

tion of reducing the price of gas to 75 cents. But what are regarded by the municipal ownership advocates as of transcendent importance are the aldermanic elections to take place at the same time, the terms of one-half of the aldermen being now about to expire. In the light of past experience, it is feared that a perpetuation of the elements in the Council which are hostile to Mayor Dunne's municipal ownership programme would result again in reversing by aldermanic votes favorable to the corporations, any referendum votes of the people favorable to municipal ownership. The issue of the aldermanic elections has therefore stirred the Democratic political organizations into activity. The regular Democratic organization, under the leadership of ex-Mayor Harrison, is organizing to control aldermanic nominations at the primaries. This movement is supported by the present Democratic aldermen who act with the Republicans in opposing the municipal ownership policy of Mayor Dunne. On the other side, the County Democracy, which is under the leadership of Robert E. Burke, is organizing to oppose the Harrison movement. There is a third Democratic organization, which is under the leadership of ex-Mayor Hopkins; but inasmuch as Mayor Dunne is opposing the gas franchise interests, in which Mr. Hopkins is interested, it is believed that the Hopkins organization will cooperate with the Harrison organization in influencing the complexion of the next City Council in favor of franchise extensions.

#### Chicago's traction question.

At the meeting of the Chicago City Council on the 13th, the traction policy of Mayor Dunne (p. 491) was rounded out and his final recommendations submitted. This was done in two messages.

Mayor Dunne's first message related to municipal ownership regardless of municipal operation. In submitting a carefully drawn ordinance for securing complete municipal ownership under the Mueller law, he said:

During the first three months of my administration, I learned that of the

700 miles of street car trackage in the entire city, at least 240 miles were or within two years thereafter would be, incontestably at the disposal of the city, freed from all franchise claims. This part of the trackage, now reported to me to aggregate 274 miles, is exceptionally advantageous for the beginning of a municipal system under the Mueller law, and if so used it would at an early day give to the city advantages that would force the traction companies to assent to fair terms of sale for complete municipalization. But as the traction companies, being in actual possession, held advantages of position which made delays serviceable to them and prejudicial to the interests of the people of the city, it seemed to me that the most important first step for your honorable body to take, in obedience to the declared will of the people with reference to municipal ownership, was to shift these advantages of position from the companies to the city. To that end I submitted to your honorable body an ordinance for a construction company. This company was designed to acquire the expired and expiring trackage and to rehabilitate the lines, under your supervision. It was also to have authority under your supervision to operate the system it should acquire and construct, until its stockholders had been paid in full, with five per cent. interest, for their actual and necessary investment, out of the sinking fund provided for, or the sale of Mueller law certificates, or both. Thereupon the system was to be the exclusive property of the city. In describing that ordinance in my message of transmittal, I said:

Yet the rights of the city to take over and even to operate would be neither impaired nor postponed. As soon as a market for the Mueller certificates had been secured the city could acquire the system in its own right and its own name; as soon as the people had by referendum, under the Mueller law, so decided the city could proceed to operate by its own employees. Most of the advantages of municipal ownership and operation would thus be immediately secured. There would, therefore, be no delay in realizing that policy in substance even while such judicial, financial, legislative and referendum proceedings were being taken as might be necessary to perfect it in form or to guard it by business adjustments against encroachments of the spoils system. . . . Yet while establishing virtual immediate municipal ownership and operation, it secures the right of the city to actual municipal ownership and operation as soon as the validity of the certificates shall have been tested and the people shall, by the referendum required by the Mueller law, have decided to act. By means of this plan the municipal street car system can be put into condition for first-class service on the lowest level of cost during the time when the various legal preliminaries to actual acquisition and operation by the city are being perfected, and yet without prejudice to that acquisition immediately upon the completion of those preliminaries.

My recommendations in that message of transmittal were, first, appropriate

proceedings by your honorable body for referring the proposed ordinance to your committee on local transportation; second, public hearings before that committee for the purpose of considering objections to the ordinance, together with the fullest explanation and exposition of its purpose and provisions, and the consideration of such amendments not in conflict with its essential features as might be deemed proper and necessary for the interests of the City of Chicago; and, third, that pending final action the Council provide for securing the submission to the voters of Chicago, at the then next general election, under the advisory referendum statute, of the plan for the execution of which the proposed ordinance had been drafted. In order also that there might be no unnecessary delay in proceeding concurrently under the Mueller law to establish municipal ownership, I instructed counsel for the city to prepare, as carefully and expeditiously as possible, an ordinance for such proceedings. The counsel for the city did thereupon immediately proceed to draft such an ordinance and have been diligently at work thereon until the present time. Your honorable body referred the first proposed ordinance to your committee on local transportation. But that committee, having voted to defer action thereon, has entered upon the consideration of ordinances extending the franchises of the traction companies. The principle of these ordinances has already been condemned by the people by referendum vote. The ordinances themselves, without having been referred to your committee by your honorable body, have been introduced directly into that committee by representatives of the traction companies. It seems evident to me, therefore, that the advantages of position which I had hoped your honorable body might decide to secure for the people of the city, preliminary to proceeding to establish municipal ownership under the Mueller law, are not likely to be taken from the traction companies in time to be immediately effective. And inasmuch as further delay can but operate favorably to the interests of those companies and unfavorably to the interests of the people of the city, and as the counsel for the city have now completed their proposed ordinance for proceeding under the Mueller law for the establishment of municipal ownership, I am of the opinion that such proceedings on our part ought to begin at once. The advisory votes under the public policy statute having clearly instructed every member of your honorable body, regardless of party politics and every other consideration, to proceed without delay to acquire municipal ownership under the Mueller law, respectfully submit to your good judgment that it has now become the

duty of your honorable body to provide for the necessary mandatory referendum under the Mueller law. Similar instructions having been given to me as mayor, both by advisory referendum and the circumstances of my election, I have no doubt of my own duty to do all in my power to accomplish that result. I therefore advise your honorable body to proceed without further delay to establish municipal ownership of the traction service under and pursuant to the Mueller law. To facilitate your action in this respect I submit to your consideration the accompanying draft of the ordinance which has been prepared under my direction by the special traction counsel of the city. As I am advised and believe, this ordinance lays the proper legal basis for a complete, speedy and final judicial test of the validity of the Mueller law certificates, by providing in detail and full legal form for acquiring and equipping, under the Mueller law, a first-class municipal street railway system for the entire City of Chicago. While I still believe that pending the necessary proceedings under, and adjudications of, the provisions of the Mueller law, a construction and temporary operating company, properly safeguarded, would be the most effective first step for securing municipal control, I am satisfied that this advantage should not be purchased at the cost of postponing proceedings under the Mueller law indefinitely. Accordingly I hereby recommend that the accompanying proposed ordinance be submitted by your honorable body to the people at the next municipal election, in due form, in accordance with the provisions of the Mueller law.

The council referred the message and proposed ordinance to the committee on local transportation.

Mayor Dunne's message, relative to municipal operation, which followed the other, was as follows:

The Mueller law provides as well for municipal operation of the street car system of Chicago as for municipal ownership. But under that law municipal operation cannot be adopted by the city authorities until it has been authorized by a three-fifths vote of the people on referendum submitted to them by your honorable body. It is important that the will of the people on this phase of the traction question be speedily and authoritatively ascertained. I, therefore, advise the submission by your honorable body to the people at the next municipal election of the question of authorizing the adoption of municipal operation of street cars. Herewith I transmit to you an ordinance for that purpose,

which has been drafted under my direction by counsel for the city. Respectfully submitting it to your good judgment, I advise its prompt passage by your honorable body.

#### Mayor Dunne's movement against gas monopoly.

At the same meeting of the Chicago City Council, at which he submitted his traction recommendations, Mayor Dunne also submitted an ordinance to compel the gas companies to reduce their price to 75 cents per thousand cubic feet. In 1900 the City Council adopted an ordinance fixing the price of gas at 75 cents. A Federal injunction was interposed by proceedings of the gas company, but this was finally dissolved by the Supreme Court of the United States. Meantime, D. O. Mills, of California, brought suit in the Federal Court as a non-resident stockholder against the gas company; and as he procured an injunction, the dissolution of the other injunction did not set the city free to enforce its ordinance. The city administration preceding Mayor Dunne's neglected to press the demands of the city in the Mills suit, and for that reason Judge Grosscup has recently denied the motion of the special counsel for the city appointed by Mayor Dunne, Henry M. Ashton, to compel Mr. Mills to give security for the accumulated excessive charges, now amounting to over \$13,000,000, which gas consumers would be entitled to at once if the Mills injunction were dissolved. While Mr. Mills's suit was pending one of his claims being that the city has no legal power to reduce the price of gas without legislative assent, the legislature of Illinois (pp. 73, 99) passed an act conferring "upon the city of Chicago the power and authority to sell surplus electricity and to fix the rates and charges for the supply of gas and electricity for power, heating and lighting, furnished by any individual, company or corporation, to said city of Chicago and the inhabitants thereof." provided such rates are reasonable and provided the act is adopted by local referendum. At the recent election the act was adopted by local referendum. It was in execution of this authority that Mayor Dunne proposed his 75-cent gas ordinance at the last meeting of the Council.

In his message submitting his draft of this ordinance, he recited the history of the subject and said:

"The Mills suit is now pending. The city is contending that the stockholder, Mills, is in collusion with the gas company. I am advised that the city can establish its contention in this regard and that there is strong probability of the city's being able to maintain the validity of the 75-cent ordinance of 1900. The excess above 75 cents charged by the gas company since January 1, 1901, amounts to more than \$13,700,000. As there are in round numbers 300,000 customers of the gas company in this city it follows that these people are interested to an average amount of \$49.69 each. In view of this enormous sum that the city contends has been collected wrongfully and that must be paid back to the gas users in case the city is successful in the pending litigation, I am advised by counsel for the city that the rights of the people might be seriously jeopardized if your honorable body should take any action which could be interpreted as calling into question the reasonableness of the 75-cent rate fixed by the ordinance of October 15, 1900. From data which I have collected, I find that there are a number of cities in the United States where the cost of material, wages, etc., are as high as in this city, in which artificial gas is being profitably furnished by privately owned companies for 75 cents. Being convinced, as I am, that nothing should be done that would impair the rights of the people under the old ordinance, and that 75 cents is in fact a reasonable rate, as demonstrated from the actual experience of many large cities, I herewith transmit an ordinance for such rate.

This message and ordinance were referred to the committee on gas, oil and electric light.

#### Charter convention for Chicago.

Upon the call of Mayor Dunne, issued on the 10th, pursuant to a resolution of the City Council of June 19 last, a convention to frame a charter for Chicago for recommendation to the Illinois legislature to meet in 1907, is to assemble in Chicago on the 12th of December next.

The movement resulting in this call took shape in 1902. In October of that year a conference composed of delegates from various civic bodies of Chicago assembled to consider the question of revising the State Constitution in order to secure release for Chicago from oppressive Constitu-