsibility for operations being turned over to other organizations.[9]

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[8] Chicago Sun-Times and Chicago Tribune, June 14, 1981.

[9] Chicago Tribune, October 6, 1981.

Other efforts continued during 1981 and 1982. One of the more bizarre and short-lived developments of the cash flow crisis years was Mayor Byrne's tentative plan to take the CTA out of the RTA. The mayor reasoned that if the RTA were on the verge of bankruptcy, it would do the CTA little good to be dependant on the RTA. To her credit, she confronted, however briefly, the question of how the city would pay for an independent CTA. Governor Thompson, however, urged Byrne to give the state a chance to address the RTA issue. Wisely, the mayor listened, and held off on further moves to detach the CTA from the RTA.

All of these moves at the political level helped forge a consensus for the reform that would follow in 1983. But meanwhile, commuters were busy adapting to the fare hikes and service cuts in ways that took transit planners by surprise.

The Resurgence of Unofficial Transit

Until 1981, when fare increases led commuters to breach the monopoly position of the RTA family of government-subsidized transit, none of Chicago's transit operators had ever faced widespread competition from non-franchised operators. The official framework of franchises obtained and inherited through the political process (in many cases, through corruption) had strictly limited entry to the transit industry. This system conferred oligopoly rights on the corporate descendants of firms which had originally obtained operating rights.

Prior to 1981, the only long-standing example of unofficial public transportation in Chicago was the jitney service along Martin Luther King, Jr. Drive, one of the principal thoroughfares of Chicago's South Side black community. Historically, officially-franchised public transportation on South Park Avenue, as King Drive was called before 1968, was provided by Chicago Motor Coach, which was bought out by the CTA in 1952.

Researchers seem to have overlooked the King Drive jitney service, which, along with the King Drive buses, has formed a stable de facto duopoly for decades.[10] The premium fare which Chicago Motor Coach charged for years probably aided the development of the jitneys, which catered to the more modest end of the market. Ethnic solidarity in Chicago's black community may have been another crucial factor.[11]

In 1973, when the RTA was created, the CTA fare was 45 cents (with another 10 cents for a transfer), while the jitney fare was only 25 cents. Segmentation of the travel market probably resulted in little direct competition for the same clientele between the two modes. The jitneys catered exclusively to local travel along King Drive, while the buses carried people to and from the Loop, and, thanks to the CTA's transfer privileges, also served people traveling to and from other parts of the city. As King Drive is one of the busiest bus routes the CTA operates, the authority has probably lost little in the way of business by tolerating the jitneys, and has probably gained good will--a vital intangible for the CTA which has often been in short supply.[12]

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[10] There is no evidence that the private transit companies (particularly CMC) or the CTA sought a legal crackdown on the jitneys. Circumstantial evidence would suggest that the jitneys had reached their own informal understanding with the city, independent of the transit carriers' views on the matter.

[11] Until the postwar period, Chicago's transit operating staff was overwhelmingly Irish. (It was common for firms such as the transit companies which needed the good will of the city government to allocate various positions to ward committeemen for distribution as they saw fit). The jitney drivers, of course, like most of their customers, were black, and riding the jitneys may have taken on a certain aspect of community self-help.

[12] It speaks in favor of the King Drive jitneys that they generally respect the orderly driving style of Chicago traffic. This is in contrast to the unsafe driving habits of several informal van operators in New York City, some of whom operate in disregard of vehicle licensing and insurance requirements, or even

There is a long, if inconspicuous history of unofficial transit in the Chicago area. For decades it was a localized phenomenon, limited to Chicago's longest-established black neighborhoods. Then during the RTA's financial crisis in the early 1980s, unofficial service broke out of its ghetto and became highly visible in the city and suburbs alike.

The Railroad Commuters' Revolt and the School Bus Charters

Unofficial transit reached the suburbs during the early 1980s in the form of the school bus charter. At the time, commuter rail services were pricing themselves out of the market for many riders.[13] Passengers were widely dissatisfied with rising fares, all the more so as they were accompanied by service cuts. Some responded by organizing themselves into groups which chartered school buses to take them between their communities and the Loop.

In contrast to the King Drive jitneys, which were all but invisible for most white Chicagoans and suburbanites, the charters were highly conspicuous because they served the Loop every weekday. Furthermore, the bus charters enjoyed an aura of respectability as a spontaneous, market-driven citizens' response to an inefficient and arrogant public agency. If California's Proposition 13 (limiting the rate at which property taxes in that state could increase) was emblematic of a "taxpayer revolt," then

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without a valid driver's license. For more on the problems of the New York City vans, see Daniel K. Boyle, 1994, "Jitney Enforcement Strategies in New York City," presented at the 73rd Annual Meeting of the Transportation Research Board, Washington.

[13] The school bus charter phenomenon was almost entirely limited to the city-to-suburb travel market. One exception was in the Chicago neighborhood of Hyde Park, located on the South Side along the Illinois Central (Gitz 1982, pp. 2-3), which also saw charter service. Substantial numbers of Hyde Park residents commuted on the IC, so the example of south suburban IC commuters forming bus charter groups may have inspired some Hyde Parkers to do likewise.

the charters symbolized a commuter revolt.

Commuters in many working-class suburbs were highly sensitive to price, and more willing to endure a less comfortable ride in return for cost savings than were their counterparts in wealthier communities. The geographic distribution of the charters reflected the spatial arrangement of social class in the suburbs. The bus charters were most prevalent to the south of the city, reflecting the concentration of working class suburbs in that part of the RTA service area. Several southwestern and western suburban locations were also served, albeit to a lesser degree. There was little or no charter service in the most affluent suburbs to the north and northwest of the city, suggesting that riders in upper income brackets were more inclined to swallow the fare increases.

Schwieterman (1983, p. 10) states that almost 70% of the bus charters originated in suburbs along the Illinois Central south of the city.[14] In a broader historical perspective, it was

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[14] Schwieterman's study focuses on the Illinois Central, because it was affected by the subscription bus charter phenomenon more than any other Chicago railroad. To his credit, he is virtually the only author who has attempted to translate the comfort and convenience differential between the school bus charter and the train into monetary terms by correlating changes in ridership with changes in the constant dollar difference between bus and train fares (1983, pp. 44-46).

Schwieterman's work is valuable as a starting point for further research, but should not be taken as the final word on the subject. For one thing, it is unlikely that the cost functions in Schwieterman's model are indeed linear, as he suggests.

Furthermore, Schwieterman makes no attempt to compensate for the effects of the recession of the late 1970s and early 1980s on the total amount of travel to and from downtown Chicago by any mode of transportation--admittedly a difficult factor to quantify. The recession may have heightened the price sensitivity of commuters. Thus, fare increases coming at a time of recession may have had a different impact on travel patterns than if fare hikes of comparable percentage magnitudes had taken place in more prosperous

ironic that the charter phenomenon was most widespread along the IC. When the Illinois Central was electrified in 1926, it was Chicago's finest commuter railroad, both in terms of the frequency and quality of its service.[15] Now in the early 1980s, the IC was once again in the forefront of innovation in public transportation, and, by implication, showing the way for the rest of the region. This time, however, it was the railroad's commuters, not management, who had taken the initiative, and they were seeking lower-cost alternatives to the train.[16]

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times. Schwieterman is making a contribution to the field by trying to measure the diversion effect of the fare hikes, but some of his assumptions may be debated.

Finally, the recession and the decentralization of employment may make Illinois Central commuters seem more sensitive than they really were to fare increases. Some people must have stopped riding not because the fares became too high, but instead because they lost their jobs, or their workplaces shifted to locations outside downtown Chicago. Unfortunately, there is no ready way to distinguish between the ridership loss caused by diversion to subscription buses and the automobile on the one hand, and by various shifts in the economy on the other hand.

[15] When the other commuter railroads acquired diesel locomotives and air-conditioned coaches in the 1950s, they became the region's leaders in terms of riding comfort, a position the IC did not regain until the arrival of new cars in the early 1970s. Even after the service cutbacks in 1981, the IC remained the Chicago area commuter railroad with the most intensive service, although only by a small margin in some instances.

[16] The formation of charters was not uniform within the IC corridor. Instead, there was a market segmentation process at work. According to Gitz (1982, maps following p. 40), most of the municipalities along the IC were served by school bus charters in 1981, but Flossmoor and Olympia Fields did not have subscription bus service. These two decidedly upper-middle class villages had the highest median home prices in the IC corridor (data from Hayner & McNamee 1991, pp. 332-394). This is contrast to most of their less well-off counterparts elsewhere along and near the railroad, almost all of which did see charter service. Overall, this suggests that commuters in the most affluent south suburbs, like their counterparts in the northwest and north suburbs, were more inclined to pay higher fares than to save money by switching to the less convenient and less comfortable bus charters.

Several authors have studied the charters in more detail (Gitz 1982, Schwieterman 1983, McKnight & Paaswell 1985). Young estimates that in 1981 the charters were carrying around 5,000 riders daily (1982, p. 26). Assuming each rider took one round trip daily, 260 days a year (i.e., allowing for weekends, holidays and vacations), this suggests around 2.6 million charter bus rides annually. Schwieterman's estimated 70% share of total charter ridership from the Illinois Central's catchment area implies that about 1.8 million riders were diverted from the IC to the bus charters, or about 15% of the IC's ridership prior to the RTA's financial crisis.

The Bus Charters and the Law

The subscription bus charters seem to have fallen under a gray area of Illinois law. The charters were not specifically prohibited, but they were not exactly authorized, either. This legal uncertainty made the school bus operators risk-averse in their arrangements with commuters. For guidance, the bus companies drew on a hitherto-obscure court decision from the 1950s which exempted them from common carrier regulations if they dealt with riders through written contracts for transportation on a monthly basis, and did not offer one-way fares (Schwieterman 1983, pp. 11-12). To play it safe, the school bus companies limited themselves to monthly ticketing.[17]

Apparently the Illinois Commerce Commission agreed with the companies' interpretation of the law. Rather than test the legal waters and thus infuriate thousands of commuters who were trying to stretch their modest finances by taking the school bus

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[17] The school bus companies may have had good reason to be careful. One unofficial transit operation was challenged in court in 1962, shortly before the abandonment of the North Shore Line interurban in 1963. The case was resolved when the informal operator agreed to limit itself to monthly subscription travel (Central Electric Railfans Association 1963, p. 86).

charters, the commission prudently overlooked the common carrier issue, and restricted itself to making sure that operators met all safety and insurance regulations (Schwieterman 1983, p.11).

Riders signed up for a month at a time, on a specific bus, as part of a specific group of commuters. Although subscription bus riders were inconvenienced by being tied to specific departure times, they enjoyed significant financial cost savings. (Ibid., p. 9). Another intangible tradeoff was that the buses were less comfortable than the train.[18]

The Economics of the School Buses

The low cost was the main attraction of the charters. A typical charter bus monthly fare, assuming all 48 seats on board were sold, might be $50.42 per passenger, while the comparable commuter rail monthly ticket from the same fare zone was $99.90 (Gitz 1982, p. 10). To make the contrast even more vivid, the

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[18] The quality of commuter railroad seating in the Chicago area cannot be quantified, but it varied among different railroads in the area. Uniform standards for seating quality do not exist in the transit industry, but experience with the various Chicagoland commuter railroads at the time suggests that the Illinois Central enjoyed the most comfortable seats, both in terms of ergonomic fit and depth of upholstery.

The Burlington Northern's seats ranked along with or marginally below the IC's for comfort, with much of this difference probably due to the fact that seats on the BN, unlike those on the IC, had reversible backs. Ranking below the Burlington Northern on an informal comfort scale would be the Milwaukee Road and the Rock Island. (The complete replacement of the Rock Island's own commuter cars since the mid-1980s with new cars built to RTA specifications has since given the Rock Island's seating comfort a slight edge over the Milwaukee Road, owing to the continued operation of the latter railroad's cars dating from the 1960s.)

Interestingly, the least comfortable seating (i.e., the hardest and least contoured) of all Chicago commuter railroads was on the Chicago & North Western. The North Western also served the most affluent suburbs which were least affected by the charter bus phenomenon.

lower charter fare covered all of the operator's out-of-pocket costs and still left a profit margin, but the higher rail fare covered little more than half of the train's operating costs.[19]

The ability of the subscription bus to compete with the train almost exclusively on the basis of price was largely due to lower equipment and labor costs. In contrast to the IC, "in which more than 50% of costs are attributable to labor, the input [i.e., labor] accounts for only 27% of subscription bus costs" (Schwieterman 1983, p. 26). The non-unionized nature of the

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[19] Some observers might conclude that the optimum public policy choice would be to discontinue most or all commuter rail service that cannot be made financially self-sustaining. This would allow commuters and taxpayers to allocate the monetary savings as they see fit, whether for commuting or other purposes.

A more sober analysis, however, would also take into account such less visible expenses as the labor protection costs of laying off commuter railroad workers (which would constitute a substantial budgetary barrier to any rapid discontinuance of commuter rail service and could only be avoided by eliminating jobs through attrition), and the external costs of increased traffic congestion. This latter amount would be measured in terms of total person-hours of delay, multiplied by the monetary value of the lost time caused by the additional automobiles and buses that would be necessary to accommodate former railroad commuters. If preliminary calculations by researchers studying the economics of congestion pricing are accurate, this latter cost could easily be enormous, considering the large aggregate numbers of business executives who gather en masse in Chicago's Loop every day, and on whose time the market places a high value.

Once ranges for these and other costs were established, theoretically it would become possible to determine socially optimal levels of peak period commuter rail service, and perhaps encourage the formation of an according number of bus charters, possibly by pricing commuter rail service based on estimated demand elasticities of commuters at different income levels. In practice, of course, the issue would have to be resolved, if at all, through the political process. Realistically, commuter rail patrons of modest means would resent being priced off the train onto a less comfortable and less flexible school bus, as many of them were in the early 1980s. This resentment would be all the more intense as long the travel of higher-income railroad commuters was still being subsidized.

school bus industry, in turn, gave the bus charters their competitive edge with regard to labor costs:

> First, because of the intense competition within the industry, union-induced wage increases would put a firm at a severe competitive disadvantage and be counterproductive to both management and labor. No unionized firm has yet to be successful in bidding for subscription bus service. (...) Competition from more than 100 firms demands that firms minimize costs, and it erodes the attractiveness of organized labor for even the most profitable carriers.
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> Secondly, the high percentage of part-time labor is an equally significant buffer against unionization (Schwieterman 1983, p. 20).

Since most of the buses were used in school service, commuter runs were planned around the requirements of school service. Morning runs were usually scheduled early (starting between 6:30 and 7:30 AM, with running times to the Loop of up to an hour), and afternoon departures from downtown were rarely scheduled for later than 5:00 or 5:15 PM (Gitz 1982, p. 4). From the companies' point of view, carrying commuters was an added bonus, but school service remained their bread and butter. For whatever reasons, operators with more comfortable equipment did not enter the subscription bus market, or perhaps groups of commuters did not seek to charter these (presumably more expensive) buses.

The bus companies did not deal with riders individually, but rather with a coordinator who served as an intermediary, and in many cases organized the charter. Typically, coordinators collected payment from riders and in turn paid the bus company. In some cases they recruited new riders to replace commuters lost through attrition.[20]

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[20] In almost all cases, the coordinators offered their services free of charge. Had the charters remained part of the Chicago transit scene, it might have become necessary for customers to offer their coordinators such incentives as reduced-price or

> Coordinators typically identified riders
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> by the simple and time-honored methods used to organize community [groups] and advertise garage sales. Most of the coordinators surveyed ... [said] the same things: "I collected names, handed out flyers, put up signs, put an ad in the local paper or in church bulletins, held a meeting." (...) Apparently several of the municipalities supported or actively helped these efforts, as several coordinators mentioned having held a meeting at the village hall, or having gone to a meeting organized by the village. (Gitz 1982, pp 6-7).

The Rise and Fall of the School Bus Charters

Despite their rapid rise and seeming promise, the school bus charter phenomenon was short-lived, which none of the authors who studied them in depth anticipated. By the mid- to late 1980s, the charters had faded into obscurity. There seem to be no follow-up studies on the process by which they exited the scene (not surprising, given the practical difficulties of locating representative samples of former subscription bus riders to interview). Economics and problems of information supply to potential riders appear to have been decisive.

The normal turnover of ridership was probably the key factor in the charters' demise.[21] Although turnover was not

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free transportation in order to maintain their continued services. Of course, reimbursing coordinators for their efforts would have eroded the cost advantage of the bus charters, at least at the margin.

[21] Middleton (1994, p. 62) cites an annual turnover rate of at least one-fifth of Chicago area commuter rail riders in the early 1990s. If we assume (perhaps generously) that IC riders ten years previously were twice as likely to remain regular commuters, this still works out to a turnover rate of about 10% annually. Applying this 10% turnover rate to a 48-member charter bus group, the normal attrition rate works out to almost five members per year. Although it might have been easy to recruit five members a year by word of mouth as long as the doubling of commuter train fares remained fresh in the minds of the traveling public, by the mid-1980s (when fares had been partly rolled back and were more stable in real terms) this level of recruitment might have become more difficult to sustain.

necessarily fatal by itself, when combined with an inability to recruit new riders it would have been enough to undermine the charter groups sooner or later. Commuters without access to word-of-mouth or other informal channels faced substantial barriers to information if they wished to find out about bus charters serving their areas. The school bus operators did not advertise, nor did the groups of commuters which had chartered the buses (except on a very informal basis).[22]

The RTA, by contrast, enjoyed organizational economies of scale in informing commuters about its services. Despite its financial troubles, the RTA still maintained a telephone information number, and issued maps and timetables showing where and when its trains and buses operated.

After the initial wave of discontent caused by the doubling

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[22] It may be that both the school bus companies and the charter group coordinators were reluctant to make any organized efforts to provide information for fear of attracting the unwelcome attention of the Illinois Commerce Commission. Since advertising a transportation service is a characteristic activity of a common carrier, the lack of a more systematic information outreach than the occasional flyer taped to a supermarket bulletin board may have helped ensure that the charters did not stray beyond the legal "gray area" they occupied.

The school bus companies and the groups of commuters chartering their buses might have been able to get around these difficulties had they convinced a public agency other than the RTA (e.g., the Chicago Area Transportation Study or the Northeastern Illinois Planning Commission) to collect and provide information about vacancies on charter buses. This, however, might have required a certain amount of lobbying, with the problems that the lobbying might not be successful, and that even if it were, somebody would have to bear the cost. In what economists call the collective action problem, the entire Chicagoland school bus industry would enjoy the benefits of successful lobbying, but few individual firms would be willing to bear the costs in the absence of assurance that their competitors would also pay their share. The collective action problem would also deter groups of bus riders from advertising vacancies through channels which would involve spending money.

of fares had produced a large number of angry riders willing to try the bus charters, the rail fares were rolled back somewhat in 1984 when the post-reform RTA's finances had been stabilized, and then rose more or less in line with inflation. This meant that there were no further waves of disgruntled commuters flocking to the bus charters. Also, the reduced fares may have caused many subscription bus riders to reconsider the train.

Another factor may have been that once the novelty of the bus charters had worn off, some riders may have missed the more frequent schedules, the comfortable seats, the more adequate legroom, and the smooth ride of the train, or decided that the convenience of the automobile was best for their purposes. The prosperity of the mid-1980s may have also given school bus riders enough additional wherewithal to afford one or another of these more comfortable options more readily.

Urban Riders Adapt: The IC and the Jeffery Express Bus

The Illinois Central's ridership problems were not limited to the suburbs. Among Chicago's various commuter railroads, the IC carried the largest number of riders in the city.[23] South Siders had long been accustomed to paying higher fares on the IC than on the CTA and its predecessors, but until 1976 the differential had been fairly moderate. In 1974, at the time of the RTA referendum, the 7-mile ride from Hyde Park to downtown cost 45¢ on the CTA, versus 65¢ on the IC.

Then in 1976 the RTA standardized commuter railroad fares into a uniform set of distance-based zone fares. At a time when the basic CTA fare was 50¢, the IC fare suddenly jumped from 65¢

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[23] The Rock Island carried a greater proportion of its riders in the city (about one-half at the time, as opposed to one-third for the IC). Nevertheless, the IC's total number of urban riders was larger than the Rock Island's, due to the IC's larger overall ridership basis.

to $1.00. The widened fare differential hurt IC ridership in the city, as customers switched from the IC to the CTA. By 1980, the CTA fare was 60¢, and it cost $1.15 to ride the IC to Hyde Park from downtown. (The fares to South Shore and other more distant neighborhoods were even higher than those to Hyde Park.)

Then in 1981 the fare differential widened even further. The CTA fare reached 90¢ by the end of the year, a 50% increase, but the IC fare to Hyde Park had reached a staggering $2.15, which was 87% above previous levels. For many commuters, the IC had been worth the 40% premium above the CTA prevailing in 1973. Even the 100% differential as of 1977 had not produced such a massive shift. But to many commuters, the combination of the drastic fare hikes of 1981 and the 139% difference now in effect between the CTA and the IC fares to Hyde Park was simply too much.

The greatest impact on the IC's urban ridership was felt in Hyde Park-Kenwood on the main line, and in South Shore on the South Chicago branch. Fortunately for these riders--if not for the IC--there was a readily-available option in the form of CTA's #6 Jeffery Express bus. The bus and the IC had been in a more or less stable equilibrium until the standard zone fares which the RTA put in place on the IC in November 1976 made the train decidedly more expensive than the bus. But it was not until 1981 that large numbers of IC commuters concluded that the RTA no longer wanted them to take the train.

If CTA's planners had wanted to design a bus route to take over from the IC in Hyde Park and South Shore, they could hardly have done a better job than with the Jeffery Express. The bus ran nonstop along Chicago's Outer Drive from the south end of the Loop to 47th Street, where the affluent Hyde Park-Kenwood neighborhood begins. In South Shore, the bus followed Jeffery Boulevard, which crossed the IC's South Chicago branch at 71st

Street (the Bryn Mawr station), and was within a mile or less of the remaining IC stations in South Shore.

The results were predictable. Large numbers of former IC passengers now showed up at Jeffery Express bus stops, and crowded aboard the bus. Despite its financial problems, the CTA tried to add more buses to keep up with demand, but to little avail. At times it seemed that additional buses only brought more people onto the buses, as word spread that the CTA was putting on extra capacity. Sheer physical throughput capacity had replaced the now-overturned balance of the market as the chief determinant of ridership on the Jeffery Express bus. As long as the enormous fare differential remained in place, transit planners had an insoluble problem on their hands.

Rebalancing a Travel Market

For thousands of commuters, the switch from the train to the bus was a rational, if annoying, tradeoff of time and comfort for money. But from the RTA's point of view, these changes disrupted this segment of the travel market. It made little sense for the RTA to pay the CTA to add more Jeffery Express buses with one hand, and to pay the IC to run half-empty commuter trains with the other.

What made these ridership changes particularly uneconomic for taxpayers was that passengers were demanding more buses during the rush hours. This is precisely when the incremental costs of additional service are the highest. Meanwhile, existing investment in the Illinois Central was going to waste. The public sector was stuck not only with the short-term labor costs of hiring engineers and conductors, but with its long-term investment in rail cars as well. Because of their electric propulsion and their high-platform doors, the IC cars could not be reassigned to other RTA-subsidized commuter railroads, which ran with diesel locomotives and stopped at low-level platforms.

Fortunately, even the virtually bankrupt RTA did have the sense to use prices to try to bring riders back to the IC and take some of the pressure off the Jeffery bus. In an experiment which started in March 1982, the RTA reduced fares from downtown to 79th Street on the IC's main line and on the entire South Chicago branch (including South Shore).[24] The new $1.35 fare on the IC was much more competitive with the 90¢ CTA fare. As an added inducement for regular IC riders, the RTA allowed holders of weekly and monthly tickets in the reduced-fare territory to ride CTA buses to and from the IC for 60¢, a one-third discount.[25]

The RTA must have been satisfied with the results, because the experiment led to a broader and more permanent set of arrangements in 1985. Lower fares for close-in commuter rail trips were extended from the IC to all of Northeastern Illinois' commuter railroads. At the same time, the discounted CTA fares were replaced with a "Link-Up Passport" (in the form of a sticker which monthly commuters could buy for their tickets), allowing unlimited travel on the "L" and all regular city and suburban buses.[26]

Transit and Illinois politics

Thus were the travel arrangements of thousands of commuters disrupted by the fare hikes. There was no shortage of ideas in

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[24] As RTA chairman Lewis Hill pointed out to Bill Fahrenwald of Railway Age, "this type of coordination has been possible only since RTA was formed" (Railway Age, February 1983).

[25] See Metra (1987 a), Appendix B for details of the fare changes during these years.

[26] The Link-Up Passport lasted in this form until January 1995, when it became restricted to the suburbs only as the CTA, for other reasons, withdrew its previously-existing passes. The CTA began honoring the Link-Up Passport again in August of that year, but for reasons best known to its own management, limited its validity to Monday-Friday rush hours only.

the State House or the governor's office as to what should be done. But with both the governor and the mayor seeking reelection, the political timetable made it almost impossible for any controversial measures to be enacted any time soon. It was only after the dust had settled on the November 1982 gubernatorial election and the spring 1983 mayoral election that decisive action became possible.

Governor Thompson was returned to office, albeit by the narrowest margin of his career. But Mayor Byrne was not so fortunate, thanks to a series of political mistakes she made on issues other than mass transit. Like her predecessor, Michael Bilandic, Jane Byrne was about to become the second incumbent mayor slated by the Regular Democratic Organization of Cook County to be defeated in the Democratic mayoral primary.

CHAPTER 10
THE 1983 RTA REFORMS: THE STATE STEPS IN AGAIN

Nineteen eighty-three was a decisive year for the suburbs in their struggle to gain control over the RTA. The suburbs now had a majority of the region's population, which entitled them to the upper hand on the RTA board. The suburbs gained a majority on the RTA board during the summer of 1983 as a routine matter of reapportionment due to population shifts documented in the 1980 census.[1] But to many elected officials with their power base in the suburbs, this was not enough. The 1983 reforms were, in large measure, driven by suburban perceptions that the RTA was out of control.

Yet the victory of the suburbs was far from complete. At the moment when suburban political actors might have overhauled not only the Chicago area transit institutions but also the fundamental premises underlying them, the suburbs discovered that they, too had vested interests which they wanted to safeguard. Ironically, the suburbs' efforts to reform the RTA were successful in large part because they were able to enlist the cooperation of the mayor of Chicago in his dispute with a majority of the city council.

Governor Thompson negotiated an RTA reform package with Chicago's newly-elected Mayor Harold Washington, the city's first black chief executive. Mayor Washington played a crucial role in the RTA reform process, because his was the small voting bloc in Springfield which Thompson courted in his efforts to pass the RTA reforms over the concerted opposition of the Chicago machine.

The genesis of the 1983 reform

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[1] Chicago Tribune, July 12, 1983.

The 1983 reforms did not spring from the Thompson administration full-blown. Instead, it was the result of several years of discussion towards a consensus. The Metropolitan Planning Council (MPC), a nonprofit organization concerned with good government issues and the economic well-being of Chicago's central area, was the first to suggest a series of changes from which the 1983 reforms evolved.

In a report issued in December 1980, just before the dramatic fare increases and service cuts of 1981 took hold, the Metropolitan Planning Council recommended that the RTA board confine itself to administration, policy, and oversight of transit operators. The report also called for a requirement that a set proportion of operating expenses, from 40 to 45%, be recouped from the farebox, with predictable, incremental fare increases rather than infrequent, dramatic ones (Gitz 1980).

The MPC's Transportation Committee oversaw the preparation of the report. George Ranney, Jr. chaired the committee. Its members included Pastora Cafferty (widow of the late CTA general manager Michael Cafferty, and a member of the RTA Board from 1974 until after the passage of the gasoline tax in 1978) and Milton Pikarsky, the former RTA chairman. Apparently Pikarsky had thought long and hard about the difficulties of making a large, cumbersome organization like the RTA work, and had concluded that a larger number of smaller, more responsive institutions could meet the mobility needs of transit users more efficiently than could a few big, centralized bodies.[2]

Shortly following on the heels of the MPC report came a study for IDOT, the Illinois Department of Transportation. This consultant's study was prepared for IDOT's internal use rather

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[2] See Pikarsky & Johnson (1983). The same authors outline their arguments in a chapter in Lave (1985).

than for publication (in contrast to the MPC report), and therefore received little publicity even within the transportation community. Prepared by Lazard Freres & Company, the report, dated January 27, 1981, rejected both the status quo and the extreme of doing away with the RTA altogether (an option which might have pleased some suburbanites wishing to redress the balance of the 1970s). Instead, the report suggested a middle route, involving two basic changes to the institutional structure which formed the core of the 1983 reforms.

The first was a regional transit organization responsible for administrative and budgetary oversight, with no involvement in transit operations. The other was the delineation of three transit providers: the already-existing CTA, and two new organizations which would take over transit in the suburbs from the RTA: one for buses and the other for commuter trains.[3] According to IDOT's Stephen Schindel, the consultant reached these conclusions independently of the Metropolitan Planning Council's report.[4]

The suburban mayors act

The 1983 reforms were presaged in large part by an unsuccessful insurgency on the part of local suburban governments. The MPC and Lazard Freres reports had helped frame the terms of discussion, but they did not lead directly to political action. This came in 1982 on the initiative of an entrepreneurial group of suburban mayors working from an agency little known outside Chicago transportation circles.

The Chicago Area Transportation Study (CATS), as the designated Metropolitan Planning Organization for the six

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[3] Lazard Freres (1981), p. 6.

[4] Interview, October 1995.

counties of northeastern Illinois, acts as a clearing house for federal transportation funds to the area, and is responsible for ensuring that local authorities continue to remain eligible for federal transportation money. CATS normally works on the fringes of the political process, in the gray area where politics fades into bureaucracy. It provides technical assistance to transportation agencies and elected officials seeking to navigate the bureaucratic shoals of federal requirements.

But briefly during 1981 and 1982, CATS helped make events, rather than simply ratify them. For many years CATS has had a council of suburban mayors, who meet under the agency's aegis to discuss common transportation problems. The council was chaired by Florence Boone, mayor of Glencoe, an affluent suburb on the North Shore.[5] Boone and several other mayors took an interest in suburban bus services, which were being temporarily shut down across most of suburbia as the RTA simply ran out of money in 1981 and could not pay its usual subsidies.

A September 21, 1981 Executive Committee meeting of the Council of Mayors suggested a regional board for oversight purposes, and the following distribution of political responsibilities by transit mode:

> That the CTA be controlled by the City, the Suburban Buses be controlled by the suburban mayors,, the Commuter Railroads be controlled by the State and the six county area; all three phases [i.e., the CTA, suburban buses, and commuter railroads] shall be under the umbrella of the Regional Board...

A similar resolution dated October 26, 1981 called for an annual process of fiscal review through which the "Umbrella Board" would ensure that the three operators were operating with balanced budgets.

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[5] Boone was to become the chair of the Suburban Bus Board, which was created as part of the 1983 RTA reforms.

These basic principles were embodied in a bill which suburban proponents of transit reform introduced during the 1982 legislative session. The suburban mayors' bill failed by a narrow margin in the House and failed to come up for a vote in the Senate.[6]

The bill's timing may have been more of a factor in its defeat than its legislative merits. The political uncertainty surrounding the November 1982 gubernatorial election and the mayoral election of early 1983 precluded decisive action until all the results were in. Once Harold Washington had become mayor in April of 1983, a development few white politicians had anticipated, the practical business of political negotiation could get under way.

Harold Washington and the Machine

Harold Washington became the candidate around whom dissident forces rallied and handed the machine the most decisive setback of its history. Yet until five years before his election he remained a member of the machine. A figure of great depth and complexity, his record suggests him as an improbable insurgent. Washington may have won the mayor's office despite the best efforts of the machine, but his image as a reformer dates only from 1978. Prior to that point, Washington had been a machine figure, albeit one with enough of a streak of restlessness to preclude his rising rapidly within the machine's ranks.

As mayor, Washington would make the late Mayor Daley, along with a variety of other elected officials, the subject of his lively invective. However, he may have felt differently while Daley was still alive. As Rakove (1975) describes, Washington

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[6] Interview with Sidney Weseman, September 1995. Now a planner with the Regional Transportation Authority, Weseman was a CATS staff member who worked with the suburban Council of Mayors on their RTA reform initiative in the early 1980s.

backed Mayor Daley against liberal challenger Bill Singer in the 1975 primary:

> As black state representative Harold Washington of Chicago's South Side declared on February 14, 1975, in announcing that he supported Mayor Daley for re-election, "it would set back black political empowerment seven or eight or more years if Alderman William Singer defeats Daley on February 25" (in the mayoral primary election). According to Washington, while he wanted changes made to the patronage system, he did not want it abolished. "It helped other ethnic groups," Washington told black Chicago Tribune correspondent Vernon Jarrett. "Why should it be denied use by my people?" (pp. 196-197).

What is most interesting about Washington's endorsement was his call for Mayor Daley's reelection in terms of black empowerment. This seemingly incongruent mixture spoke to Washington's ability to bridge political divides, an ability that would serve him well in his 1983 bid for the mayor's office. Even allowing for the possibility that the Democratic organization may have used some of its many incentives to induce Washington to come out publicly for Mayor Daley, it seems unlikely that Washington would have argued his case as articulately had it run counter to his deepest beliefs.

Shortly after Mayor Daley's death, Washington tested the electoral waters in the special 1977 mayoral primary, in which he performed poorly. Although Washington posed little electoral threat to Bilandic in the primary, Bilandic and the machine moved against him a year later:

> When Washington came up for election to the state senate in 1978, he was reslated by a majority of the five committeemen in the senate district. However, Bilandic took the rare step of allowing the two dissenting committeemen to openly oppose Washington by running a candidate against him. Washington ... managed to win the election, but by only a few hundred votes.
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> Bilandic's extraordinary decision ... convinced Washington that he had to get out of the machine.

> Thus, just as Daley had driven [Congressman Ralph] Metcalfe out of the machine and transformed him into a heroic figure in the black community, Bilandic's treachery did the same thing for Washington (Grimshaw 1992, p. 153).

Following his minimal showing in 1977, Washington did not even attempt to contest the 1979 mayoral primary, when Byrne defeated Bilandic with the disproportionate help of the city's black voters. Nor was he apparently eager to run again in 1983 until he had evidence that the city's black residents would register and vote in large numbers. He allowed a "Draft Washington" movement, with its basis among a mixture of black activists and the black middle class, to recruit him only when they had satisfied him that the numbers gave him a good chance of becoming mayor.

The 1983 mayoral primary

In 1983, Jane Byrne became the second incumbent mayor slated by the local Democratic party to be defeated since Cermak brought the Democratic machine to power in 1931. As with Governor Dan Walker's ill-fated reelection campaign in 1976, Byrne discovered that being reelected on her own record was not nearly as easy as running as an outsider against an unpopular incumbent.

Richard M. Daley, the son of the legendary mayor, siphoned off just enough of the white vote to deprive Byrne of the Democratic nomination. Any other candidate to have done the same might have earned the enmity of many white voters for his role in facilitating Washington's defeat of Byrne, but the younger Daley's machine credentials were beyond question. Furthermore, the mayor had made enemies within the machine camp in the course of her quick rise to power. The bad blood between Byrne and Daley was notorious, and in the absence of a strong black candidate, might have dominated the primary.

The 1983 mayoral election

For the first time since Anton Cermak's election in 1931, the general election was more than a formality. Washington had won the Democratic primary, but his election was far from certain. The close nature of the 1983 mayoral general election and the political divisions that followed introduced a new element of volatility into the city's politics.

When Washington won the Democratic mayoral primary, he assumed that the party organization would close ranks behind him as it had around Jane Byrne four years earlier. But Washington soon faced a massive defection among white machine Democrats who bolted their party to support the Republican nominee, Bernard Epton. To his credit, Cook County Board president George Dunne was the only white politician in good standing with the Regular Democratic Organization to support Washington in the general election.

As the machine fragmented, it was an irony that its white leadership backed the Republican Epton. Had Byrne or Daley won the Democratic primary, Epton, a former state representative from the University of Chicago area, might well have become a classic "suicide" candidate, supported by good government advocates and performing miserably at the polls. Instead, Epton found himself as the candidate of white resistance to black demands for increased participation in urban politics. Unfortunately, Epton gave into the temptation which this situation presented. One of his campaign slogans, "Before It's Too Late," was widely seen as a crude racial appeal. Had Epton won, he might have found himself in a position similar to that of Martin Kennelly (1947-1955). The machine tolerated Kennelly as long as he was useful, but he had no power base of his own outside the machine, which discarded him as soon as it had a viable candidate of its own.

The general election campaign, like the primary, was

dominated by racial issues. But like Anton Cermak and Richard J. Daley, Washington understood that elections were won by building out from a core constituency to reach out to other groups of voters who might be induced to support him.[7] As in the primary, Washington's black core constituency and his Latino and liberal reform allies barely carried the day, by the narrowest of margins.

Polarization and Council Wars

No sooner had the dust settled on the 1983 general election than Mayor Washington found himself at odds with a majority of the aldermen. Council Wars, as the ongoing feud between Mayor Washington and his aldermanic opponents became known, resulted in a deadlock.[8] The mayor could not muster a majority to pass bills supported by his allies, yet his opponents did not command enough votes to override his veto. Even though the state rather than the city would decide the future of the RTA, Council Wars affected the outcome because the divisions in City Hall reverberated in the chambers of the State House.

Governor Thompson was faced with a situation without precedent in Illinois politics since Anton Cermak came to power. For the first time since the Democrats won the mayoralty 1931,

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[7] Washington's election paralleled that of Anton Cermak five decades earlier. They both combined an ample knowledge of the operation of government with an instinctive rapport with their core constituencies. Both men seized political opportunities which their more complacent predecessors had overlooked. Their geniuses lay in their ability to translate the process of ethnic succession into political change. Washington and Cermak both came to power through the efforts of long-ignored groups of voters who resented their support being taken for granted by previous mayors.

[8] The expression "Council Wars" originated with comedian Aaron Freeman. In a comedy skit of the same name, Freeman based a satirized developments in Chicago politics, based on the plot and characters of the movie "Star Wars". In Freeman's "Council Wars" skit, Mayor Washington became "Harold Skytalker," and his chief rival, Alderman Edward Vrdolyak, became "Darth Vrdolyak".

the city was governed by a mayor who did not enjoy a satisfactory working arrangement with the Democratic organization. This complicated relations between Springfield and City Hall, as there were now rival political actors claiming to speak for the city.

The governor's agenda

The RTA was one of the first issues which required the attention of the state government in 1983. Governor Thompson used his political influence to bring about a resolution of the RTA issue, but he left the details up to his transportation secretary, John Kramer. The administration sought--and got--a bill which included the following provisions:

1. There would be three service boards responsible for operating, or contracting for the operation of transit in the six counties of northeastern Illinois. One of these was the CTA, which would be retained with no modification to its internal structure or its board.

2. The suburban county governments would control a new Commuter Rail Board (known as Metra since 1984). Suburban members of the Cook County Board would make the Cook County appointments to the Commuter Rail Board, although the City of Chicago would also nominate one member.

3. The suburban mayors would receive control of a new Suburban Bus Board (which has marketed itself as Pace since 1985). This was basically the organization which they had sought through the Chicago Area Transportation Study in their short-lived legislative initiative of 1981-1982. The reform bill spelled out in exhaustive detail the districts from which village mayors would select their colleagues to sit on the Suburban Bus Board.

4. The RTA would be retained, but only as an administrative and policy making agency. It would be given increased responsibilities in the supervision of the three service boards' budgets, and the power to disapprove of budgets which did not balance.

5. The incumbent RTA board (including its chairman) would be ousted in its entirety as soon as the reform legislation passed. There would be a new Transition Board, with a one-year mandate. It would be filled by nominees picked by political leaders, as

specified in the bill.[9] After the Transition Board had done its job, it would be replaced by a regular board whose members would be nominated by the Mayor of Chicago and the suburban county boards, as had been the case throughout most of the RTA's history.

6. The entire transit system, taken as a whole, was to recover at least 50% of its operating costs from internally-generated revenues, i.e., from the farebox and other commercial sources, such as the rental of advertising and concession space, and reimbursements for carrying school children, senior citizens, and riders with disabilities at reduced fares. However, there was nothing to prevent the RTA from mandating different fare recovery ratios for the three different operators, and that has in fact happened. The CTA's cost recovery hovers around 52%, the commuter trains recoup about 56% of their costs from fares, and suburban buses recapture around one-third of their expenses.

7. The transit-dedicated sales tax surcharge, which had replaced the gasoline tax in 1980, would continue to be the RTA's basic funding mechanism. A smaller state subsidy which had been revoked in 1979 was now restored. Throughout the six-county area, the RTA would take 15% of the sales tax revenues for its own needs, and to support capital programs. The remaining 85% would be used for operating subsidies. All of the operating subsidies raised in the city would go to the CTA, the subsidies raised in the outer suburban "collar counties" would be divided between the commuter trains and suburban buses, and in suburban Cook County, all three transit operators would share the subsidy monies.

8. Labor agreements between the three service boards and their unions could not contain automatic cost of living adjustments.

The Thompson administration appears to presented parts of the package to the legislature as non-negotiable, but other aspects were settled through political give-and-take. The most important sticking point was the vital issue of who would appoint the RTA Transition Board's members. In order to understand why this was resolved by making Mayor Washington an explicit stakeholder in the reform process, we now examine the political

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[9] The governor would choose the chairman of the RTA Transition Board and the first chairman of the regular board following the expiry of the Transition Board. Thompson picked John Kramer as the chairman of the Transition Board, and in late 1984, chose Samuel Skinner to head the regular RTA board.

background the governor faced in 1983.

The Cutback Amendment

The 1983 legislative session was the first to take place under the provisions of the 1980 "Cutback Amendment" to the Illinois Constitution of 1970. In 1980 voters approved an amendment to the constitution which reduced the size of the legislature and also eliminated cumulative voting in the Illinois House.[10] (Patrick Quinn, a political entrepreneur who had been Governor Dan Walker's chief of staff, was largely responsible for the Cutback Amendment.)[11]

In 1973 and 1979, compromise across both city and partisan lines had been difficult enough in the Illinois House. There were, however, substantial minority contingents of city Republicans and suburban Democrats, elected under the system of three-member districts. Now the Cutback Amendment instituted single-member districts in the House, with the result that members of partisan minorities no longer enjoyed representation in the State House. The suburban Democrats and city Republicans whose votes had helped enact the RTA in 1973 were now gone. Partisan and geographic interests became self-reinforcing, as Republicans increasingly came to be identified with the suburbs

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[10] According to former State Representative Eugene Schlickman (interview, September 1993), few voters understood or cared greatly about the elimination of cumulative voting. The principal appeal of the Cutback Amendment, he argued, was that it gave voters the satisfaction of reducing the number of elected officials.

[11] Quinn inserted himself in the political process again in 1994 with well-publicized efforts to place a term limits referendum on the ballot for that year's November election. The Illinois Supreme Court threw the measure off the ballot in a controversial decision, finding that Quinn's initiative had improperly sought to bypass the state legislature under the amendatory process of the Constitution of 1970. Quinn briefly returned to public attention in early 1996 with an unsuccessful bid for the Democratic nomination for the US Senate seat being vacated by Paul Simon.

and Democrats with the city, making compromise even more difficult than it had been before. (The Cutback Amendment did not affect the method of representation in the Illinois Senate, which has always used single-member districts.)

Thompson, Washington, and the RTA Board

Under the circumstances which had prevailed before the February 1983 mayoral primary, the logical thing for Governor Thompson to have done would be to negotiate with the leadership of Chicago's machine and reach some sort of understanding which would have gained the machine's support for (or at least reduced opposition to) RTA reform. Two things precluded a deal with the machine, though. One was the machine's concern for Lewis Hill, the city's former planning director whom Mayor Bilandic had offered to the suburbs in 1978 as a replacement for the ousted Milton Pikarsky.

It was well known that Thompson wanted Hill out of office, and widely suspected that the governor wanted to replace Hill with his transportation secretary John Kramer (as indeed he did). The machine's legislative allies in Springfield insisted that some arrangements be made for finding Hill another position in government before they would consider backing the reform bill.[12] Thompson, for whatever reasons, refused to address the machine's concerns about Hill's future.

Some observers saw Hill as a cynical operative who was all too comfortable in the gray area between Chicago politics and bureaucracy. In their view, Hill was accustomed to having long lunches with Chicago business leaders and riding in a comfortable limousine, while commuters dug deeper in their pockets to ride buses and trains which were the object of service cutbacks and deferred maintenance.

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[12] Chicago Tribune, October 28, 1983.

Certainly Hill paid more attention to getting along with top civic leaders than he did to his own public image. This course of action had its benefits and its costs. He had started his chairmanship of the RTA in 1978 as a protegé of Mayor Bilandic. Then, like many mayoral appointees, he transferred his allegiance to Jane Byrne following her upset victory in early 1979. Hill was now identified with the city's aldermanic voting bloc opposed to Mayor Washington led by the so-called "Two Eddies," Edward Burke and Edward Vrdolyak. This endeared Hill to the mayor and his allies even less than it recommended him to the governor.

To others, however, Hill was a capable manager who was in the wrong place at the wrong time. Pastora Cafferty argues that Hill was simply in the way of IDOT Secretary John Kramer's ambitions to succeed Hill as RTA board chairman. Cafferty saw both Hill and Kramer as capable administrators, and argues that there were no personal hard feelings involved, just the normal conflicts of rival political ambitions.[13]

The other consideration facing the governor was his relationship with the mayor, and by extension, with the mayor's core constituency. Mayor Washington had every right to expect to be treated as an important stakeholder in any matter having to do with the CTA. Since 1947 the mayor of Chicago had appointed four of the seven members of the CTA board (a proportion fixed by law), and since 1974 the mayor had appointed members to the RTA board in proportion to the city's population. Thus, any move which bypassed Washington might undercut the city's position in future decisions affecting mass transit. Turning over decision-making power to the City Council was not the most realistic option, since the Burke-Vrdolyak bloc could obstruct Washington but could not govern on its own.

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[13] Interview, September 1995.

Furthermore, many voters might view any reform package which did not include the mayor's participation as a racially motivated move to exclude the mayor from a realm of vital interest to the city. Thompson had won a narrow victory over former US senator Adlai Stevenson III in the 1982 gubernatorial election, a contest which Thompson almost lost--largely as a result of increased mobilization of black voters. If the governor wanted to be reelected in 1986 (as in fact he was), he could not risk being seen as snubbing Washington or his core constituency.

The Council Wars, as the politics of dispute and stalemate in the City Council were colloquially known, persisted until 1986, when court-mandated redistricting and special elections in a handful of largely Latino wards gave Washington a bare edge in the City Council. With exactly half of the 50 aldermen allied with the mayor following the special elections, he was able to cast the tie-breaking votes in his favor. Until the special elections, Council Wars made it impossible to rely on the traditional formula whereby mayoral appointments had to be cleared by the City Council before becoming official.

Before Washington's election in April 1983, the requirement that the aldermen approve the mayor's appointments had been all but a formality, especially under Mayor Daley. Thanks to the new politics of division in the City Council, however, the Vrdolyak-Burke bloc opposed to Washington now placed all mayoral appointments requiring aldermanic approval on indefinite hold. Therefore, to require the mayor's appointees to go through the traditional confirmation process would be tantamount to denying their nomination and excluding Mayor Washington from participating in the RTA Transition Board.

The only way for Washington's appointments to bypass this legislative roadblock was for the General Assembly to eliminate the requirement that the mayor's appointees receive the approval

of the council. Clearly, this was the only way for Governor Thompson and IDOT Secretary Kramer to obtain the support of Mayor Washington's legislative allies in Springfield. As Republicans, Thompson and his allies had no intrinsic stake in enhancing the power and standing of either particular Democratic faction in Chicago. Since Washington was more prepared to cooperate than were his opponents, the mayor became the governor's choice of a political ally in Chicago for reforming the RTA.

From the standpoint of the Washington administration (and for the city, for that matter), the reform package was a tradeoff. The city lost an important measure of budgetary control over the CTA, i.e., the power to run the CTA with no more regard for business criteria than the city-appointed majority on the CTA board saw fit. On the other hand, the outcome was preferable to the post-1979 financial uncertainty which had led to sudden and large fare increases. The reforms did put the CTA on a more predictable financial footing.

There was another factor which no doubt made the final version of the reform package relatively appealing to Washington. The bill would throw out the entire board (including all Chicago members appointed by previous administrations), and allow Washington to appoint two of the eight nominees to the new board. In particular, Chairman Hill would be forced out of office. These incentives apparently helped convince Washington to throw his support behind the reforms. Once the package became law, Hill and the old board were removed, and the Transition Board, with IDOT secretary John Kramer as chairman, took office.

The Reform Debate

In 1983 there was none of the confusion of the sales tax debate four years earlier. Proponents and opponents alike had a keen sense of what was at stake, and why they took their respective positions. The mayor's legislative allies were in a

difficult position. Through their traditional links with organized labor, and the fact that a majority of the CTA's work force was black, they were not inclined to support the reform bill, which they saw as anti-labor (because it outlawed automatic cost-of-living adjustments). However, they also understood that a majority of the CTA's customers was also black, and that large numbers of angry straphangers could be more dangerous politically than smaller numbers of angry transit workers. Reluctantly, perhaps, they made the compromises necessary to protect the well-being of their constituents, as best they could under the circumstances.

The small Harold Washington bloc in the State House was supporting the reform package reluctantly. Like Mayor Daley before he was convinced to support the RTA in the early 1970s, Mayor Washington would have preferred a CTA with greater access to the public purse. But the mayor realized that he did not have the support for open-ended subsidies, and he came on board when there was an advantage in it for him. As Senator Emil Jones, a Washington ally from the far South Side of Chicago, put it, this was

> The last train out of town. There are those who say wait. ... if we wait until January [of 1984], the $75 million [subsidy being offered as part of the legislative package] will dwindle down to maybe 15 or 20 [million dollars], and come after March, there will be no subsidy. Service is going to be cut in Chicago ... the fare is going to be $1.50 [the CTA fare was 90 cents at the time]... We're caught between a rock and a hard place, and I don't like it (Senate Debates, November 2, 1983, p. 119).

Much of the support from the bill from the Republican side of the aisle was less than ecstatic. Senator Mahar, representing a suburban constituency, summed up much of the mood of the debate:

> I've come to the conclusion that maybe we can't write a bill that will solve our transportation problems in

> Cook County and the collar counties. Maybe we don't want to write a bill that will solve our problems in Cook County. Maybe we want to come awfully close but just not close enough. Well ... it just seems to me ... that this is probably the last train out; and while I'm ... very, very skeptical about some of these provisions, I see no other choice at this point than to vote Aye (Senate Debates, November 2, 1983, p. 111).

The Ouster

The House had already approved the reform package, but the Senate did not act until late in the year. On November 2, the Senate approved the reform package, and it became law. The Transition Board took control almost immediately upon passage of the reforms. On November 9, only a week after the reform bill passed, Governor Thompson, in a move which surprised few observers, chose John Kramer to head the RTA Transition Board. The combination of a new board, a more secure funding position, and a consensus that better fiscal control was a necessary prerequisite for continued subsidies, all augured well for transit riders throughout Chicagoland.

Time for a Breather?

The RTA's tumultuous first decade came to a close with the ouster of the old board. Now there was the hope of greater financial stability for transit in Chicagoland. For the first time, there was a consensus that crossed the once-deep divide between the city and the suburbs.

After years of lurching from one problem to the next, Chicago's transit system was entering a new period of relative equilibrium. Perhaps now, policy makers would be able to catch their breath and take stock of what had happened.

CHAPTER 11
BUSINESS AS USUAL, AT LEAST FOR THE MOMENT: 1984-1996

A week after the passage of the RTA reform bill in November 1983, the old RTA board was ousted in its entirety, along with its chairman Lewis Hill. Governor Thompson's nominee John Kramer took over as chairman of the new Transition Board. For the first time in the RTA's history, board members set aside the feuding which had hobbled the old board. Under the leadership of Kramer and his successors, there was a palpable sense of working together for the shared goal of stabilizing the region's transit system. The new service boards--the suburban analogues to the CTA--were set up and staffed in 1984, during the RTA Transition Board's tenure: Metra for the commuter trains and Pace for the suburban buses.

Professor Pastora Cafferty, who served on the original RTA board from 1974 through 1978, on the 1983-84 Transition Board, and again on the regular board starting in 1986, describes how the RTA board has changed its ways of making decisions:

> We had these rooms [at the RTA's previous headquarters during the 1970s and 80s]... When you were having budget discussions or planning discussions, there would be a suburban room and a city room. And eventualy there was a Metra and a Pace and a city [i.e., CTA] room. Sometimes they [the board members] would go from one room to the other. I'd sit down with the city people, and then I'd go broker with a couple of suburban people. [...] Now in our new headquarters, there are no rooms. We never caucus. That doesn't mean that I don't talk with a city person or a suburban person, or sit down and talk with the chairman of the CTA, and say "what do you need"? But we don't have these little caucus rooms. They don't exist. That is a big cultural change...[1]

The board moves on--and so do its chairmen

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[1] Interview, September 1995.

In October 1984, with their work done, Kramer and the Transition Board left office. They were replaced, at least in part, by the regular 12-member RTA board, as constituted in the 1979 Byrne-Thompson legislative package. In suburban Cook County and the five outlying "collar counties," the county boards were able to appoint the members of their choice with no further ado.

In Chicago, things did not run quite as smoothly. There, the RTA board selection process reverted to the old rules whereby the City Council had to approve of the mayor's nominees. Since the "Council Wars" were still under way, Mayor Harold Washington's nominees were held hostage by the mayor's opponents until 1986, when court-ordered special elections in four wards gave the mayor the tiebreaking vote in a City Council divided equally in half, and hundreds of appointments to various boards were approved in short order. But the addition of the city's board members made little difference to the suburban majority in charge of the RTA.

One sign of the increased respectability of the reformed RTA was what happened to its chairmen after they left office. Both of the chairmen of the original RTA--Milton Pikarsky and Lewis Hill--were forced out of office. Pikarsky went into academia, and Hill retreated into retirement.

But since the November 1983 reforms, the RTA has been a high-prestige political springboard, a political feather in its chairmen's caps. John Kramer, the chairman of the transition board, left in late 1984 to head the World's Fair Authority. At the time it was imagined that Chicago might host a World's Fair in 1993, commemorating the centennial of the World's Columbian Exposition. However, the political deadlock of "Council Wars" prevented the city from making the necessary decisions in time to move ahead with planning for a World's Fair, and the idea fizzled out. Had the World's Fair proceeded, Kramer might well have

pursued a political career, but he faded from the public eye and pursued a quiet but satisfying career as a transportation consultant.

The next two RTA chairmen were more successful in turning their RTA experience to their political advantage. Samuel Skinner, who succeeded Kramer as RTA chairman (1984-1989), became US Secretary of Transportation and subsequently White House Chief of Staff in President George Bush's cabinet. After Bill Clinton defeated Bush in 1992, Skinner moved on to assume the leadership of Commonwealth Edison. This made him the first figure since Samuel Insull whose career included running transit and electric utilities in Chicagoland, although for Skinner these two positions came sequentially, not simultaneously. Skinner's successor Gayle Franzen moved on after several years at the RTA to be elected president of the DuPage County Board in 1994.

The CTA melodrama

The differences in priorities and political culture between the suburban-controlled RTA, Metra, and Pace, on the one hand, and the city-controlled CTA on the other, showed themselves clearly all through the 1980s. The RTA reviewed the three service boards' budgets carefully, as it was required to do. Metra and Pace managed to live within their budgetary means with few complaints, but not the CTA.

Almost without fail every year, the CTA would star in a three-act melodrama. First, there would be a budget crisis. Next would come some combination of proposed fare hikes and service cuts, which would bring forth a chorus of outrage from an affronted citizenry. Finally, the CTA would backtrack, revise its figures or otherwise come up with more money than it had earlier claimed to have on hand, and the "crisis" would be resolved with a smaller fare increase or fewer cutbacks than had been feared. This carefully-choreographed ritual varied little

from one year to the next.

New leaders in City Hall and Springfield

By the early 1990s, Chicago had a new mayor and Illinois had a new governor. Mayor Harold Washington died of a heart attack in November 1987, barely half a year after winning reelection. The City Council chose Eugene Sawyer, a mild-mannered black alderman from a middle-class ward on the South Side, as acting mayor. Sawyer was challenged by his rival, Alderman Timothy Evans, who enjoyed fervent support from many of the black political activists who had helped elect Harold Washington, but had few adherents from other social constituencies in the city. In special mayoral elections held in early 1989 to fill the remaining half of Washington's term, Sawyer and Evans divided the black vote, and Cook County State's Attorney Richard M. Daley attracted most of the non-black vote to become mayor.[2]

Although whites and blacks do not always agree as to whether it was a good thing, Daley's arrival seemed to herald a new period of quiescence in city politics.[3] There was a renewed emphasis on getting the job done in a variety of public policy areas in the Daley administration. The late Mayor Daley had ruled as a boss, but his son managed the city by consensus.

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[2] The Evans forces had sought the special elections over the objections of Sawyer and his allies, although it is hard to see why in terms of their candidate's electoral support, which was largely restricted to the city's black wards. Acting Mayor Sawyer lost to Richard M. Daley in the Democratic mayoral primary, and Alderman Evans lost against Daley in the general election as an independent.

[3] See Grimshaw (1993) for a pessimistic view of the prospects of Chicago's African American voters for regaining the political power they had enjoyed during the Harold Washington years. By contrast, several of the contributors to Green & Holli (1991) treat Daley's rise to power as a positive development for the city, and specifically for the white, Latino, and "lakefront liberal" voting blocs which supported him.

Meanwhile in Springfield, Governor Thompson declined to seek reelection in 1990 after 14 years in office. His successor, elected with Thompson's endorsement, was Republican Secretary of State Jim Edgar. Although there was a broad policy continuity between the two men, their styles differed. Thompson, as a Chicago Republican, understood the concerns of the city's Democrats, even if he did not share them. As his dealings with Mayors Bilandic, Byrne and Washington showed, he was able to work with whatever city administration was in power. By contrast, Edgar came from a downstate background, and from time to time played up to the anti-Chicago sentiment among his core constituency. Edgar was able to work with Daley on some issues (such as the short-lived third airport proposed for a Lake Calumet site, which died in the state senate in 1992 despite the best efforts of the governor and the mayor). On other issues such as school finance and gambling casinos, however, Edgar was more willing to oppose the mayor.

Rough Track in the Nineties

The sales tax was a productive source of subsidy revenue for transit in Chicagoland during the prosperous 1980s, when new buildings were sprouting in and around Chicago's Loop as well as the suburbs, and transit ridership was growing hand in hand with downtown employment. But, as the RTA and the three service boards were to find out the hard way with the recession which started in 1990, the sales tax is a volatile source of revenue. It is a budgetary fair weather friend. It blossoms in good times, but it droops when the economy sags. As the RTA and the three service boards struggled to make do on less subsidies, it was no longer business as usual.

It seemed as if crises in the politics and finance of Chicago's transit system were fated to take place every decade. The earlier financial shortfalls of the early 1970s and 80s had been triggered largely by the failure to restrain the CTA's

losses. The same failure was now exacerbating matters in the early 1990s. The gap between the CTA's shrinking market and its almost rigidly-fixed supply of service soon brought responses from both sides of the city line.

The failure to respond to an overall economic recession which reduced the resources available for mass transit meant that unless somebody took decisive action, the system would eventually run out of money and decisions would be made in a crisis atmosphere. Heightening the urgency, a consultant warned the RTA during the winter of 1991-92 that without meaningful change, the RTA would run out of money by 1995.

The first indication that business might not be as usual came in early 1992 with the ouster of Alfred Savage as the CTA's general manager.[4] Savage had barely finished the paperwork associated with his resignation when Mayor Daley announced his choice of Robert Belcaster. A self-made real estate executive, Belcaster announced that he viewed the CTA as a company, with its riders as stockholders. Daley promised that Belcaster

> would have a free hand in turning it [the CTA] around. Robert Belcaster will have the power "to hire and fire anyone," the mayor said. "He can clean anybody out, politics or no politics."[5]

Belcaster changed the CTA's upper-level managerial structure to make it more like that of a private company. In addition to

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[4] The CTA hired Savage in 1990. Savage, a Canadian, had started his US career in Buffalo, where New York's governor Mario Cuomo had attracted him from the leadership of the Toronto Transit Commission (arguably the most prestigious job in the North American transit industry). In Toronto, Savage had been accustomed to working with elected officials who understood the value of good mass transit. This was poor preparation for the politically charged atmosphere in Chicago, although it says something less than flattering about Chicago that the CTA was unable to use the talents of the former general manager of the Toronto Transit Commission.

[5] Chicago Tribune, February 4, 1992.

streamlining the chain of command, he showed that he was serious about personal accountability by posting the telephone numbers of bus garage managers on board buses for the benefit of riders with complaints.

A Return to Consolidation?

Chicago is normally not earthquake territory, but the entire transportation community felt the ground shake in May of 1992. RTA chairman Gayle Franzen suggested that Chicagoland's transit finance problems could be alleviated by merging the three operators with the RTA to create a new "Regional Transit Service."[6] Presumably this would occur under his agency's leadership, as he had certainly seized the initiative and taken Chicagoland's transportation community by surprise. Franzen claimed that the merger could eliminate 400 to 500 administrative jobs, and save $40 million a year through economies of scale.

But Franzen's proposal found few takers outside his organization. Some observers doubted his numbers, and others questioned his political logic. Franzen united all three service boards against him, and state legislators from the city and suburbs alike came out against the idea, because they all had more to lose than to gain from a merger. Mayor Daley did not comment (although he was probably opposed), and Governor Edgar spoke out against the plan. After several months trying to drum up political and business support for a merger, Franzen quietly dropped his merger proposal, and the idea sank into obscurity.

New lines or old?

Upon taking office, the CTA's Robert Belcaster broke a longstanding taboo against discussion of changes in service delivery, particularly on the Lake Street "L". As recently as the late 1970s, the Lake Street "L" had been well-maintained, and

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[6] Chicago Tribune, May 21, 1992.

its trains routinely ran at the system's top speed of 55 miles per hour. Now, years of deferred maintenance had left large areas where trains were forced to slow to a crawl for safety, and Belcaster

> said that sections of the ["L"] system could be shut down in favor of less costly express bus operations, and he cited the Lake Street elevated line, which runs from the Loop to the western suburbs, as one on which the change would make sense. (...)
>
> If the expense of operating the elevated line exceeds the benefits, Belcaster said, "I think that we have to think about it. Is it cost-effective, or is there something we can replace it with that would be better [in the] long term?"[7]

It seemed that a new light rail line downtown might be a higher priority for the city. Starting in 1987, when the Metropolitan Planning Council, a private sector planning organization, published a report proposing a light rail downtown distributor line, the downtown business community had been actively involved in planning for it. Property owners, worried about the effects of increased traffic on downtown accessibility and land values, had voted to tax themselves to help fund the project. The proposed Central Area Circulator would link Union and Northwestern Stations with the Loop and the Near North Side. Such was the CTA's lack of prestige that before becoming the CTA's chief executive officer, real estate executive Robert Belcaster had been adamantly opposed to letting the CTA operate the proposed Circulator.

The Circulator had Mayor Daley's support, but community groups questioned the project's cost-effectiveness and its underlying rationale. Neighborhood groups along the route of the Lake Street "L" were particularly worried that their line would be the first to go when the CTA found itself in financial

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[7] Chicago Tribune, February 12, 1992.

difficulty. From their point of view, the proposed Circulator downtown only added insult to injury.[8]

Meanwhile in the suburbs, the RTA was promoting a demonstration personal rapid transit line using small vehicles running on a specially-built guideway. Although most transit experts agreed that this mode's high capital costs and modest passenger throughput made it a poor performer in cost-benefit terms, the RTA was inviting personal rapid transit proposals from suburbs with office growth and traffic problems. It was against this background that Mayor Daley made a surprise announcement.

The Center for Neighborhood Technologies, a sort of citywide super-community organization, took the initiative in the summer of 1993 by issuing a report calling for a strategy of aggressive land development near stations on the Lake Street "L" and the South Side "L", another line with poor ridership which was rumored to be a likely target for abandonment.[9] Less than two weeks later, Mayor Daley announced that the city was coming to the rescue.[10] The Lake Street and South Side "L" lines would be shut down for the next two years and completely rebuilt (in fact, it took two and a half years). The CTA ran express bus service along nearby streets during the rebuilding.

Interestingly, nobody doubted that the mayor would be able to find federal money for the project, even on such short notice. He seemed to have no difficulty convincing the Clinton

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[8] With downtown feeling the effects of the recession in the 1990s, the mayor made the Central Area Circulator a lower priority starting in 1993. Following the Republicans' capture of the Illinois House of Representatives in 1994 (on the heels of their Senate majority two years earlier), the Edgar administration suspended the state's plans for the Circulator.

[9] Chicago Tribune, July 26, 1993.

[10] Chicago Tribune, August 5, 1993.

administration to advance an 80% share for a project estimated at about a third of a billion dollars.[11] Nor did the RTA board object to the mayor's investment priorities; instead, they approved both the rebuilding of the "L" and the construction of a personal rapid transit line in the suburb of Rosemont adjacent to O'Hare Airport. Both projects were of questionable cost-effectiveness, but each had its political constituency on the RTA board. The Illinois tradition of logrolling was obviously alive and well.

The only financial benefits to the CTA from the temporary closing of its two weakest "L" lines were that the system would save some money in its operating budget while the lines were closed, and that when the lines reopened, trains would be operated by just a motorman. (The trains had been operated with a motorman and a guard prior to rebuilding.) The political benefits to the Daley administration, on the other hand, were substantial. The mayor was able to shore up his position in some of the city's poorest black wards, where he had not received a large share of votes in 1991. (In 1995 the mayor was reelected by a margin even more comfortable than his 1991 showing. Fully 30% of the city's black voters supported Daley, even though a black opponent, Roland Burris, a highly regarded and personable campaigner, ran as an independent in the general election.)

Business as usual...but for how much longer?

Nineteen ninety-three was a year of retreat to the accustomed comfort of business as usual. At least for the moment, the city, the CTA, and the RTA had staved off some hard

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[11] The "L" rebuilding may have been a political favor which the Clinton Administration owed the city. The mayor's brother, William Daley, had been instrumental in convincing Democratic members of Congress to vote for the North American Free Trade Agreement with Mexico. Furthermore, prior to his indictment in the summer of 1994, Chicago's influential congressman Dan Rostenkowski was chairman of the powerful House Ways and Means Committee.

decisions, and had made some easy decisions instead.

But the 1994 election of Republican majorities in both houses of the US Congress committed to phasing out the federal deficit sent shock waves throughout the nation's transportation community. The impending elimination of federal operating aid to transit, combined with Governor Jim Edgar's reluctance to approve new taxes may soon force the hands of transit board members--and of Illinois lawmakers.[12] No financial sleight of hand will produce the sort of money that the CTA (and to a lesser degree Pace and Metra) will need to make up the shortfall, especially if the sales tax remains a lukewarm producer of revenues.

The funding formula written into the 1983 reforms, which severely limits the amount of sales tax revenues which can be transferred between counties or between the city and suburbs, promises to be a contentious issue. Retail sales have been stronger in the suburbs than in the city. As a result, city officials and the downtown business community are worried that the suburban buses and trains will survive relatively well, but that any upcoming budget crunch will leave the CTA high and dry.

Which Way From Here?

Outsourcing, both for support services and transit operations, may be the only way to help cushion the dual blows of fare increases and service reductions which budget cuts threaten to bring. It is no panacea, but every little bit helps--and contracting might help create more political good will for transit by showing that the system is trying its level best to

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[12] A small breach in the governor's "no new taxes" stance came in the spring of 1996, when he proposed revisions in the state's school financing setup. However, judging from the response of legislative leaders, Edgar had not convinced his own Republicans of the merits of his proposal. Nor does Edgar's softening position on the schools issue guarantee that he would be equally sympathetic to Chicago's transit.

serve the city and suburbs economically. Experiences in Buenos Aires, London, Stockholm, and Denver show that contracting can reduce costs while serving commuters' travel needs, if it is implemented in such a way as to screen out unreliable transit providers. Fortunately, this approach fits in well with both Mayor Daley's interest in privatization and with the cost-conscious suburban approach to public service delivery.

Another helpful change would be to supplement or replace the existing geographic-based funding formula with trip-based subsidies, so that the money will go where it is most needed. In economic terms, this would encourage all three service boards to revise their service patterns in keeping with consumer demand, without the loss of local control which a single merged system would imply. This way, the region's transit carriers would be rewarded for moving people rather than buses and trains.[13]

Perhaps elected officials will rediscover the great Illinois tradition of political compromise and put together a deal which will safeguard the fundamental interests of taxpayers and transit customers in the city and suburbs alike. For the hundreds of thousands of Chicagoland residents who rely on mass transit, from affluent suburban commuters to the city's working poor, it would not come a moment too soon.

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[13] For example, trip-based subsidies might encourage Metra to seek more riders by running more trains on the Metra Electric line to Hyde Park, South Shore, and South Chicago. This, in turn, would enable the CTA to reduce service on its #6 Jeffery Express and #14 South Lake Shore Express bus routes, which parallel the train for much of their length, and shift the surplus bus-miles to other busy routes where there is no alternative service available.

CHAPTER 12
LEARNING FROM CHICAGO

Chicago has had a long, rich history of political controversy about public transportation. Although this history is still very much in progress, we can learn a lot from what has happened in Chicago so far.

The most important lessons center around the shift from centralization towards decentralization, and conflicts between the city and suburbs. Others have to do with the extent and importance of the 1983 reforms, and the political pressures affecting mass transit. These lessons are informed by, and discussed in terms of what has happened over the past century of transit controversy in Chicago. Nevertheless, much of what Chicago teaches us can be readily generalized to other, comparable large US cities. To some extent, many of these findings apply to any democracy where mass transit is a political issue.

A few of these conclusions are specific to events in Chicago, and may not have much broader application. Most of these findings, however, discuss dynamics which are readily observable not only in Chicago, but in a variety of cities in the US and elsewhere. Where appropriate in the discussion, we draw on these cities for their experiences, as they offer numerous parallels, and even their differences from Chicago can help highlight some of the principles involved. Readers familiar with public transportation in other cities will recognize many of the same institutional woes and political problems which make Chicago's transit system fascinating to observe and frustrating to administer. We start by examining the crucial dynamics of centralization versus decentralization and of city versus suburban interests in mass transit.

Pendulum swings in transit organization

1. Historically, there has been a tendency for smaller transit operations to be merged into larger ones over time, in Chicago and elsewhere, and for large systems based in the city to extend into the suburbs. What happened in Chicago in 1983 is important because this traditional movement towards consolidation reached a turnaround point--and since then several other cities have followed suit.

Until the early 1980s, it was generally accepted wisdom in the transit industry that bigger organization was better organization--and the history of Chicago's transit reflects this view.[1] New York, Philadelphia, Boston, Los Angeles, Melbourne, and London are among the other cities whose transit histories

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[1] There were the following consolidations of mass transit in Chicago during the 20th century:

A. The creation of Chicago Surface Lines in 1914.

B. Samuel Insull's de facto takeover of the entire elevated system in 1914, whereupon he instituted free transfers between lines (although they were not formally merged into Chicago Rapid Transit until 1924).

C. The Illinois Commerce Commission's 1935 decision to require Chicago's transit companies to offer free transfers between one another's services (although full intercompany transfers did not become available until 1943).

D. The Chicago Transit Authority's takeover of Chicago Surface Lines and Chicago Rapid Transit in 1947.

E. The CTA's acquisition of Chicago Motor Coach in 1952, bringing all of Chicago's local transit providers into one system.

F. The coming of the Regional Transportation Authority. The RTA was created in 1973 and narrowly approved in a referendum in 1974. In 1976 the RTA introduced transfer privileges among Chicagoland's various suburban bus companies, and between suburban buses and the CTA.

Since the 1983 reforms, the CTA and Pace have continued to honor each other's transfers, even though they are not under any obligation to do so. Pace is well aware of the large proportion of its riders who transfer to and from the CTA, so simple self-interest is likely to ensure that these arrangements are preserved.

echo this tendency. Transit managers and political officials have long assumed that there were economies of scale to be obtained through mergers, and that large, unified systems were better equipped to offer comprehensive, well-integrated service than smaller ones. Coordination of transit services

> appealingly connotes clockwork efficiency, something everyone is for. So, in the name of coordination, public transportation in [many] urban areas has evolved into a single publicly owned, publicly financed, and publicly operated system.[2]

Vukan Vuchic, an articulate proponent of high-quality transit, elaborates on this view:

> With respect to integration and regulation of transit services, considerable progress has been achieved. In most large cities, formerly independent transit services have been united into regional transit authorities... This trend still has some opponents, particularly among academic economists... They claim that "free enterprise" transit systems without service coordination would provide better service than integrated transit agencies, quoting examples from cities with substandard transit services. (...) Their serious deficiencies have been overcome only by integration and coordination of all transit systems in a city or region (1981, pp. 53-54).

As an expert on, and a proponent of federations among different operators as a way of improving service to the public, Professor Vuchic is well aware of the difference between consolidation and coordination.[3] Indeed, coordination offers a middle way between the confusion of a fragmented system (common in many developing countries) and the diseconomies of scale which often accompany consolidation. But many transit officials and their political masters have all but automatically equated consolidation with coordination. Some unified systems, such as Philadelphia's SEPTA, have in fact brought about more coordinated

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[2] Johnson & Pikarsky (in Lave 1985), p. 49.

[3] See Homburger & Vuchic (1972).

service. Yet mergers do not always result in fare and service integration, as city transit users in Boston and New York who pay multiple fares know all too well. Conversely, Hamburg, San Diego, and Toronto have well-linked service as the result of voluntary agreements among different transit providers.

A coordinated transit system runs more smoothly and is better equipped to attract riders on a basis of choice than a disjointed one. However, most US cities with good service coordination also have an inflexible, unresponsive bureaucracy overseeing the area's transit system, rather than a more flexible transit federation.[4] A lot is at stake when regions choose how to organize transit. Unpopular transit authorities act as bad-will ambassadors, discouraging riders and alienating voters. There is no denying that it takes large capital investment and a reliable flow of subsidies to have well-run, well-coordinated transit--and the political discipline is often harder to find than the money. Yet if more people choose to drive because transit is unattractive, society incurs indirect costs of potentially horrendous magnitude as overflows of traffic clog the roads and low-density development spills out in all directions, lengthening travel and rendering transit even less competitive with the car.

It may be that historical tendencies towards consolidation hold only as long as the metropolis itself enjoys continued affluence. When fewer resources are available, governments must make hard choices about the provision of public services such as mass transit. Usually, transit properties try to resolve their financial problems by raising fares and trimming services.

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[4] Possible explanations for this include 1.) that transit authorities seek to grow in size and power, and 2). that it is difficult for smaller operators and their political masters to reach voluntary agreements to link their services and offer joint fares.

Occasionally, the inefficiency of the system itself becomes a political issue, and legislators may try to control its costs on a more lasting basis. When this happens, as it did in Chicago in 1983, there may be changes in the overall institutional setup of mass transit.

Nineteen-eighty-three represents an important moment when the historic tendency towards consolidation not only stopped, but turned around and retreated. There was a broad consensus that for the RTA to operate parts of the regional system while at the same time overseeing the rest of it was simply too big a job for the agency to handle. For the first time in the annals of the North American transit industry, an authority's creators took a critical look at what they had done, and consciously reallocated operations and policy into separate agencies.[5] Since then, lawmakers elsewhere in the US and in Western Europe have mandated similar separations of service provision from policy making. Examples include London (1984), the Twin Cities (1984), Dublin (1987), Detroit (1989), and Stockholm (1991).[6]

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[5] In 1976, the California legislature created the Los Angeles County Transportation Commission (LACTC) and gave it exclusive responsibility for planning a rail transit system for Los Angeles. This had hitherto been one of the functions of the Southern California Rapid Transit District (SCRTD), which despite its name was primarily concerned with running the region's bus system. By the early 1980s, the LACTC had assumed many of the same administrative oversight functions which Chicago's RTA has performed since 1983. However, this appears to have happened more through the LACTC's own initiative than by legislative intent.

During the late 1980s, there were frequent disagreements between the LACTC and the SCRTD over funding and jurisdictional "turf". In 1992-93, the LACTC and SCRTD were merged into the new Metropolitan Transportation Authority by order of the California legislature. The state's lawmakers decided on consolidation in order to resolve the contentious relationship between the two agencies.

[6] There is little evidence that these various reforms are modeled on Chicago and London, the US and European pioneers for this kind of organizational change. Rather, each different set of

Nor is this sort of reform the only form that decentralization has taken. An extreme option is deregulation. The controversial British experience with bus deregulation outside Greater London since 1986 is the best-known example, and was followed by the deregulation of all forms of transportation throughout New Zealand in the early 1990s. Deregulation is unlikely to work in the US context, however, because lower urban densities preclude the ridership levels which would make commercially-viable transit possible on a widespread basis.

Suburban "breakaways" are a more American form of institutional change. In Chicagoland during the 1970s, some suburbanites dreamed of breaking away from the RTA and tending to their transit needs (if any) independently. This remained only a fantasy in Chicago, but in other regions, some unhappy suburbs have withdrawn, at least partially, from large unified transit systems rather than try to reform these agencies. In the Washington and Kansas City areas, suburban counties dissatisfied with the cost structure and service quality of the regional system have taken over operation of bus routes in their own local areas, as has a group of suburbs in Southern California's San Gabriel Valley.

We now turn from the centralization - decentralization issue to the related question of city versus suburban interests. The issues are related because, as we have seen from Chicago, the city tends to support centralization while the suburbs generally seek autonomy for their transit institutions.

United city, divided suburbs

As we look back at the long sweep of Chicago's public transportation history, we see that

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lawmakers appears to have come to broadly parallel conclusions in response to comparable financial and political pressures.

2. Since the late 1890s, the City of Chicago has had a clear agenda for transit and has pursued it with determination. The suburbs, by contrast, are newcomers to the transit debate. Furthermore, most of the suburbs have different stakes in mass transit--different from the city and different from each other. As a result, the suburbs lack the city's strong, unified voice. Although the suburbs now have the power to outvote the city, they rarely have the will to do so in a coherent, constructive way.

Many aspects of life in Chicago have changed out of recognition since the end of the 19th century. But one thing has remained ever constant since the 1890s, when Governor John Altgeld vetoed the "Eternal Monopoly Bill" and Mayor Carter Harrison II addressed angry rallies denouncing the robber baron Charles Yerkes. This unchanging verity is that the city seeks plentiful transit for its citizens--preferably at low fares. The politics of transit in such cities as Boston and New York show a similar determination to provide extensive service at low fares, even at the cost of deficits more daunting than Chicago's.

Chicago's basic objective has remained unchanged across a wide range of mayoral administrations: William H. Thompson when he cooperated with Samuel Insull in the late 1920s, Edward Kelly with the formation of the CTA in 1945, the legendary Richard J. Daley when he sought subsidies for the CTA as early as 1957 and later when he helped enact the RTA in the early 1970s, Jane Byrne when she agreed to replace the gas tax with a sales tax, and Harold Washington when he cooperated with the RTA reforms in 1983. There is no reason to believe that the city's fundamental interests with regard to transit will change under Mayor Richard M. Daley or any of his successors in the decades ahead. Any Chicago politician who is seen as opposing the interests of straphangers can expect a very brief career.

The suburbs, by contrast, have been at a disadvantage because they rarely pursue (or have) a coherent agenda of their own for transit. As far as public transportation is concerned,

different suburbs want different things. Chicago's suburbs encompass no fewer than six distinct agendas for transit:

A.) A few suburbs adjoining the city--especially Oak Park and Evanston--depend on the CTA almost as much as the city does. These communities share the city's interests as far as transit policy is concerned.

B.) Other nearby suburbs with largely working-class and lower middle class populations (e.g., Franklin Park, Cicero, Burbank, Harvey) are more ambivalent about transit. Their residents do not want additional taxes and fear the encroachment of the city (even though their communities resemble some city neighborhoods in sociological terms). Their blue-collar jobs usually take them to locations other than downtown, and they often have to drive to get to work. Yet these communities have also had local transit for decades from suburban bus companies (and in a few cases the CTA as well), and they do not wish to lose these services.

C.) Several high-amenity suburbs all along the North Shore and in other affluent enclaves such as Hinsdale, Lisle, and Flossmoor grew up in the early 20th century along the commuter railroads. These communities rarely worry about suburb-to-suburb bus service or the CTA.[7] But they definitely want good train service, and perhaps feeder buses to bring residents to and from their local stations. To a lesser degree, newer suburbs with good rail service (e.g., Northbrook, Arlington Heights) share this outlook, although they also show elements of:

D.) The newer automobile-oriented suburbs such as Schaumburg and Naperville may want enough transit to bring service workers from the city to staff their industrial parks, offices, and shopping centers. But aside from this service "for the other guy", they have little use for transit.

E.) The small industrial cities of Joliet, Aurora, Elgin, and Waukegan are concerned about their local bus service. Even though they have commuter rail service, it is a relatively low priority for them, as few of their residents commute to downtown Chicago.

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[7] Wilmette is an exception to the general lack of interest of these suburbs in the CTA's well-being. The Evanston "L" terminates in Wilmette, with the result that the village seeks to maximize the quality of service on this line.

F.) Finally, a few of the smaller communities not yet part of the metropolitan commutershed (e.g. western Kane County, and much of McHenry County) simply want to be left alone. Their relationship to the metropolis is still tenuous, but as growth comes to these areas, they can be expected to take on more of the attitudes of the new, low-density suburbs.

If anything, the Chicago suburbs offer a more supportive market for transit than their counterparts in most American cities. For reasons of size, density, and historical development patterns, only New York's suburbs provide circumstances even more fortuitous for transit. The only other areas in the US with remotely comparable conditions are Philadelphia, Boston, and San Francisco.[8] To some degree, Chicago-like conditions prevail in a handful of suburbs around such older industrial cities as Pittsburgh, Cleveland, and St. Louis.

But in most metropolitan areas, the dominant orientation in the suburbs is that of the newer, automobile-oriented community--not a setting where transit prospers. There seems to be more of a suburban consensus on transit in these regions, and this consensus is usually one of benign indifference. It may be that the greater suburban constituency for transit in areas such as Chicagoland helps fuel the controversy.

Urban riders and suburban taxpayers

To the degree that there exists any suburban outlook on transit in a region like Chicagoland, it is a lowest common denominator which provides enough flexibility for most communities to achieve their main objectives. With the variety of agendas competing for attention, it is no wonder that the suburbs have rarely been able to speak as firmly or clearly on transit issues as the city. In Chicago, New York, Philadelphia,

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[8] On account of their greater densities, metropolitan areas in Canada, Western Europe, and especially Japan provide more substantial ridership bases for suburban transit.

Boston, and a variety of smaller cities, a vitally important reason that many suburbanites are wary of the city's agenda for transit is that

3. The city wants the suburbs to help pay for transit, but seeks to retain as much control over the system as possible. The city is merely trying to hold onto the power it has traditionally enjoyed, but to some suburbanites it seems that the city is trying to shift the costs of transit operations beyond the city limits without giving the suburbs a comparable say in how the system is run.

To its credit, Chicago kept its mass transit system financially self-sustaining for longer than any of its counterparts in the US. But when the city finally turned to the state (and the suburbs) for help starting in 1970, there was a deep vein of mistrust running throughout the political bedrock of much of the suburbs. Both in 1973 and again in 1983, issues of control and accountability pervaded the political debates--and these same concerns are likely to dominate any further changes in the way transit is bought and paid for in Chicagoland.

The suburbs are largely concerned with making sure that they get back most of what they put into the system, while the city's concerns revolve around political control. The city has historically been in command of its own, urban-based transit operations. Chicago's voters hold their mayors and aldermen accountable for the quality of transit service, as Mayor Michael Bilandic discovered the hard way when a series of blizzards all but brought the Chicago Transit Authority to its knees. Because the quality of city services can affect the political careers of elected officials, no city in Chicago's position is about to surrender control of urban transit without a fight.

From the suburban perspective, however, the city has held on tightly to urban transit while getting the suburbs to pay for a service which they rarely use. It made little difference to many

suburbanites that back in the 1970s their own members on the RTA board were busy covering their own jurisdictions with bus routes which few riders actually used. Nor did many suburbanites notice that the city's board members were perfectly willing to support various pet projects for the suburbs as long as the city's needs were met. To the suburbs, it all seemed like a power grab. The suburbs responded angrily at first, with the emotionally satisfying but pointless ouster of RTA chairman Milton Pikarsky in 1978, and then more rationally with their support for the RTA reforms in 1983.

Rather than a lasting resolution, the best we may be able to expect is an armed truce between the city and suburbs. In the 1983 reforms, the city and the suburbs each staked out an element of control which they considered part of their fundamental interests. The suburbs got the upper hand in the budget process through their majority on the RTA, which now enjoys review and veto powers over the CTA's budget. At the same time, the city retained control over the CTA's day-to-day operations (of vital importance to mayor and aldermen), and this control has been strengthened by the RTA's redefinition as an administrative agency only.

City, suburban, and regional transit

4. A truly regional transit perspective is more than the sum of city and suburban concerns. But this is very difficult to achieve in Chicago or elsewhere in the US. City-suburban conflict is so widely prevalent in the American metropolis that regionally-organized transit often ends up splitting the difference between city and suburban goals, rather than adopting a regional outlook which sees beyond political boundaries.

The central city is the biggest stakeholder in the governance of transit--and this is likely to remain the case as long as most transit riders live in the city rather than the suburbs. But a truly regional transit system is more than a city-based transit property with some suburban routes and a

combined city-suburban subsidy base.

Regional transit offers an attractive alternative to the automobile in the suburbs as well as the city, but this is very difficult to achieve in a cost-effective manner. Most suburbs are developed at such low densities, and the origin and destination points of their commuters are so dispersed, that transit becomes little more than a charity service for those who do not or cannot drive. Only in Chicago and a handful of other large, older metropolitan areas do real market niches exist for transit in the suburbs (largely focusing on suburbanites commuting downtown and, to a lesser degree, city residents commuting to service jobs in the suburbs).

There is a big suburban market for transit in Chicagoland, even though this is usually overshadowed by the city's transit ridership. Unfortunately, this has not always been reflected in the politics of mass transit, largely because finite resources place the city and suburbs in competition for money and power.

A truly regional approach to transit issues would seek to nurture transit ridership wherever a market for it can be sustained. In smaller metropolitan areas and in rapidly-growing Sunbelt cities, this market is largely limited to the poor of the central city. In these settings, transit on a supra-urban basis is restricted to the provision of symbolic bus routes--at considerable subsidy cost, because they see little use outside of rush hours. This type of service is a charity operation, because in contrast to a truly regional system, it does not compete with the automobile for the loyalties of people who have the option of driving.

But in Chicago and a few other regions, an established suburban transit market has existed for decades. For these places, regional transit (as opposed to just urban transit)

becomes possible. Regional transit should mean that decisions about service provision and quality should start by rewarding existing customers in the city and suburbs alike. Any additional resources should be used to develop additional markets which stand to attract the most riders for a reasonable investment. Only in a very few places, such as Toronto and Ottawa, have transit systems and their political masters applied this philosophy on a consistent basis.

Chicago is still a long way from this happy situation. Still, Metra's ability to hold its own in financial and ridership terms, even in the face of the recession of the 1990s, augurs well for a truly regional approach to transit. This is all the more important because Metra's commuter trains are the principal purveyor of political good will for transit in the suburbs. Metra's viewpoint is largely suburban, but ever since John Kramer's leadership in 1983-84, the post-reform RTA has shown an ability to make decisions which strengthen transit on both sides of the city limits.

It was not until the RTA Transition Board took office in late 1983 that the agency began to take a perspective which was not obsessed with city-suburban issues. Pastora Cafferty recalls her experience on both the pre- and post-reform RTA boards:

> It used to be the RTA versus the CTA, so that the city-suburban issues were really the issues that were resolved on the board. After 1983, that was no longer true. It's the RTA and Metra and Pace and the CTA.
>
> The board is no longer jumping up and down and saying "I'm city, you're suburb", "I'm suburb, you're city". It starts behaving like a regional agency. It starts looking at the region as an interactive economic entity... You start forming a regional mentality in that agency... So what it became is, how do we do this in a way that's politically feasible, because there are political boundaries here, and that's fiscally responsible, and that does not hurt transit.
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> You have a board that thinks regionally. (...)

> That's a post-1983 development. And (...) you have a staff that thinks regionally... I would argue that it's the only agency in the region that has a staff that thinks regionally [interview, September 1995].

This may be the way the RTA operates now, but this is not the way it operated before 1983. There are still a number of transit systems where board members and their political masters conduct negotiations through newspaper headlines and press conferences, where financial disasters are averted only at the last minute year after year, and where board members routinely trade favors when they are happy and hold each others' pet projects hostage when they are not.

This regional outlook at the RTA is a very welcome improvement over the agency's previous situation, but it is very difficult to translate this worldview into a consistent series of actions. It may be too much to expect the RTA board (as opposed to the staff) to view the metropolis as a single, interconnected whole. Rather than overlooking political boundaries, the best we may be able to expect is that the RTA board will make decisions which advance the interests of various transit-oriented constituencies across the metropolis in such a way that no part of the region feels left out. Because transit needs government subsidies to survive, the industry has become politicized. As a result, many transit systems such as Chicago's have to curry favor among the various jurisdictions they serve.

The RTA's experience suggests that city-suburban cooperation may lead to political logrolling rather than an ecumenical outlook that treats political boundaries as irrelevant.[9] The

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[9] In Chicago's transit history, the regional outlook reached an apogee in the 1920s under Samuel Insull. Although transit was only a minor part of Insull's far-reaching business interests, between his ownership of Chicago Rapid Transit and his control of the three great interurbans (North Shore Line, Chicago Aurora & Elgin, and South Shore Line), Insull displayed a regional vision

reformed RTA is not immune to the implicit exchange of favors across the city line, as the experience of 1993 suggests. In that year, city and suburban board members alike supported an expensive rebuilding of a pair of urban "L" routes with marginal ridership prospects, and a suburban Personal Rapid Transit project of dubious cost-effectiveness. The RTA board's members were clearly advancing their joint utility through these decisions, but it remains to be seen what effect their choices will have on the long-run financial health of the system.

We now turn to a couple of points which are more specific to Chicago, but are nevertheless meaningful for an understanding of the dynamics of the 1983 reforms--the importance of which has been emphasized in point 1 above.

The importance of the reforms

What happened in Chicago is important to all transportation professionals because it is part of a broader move towards smaller, more accountable mass transit organizations. Chicago's experience since 1983 shows that

5. The 1983 reforms did include important cost controls, particularly the 50% cost recovery requirement. But they do not add up to a restructuring, at least not in the sense in which the term is used in the private sector. The reforms did not bring about any major changes in operating technology, labor practices, employment levels, routes, fares, or service frequencies.

The requirements that the service boards balance their budgets and that the RTA family of services, taken together, meet at least half of their costs from the farebox and other system-

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without parallel since his time. Insull saw Chicagoland as a single market, including the northwest Indiana portion of the region served by the South Shore Line. The collapse of transit as a profitable industry in the Depression has made it very difficult to rebuild the breadth of Insull's vision, even with the RTA--which is limited to northeastern Illinois in its mandate.

generated sources are important advances. These provisions set a standard for fiscal stability. Instead of letting transit in Chicago come to the brink of bankruptcy as it nearly did in the early 1980s, the financial provisions of the 1983 reforms will force the service boards to raise their fares and cut back their services if they find themselves running out of money.

The 1983 reforms did affect wage rates, if only at the margin, by prohibiting automatic cost of living agreements in labor contracts with CTA, Metra, and Pace employees. As a result, Metra has brought as many commuter rail operating employees onto its own payroll as possible, rather than have them work for private railroads. This is because the ban on cost-of-living adjustments does not include employees of private railroads who operate trains for Metra under contract--but it does apply to railroaders on Metra's own payroll. All the same, this is the only direct effect of the reforms on how transit is provided. This provision could have been enacted on its own, and did not require the creation of Metra and Pace.

What has happened since 1983 does not add up to a restructuring (even though the term is used in the 1983 law itself and in much of the literature on its aftermath). The 1983 reforms have not made major changes in the transit operators' technology or conditions of employment. Only once in the history of public transportation in Chicago have major changes of this nature taken place. When the CTA took over the streetcars and the "L" in 1947, the system had been starved of investment for nearly 20 years, and was in desperate need of modernization and renewal. In its first decade, the CTA made major changes in its technology, use of human resources, and service structure. Thousands of two-person streetcars gave way to buses run by just a driver, and rickety wooden "L" cars requiring a gateman between each pair of cars were replaced by new steel trains which required only a motorman and a conductor. The result was a

"leaner, meaner" CTA which ran much more efficiently than had been the case in 1947.

But since 1983, with just one exception, none of Chicago's three service boards have made changes in their mix of technology and personnel. This exception has been the CTA's introduction of one-person operation on the Ravenswood and Midway "L" lines in the early 1990s. The CTA has not added large numbers of articulated buses to its fleet, even though they can increase the productivity of a bus driver by up to one-half. Nor has Pace experimented widely with minibuses or the replacement of little-used bus routes with demand-responsive transit, although these innovations may hold considerable promise in some of the less built-up suburbs.

Similarly, Metra has yet to seek reduced crew requirements aboard its commuter trains. Metra's conductors still come through the train and punch tickets as their predecessors have since the beginning of railroading, but on GO Transit commuter trains in Toronto, roving inspectors check tickets on a random basis. Metra has yet to experiment with such a proof-of-payment system, even though Toronto is happy with the results. Since the early 1970s, the former Illinois Central Electric (now Metra Electric) has had automatic fare collection with magnetically-encoded tickets activating turnstiles at most of its stations.[10] Yet since 1981, conductors on the IC have been checking all tickets on all trains, just as they do on Chicago's other commuter railroads.[11]

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[10] The turnstiles on the IC (now Metra Electric) account for almost all customers at one, if not both ends of their trips. Riders getting on at stations without turnstiles buy their tickets from the conductor.

[11] Metra may have reasons for tolerating traditional railroad labor practices, despite their technical obsolescence. According to Christopher Knapton, Metra's director of public relations, Metra

Chicago has seen nothing like the changes which swept London Transport following its 1984 reform into separate administrative and operating organizations, under legislation which mandated increased amounts of outsourcing in bus operations. There were even more dramatic changes when the rest of the British bus industry (outside Greater London) was deregulated in 1986, and when Buenos Aires privatized all surface transit in the early 1960s. In all three of these instances, greater competition brought about greater labor economies, and also hastened the replacement of large, two-person vehicles with smaller buses which maneuver easily in traffic.

Political reform, yes; financial reform, maybe

The 1983 reforms focused on administrative changes, rather than more competitive wage levels and more efficient labor practices, which leads us to our next finding:

6. The emphasis in 1983 was on administrative reform, as opposed to more substantive changes in the use of labor and equipment. The reforms did confront the earlier lack of political accountability, but dealt only indirectly with transit's underlying financial problems, which remain unresolved.

The 1983 reforms did not address, head-on, the fundamental imbalance between customer demand, political demand for service, a high cost structure, and the absence of either enough political will to lower these costs or the financial resources to pay for them. The funding formula, which allocates subsidy payments to the different operators largely as a factor of where sales tax revenues are raised, has merely postponed the reckoning. Thus, state representative Cal Skinner Jr. from McHenry County has a valid point when he complains that the suburbs are worse off with

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finds that its customers value the human contact with conductors who come around the train to check tickets (interview, September 1995). As a provider of high-quality transit to an affluent, amenity-conscious market, Metra can afford such "inefficiency" more readily than the CTA or Pace.

the 1983 reforms than before, because the CTA now shares in some of the sales tax money from suburban Cook County (under the earlier setup, the gas tax monies had to be spent where they were raised). At the same time, CTA chairman Clark Burrus and Chicago RTA board member Pastora Cafferty are right to fear that the rigidity of the funding formula, which keeps most of the city and suburban transit subsidies in separate compartments, exacerbates an imbalance between where the money is and where the most pressing needs are.

Yet despite their current problems, the 1983 reforms fit right into the great Illinois political tradition of logrolling, where various bargaining agents exchange favors in order to maximize their area of mutual benefit. There were no absolute winners and losers in the 1983 reform, or in the earlier legislative changes. All parties gave up certain things and gained others, whether in 1983, 1973, or even with the creation of the CTA in 1945.

The merger which RTA chairman Gayle Franzen proposed in May of 1992 made sense in terms of the direct cost savings of reducing the region's transit employment. It is a little-publicized fact that the overall number of administrative jobs grew following the 1983 reforms, largely as Metra and Pace sought to staff their brand-new hierarchies. But this may not be such a cost-ineffective outcome as it initially seems in pure accounting terms.

A merger would make it possible to eliminate a number of jobs. But the same merger would carry with it the potential for very large long-term costs. For one thing, a separate oversight agency is likely to do a better job of administrative supervision than having one huge agency monitor itself. Also, holding all other factors constant, large organizations are less flexible than smaller ones. The enormous costs which result from

diseconomies of scale need to be taken into account, because any unified organization providing transit to a catchment area of more than six million people would not be a small one. The immediate financial costs of having multiple organizations may well be outweighed by money not spent by a large centralized agency, and by the greater accountability which the different service boards provide.

The last three points are of a more general nature. They have a broad application to a variety of settings beyond Chicago and even beyond the US. At first glance, they may seem like truisms, but they incorporate many of the institutional realities which shape the politics of public transportation.

Transit systems do not fix themselves

7. Transit authorities in financial crisis are unlikely to reform themselves. The political authorities ultimately responsible for the transit system have to step in.

When the CTA started to operate at a loss in 1970, its management and board did little to reverse the situation. They certainly did not try to bring costs and revenues back into balance (which would have been an uphill struggle at best, considering that transit had started to lose money earlier in all other large US cities). Instead, they let the CTA's problems worsen in the hope that the state would do something about the issue. The RTA was similarly unable or unwilling to suggest ways in which it could solve its problems prior to the 1983 reforms, and the late 1990s apparently finds the post-reform RTA board likewise inclined to let the state take the initiative again.

It comes as little surprise that transit authorities in Chicago and elsewhere are reluctant to take the lead in seeking or making changes. Too much frank discussion of the problems of mass transit might lead to fundamental reappraisals of transit's proper role in an increasingly automobile-dominated metropolis.

In cities where there is even less of a political constituency for transit than Chicago, the risks of such a candid examination may be even greater. Thus, few transit systems facing crises have reformed themselves from inside.[12]

This reluctance to change with the times is far from praiseworthy, but it is very understandable. Few managers, be they in business or government, are eager to hear that their industry has a shrinking market share and is in decline or at best stagnant, yet that is the case with transit in Chicago and most other US cities. Nor do managers enjoy being told that to survive the financial problems which tomorrow may bring, they may face widespread layoffs (of management as well as operating employees), and be forced to choose between contracting out and closing down much of their operations. The results of a far-reaching debate might lead to a fundamental restructuring of the transit system--which, as we saw above in point 5, did not happen in Chicago as a result of the 1983 legislation.

The Zen of transit controversy

8. Practically all disputes about the finance, organization, and operation of transit stem from attempts to achieve mutually irreconcilable goals. Different policy makers seek plentiful service, low fares, and low subsidies. It is possible to achieve one or two of these goals at any given point--but never all three at once!

Buddhism teaches that people suffer because they crave things which they cannot have. Similarly, transit is controversial because elected officials (and their constituents) seek policy goals which they cannot achieve. In a world of high costs and limited resources, transit authorities cannot run frequent and comfortable service, charge low fares, and incur

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[12] Exceptions to this include Seattle Metro with its "market-driven" strategy, and Tidewater Regional Transit in Norfolk, which started contracting out increasing amounts of its operations in order to avoid financial crisis.

minimal losses--at least not at the same time. Something has to give, and the sooner this is recognized, the more rational the debate can become.

The problems resulting from this tradeoff cause financial crises, political controversy, and customer dissatisfaction not only in Chicago, or even the US. In such diverse political settings as Chicago, London, and Stockholm, limited resources have forced elected officials to reevaluate their transit priorities. There is little rhyme or reason as to why these stresses result in reforms in some political contexts and not others. The perceived political legitimacy of, or support for a financially troubled transit system may be an important factor.[13] But at any rate, it has become intellectually respectable since the early 1980s to call for a halt or even a reversal of historic trends toward transit consolidation.

At best, a transit system can optimize by achieving two of these goals simultaneously.[14] Chicago's tradeoff priorities have shifted back and forth over the years between low fares and low subsidies, largely because the expensive and controversial

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[13] For example, in 1975 Cleveland and its surrounding suburbs in Cuyahoga County, Ohio, voted by an unambiguous 70% margin for a 1% transit-dedicated sales tax. The early 1990s found Cleveland's system recovering only a quarter of its operating costs from the farebox, but the mandate of the referendum largely removed the system's size and cost structure from the realm of political controversy (interviews with Cleveland transit officials in February and September 1995).

[14] The achievement of these goals is a relative matter rather than an absolute one. There is no generally-accepted threshold, constant over time and across jurisdictions, for any of these criteria. We can say, for instance, that Chicago has a certain level of service. But this has little meaning outside of any comparison. For instance, Chicago has more intensive transit service than Cleveland, which in turn has more concentrated service than Sacramento, and these comparisons give meaning to these cities' differing levels of service.

nature of transit in Chicago make for unstable resolutions.[15]

Some systems (e.g., Pittsburgh) do not show a clear policy of goal optimization. Other cities, however, have pursued a stable set of objectives for decades, and they provide us with different paradigms against which we can evaluate Chicago's experience.[16] For instance, Phoenix has affordable fares and a deficit modest enough to avoid being a political issue. The tradeoff is that service is infrequent. Phoenix's bus system actually shuts down on Sundays and holidays for lack of riders, and a contractor provides demand-responsive service instead.[17]

Transit riders in Boston enjoy fares which have been appreciably lower than in comparable big cities since the 1970s, and they have intensive service with good coverage. But this has come at considerable cost to taxpayers. By the mid-1990s, the system was meeting barely one-third of its costs from the farebox, amid growing political controversy.[18]

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[15] New York, Philadelphia, and Los Angeles show a similar instability of transit priorities, presumably for the same reasons of high cost and conspicuous political controversy.

[16] It is beyond the scope of this discussion to explore the reasons why some metropolitan areas have relatively stable agendas for transit and Chicago does not. Differences in such factors as political culture, population density, travel habits, transit cost structures, service quality, sources of subsidy, and institutional arrangements for mass transit all play a role.

[17] For more on the politics of transit in Phoenix, see Cliff Henke, "Phoenix Transit Prepares to Rise Again" (Metro Magazine, March-April 1994).

[18] The definitive account of the deep financial and political problems of Boston's transit system is José A. Gómez-Ibáñez, "Big-City Transit Ridership, Deficits, and Politics: Avoiding Reality in Boston" (Journal of the American Planning Association, Winter 1996). Also of interest for historical background are Office of Technology Assessment, An Assessment of Community Planning for Mass Transit, Volume 3: Boston (Washington: US Congress, March 1976), and Schroeder (1956), pp. 234-240

From the mid-1970s up until budget cutbacks in the late 1990s brought new challenges, Toronto has operated one of North America's most comprehensive, frequent, and well-patronized transit systems, with an admirable ratio of 68% of its operating costs being recovered from the farebox.[19] The price of this efficiency is that fares are high--and if the Toronto Transit Commission were not offering a high-quality consumer-oriented service, its fares might have become a political issue much as they are in New York, Philadelphia, and Chicago.

Chicago's policy makers have never considered a Phoenix-style solution with low service intensity. This would be politically unthinkable because too many people depend on transit. Frequent, comprehensive service has been a constant of Chicago transit policy, but the financial priorities have fluctuated over the decades. The system has oscillated uneasily between a Boston and a Toronto-style approach, even during the private enterprise years. The first of these back-and-forth variations started in the robber baron era before the turn of the 20th century when Charles Yerkes was in control of much of the system. Then, private carriers provided intensive service, and franchise holders like Yerkes reaped profits attractive enough to lure them into the industry--and to induce the more successful among them to bribe legislators to gain political advantage.

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[19] As North America's premier transit system, Toronto has brought forth a rich literature, including "Urban Transit in Canada: Integration and Innovation at Its Best" (Transportation Quarterly, July 1986); Frank C. Colcord and Ronald S. Lewis, Urban Transportation Decision Making: Vol. 9, Toronto: A Case Study (Washington, US Department of Transportation, 1974); Tom Ichniowski, "Canada in Transit: For new and expanding systems the choice is fixed guideway" (Railway Age, August 14, 1978); Toronto Transit Commission, "TTC Revenue / Cost Ratio: An Overview" (TTC Corporate Planning Department, 1984); Julian Wolinsky, "Integrated Transit: Toronto has proven the concept since 1921" (Bus World, Fall 1989) and David Young, "Toronto: Taking the Lead Again" (Mass Transit, November 1980).

The reaction against Yerkes' abuses led to the regulated era which spanned most of the first half of the 20th century. In large part because Yerkes had so completely alienated the traveling public, fares and service levels were now tightly regulated at the expense of the transit companies.[20] For all practical purposes, the streetcar and elevated companies were subsidizing the riders. Despite Samuel Insull's attempts to reach a politically and financially sustainable resolution in the late 1920s (which attempt crumbled in the Depression), in the end there was no future for private companies within the limits of regulation.

The result was a combination of public takeover and a deregulated transit monopoly with no subsidies. The CTA survived under these rules from 1947 through 1969, but then in 1970 the CTA started to lose money (as other comparable US systems had been doing for years already). Not only Democrats, but also Republicans like Governor Richard Ogilvie and House Speaker Robert Blair recognized that transit on both sides of the city line had to be subsidized.

Under the initial RTA setup, Chicago moved away from a Toronto-style set of policy choices, accepting high fares as the

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[20] In the case of Chicago Surface Lines, the stockholders were arguably subsidizing the system for years. (This is not to feel sorry for the stockholders, as many of them or their predecessors had enjoyed substantial gains during the Yerkes era thanks, in large part, to underhanded manipulations of the political process.)

Chicago Rapid Transit was somewhat more fortunate. Electric utility leader Samuel Insull reorganized and improved the bankrupt elevated lines, largely because the "L" helped his more important electricity and real estate holdings. Prior to the collapse of Insull's empire, buyers of his real estate and electricity were for all practical purposes cross-subsidizing the "L" (although this was not a great hardship at the time, as Chicago then enjoyed the world's cheapest electricity, even after deducting the costs of cross-subsidy to the "L").

price of plentiful self-sustaining service. During the 1970s, the move was towards a more Boston-like arrangement, with high deficits as the cost of ample service at more affordable fares.

By 1970, things had clearly gone too far in the direction of forcing full cost recovery regardless of such side effects as deferred maintenance. But by 1980, when the RTA literally started to run out of money, it was clear that the pendulum had swung too far in the other direction. The 1983 reforms move Chicago back towards a higher-fare Toronto approach. The emphasis on fiscal responsibility, embodied in the 50% cost recovery requirement and the RTA's obligation to disallow service board budgets which are not in balance, is unlikely to be overturned in the foreseeable future. Instead, more likely areas for change include the funding formula and more direct cost control tools such as privatization.

Today's solutions, tomorrow's problems

Conflicting views of how much of the costs of transit should be the responsibility of users versus the broader community will be underlying future transit debates. These conflicts will be resolved through political give and take, which brings us to our final point:

9. Political officials respond to crises immediately at hand. Voters elect them to solve today's problems, not to anticipate those of tomorrow. The resolution of today's transit problems inevitably contains the seeds of the next transit crisis. As long as the Chicagoland political scene includes both proponents of low fares and of low subsidies, the debate is likely to go on.

Each successive institutional setup is only as firm as the assumptions underlying it--which in a context like that of Chicago is not always saying very much. At first glance, all of this seems terribly short-run and inadequate. The rational reader may well ask why Chicago cannot pull itself together. One answer would be that transit is so controversial and the

stakeholders are in such contention that the outcome is a succession of temporary rearrangements of money and power. This is certainly true as far as it goes, but there is more to it than this pessimistic view, which gives little credit to the officials who grapple with the issues.

In a setting such as Chicago, the political and financial uncertainty surrounding transit is such that no hard and fast solution is appropriate, however well thought-out it may be. Elected officials tacitly recognize the unpredictability of the future by making no arrangements which cannot readily be changed by their successors. Illinois politicians rarely address issues before they reach a crisis point, but this may reflect the need for elected officials to ration their limited time and finite influence. Machine Democrats in Chicago and suburban Republicans may not agree on much else, but neither of them are in the habit of "fixing" institutions which are not clearly "broken".

Illinois politicians are accustomed to dealing with problems on a pragmatic basis, and do not pretend to see omnisciently into the indefinite future. Each successive institutional arrangement inadvertently sets up the transit system for the next emergency, as today's solutions become tomorrow's problems. This recurring pattern is due to a combination of finite resources, a "crisis management" approach to policy making, and an unpredictable future.

The limited money available, the necessity of political compromise, and the seemingly infinite needs of transit and other government functions all but guarantee continued conflict among the various participants. The political and time pressures on legislators to reach agreements often lead to suboptimal outcomes. As politicians and their advisors seek resolutions which will satisfy a variety of stakeholders, it is inevitable that electoral calculations sometimes take precedence over the

financial sustainability of the new setup. And the unpredictability of the future ensures that changed circumstances will undercut even the most rational set of arrangements sooner or later.

The past century of transit politics in Chicago shows how quickly successive resolutions wear out (and contribute to their own obsolescence). The excesses of Charles Yerkes in the 1890s led to the regulated system of the early 20th century. State regulation of urban transit eliminated the earlier abuses, but in the long run it denied the traction companies enough money to sustain themselves as businesses.

The next big change was the creation of the CTA in 1945. The private companies had long suffered from a lack of political legitimacy--an outcome of the robber baron era. The CTA's status as a public authority solved that problem. The regulated regime, which had helped rein in the traction companies in the early 20th century, had also contributed to the companies' financial woes, so the state simply exempted the CTA from regulation of its fares and services. The idea was that the board, rather than the state regulators, would make the CTA accountable.

The lawmakers who set up the CTA 1945 may have thought that transit would be self-sustaining for a long time to come, but history would soon show that the industry was entering a long, secular decline of lasting proportions. In the end, the myth of the self-sustaining transit system led the CTA to put off maintenance and postpone replacing old equipment, which was penny-wise but dollar-foolish.

The CTA deficits led first to a series of emergency bailouts, and then to the creation of the RTA. The RTA solved the immediate problems of a lack of structured sources of subsidies and an absence of institutional capability for managing

transit in all parts of the region. Indeed, the political spillover of transit problems beyond the city, as suburban bus lines went bankrupt and commuter railroads became anxious to eliminate their losses, may have helped make the RTA palatable to transit riders in the suburbs (although the 1974 referendum results show that non-users strongly opposed the RTA).

Yet the 1973 legislative debate over the RTA had barely started before a number of lawmakers from the suburbs warned of a politically unaccountable agency, spending other people's money generously. By the early 1980s many of their fears had become true, as the RTA itself neared bankruptcy.

The 1983 reform package was the state's (and the suburbs') response to the RTA's lack of budgetary and political checks and balances. The creation of Metra and Pace made the suburbs explicit stakeholders in the continued future of regional transit. For the first time, there developed a pro-transit consensus in the suburbs, which was no mean feat when compared with the depth of anti-RTA sentiment in the 1974 referendum.

The 1983 reforms worked well enough when there was money coming in. But the sales tax is the budget maker's fair weather friend. The volatility of the sales tax ensured that with the recession of the 1990s, the honeymoon of the reforms would be over.

The pressing problems likely to be addressed in the next legislative round are the rigidities of the funding formula between the city and suburbs, the gap between the costs of service and the resources at hand, and how this gap should be closed--with more taxes, higher fares, service cuts, outsourcing, or some combination of all of these. How the Illinois legislature and the RTA board will deal with these issues remains to be seen, and there is little point in trying to anticipate the

unforeseen problems which tomorrow's solutions will inevitably create. We can only anticipate with certainty that tomorrow's resolutions will lead to further problems, because the financial and political environments will change over time in ways that cannot be foreseen.

But whatever resolutions are reached, this time and again indefinitely into the future, we can predict a few things. One is that no change will occur outside the shared space of the financially and the politically possible. Another is that there will be a number of players with a stake in the outcome involved in a complex set of negotiations aimed at maximizing the space of mutual advantage. In order to accomplish anything, each side will have to surrender something in order to gain something else which they want even more. No agreement will command a politically sustainable majority unless a variety of negotiating agents are able to point to specific benefits for their constituencies.

And finally, as long as people in Chicagoland take transit for work, school, business, doctors' appointments, shopping, and other vital needs, transit will continue to be a lively political issue. Successive crises will call forth successive resolutions. Each may be definitive when it is enacted, but none of them will be final. Sooner or later each will be overtaken by events. Like the long, straight streets or railroad tracks of Chicago, the region's transit history stretches out into the future towards the horizon--and from where we are now, it is too far to walk.

GLOSSARY of abbreviations and terms

(Chicago area unless otherwise indicated)

Boulevard: In the Chicago area, a street from which commercial vehicles other than taxis and buses are prohibited. Michigan Avenue in the downtown area, all drives within city parks, and the Outer Drive (q.v.) are also part of the boulevard system. Within the city limits of Chicago, boulevards are administered not by the Chicago Department of Streets and Sanitation, an integral part of the city goverment, but by the Chicago Park District, a special-purpose government (limited to the city) responsible for the city's parks and recreation facilities.

BN: Burlington Northern. Railroad, operates commuter service.

CA&E: Chicago Aurora & Elgin. Electric interurban under Insull management in the 1920s; passenger service discontinued in 1957.

CATS: Chicago Area Transportation Study; the officially-designated Metropolitan Planning Organization for purposes of allocating federal transportation money.

CB&Q: Chicago, Burlington & Quincy Railroad; merged with other railroads to form the Burlington Northern in 1970. The commuter service in the Chicago area was not affected by the merger.

CMATS: Chicago Metropolitan Area Transportation System; a regional mass transit agency proposed in the early 1970s but never implemented.

CMC: Chicago Motor Coach: operator of downtown-oriented routes along selected boulevards (q.v.) administered by the Chicago Park District and its predecessors. Smaller than its rivals CRT and CSL (q.v.), CMC was formed in the 1920s and absorbed into CTA (q.v.) in 1952.

CNS&M: See North Shore Line.

C&NW: Chicago & North Western. Railroad, operates commuter service.

COLA: Cost Of Living Adjustment; included in the collective bargaining agreements between Chicago Transit Authority management and unions from 1954 until this provision was abolished by state legislation in 1983.

CRT: Chicago Rapid Transit; formed 1924 under Insull management by consolidating all of Chicago's elevated railroads, and absorbed into CTA (q.v.) in 1947. The only Chicago-based transit company to provide service beyond the city limits.

CSL: Chicago Surface Lines; formed 1914 and absorbed into CTA (q.v.) in 1947. Primarily an operator of streetcars, but also ran buses and trolley buses. The only Chicago-based transit company to serve all parts of the city.

CSSMTD: Chicago South Suburban Mass Transit District; formed in 1967 as a funding conduit for purchase of new Illinois Central Electric cars.

CSS&SB: Chicago South Shore and South Bend. Electric railroad, operates commuter service between Chicago and northwestern Indiana. Also see NICTD below.

CTA: Chicago Transit Authority. Formed 1945; acquired CRT and CSL (q.v.) in 1947, and CMC (q.v.) in 1952.

El: See "L".

Expressway: A multiple-lane divided highway, completely grade-separated, with access and exit only at interchanges to and from local streets and other expressways. Synonymous with a freeway in the western US and a motorway in Europe.

FTA: Federal Transit Administration. Post-1991 successor to the Urban Mass Transportation Administration (q.v.)

IC: Illinois Central Railroad, known as Illinois Central Gulf from 1973; Metra (q.v.) acquired its electric commuter rail operation in 1986 and renamed it Metra Electric.

ICC: Illinois Commerce Commission, a state regulatory agency. Not to be confused with the Interstate Commerce Commission, a federal regulatory agency with the same initials.

IDOT: Illinois Department of Transportation.

Illinois General Assembly: The state's bicameral legislature, composed of the House of Representatives and the Senate.

IVI: Independent Voters of Illinois; a liberal-reform counterpart to the Regular Democratic Organization (i.e., the Chicago machine). The IVI's precinct-level apparatus is the Independent Precinct Organization.

"L," The: Short for "elevated," i.e., elevated rapid transit railroad. By extension, can refer to any part of Chicago's rapid transit system, including downtown subways, lines at grade. expressway median strip lines. Thus, Chicagoans speak of the Dan Ryan "L," which is located almost entirely within the median strip of the expressway of the same name. (The same term is spelled "el" in New York, Philadelphia, and Boston.)

Loop: Chicago's traditional downtown area, as distinct from North Michigan Avenue (q.v.). Roughly bounded by Grant Park and Lake Michigan to the east, and the Chicago River to the north and the west. The southern boundaries are more fluid. In its strictest interpretation, the term can be used to refer to the confines of the Loop elevated line running above Wabash Avenue, Lake Street, Wells Street, and Van Buren Street. This interpretation, however, is not historically correct, as the term "The Loop" antedates the elevated and once referred to the city's center where cable cars turned around.

LRT: Light rail transit (up-to-date streetcar service, often on private right-of-way).

Metra: The commuter rail division of the RTA (q.v.); stands for "Metropolitan Rail".

Metra Electric: The former IC Electric operation, purchased by Metra (q.v.) in 1987.

Milwaukee Road: Chicago, Milwaukee, St. Paul & Pacific. Railroad, operated commuter service until 1982 when operations transferred to NIRC (q.v.). Operated today as the Milwaukee District of Metra (q.v.).

MPC: Metropolitan Planning Council, formerly the Metropolitan Housing and Planning Council. A nonprofit organization seeking to promote intergovernmental and public-private initiatives on planning issues.

NICTD: Northern Indiana Commuter Transportation District (pronounced "Nicktee"). Subsidizes and operates South Shore Line (q.v.)

NIPC: Northeastern Illinois Planning Council (pronounced "Nipsee"). In bureaucratic terms, NIPC was the Chicago area's federally-recognized A-95 review agency until the A-95 review process was discontinued in the early 1980s.

NIRC: Northeast Illinois Railroad Corporation. Predecessor of Metra (q.v.); set up to take over commuter rail operations of bankrupt Milwaukee Road and Rock Island lines. NIRC has never had a board of its own; instead, it has been used by RTA and, since 1983, Metra, as a legal mechanism to permit ownership and operation of commuter rail lines.

North Michigan Avenue: Technically, any part of Michigan Avenue north of Madison Street, the north-south zero point in Chicago's house numbering system. To Chicagoans, however, the term indicates that portion of Michigan Avenue and adjacent streets north of the Chicago River, an area which has emerged since the 1960s as an increasingly fashionable alternative to the Loop,

especially for the upper end of the retail sales market, but increasingly for hotels and offices as well.

North Shore Line: Chicago, North Shore & Milwaukee Railway; interurban line under Insull management during the 1920s and abandoned in 1963.

Nortran: North Suburban Mass Transit District. Formed in 1972 to preserve service on United Motor Coach (acquired by Nortran in 1975); also served as a funding conduit for new equipment for the Milwaukee Road (q.v.).

NSCA: North Shore Commuters Association. Formed in 1958 to fight abandonment of, and buy North Shore Line (q.v.), which discontinued service in 1963.

N&W: Norfolk & Western. Railroad, operates commuter service.

Outer Drive: Lake Shore Drive, as it is known to Chicagoans. The formal name is used only as an address, e.g., 1200 Lake Shore Drive. When giving directions or discussing traffic conditions, however, Chicagoans invariably refer to it as the Outer Drive.

Owl service: The CTA's term for all-night service.

Pace: The name chosen by the suburban bus division of the RTA for its dealings with the public (not an acronym of any sort).

PRT: Personal Rapid Transit, consisting of small automated vehicles running on a fixed guideway. The RTA (q.v.) chose this mode for use in the suburb of Rosemont, near O'Hare Airport.

Regular Democratic Organization of Cook County: The full and proper name of Chicago's Democratic political machine. Supporters frequently refer to it as the "Regular Organization" or simply "the Organization," and an Organization Democrat is a machine candidate or party official. The Regular Organization's liberal counterpart is the IVI (q.v.).

Rock Island: Chicago, Rock Island & Pacific Railroad; operated commuter service until its liquidation in 1980, when operations were taken over by NIRC (q.v.). The former Rock Island line between Chicago and Joliet is owned and operated by Metra (q.v.) as the Rock Island District.

RTA: Regional Transportation Authority of Northeastern Illinois. (This name for the RTA took effect with the 1973 legislature which created it; the January 1973 report which recommended its creation referred to it as the Regional Transportation Agency.)

South Shore Line: Chicago, South Shore & South Bend Railroad; an interurban between Chicago and northern Indiana, under Insull

management in the 1920s. Funded and operated today by NICTD (q.v.)

STC: Suburban Transit Corporation; proposed in the early 1970s but never implemented.

Tollway: An expressway (q.v.) for the use of which a toll is charged.

UMTA: Urban Mass Transportation Administration. Agency of the United States Department of Transportation. Became the FTA (q.v.) as a result of the 1991 changes in federal transportation funding.

USDOT: United States Department of Transportation.

GOVERNORS OF ILLINOIS, 1932-1994

(Year of election and partisan affiliation noted)

1932 Henry Horner (D)

1936 Henry Horner (D); died in office, 1940
Replaced by Lieutenant-Governor John Stelle

1940 Dwight Green (R)

1944 Dwight Green (R)

1948 Adlai Stevenson II (D)

1952 William Stratton (R)

1956 William Stratton (R)

1960 Otto Kerner (D)

1964 Otto Kerner (D); appointed to the federal bench, 1967
Replaced by Lieutenant-Governor Samuel Shapiro

1968 Richard B. Ogilvie (R)
(last election held under Constitution of 1870)

1972 Daniel Walker (D)
(first election held under Constitution of 1970)

1976 James R. Thompson (R)
(elected for a two-year term to bring gubernatorial elections to presidential off-years, as provided in the Illinois Constitution of 1970)

1978 James R. Thompson (R)

1982 James R. Thompson (R)

1986 James R. Thompson (R)

1990 James Edgar (R)

1994 James Edgar (R)

MAYORS OF CHICAGO, 1915-1995

(Year of election and partisan affiliation noted)

1915 William H. Thompson (R)

1919 William H. Thompson (R)

1923 William Dever (D)

1927 William H. Thompson (R)

1931 Anton J. Cermak (D)
Assassinated, 1933; Edward Kelly appointed acting mayor

1933 Edward Kelly (D)
Special election for the remainder of Cermak's term

1935 Edward Kelly (D)

1939 Edward Kelly (D)

1943 Edward Kelly (D)

1947 Martin Kennelly (D)

1951 Martin Kennelly (D)

1955 Richard J. Daley (D)

1959 Richard J. Daley (D)

1963 Richard J. Daley (D)

1967 Richard J. Daley (D)

1971 Richard J. Daley (D)

1975 Richard J. Daley (D)
Died in office, 1976
Michael Bilandic appointed acting mayor

1977 Michael Bilandic (D)
Special election for the remainder of Daley's term

1979 Jane Byrne (D)

1983 Harold Washington (D)

1987 Harold Washington (D)
Died in office, 1987; Eugene Sawyer appointed acting mayor

1989 Richard M. Daley (D)
Special election for the remainder of Washington's term

1991 Richard M. Daley (D)

1995 Richard M. Daley (D)

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INTERVIEWS

Paul Barrett, Professor of History, Illinois Institute of Technology, September 1993.

Clark Burrus, Chairman of the Board, Chicago Transit Authority, October 1995.

Dennis Byrne, editorial board member, Chicago Sun-Times, and former transportation editor, Chicago Daily News and Chicago Sun-Times, September 1993.

Pastora Cafferty, Professor of Social Service Administration, University of Chicago and RTA board member, September 1995.

Charles Dalton, RTA board member, October 1995.

Gary Foyle, Director, Planning and Analysis, Metra, June 1992.

Jacky Grimshaw, Center for Neighborhood Technology; former deputy campagn manager for Mayor Harold Washington's 1987 reelection campaign, September 1993.

Harold R. Hirsch, Senior Manager, Operations Planning, Chicago Transit Authority, June 1992.

Christopher Knapton, Director of Public Information, Metra, September 1995.

Judson Lawrie, Corporate Department, Chicago Transit Authority; former staff member, Transportation Task Force, June 1992, September 1993, and October 1995.

George A. Ranney, Jr., former director, Illinois Transportation Task Force; former Republican co-chairman, Transportation Study Committee (Illinois legislature); former director, RTA Citizens Committee for Better Transportation, September 1993.

Eugene Schlickman, former state representative and member, kNOw

RTA Committee, Arlington Heights, IL, September 1993.

Joseph Schofer, Professor of Civil Engineering, Northwestern University, Evanston, IL, September 1993.

Cal Skinner, Jr., State Representative; former director, kNOw RTA Committee, Crystal Lake, IL, September 1993.

Joseph Tecson, Metra board member and former RTA board member, telephone interview, October 1995.

Donald Totten, RTA board member; former state representative and member, kNOw RTA Committee, Schaumburg, IL, September 1993.

Gary Washburn, transportation editor, Chicago Tribune, June 1992.

Sid Weseman, Regional Transportation Authority, September 1995.

David Young, business writer and former transportation editor, Chicago Tribune, June 1992, July 1993, and October 1995; also telephone interview October 1994.

ABOUT THE AUTHOR

John G. Allen holds a Masters degree in city planning from the University of Pennsylvania in 1983. While at Penn, he was part of the Alternative Futures for Philadelphia's Commuter Rail student study team which recommended the modernization and upgrading of the regional rail system (Professor Anthony Tomazinis, instructor). He was also a research assistant to Professor Vukan Vuchic of Penn's Department of Civil Engineering, aiding in the preparation of a report advising the Southeastern Pennsylvania Transportation Authority on an optimal through-routing scheme for Regional Rail trains through the Center City tunnel which opened in 1984.

From 1984 through 1989, Mr. Allen was a transportation planner for the New York Metropolitan Transportation Council. He participated initially in a study of alternatives for relieving congestion on the Tappan Zee Bridge, and after the study's conclusion he was in charge of general data monitoring. He prepared the Council's annual Metromonitor and Regional Transportation Status reports summarizing transportation and demographic trends throughout the New York-New Jersey-Connecticut metropolitan region.

In 1989 Mr. Allen came to MIT as a doctoral student in the Department of Urban Studies and Planning. He was a research assistant to Professor Ralph Gakenheimer on USDOT-funded studies of the politics of traffic congestion in suburban Boston, and the use of the state environmental review process as an instrument of transportation policy in Massachusetts during 1989-1991. During the summer of 1992, Mr. Allen assisted former Massachusetts transportation secretary Frederick Salvucci of the Department of Civil and Environmental Engineering on a project to advise the government of Argentina on an optimum strategy for privatizing rail transit in Buenos Aires and setting up a metropolitan transportation authority to oversee operating contracts. In the summer of 1995, he aided Michael Shiffer, Ph.D. of the Department of Urban Studies and Planning on a USDOT-funded multimedia Internet-based Transit Reference Manual. Mr. Allen provided expertise on transit modes, vehicles, and technologies for the project.

Mr. Allen has published "Post-Classical Transportation Planning" (Transportation Quarterly, July 1985), and "Public-Private Joint Development at Rapid Transit Stations" (Transportation Quarterly, July 1986).