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# Proceedings

OF THE

## COLUMBUS CONFERENCE

FOR

Good City Government

AND

FIFTH ANNUAL MEETING

OF THE

# NATIONAL MUNICIPAL LEAGUE

HELD NOVEMBER 16, 17, 18, 1899

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CLINTON ROGERS WOODRUFF, EDITOR

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PHILADELPHIA  
NATIONAL MUNICIPAL LEAGUE

1899  
Bureau of Governmental Research

University of California  
Los Angeles 24, California

# NATIONAL MUNICIPAL LEAGUE

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## INTRODUCTION.

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The leading papers published in this volume on the "Municipal Program," and the draft of the proposed Constitutional Amendments, and the Municipal Corporations Act form the final report of the Committee appointed at the Louisville meeting of the National Municipal League in May, 1897. This Committee was directed "to report on the feasibility of a municipal program which will embody the essential principles that must underlie successful municipal government, and which shall also set forth a working plan or system, consistent with American industrial and political conditions, for putting such principles into practical operation; and such Committee, if it finds such Municipal Program feasible, is instructed to report the same, with its reasons therefor, to the League for consideration."

This the Committee did, presenting its preliminary report to the Indianapolis meeting in November, 1898, and its final report, which was formally and unanimously accepted (see page 45) at the Columbus meeting in November, 1899. Accompanying the first report were four principal papers prepared by members of the Committee, which, in turn, were discussed in nine subsidiary papers. Accompanying the final report were four more principal papers, likewise discussed in subsidiary

papers, all of which are published in this volume, together with the perfected draft of the Amendments and Act.

The reports of the Committee, with the papers and the drafts, practically constitute the Municipal Program. It is presented to the students of American municipal government by the National Municipal League, as a contribution to the subject, representing nearly three years of patient study by a group of men of diverse training and views, selected without reference to party affiliation.

If we may be permitted to speak of the importance of this contribution, its reception at the hands of American publicists is gratifying, and indicates clearly the need for such a piece of work and the deep interest in the cause of better municipal government in America. With scarcely a notable exception, the press have commended the Committee's endeavor, and its recommendations have met with a most cordial endorsement. It was not to be expected that there would be immediate universal acceptance of the Program in its entirety, but the spirit of the criticisms augurs well for the final acceptance of its fundamental principles.

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PROCEEDINGS  
OF THE  
FIFTH ANNUAL MEETING  
OF THE  
NATIONAL MUNICIPAL LEAGUE  
AND  
SEVENTH  
National Conference for Good City Government,  
HELD AT  
COLUMBUS, OHIO, NOVEMBER 15, 16 and 17, 1899.

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The Fifth Annual Meeting of the National Municipal League and the Seventh National Conference for Good City Government convened at the Chittenden Hotel, in Columbus, Ohio, and in the absence of the President, the first session was called to order and presided over by First Vice-President Charles Richardson.

The Chair: In the absence of our distinguished President, Mr. Carter, it becomes my duty to ask you to come to order. Before we proceed with the business of the conference of the National Municipal League, I believe that the Honorable Samuel L. Black, of Columbus, has some words for us which we will be glad to hear.

Mr. Black: Gentlemen—Let me assure you that I do not speak the inconsiderate words of compliment, when, in behalf of its Board of Trade, I greet you and extend to you a most cordial welcome to the capital of Ohio. Nowhere throughout the length and breadth of this great sisterhood of States is there a city more deeply concerned in the work which brings you among us, than Columbus. We realize its magnitude; we recognize its difficulties; we are impressed with its serious import to the nation. The story of the solution of the problem of municipal govern-

ment in America will include much of the political history of America during the earlier years of the twentieth century. It is safe to predict that unless these problems are solved the close of the twentieth century will not look upon a United States of America. Economic conditions, economic evils culminate in cities. The seed of disruption thrives best in cities. Crime of all grades is most rife where the struggle for bread is most savage—in the city.

The population of the American city is, indeed, cosmopolitan, and the framing of a plan of government to meet the ever changing conditions is a task well worthy the best effort of every citizen. Indeed, the fathers who framed the Constitution essayed no more difficult task than the one which you seek to solve. And the Board of Trade of this city esteem it a privilege to join you in your work. From this meeting, from your proceedings, and from your presence we hope for and predict much good, not only in the conception and working out of a uniform plan of government for the cities of Ohio, but also in that equally important work of arousing the people to a proper and intelligent conception of the duty of civic patriotism. We believe in the best system human wisdom can devise. We are for that plan of municipal government which will best promote a healthful growth, moral, physical and intellectual, of all the citizens. Yet the plan or system, however, perfect, will avail but little unless in the hands of intelligent and honest workmen. Honest and intelligent workmen will not be selected by an indifferent, dishonest or partisan public. The best system of government in the hands of the "machine" or "boss will avail but little, while the poorest system, backed by an intelligent, honestly non-partisan public will accomplish much. Laws will not make honest or patriotic men; but honest and patriotic men can make laws.

Back of any plan or system of municipal government, if it solve the problem, must be an intelligent and honestly non-partisan public. No plan or system can be devised which will relieve the elector from his civic duty. This duty he owes to himself, his country and his God. He cannot measure up to that duty unless he be intelligently non-partisan. His civic patriotism must not be that of the fanatic—the bigot; their ideas are most always so lofty and ephemeral, their methods so wanting in common sense, that they too often throw the government into the hands of those who have no ideals at all. He must not wait until the evils are unbearable and are enthroned. Revolution will not excuse nor cure his previous neglect. It is idle to the mass of good citizens to try to set themselves apart as not responsible for the shortcomings in municipal government. In the end it is just what the people will allow it to be. It is doubtful if in any city there is a machine so invulnerable or a boss so powerful that the united efforts of the decent, intelligent people could not and would not exterminate both in one brief campaign were they to adopt practical non-partisan methods. And where either exist and thrive, it is safe to conclude that civic patriotism is at a low ebb. Eternal vigilance on the part of the non-partisan decent people, must ever be the price of

good municipal government. No matter what system may be finally adopted by the American cities, they cannot have good municipal government until it is fully understood that dishonesty in a public servant is an unpardonable sin; that corruption of any kind whatsoever in officials will not be condoned for any consideration of party expediency. History records no instance of a government long withstanding the encroachments of dishonest and corrupt officials. When these crimes continue in municipalities, the people must assume the responsibility—at least for their continuance. The National Municipal League has accomplished much in the past, not only in rescuing the system from the partisan slough, but likewise in arousing the public to a proper appreciation of its civic duty.

I am but echoing the sentiment of every member of the Board of Trade of Columbus, when I bid you God speed in your work, and assure you that your efforts have its heartiest approval and best wishes.

The Chair: I am sure I express the feelings of the delegates present in saying that we are sincerely grateful for the words of welcome and encouragement and appreciation to which we have just listened. It would be a source of much gratification to us if we could hope that any ideas or suggestions of ours could in some measure repay those words of kindness and welcome. But a very partial examination of the Municipal Code which is about to be reported by Governor Bushnell's Commission made me fear that in bringing our ideas to Ohio we are rather carrying coals to Newcastle. If that Code can be passed substantially as presented, without serious mutilation, it will place the cities of Ohio, and therefore the State, far in advance of anything which has been accomplished in any other locality in the United States. And I think we shall all hope that the efforts of that Commission may be successful in that respect.

I think we may congratulate ourselves that our Committee on Municipal Program, composed as it is partly of Democrats, partly of Republicans, and men of other parties, has arrived at a unanimous decision in presenting a report which will be read at this session. Of course there might have been a word here and there which some member might have wished replaced; but these are minor details, and the Report will come to you as the unanimous report of all the committee, heartily in accord as to the principles embodied in it.

There has been a great deal of work done on that Report since the meeting in Indianapolis. It has been gone over repeatedly and improved in many ways. It was very fortunate for that Report, though very unfortunate for Mr. Deming, that nearly all that work of final revision has necessarily fallen on the chairman of the committee, although he has had a most worthy and capable co-laborer in Professor Goodnow.

The work of presenting the Report and the accompanying papers has been so carefully arranged, and the explanation of all points in connection with the Report so complete that it is only a waste of your time for

me to attempt to enlarge upon it. I will only make one remark in that connection: The committee has never for one moment yielded to the conclusion that it is possible to make any system so perfect by itself and in itself to secure good municipal government. I have always felt that we must have the development of an active, continuous interest on the part of the intelligent voters, and many of the points of that Report have been designed for that express purpose.

Without detaining you further, we will proceed with the business of the convention, by asking the Hon. Clinton Rogers Woodruff, who needs no introduction to you, to read his Report as Secretary.

On motion of Mr. George Burnham, Jr., of Philadelphia, the Chair was authorized to appoint a Committee on Nomination of Officers to serve for the ensuing year, which he did, as follows:

J. S. Rossell, Wilmington, Delaware.

Wm. A. Giles, Chicago, Illinois .

F. B. James, Cincinnati, Ohio.

The Chair: The reading of the Report of this committee is to take place after the reading of the Treasurer's Report, so if that committee can be ready to report at that time we will be glad to hear it.

Mr. Woodruff then read his Report, entitled "A Year's Advance." (See Appendix).

Hon. George W. Ochs, Chattanooga: I move that the thanks of the League be tendered to Mr. Woodruff for his Report. It is one of the best, clearest, ablest, most comprehensive reports we have ever had, and our thanks should be recorded.

This motion was unanimously carried.

The Chair: The next business before us is the Report of the Treasurer, Mr. Burnham.

Mr. Burnham read the following Report:

George Burnham, Jr., Treasurer, in Account With National Municipal League.

#### RECEIPTS.

|                                 |           |
|---------------------------------|-----------|
| Balance, December 1, 1898. .... | \$385 72  |
| From members' dues .....        | 1480 00   |
| From contributions ...?.....    | 308 15    |
| From sales Proceedings .....    | 280 53    |
|                                 | <hr/>     |
|                                 | \$2454 40 |



## EXPENDITURES.

|   |           |
|---|-----------|
| For printing and stationery.....  | \$539 65  |
| For postage .....   | 567 44    |
| For Louisville Proceedings (balance).....   | 50 00     |
| For Indianapolis Proceedings .....  | 225 00    |
| For general expenses, including clerical work, clipping bureau, expressage, etc. .... | 914 95    |
|   | \$2297 04 |
| Balance .....   | \$157 36  |

Mr. Burnham: I would suggest that a committee be appointed to audit this Report—the vouchers are all here.

The Secretary: I move that the report be received and referred to an Auditing Committee of two.

This motion was adopted.

The Chair appointed Messrs. G. W. Ochs and Merris Taylor as a committee to audit the accounts of the Treasurer.

The Chair: The next business on the program is the election of officers. Is the Committee on Nominations ready to report?

Mr. Russell: The Committee on Officers and Members of the Executive Committee to serve for the ensuing year has the honor to report the following nominations:

## OFFICERS:

- For President, James C. Carter, New York.
- For First Vice-President, Charles Richardson, Philadelphia.
- For Second Vice-President, Samuel B. Capen, Boston.
- For Third Vice-President, Thomas N. Strong, Portland, Ore.
- For Fourth Vice-President, H. Dickson Bruns, New Orleans.
- For Fifth Vice-President, Edmund J. James, Chicago.
- For Secretary, Clinton Rogers Woodruff, Philadelphia.
- For Treasurer, George Burnham, Jr., Philadelphia.

## FOR EXECUTIVE COMMITTEE.

- Charles J. Bonaparte, Chairman, Baltimore.
- William G. Low, Brooklyn, N. Y.
- Dudley Tibbits, Troy.
- Joseph A. Miller, Providence.
- Frank N. Hartwell, Louisville.
- George W. Guthrie, Pittsburg, Pa.
- George W. Ochs, Chattanooga, Tenn.
- Harry A. Garfield, Cleveland, Ohio.

Oliver McClintock, Pittsburg, Pa.  
 John A. Butler, Milwaukee.  
 Hector McIntosh, Philadelphia.

Respectfully submitted,

JOHN S. ROSSELL,  
 WM. A. GILES,  
 FRANCIS B. JAMES,  
 Committee.

Mr. Frederick Tuke, Cincinnati: I move that the rules be suspended and the Secretary authorized to cast the ballot of the League for the persons recommended by the Committee on Nominations.

In accordance therewith, the Secretary announced that he had so cast the ballot of the Association, and the Chair declared that those named in the report of the Committee on Nomination of Officers had been unanimously elected as the officers of the League for the ensuing year.

Mr. Horace E. Deming, New York: It seems to me, Mr. President, that perhaps this is the appropriate moment for me to say a word, in view of what you said a few moments ago, which your well known kindness led you to color somewhat. It would be somewhat unfortunate as well as untrue if an impression is had that the work of revising our proposed Constitutional Amendment and Municipal Corporations act was the work of any one man.

Those of you who happen to be acquainted with the individual members of the Committee know that no one man's report would be received. You will remember that at the Indianapolis meeting, the Committee was instructed to take its work home and go over it again in the light of the discussion had there, and in the light, also, of such further suggestions and criticisms as might be made.

A special addition of the draft, as amended, was printed and sent out to thinkers and workers on this subject everywhere in the United States. Criticisms short, criticisms long, criticisms cursory and criticisms elaborate were received. These were copied and copies put into the hands of every member of your Committee. The suggestions were tabulated and classified and these were put into the hands of every member of your Committee. Your Committee met, discussed these criticisms and these suggestions, and your Committee held not only personal meetings, but numerous meetings by correspondence; and when the final draft was reached, that was printed and was in its turn sent around to the members of the Committee, and another, and another, and another—and I don't know how many final drafts, until at last, in the form in which it will appear here, it was printed.

No one man can claim the credit of that work. It is the work of not only sincere and honest reformers, but of very able men from all parts of this country, who viewed the work from the point of view of their local conditions as well as from the general point of view. I think the

Committee is entitled to state that and I think you will be glad to know that the work has been done as carefully as it was.

One other thing—while our specific recommendations are embodied in the form of the proposed Constitutional Amendment and Act, the report of the Committee includes not merely these, but the explanatory papers prepared on the part of the Committee and edited by the Committee with the same care that the work of drafting the Constitutional Amendment and Municipal Corporations Act was done. Some of these were presented at the meeting at Indianapolis; others will be presented here; and these official papers, together with the Constitutional Amendment and Municipal Corporations Act, constitute the Report submitted for your consideration.

The Committee felt also that it would be wise and helpful if at this meeting of the League we could have presented by an expert authority on municipal questions—a man who had proved himself by the quality and amount of his work in this line already done with success—a careful examination and analysis of our proposed Constitutional Amendment and Municipal Corporations Act from his point of view, and that is the occasion of the next paper to be read. Mr. Wilcox has had no meetings with the Committee, no personal conferences with the Committee. Their papers were submitted to Mr. Wilcox and he was asked to give expert judgment on them.

The Secretary: I desire to state that any member who desires can secure from me at the close of the present session a copy of the proposed Constitutional Amendment and Municipal Corporations Act.

At the same time he read a letter from the Secretary of the Columbus Club, extending to all members of the League the courtesies of the Club while in the city.

The Chair: The next item on the program is a paper, entitled "An Examination of the Proposed Municipal Program." by Dr. Delos F. Wilcox, of Michigan.

Dr. Wilcox then read his paper, entitled "An Examination of the Proposed Municipal Program." (See Appendix.)

The Chair: We have gone through the program for the afternoon, but the hour is not late, and if it is desired to have some discussion of the matters which have been brought before us, the meeting will be very glad to hear it.

Mr. Rossel: I desire to call attention to the invitation from the Columbus Club, which was read awhile ago, and on which no action was taken. If in order, I will move that proper acknowledgment be sent to the Columbus Club with the thanks of the Conference for the courtesies extended.

This motion, duly seconded, was carried.

Mr. Tuke: As the matter of civil service and the merit system was brought up by Mr. Wilcox, I will say that I have prepared a short address on that subject and as it is not long and the Chairman declares it in order, I should like to read it now.

The Chair: What is the pleasure of the meeting?

On motion, Mr. Tuke was given the privilege of reading his paper, which he proceeded to do.

Mr. Tuke (of the Taxpayers' Association of Cincinnati): It is apparent to all of us that the task of purifying municipal government is a difficult one, and yet of great importance to our people. In order to render any little assistance in my power in that direction, I shall briefly state a few remedies, which, according to my observation, would work towards this end.

One of the very first reforms needed is unquestionably the merit system. No public employe should be dismissed without cause, nor for political reasons. Such a system of civil service would reduce the expense of maintaining the municipal government, which would be followed by a reduction in the tax rate. It would give more efficient service to the people, and at the same time be a blessing to the employes, even at less wages. Without the assurance of permanent positions, few first-class workmen will leave their steady employment in the mercantile world to accept a city position, with all its evils and uncertainties. Because of this very fact, those who cannot find steady employment, on account of inability or vicious habits, generally seek and obtain city positions.

If a young man of exemplary habits, accepts a public position, his discharge is always liable to occur at the next election, and the consequent idleness is very often the cause of ruining the whole career of this former promising young man.

I earnestly believe that the system—"To the victor belongs the spoils," which makes every public office uncertain, is the direct cause of more idle and worthless lives, than any one thing I could name. Any person depending upon a public position for support, cannot with reasonable safety get married, as the uncertainty of his position leaves great doubt as to his ability to support a family at all times. These and a great many other reasons plainly show that a proper civil service system is of advantage to public servants as well as to the tax-payers.

Another great improvement would be a non-partisan ballot at all municipal elections; to have all the names of candidates printed on the ballot, without designating any party thereon. With such a system any reasonable voter would certainly vote for the best qualified man for the position. At present a great many are led to vote a straight ticket, without considering personal fitness, whereas a non-partisan ballot, and the names of the candidates printed in alphabetical order would compel every voter at least to consider or pass upon every candidate. A strong partisan feeling is agitated and supported by the practical politicians, not so much for principle, as out of a desire to control the public offices and appointments. Therefore, the average voter, without direct interest in public office, would, with a non-political ballot in use, seriously consider the personal qualification of every candidate before him. This would cause every party to indorse the most favorably known persons, as otherwise they could not expect to succeed at an election.

The merit system as well as the non-partisan ballot will be recommended to the Legislature of Ohio at its next session by the Ohio Municipal Code Commission, and the main features of this Report have been endorsed by nearly every prominent business organization of Hamilton county. It is earnestly to be hoped that such provisions will in time be enacted in every State of the Union, for the benefit of all citizens, outside of the political bosses, who, with their horde of assistants, are greatly in the minority. Nevertheless, their strength under present conditions must not be underestimated, and they will do all in their power to prevent just such reforms.

In most localities these bosses, with the assistance of the ward workers, have the nominating power entirely under their control. These ward workers are compensated mainly by positions, without their other qualifications being even considered, and they likewise receive a small share of the fund collected by the leaders from each candidate. This way of forcing every candidate to pay to get a nomination, keeps our better class of citizens from being candidates. At the primaries, the candidates are selected by the party leaders, and they generally select only such delegates whose votes they can control. These tactics are practiced more or less by all parties, in every large city, and in the absence of united efforts on the part of the better class of citizens, they nearly always succeed.

Among the remedies needed to change these deplorable circumstances in municipal government I desire to mention only one at this time, and that is, in my humble opinion, that an organization should be effected in every county, city and ward, among those whose interests are directly opposed to the interests of the politicians.

The tax-payers, who pay every dollar unjustly expended, certainly have a more direct interest in municipal affairs than any other class. They are, so to say, the stockholders of a city. "Therefore, it is not only their privilege; nay, it is their duty, to look after their own affairs." I don't mean to say that those who pay no taxes have not equally good intentions, but the direct tax-payers on account of their interest should justly bear the burden occasioned by forming and sustaining such an organization. "What would you think of a stockholder of a corporation who would leave the management of his business entirely in the hands of his employes, without carefully considering their integrity and qualifications?" As long as the tax-payers wait for others to protect them, they can expect no protection.

Therefore, it is to be earnestly hoped that every State, county and district will, in the near future, form an organization, with the assistance of other non-political bodies, to influence the Legislature, to cause them to enact proper measures of reform. These organizations can in a great many ways be of much good to the community, and their affiliation with the National Municipal League will add to their own strength, as well as to the success of the League.

It is very plain, to every one, that the merit system, as well as a non-partisan ballot, will meet the opposition of all the selfish political leaders of every party. Therefore an organization of the tax-payers and business men, who have nothing but the welfare of the community at heart, is absolutely needed to secure these and other necessary reforms. All honest voters will gladly assist them in their efforts for good government, provided able and unselfish leaders are selected for these non-partisan organizations. The officers should be persons of the best character and ability, and should in no way be under obligations to any party or faction, as such is often the cause of the organization being used for personal instead of public interests.

The politicians are organized for the purpose of controlling offices! Now, let the tax-payers and business men organize to enforce business-like municipal government. The great majority of our citizens have honest intentions, and would therefore sooner support these unselfish organizations than the politicians for revenue only, who, without the existence of an active, good government organization, have full control. Let active organizations be effected in every large city at least, and success is bound to follow.

The Chair: Is any further discussion desired at this time? If so, the way is open. If not, a motion to adjourn will be in order.

Thereupon, the Conference adjourned until 8 o'clock P. M., to meet in the Auditorium of the Board of Trade.

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## SECOND SESSION.

Wednesday Evening, November 15

The evening meeting was held in the Board of Trade Auditorium, with the Hon. E. M. Thresher, of Dayton, Ohio, presiding.

The Chair: I find myself in an embarrassing position, being called at a moment's notice to preside over this meeting. I have two suggestions and a congratulation to give. The first is one of regret that the very large number of our friends in Columbus, who I know are interested in this question, and who I am sure had intended to be here, have been unavoidably detained from the meeting; and the other is one of gratification in the fact that what this meeting lacks in quantity it makes up in quality. We have here those who represent the best thought and effort of the country. And the cause for congratulation is this, that in the presence of the distinguished gentlemen who are to address you no further remarks are needed from me.

I therefore take great pleasure in introducing to you a gentleman selected by the Governor of the State out of the great number of able attorneys of the State to classify the municipal laws of Ohio, the Hon. Edward Kibler, of Newark, Ohio.

Mr. Kibler then read a paper, entitled "The Work of the Ohio Municipal Code Commission." (See Appendix.)

The Chair: Among the names of those whom we delight to honor as willing and effective workers for the public good, no one stands higher than the one who drafted the bill which passed the Legislature, authorizing the appointment of a Commission, of whose work you have just heard, the Hon. E. J. Blandin, of Cleveland, whom I now have the pleasure of introducing to you.

Judge Blandin then delivered an address on the same topic. (See Appendix.)

The Chair: It is a matter of great regret that the gentleman whose name next appears on the program was unavoidably detained from being with us; but though absent in body, he is more than with us in spirit, for he has written his paper and has committed it to his business associate, who is present. Gentlemen, I have the pleasure of introducing Mr. Frederick C. Howe, of Cleveland, who will read Mr. Harry A. Garfield's paper.

Mr. Howe: I desire to say that Mr. Garfield fully expected to be here up to very recently, but he was unexpectedly called to New York city.

The subject of his paper relates more particularly to one phase of the municipal question as presented at the present day—that is, "The Relation of Public Corporations to the Cities."

Mr. Howe read Mr. Garfield's paper, "The Relation of Public Corporations to the Cities." (See Appendix.)

The Secretary: Before the meeting adjourns I should like to make an announcement. To-morrow morning the Conference will convene in the Hotel Chittenden, and the principal speaker will be the Hon. Bird S. Coler, Controller of Greater New York, upon a subject peculiarly fitted to the speaker by reason of his experience in that line of duties. I think we can promise all who attend a meeting of unusual interest. Mr. Carter will also be present.

The subjects to be discussed involve a large number of important questions, mostly of an interesting character, like those of public improvements and other subjects touched upon this afternoon and evening.

The Chair: I beg leave to emphasize the announcement and request of the Secretary. One of the inducements for the coming of the League to the city of Columbus was the opportunity of presenting to the citizens of this State and city the objects and work of the League, and it is very desirable that there should be at least a representative attendance. I hope each one of the audience will do his utmost to bring some one to the meetings to follow.

Thereupon, the meeting adjourned until Thursday, November 16, 10.30 A. M.

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### THIRD SESSION.

Thursday, November 16, 1899, 10.30 A. M.

The meeting was called to order by Mr. Wm. G. Low, of Brooklyn.

The Secretary: Will all the delegates present please hand in their credentials during the morning, so that the official list can be made up?

A meeting of the Executive Committee will be held immediately at the close of the morning session.

The Chair: The first paper on the program is "The City's Power to Incur Indebtedness Under the Proposed Municipal Program," by Hon. Bird S. Coler, Controller of Greater New York. In advance of that paper, Mr. Deming will read the proposed provisions.

Mr. Deming: This Municipal Program which is submitted contains a number of recommendations—

At this point, the President, Mr. James C. Carter, came into the room and was greeted with most cordial applause by the audience.

Mr. Carter (taking the chair): I am very glad to meet you, gentlemen, and regret that I am a little tardy this morning. I presume you have been proceeding with the business for the morning.

Mr. Deming: Our program contains a number of recommendations, and the merits of each depend considerably upon the merits of all. That is to say, when we discuss a particular recommendation here, we should also have in mind what the other recommendations are in the entire Program.

Perhaps there is no better illustration of the truth of this than the provisions of the program in regard to municipal indebtedness; and before I read those provisions, which are very brief, and before listening to the discussions which we are to have, it has seemed to the committee that it might be wise to spend two or three minutes in laying before you the general scheme of the Program, in order that you may the better judge of the merits or demerits of this particular recommendation.

In the first place, under the Program, a city really governs itself. It helps itself, hurts itself, improves itself; the Legislature has nothing to do with it. The government proceeds from the people of the city. It is not superimposed by any outside authority.

In the next place, the machinery of the government is extremely simple: we elect but two officers—the Mayor and members of the Council. The Council is elected on a general ticket, one-third going out of office at each election, and the Council is not a very large body. To the Mayor is given the headship of the administrative service; to the Council is given all the legislative powers.

To such a city, under this Program, is given all powers of local government to exercise according to its will. That is the theory of the Program.

Imagine, therefore, such a city with such a simple framework of government already in existence. Consider, then, that at the present time most of our cities have reached, or nearly reached the limit of their ability to incur debt under existing Constitutional limitations. Consider, thirdly, that under the provisions of this Program, we believe it to be the right of the city to decide for itself whether it wishes or does not wish to enter upon any industrial undertaking. That is something which, in our view, not the Legislature should decide, not the good men of the town should decide, not you and I here should decide—but the



people of the town should decide. And those of us who oppose this extension of municipal function should fight it out in our towns, and not on platforms which are simply opportunities for the expression of sentiment.

How is the city to exercise such power when it already has reached its debt limit, or nearly so? That is what we are to discuss this morning—the city's power to incur debt under the Program. It is not an abstract proposition, but a very concrete proposition, whether this provision fits into the rest of the Program or not—whether it is wise or unwise.

Mr. Deming then read those sections of the proposed Amendment and Act which related to the question of Municipal Indebtedness.

The Chair: You have heard the section of the proposed Constitutional Amendment read to you, and the subject is now before the Conference for debate. We have the Hon. Bird S. Coler, who occupies the very eminent place of Controller in the city of Greater New York, and we shall be very glad to hear from him.

Mr. Coler then read his paper, entitled: "The City's Power to Incur Indebtedness Under the Proposed Municipal Program." (See Appendix.)

The Chair: The Hon. William Dudley Foulke, of Richmond, Indiana, will now address us on the subject of the paper of Mr. Coler.

Mr. Foulke: I feel, Mr. Chairman, as if it had been rather a mistake to call on one who has had no practical experience in any large city, or in any city, who comes from a rural city in a State regarded as particularly rural among her neighbors, to discuss this question and the admirable paper we have just heard. But even we have had some experience, not, it is true, in regard to these questions of multi-millions, not in regard to questions of international significance, but in regard to rural townships.

I had the honor to be chairman of a committee which prepared the codification of the township and county laws of Indiana, passed by the last Legislature; and in reference to the general proposition stated by Mr. Deming, of the importance of allowing the individual community to take care of its own affairs, irrespective of State influence, I would like to state our experience.

In the first place, we had a township system which was very simple. The township Trustee, in the first place, made all levies, levied all taxes, determined how much should be levied for each particular work, did all the work, financed the matter entirely and passed upon his own accounts. A system more simple than that would be hard to conceive. There was a nominal auditing of his accounts once a year, but it was only nominal. In respect to the county we had a system of still greater simplicity. It was run by three Commissioners.

Of course, the evils became insupportable, and of course we at once arrived at the conclusion that the State should interfere and take away the local power and the matter should be subject to State regulation. But fortunately the meeting of the committee to draft these laws followed very shortly after the meeting of the National Municipal League

at Indianapolis; and the importance of local self-government was so strongly impressed upon us that it caused the committee to resist the plan of State Control and leave it to the local government, based on the general principle which runs through this proposed charter. There is entire self-control, but the departments of government are entirely distinct. The local Council is to take charge of the legislative department, the imposition of taxes, etc., and it is all made as public as possible. At a certain time the local Advisory Board of township representatives have the estimates published, and any citizen of the township or county is permitted to contest publicly any portion.

We found a great deal of opposition in the Legislature—these public-spirited Trustees who had administered our affairs so admirably for so many years spent much money in getting a formidable lobby; and we found that the bridge companies and other companies were interested in having good laws in Indiana. The fight seemed doubtful for awhile, but the bill finally passed. We have had one year's experience with the law, and from the complaints and howls arising from county and town officials from the curtailment of their perquisites, it would seem it is working successfully. In one county it has diminished the expenses thirty cents on the dollar, and the county government is going on as well as before.

Therefore, I thoroughly coincide with the views expressed by Mr. Deming in the principles that underlie this charter.

But we have found that some limitation upon the power of the local community is very desirable, and the power to contract indebtedness being perhaps the most dangerous power for anybody to possess, it has been counted wise to limit that, as in New York, to ten per cent. It is like the biennial meetings of the Legislature—if the meeting of the Legislature is a bad thing, why have it meet at all? It is most illogical. Yet, on the whole, it is found to work better than the old plan, and it has perhaps done some good in our own State.

So in regard to debt limitation. The ideal plan is to allow the community to take charge and incur what indebtedness it pleases, because it knows its own necessities and the means of satisfying these. Yet bitter experience has led to putting a debt limitation upon municipalities and I suppose, in the long run, it has worked well.

The time, however, has come, as Mr. Coler has well shown, where the necessities of many growing communities, and the new tendency toward the transfer of private corporations exercising public functions to the municipality, necessitates the adoption of another plan than that comprised in debt restriction.

In cities where there is no public ownership of water works, public libraries, etc., I think ten per cent. is too high a limit; but in respect to those things from which a return can reasonably be anticipated, the municipality should have the right to exceed that amount.

Let us take Philadelphia—I think we could convince the citizens of that city that it was not wholly safe to trust its Common Council with

the power of expanding indefinitely its own indebtedness, even when on its face the project might be regarded as productive of returns.

If a new water works is projected, it is possible by some of the means spoken of by Mr. Coler, to get the cost so high that a moderate interest on the investment becomes impossible.

I notice in this provision there is what seems to me a very wise statement—that whenever it is proposed to go beyond the debt limitation, the matter is to be submitted to the people, by referendum, practically: Bonds authorized by the affirmative vote of two-thirds of the members of the Council, approved by the Mayor and approved by the affirmative vote of the majority of the qualified voters of the city voting upon the question of their issuance at the next ensuing city election, for the supply of water or for other specific undertaking from which the city will derive a revenue.”

I say if you cannot leave it to the people of the city on direct vote to say what it needs to borrow, you cannot leave it to anybody. I am inclined to think that further limitation might add to the popularity and wisdom of the section. I presume those things which bring in a return ought to be allowed greater limit, but there should be some limit beyond which the city could not go to contract indebtedness. If ten per cent, is not enough, then make it twenty per cent., or some per cent. beyond which they cannot go; for a corrupt Council or a bare majority of the citizens, not representative of its wealth, or taxpaying population, might have the power to fasten on the citizens indebtedness which might end in bankruptcy. The city of Elizabeth is a good example of this possibility.

The Chair: Mr. William A. Giles, of Chicago, will continue the discussion.

Mr. Giles: I was asked to speak upon the clause of your municipal charter which provides “that no city shall become indebted for any and all purposes to an amount, which shall exceed a definite per centum of the value of the real estate within her jurisdiction subject to taxation.”

The experience of Chicago in the matter of taxation and of debt limit may be studied profitably by the student of municipal problems. Nowhere has the science of government kept pace with the demands of great modern cities. The growth of Chicago has been unparalleled. Her rulers, however wise and patriotic, could not provide for her marvelous development. The pressing needs which brooked no delay, the heavy burdens of immediate improvements, and the inevitable inexperience and inefficiency of municipal officers; all these factors combined to prevent the adoption of a far-sighted, economic policy.

The present conditions in Chicago are admitted by all to be deplorable. Her streets are dirty; she needs more electric lighting; she has no garbage or street cleaning plants; her public buildings and bridges are in shocking need of repair; life, property and health are insufficiently protected. These defects are fully realized by the present administration.

and a resolution setting forth the situation was recently adopted by the City Council by a large majority and approved by the mayor. It was declared that the city was unable to devise ways and means to carry on the city government and existing public works, and to make the necessary improvements. An assistant corporation counsel recently said there were pending against the city 2100 suits for damages, aggregating \$70,000,000 of claims. Most of these arose from the defective sidewalks.

What is the cause of this unsatisfactory state of affairs in our city? Omitting all reference to the usual charges of political jobbery and injudicious expenditure of the city's revenues, I come to the question of taxation and the limitation of the city's power to incur indebtedness.

Our State Constitution of 1870 limited this power to five per cent. of the value of taxable property, in the municipality, as ascertained by the assessment. The framers of this Constitution acted wisely in fixing a rigid limit. Among the members of this convention were many of the best men of the State, among whom I might mention the late Joseph Medill, the veteran editor, and the first Mayor of the city after the great fire of 1871; S. S. Hays and ex-Mayor John C. Haines. It was undoubtedly the intention of the framers of this provision to make the five per cent. limit apply to the full value of the property. The debates upon the subject would confirm this opinion.

This restriction would have been a reasonable one, but under the operation of the law it has proved a narrow limit, for of late years—until the enactment of the new law—property has been assessed at from one-eighth to one-tenth of its real value, which brought the bond limit down to one-half to five-eighths of one per cent.

The Legislature when enacting a new revenue law (which provides mainly for a change in the method of making assessments), anticipating a much larger assessment, cut this Constitutional limit in half, prescribed a limit of two and one-half per cent. of the assessed value of property, and it was enacted that this assessment for taxation was to be only one-fifth of the actual value, (the actual and assessed value being extended in parallel columns). The assessed value of property under this law is approximately \$400,000,000, the real value of the property being about \$2,000,000,000. It is estimated by members of the Board of Review that the assessment next year will reach \$450,000,000 on the real value of \$2,250,000,000. Under the law as it stands, the existing indebtedness of the city of about \$17,000,000 exceeds this limit.

The repeal of this two and one-half per cent. limit and the deduction of the World's Fair bonds, which were provided for by a special amendment to the Constitution, would permit the city to borrow about \$7,000,000 more. I should here state that the \$17,000,000 of bonded obligations does not include all the different classes of indebtedness incurred by the municipal corporations or taxing powers of Chicago, for which the taxpayers of Chicago are mainly chargeable. There are the drainage canal, park, county and town bonds and the floating indebtedness and judgments aggregating approximately \$40,000,000. The repeal of the two

and one-half per cent. limit and the application of the present Constitutional five per cent. limit to the full value of the property as ascertained by the late assessment would more than meet the requirements of the city, but it is not at all probable that the public would approve this move without the most rigid limitation.

Should the Legislature pass a law requiring that all classes of indebtedness should be included under the limit, and that no further bond issue should be made without referendum to the people, and for special improvements, it is possible that the arrangement might meet the approval of the tax-payers. From bitter experience the people are afraid to grant large power and large sums of money to public officials for unlimited expenditure. It is said of the \$250,000,000 indebtedness of the city of New York that not more than \$150,000,000 was used for the benefit of the city; still under reasonable restraints and with the assurance of a fair and honest expenditure of the money, I believe the great merchants and tax-payers of Chicago would heartily favor a reasonable issue of bonds and a liberal policy as to public improvements. Personally, I believe that under proper limitations the best interests of the city would be served by a larger bond issue.

There is, of course, a reasonable doubt about the ruling of the courts as to whether the Constitutional limit should be applied to the ascertained value or to the value extended for the purposes of taxation. As I have stated, the total indebtedness of Chicago is not large, being about \$40,000,000, with a population of nearly 2,000,000, while Philadelphia has a bonded indebtedness of about \$40,000,000, and a population of 1,250,000, and Boston has a bonded indebtedness of nearly \$58,000,000, with a population of 700,000.

The credit of Chicago is good and she can readily borrow money at 3 and 4 per cent., notwithstanding which she is paying from 5 to 6 per cent. upon more than \$2,000,000 of judgments against the city. The city recently made many permanent public improvements by current taxation. Among these I might mention the erection, at a cost of \$2,000,000, of a public library building, which is surpassed by only one of the kind in the United States; of a City Hall at a cost of \$1,200,000, and of school buildings and bridges at a cost of nearly \$30,000,000, besides large expenditures in water extension, drainage, etc.

These public works are in the line of permanent improvements, and I think a part of the outlay might well have been distributed over a longer period of time, and the funds used to make a more beautiful, healthful and progressive city.

I may add that the rate of taxation in Chicago is not high, and that under the new law the rate is limited to one per cent., except the State and school building tax, on the full value of the property, and the total probably will not exceed this year one-fifth of one per cent. Frequently special assessments have been made for improvements, which in most other cities are made by a general tax and the burden has been great.

The per capita tax in Chicago, aside from special assessments, is about \$12, as against \$20 in New York and \$30 in Boston.

I think we are all agreed that there should be a careful limitation of the powers of a city to run into debt. It is notorious that in many cases municipalities have been permitted, even encouraged, to incur obligations, which should have been met by living tax-payers. We are now in a period of reaction, and the control of municipalities by the central authority is perhaps tending to become too rigid. Yet control there must be. No advocate of home rule in the widest sense will contend that there ought to be no fixed constitutional or statutory limit upon the use of the credit of cities and the imposition upon future generations. Even in Great Britain, where home rule has been carried much further than in the United States, the amount of money which cities may borrow is regulated by law. The limitation, however, should be reasonable, and should have reference to local conditions.

In Chicago, it is probable that with a proper revenue law, intelligently and honestly administered, and with careful limitations, money enough may be borrowed under the five per cent. limit for all necessary special improvements, and a sufficient revenue produced to make the city clean, fairly lighted and policed, well paved and worthy the position she occupies as the metropolis of the great Northwest.

The Chair: I regret to say that word has been received from Mr. Bonaparte that an actual engagement in court, in the trial of a case, prevents his attendance, for which we are sorry.

Mr. George C. Sikes, Chicago: I wish to say, in opening, that Chicago should get as much benefit from the work of this League as any other city of the country. It is sadly in need of charter reform. We have about sixteen taxing boards exercising authority in the territory of Chicago. As soon as we can get Constitutional changes, which we hope for at an early date, we will have the problem of drafting a new charter, and certainly the work of this League will be instructive and beneficial for Chicago.

I think highly of the Program as a whole, but have been asked to talk upon this feature of bonded indebtedness, one of the few features to which I take some exception. I read the Program of the Committee presented last year, which provided that bonds might be authorized under certain conditions, from which the city might derive revenue. There it stopped. A short time afterwards I read a criticism of this feature by Mr. Foote. Though my point of view is opposed to that of Mr. Foote on the general proposition of municipal ownership, I thought Mr. Foote's criticism well taken and that I could subscribe to it.

He said it was not enough to provide that there should be no limit where the enterprise would produce a revenue. According to this provision it is assumed that the undertaking will never become a charge upon the city; but how do you know it will pay and not become a charge? Of course, we know the experience of States in the last half century in

which they have run heavily in debt in this way, and cities have started out in undertakings of this kind which have proved most distressing burdens, though they were not intended to be a charge. It is not right to say you have a debt limitation when you leave open a course which may prove a most distressing burden.

I see this year a change has been made and that recognition has been made of that criticism. I will not read it, because it has been read. I would criticise that change from the fact that it simply recognizes that criticism, but does not make a vital change. It reads: "But from and after a period to be determined by the Council, not exceeding five years from the date of such election, whenever and for so long as such an undertaking fails to produce sufficient revenue to pay all costs of operation and administration," etc. That, I judge, is a compromise not thoroughly satisfactory to all the members of the committee. According to that clause, the bonds for public service industries are not to be included in the public debt limit; but if at the limit of a certain period, they shall not prove self-supporting, then they are to be included. But, as I understand, when the city has exceeded its limit, it can embark upon public service industries, upon the assumption that they will be self-supporting; but if not, the bonds become a charge upon the city again; and in that way the indebtedness can be increased indefinitely. And if my understanding is correct, there is no limit upon the indebtedness which can be incurred for public service industries. If that is the case, the clause should not be added, for the meaning is not changed from the way it read last year. The essential meaning is not changed. If the clause means nothing, it had better be struck out.

But that raises the discussion of the question as to whether the city should be authorized to issue bonds for public service industries in unlimited amount. I should not think it wise, and it will bring criticism upon this body if the Report goes out permitting cities to issue bonds for public service industries to an unlimited extent. Some limit should be imposed, not only on the ground of expediency, but on the ground of right.

Where a city has reached the limitation, then it should issue bonds upon the property. Let the bonds be a mortgage upon the franchise, property and income. For instance, in Chicago, we would like to own the street railways. If it had reached the limit of bonded indebtedness, then it should be able to mortgage the street railway property, create a mortgage on the franchise. I think that would answer the purpose.

Will private owners of wealth lend money when the only security is the property itself? That is the question. The rate per cent. may be higher when not covered by city bonds, but why should not the city pay four per cent., as the railway company does? I think that would be better than submitting the citizens to the risk.

Until the limit is reached, I think the city should have the option of mortgaging the property or issuing bonds; but when the limit has been

reached and the city wants to engage in public service industry, I think it would be wise to raise the money on the property.

The question is then raised that the bondholders might acquire the property that way, that it would be an easy way to get a franchise. That goes back to the distrust of the government, and you might as well distrust the government to issue unlimited bonds as to allow themselves to be drawn into an enterprise of this kind. The mortgage should not run longer than the franchise.

It seems the city has a right to protect itself, because it has it in its power, when it sees the enterprise is not paying, to raise charges. Suppose it was running a lighting plant and it seemed about to default on interest on the bonds issued, the city could raise its charges and in that way the community could save itself from danger.

It seems to me we should change that. If we are going to adhere to the policy of no limitation, I would prefer to have the additional clause stricken out, because it means nothing, and there should be some check upon unlimited indebtedness. I think the right check to impose, when the debt limitation has been reached is to make the additional bonds a lien upon the franchise property and income.

The following letter from E. M. Johnson, the Comptroller of Indianapolis, was presented:

I regret that the great press of other business at the time of your meeting will prevent my being present. I have, however, studied with interest the Constitutional Amendment and Municipal Corporations Act so far as it relates to the power of cities to incur indebtedness, and beg to make the following suggestions and amendments.

"No political or municipal corporation in this State shall ever become indebted, in any manner or for any purpose, to an amount in the aggregate exceeding two per centum of the taxable property within such corporation, to be ascertained by the last assessment for State and county taxes previous to the incurring of such indebtedness; and all bonds or obligations in excess of such amount, given by such corporation, shall be void; Provided, That in time of war, foreign invasion, or other great public calamity, on petition of a majority of the property owners, in number and value, within the limits of such corporation, the public authorities, in their discretion, may incur obligations necessary for the public protection and defense to such an amount as may be requested in such petition."

The above is the Constitutional provision with reference to municipal debt in Indiana. It has been in operation in Indiana during the past twenty years and has been of great advantage to the cities and towns of the State. I would suggest, as an addition to that part of Section 2, submitted to me, that you add a provision authorizing municipal corporations to issue bonds to refund indebtedness of the corporation existing when this article was adopted.

With regard to temporary loans, I do not think that any certificates of indebtedness or revenue bonds, as designated in the amendment sent



me, should ever be allowed to become permanent. In this connection, I append that part of the Indianapolis Charter with reference to this matter.

“Temporary loans may be authorized by ordinance of the Common Council in anticipation of the revenue of the city for the current and following year, and payable within that period, but the aggregate amount of such temporary loan in any fiscal year shall not exceed the amount of the city tax levy for the same year. No temporary or other loan upon the revenue of any current or succeeding year shall be made until all temporary loans upon the revenue of any preceding year shall have been fully paid.”

It will be seen that the framers of our charter had the idea in mind that a temporary indebtedness should never become permanent, and that the expenses of the city should be paid out of the current revenues of the city. I believe it will be found, on reflection, that this provision is sound in every respect.

I like that provision of the proposed amendment which authorizes the city to acquire revenue producing public utilities, and would only suggest that some manner of determining what constitutes a majority of the qualified electors—in other words, that the majority is to be determined by the figures of the last State or national election. In this manner, the expression of a very small vote would be without weight and the sentiments of the actual majority would be ascertained.

It has been my experience that the limit of indebtedness should be a Constitutional provision and not legislative and subject to change at will. On account of assessment laws and the frequent changes in the mode of assessment, however, I believe that the rate of taxation should be fixed by the Legislature. This for the reason, for instance, that a Legislature might exempt all mortgaged property from taxation up to a certain amount. It might be seen that the Constitutional rate of taxation would not, under these circumstances, produce sufficient revenue, in some cities, to pay current expenses.

Mr. Frederic C. Howe, Cleveland: The suggestion which Mr. Sikes just made seems at first to be rather unique, but it occurred to me subsequently that that was exactly what the city of Detroit did last year when they were discussing taking hold of the street railway properties and operating them through a City Commission. The mere fact that this suggestion has been attempted in a practical way by a city leads me to mention it.

Under the proposition made there, the Street Railway Commission, composed of three men, proposed, and nearly reached an adjustment, but were stopped by the Supreme Court, by which the street railway properties, at a valuation of seventeen millions of dollars, were to be converted into stocks and bonds, to be issued by the City Commission. The contract was entered into between the owners and the city, by which the security should be limited to the road and franchise; and the terms upon which the street railway company was to be operated, the

rates of fare, sinking fund provided for, as well as other details entering into the ordinary municipal franchise, were to be included in the mortgages from the city under the adjustment. It was arranged that the city proper as a corporation apparently did not assume any corporate liability except in this restricted sense. The old owners of the road entered into relations with the Commission and were to have certain powers of oversight and investigation, and being entitled to certain unique contractual rights not usual. It has not been carried out, but it struck me as rather unique.

Mr. Low: I should like to get some information as to the use of the word "qualified," as applied to voters. I should like to ask if the committee had knowledge of any city where the voting upon such a proposition would be confined to tax-payers? In villages incorporated under the general law the only people who vote upon a matter of this kind are the tax-payers.

The Chair: I suppose it is quite clear that the qualified voter is simply the voter who is qualified to vote.

Mr. Low: I wondered if there was any city restricting voting on such questions to the tax-payers.

The Secretary: I think New Orleans permits only tax-payers, whether men or women, either by direct vote or by proxy, to vote on such questions.

Mr. Deming: The word "qualified" was put in because it was not intended to apply to any particular State; and when applied to any State it means the qualified voter of that particular State.

Mr. Tuke: In the unlimited issue of bonds, I think it would be a good idea to have a two-thirds vote. I certainly agree that the tax-payers should have the right to say who shall expend their money. But this is different; it gives everybody a vote and in this unlimited power to issue bonds, I would suggest we make it a two-thirds vote. Tax-payers should be liberal. Money expended for proper public improvements is not lost. All foreign governments that were liberal in times past, liberal in public improvements, were prosperous.

Dr. Milo R. Maltbie, New York: I would like to ask the committee who drew the act one question in reference to the last line of the paragraph commencing, "Provision shall be made at the time of their issue," why confine the issue of every bond to twenty years? As I understand, it would be illegal to provide for another issue to repay them, so that all bonds are limited to twenty years.

Mr. Deming: That is intended as a suggestion on the part of the committee, as approximately the number of years for which the city bonds should have life.

Mr. Low: As to the point raised by Mr. Tuke in regard to the size of the affirmative vote, I learn that sometimes in Mayor Ochs' State the Legislature requires the vote to be two-thirds.

Mr. Ochs: On the question of the issuing of \$700,000 of street and sewer bonds in Chattanooga, the Legislature required a three-fourths vote, and there have been cases in the State where a two-thirds vote was required, and they never permit issues of bonds by any municipality unless submitted to a popular vote.

The Chair: You have a just abhorrence of debt there apparently.

Mr. M. N. Baker, New York: In regard to limitations on the period for which bonds are issued, it seems pertinent to observe that the proper way is to vary the length of term of bonds in accordance with the character of the works to be constructed, and having in mind the probable life of the works. We can't, of course, extend too far into the future because of this very matter of high rate of interest alluded to; but going down the scale, there are some public works, or portions of them, which through rapid depreciation will not last as long as twenty years, and perhaps we ought to come down the scale in such cases. On the other hand, if the city is to build a water purification system under some system of construction that is virtually indestructible so far as the original construction is concerned, it is possible, and considerable range should be given to the limitation in order to fit the nature of the particular work. This is commonly done in England, the Board often restricting the limit of payment to fifteen or ten years, especially in experimental work.

In regard to the suggestion of a previous speaker that the bond issue for a public service industry should be made a lien simply upon the property, upon the improvement itself, it occurs to me that this and a number of other propositions made would bring municipal ownership and public service industries upon the plane of private ownership, which is to rob municipal ownership of all the advantages accruing to it.

Dr. Goodnow: I would like to point out that there is nothing which limits the payment of those bonds to twenty years. It says "within twenty years." It may be five or fifteen, but it cannot be more than twenty. We did not put it at more than twenty years because we felt it would increase the city's power to incur indebtedness. The people have to think: "Here, we have to pay this in twenty years," and that will be a check on extravagance. It may be better to erase "twenty" and insert blank years. It is taken from the New York State Constitution.

Mr. Ochs: I do not wish to precipitate a discussion of municipal ownership, but pertinent to this question of municipal indebtedness, is it or not a fact that the English municipalities which were pioneers in municipal ownership, are now exceeding their debt limitation to such an extent that measures are pending to restrict this bond issue, and that some cities are confronted with bankruptcy? I have seen publications to that effect recently, and as it is pertinent to this discussion, I would like to have some light on it.

Dr. Goodnow: They have had a system in England which is so different from ours that we cannot compare it. The debt limit is not fixed by the State or by Constitution because they have none. Every municipality

practically has to come up before the Local Government Board of London with any proposed bond issue, and this Board looks into it to see if it is being issued for a purpose it ought to be, and to determine when it ought to be paid off, and once in a while for an exceptional undertaking they get through a special act of Parliament giving them larger powers than the Local Board would give them. But as to the actual fact as to whether the English municipalities have been incurring indebtedness to an extent that has financially embarrassed them, Dr. Maltbie can tell us that.

Dr. Maltbie: I think I know the origin of that statement. Last summer I spent two months in Great Britain investigating the question of municipal ownership. There is a tendency on the part of the extreme Socialists of Great Britain to municipalize everything—bakeshops, milk supply, etc., for example. In doing this they are encountering great objection, and the feeling is prevalent that they ought not to go to that extent: they ought not to municipalize things in which competition is the regulator of prices and in which monopoly should have no part. Instead of being a movement to limit public service industries, the movement in the other direction is all the time increasing and they have municipal gas supplies, tramways, water works, and there is now a movement for municipal telephones.

As to being overburdened by debt, this statement, I think, is not true. Statements have been made and comparison made between the debts of municipalities and the national debt, by which it is shown that municipal debts are increasing and the national debt decreasing. These are actual figures, no attempt being made to set off assets against liabilities. It has been shown by the people that it is their desire to increase municipal functions in this direction, and that would show they are certainly not bankrupt.

Mr. Sikes: Are the debts all against the cities, or are there instances where they are a lien on the property?

Dr. Maltbie: They have a system there of mortgaging the rates. The central authority can step in if the local authority does not and compel them to levy a tax to pay them. All of the debts are not a lien on the rates in that sense, and I don't think it is customary. My impression is that the bonds issued for public service industries are made a lien on the properties themselves. In some first instances, when the first experiments were made, the mortgage was upon the rates, or upon the taxes, and were an indebtedness of the corporation.

Dr. Wilcox: It seems to me in this section of the committee's Report there are contradictory statements. It provides, "whenever and for so long as such undertaking fails to produce sufficient revenue to pay all costs of operation and administration (including interest on the city's bonds issued therefor and the cost of insurance against losses by fire, accidents and injuries to persons) and an annual contribution to a sinking fund which will pay at or before maturity all bonds issued on account of said undertakings," etc. The next paragraph is, "Provision shall be made at the time of their issue for raising a sum of money by taxation

sufficient to pay the interest upon all city bonds as it falls due, and to pay and discharge the principal thereof within twenty years from the date of their issue." I would like to have these explained.

Dr. Goodnow: There is nothing inconsistent in them. All we claim under the first, all we want is that those bonds shall not be included within the debt limitation if the undertaking for which they are issued provides a certain revenue. Now, at the same time it is provided when those bonds are issued that some provision shall be made by taxation for their payment. There is no inconsistency. While that might burden the tax levy, the receipts from the undertaking will reduce it to a certain extent.

Mr. Wilcox: Isn't the inference that the revenue should be set aside?

Dr. Goodnow: No; we were very careful to get away from that because you want it absolutely certain that those bonds will be taken care of, and it would be a check upon the issue of the bonds.

Mr. Wilcox: Would not that preclude the diverting of the revenue from the enterprise?

Dr. Goodnow: What goes into the general fund may relieve the tax duplicate—that was our idea. If it is not carried out I hope the gentleman will point out how to do it.

Mr. Sikes: In this clause, you have not changed the meaning any?

Mr. Deming: Yes, we have. I think it would be well to revert to the topic under discussion, which is the city power to incur indebtedness under the proposed municipal program—not in the abstract, not in Chicago, not in New York, not in Philadelphia, not in New Orleans—but in a city organized under this proposed Program having this kind of a government. That is the proposition.

Do you or do you not believe that a real, representative democracy, such as this proposed city would be, clothed with all the powers of government within its limits, but at this time unable to incur indebtedness on account of its past history—do you, or do you not believe that that city should have power to act? Now, the committee believes it should. The committee believes that the question of the amount of debt is a question to be determined by the city. The committee is permeated with the faith that the government of the town should proceed from the people of the town, not from the National Municipal League, even.

Now, whether or not you should have this or that or the other particular limitation here is but a question of local policy to be determined by the locality. We believe the city should decide for itself whether it should improve its docks, whether it should have rapid transit, or undertake any of the other public service industries. Some of us believe it should not do these things, but we think the city, not we, should be allowed to decide it.

But if the city has reached the debt limit, as some have, what is the use of giving it that power—it cannot exercise the power. Therefore, acting upon the experience in connection with water works pretty well everywhere throughout this country, and acting upon knowledge of the

sort that Mr. Coler has put into his very able paper this morning, we said, here is a principle that can be followed where an undertaking takes care of itself and wipes out the debt incurred for it—it is not a debt. We will stick to that principle; we will not try to qualify it. We will not make any compromise or modification of this fundamental principle. We deemed it wise, however, to put into the proposed Constitutional Amendment, as drafted this year, a definition of what is meant by such an undertaking. See if it is not clear. We have not tried to make it technical, but tried to make it clear, positive, exactly the kind of undertaking that is meant—an undertaking which will pay “all bonds issued on account of said undertaking,” etc. We say that when a city engages in that sort of enterprise it is not incurring any debt, it is not putting any debt on the tax-payer. So finally, in acting upon this recommendation—we do not expect that the last word has been said upon this subject; we do not say it is gospel and it certainly is not yet law; but we do say, there is a principle which can be put in operation and which we ask you to help us to try to have put in operation to enable the city to perform its functions.

I shall be glad to answer any specific questions. I have tried to confine myself, in summing up, rather to the request that you would, in voting upon the recommendation of the committee, vote upon the principle and policy. If that is clear, never mind our craftsmanship. No doubt others can do the phraseology much better, and no doubt it will be done in the States that take it up, where there will be further thought and farther intelligence given to it.

The Chair: If the Auditing Committee is prepared to submit its Report, the opportunity is now open.

Mr. Ochs: I beg to submit the following Report on behalf of the Auditing Committee:

The Auditing Committee has examined the accounts and vouchers of the Treasurer and found the same to be correct as reported.

GEO. W. OCHS,  
MORRISS TAYLOR.

The Chair: The Report will be received and placed on file.

The Secretary read the following telegram from Houston, Texas:

“I send greetings from Texas, trusting that this annual meeting of the League will result in impressing upon our citizens the importance of municipal reforms, the necessity of honest business management of municipal affairs and the adoption of civil service rules versus the spoils system.

(Signed) J. H. PASTORIZA, Houston, Texas.”

The Secretary also read a cordial invitation from the Secretary of the National Civil Service Reform League to attend its meeting at Indianapolis on December 14 and 15.

The Chair: At this point the Conference will take a recess until two-thirty.

## FOURTH SESSION.

Thursday, November 16, 1899, 2.30 P. M.

Mr. Carter: The first thing in order is a paper on "Political Parties and City Government Under the Proposed Municipal Program," by Dr. Frank J. Goodnow.

Dr. Goodnow then read his paper: "Political Parties and City Government Under the Proposed Municipal Program." (See Appendix.)

The Chair: Dr. Goodnow's paper will be followed by a paper by Mr. John A. Butler, of Milwaukee, discussing the same.

"Mr. Butler then read his paper. (See Appendix.)

The Chair: Next is a paper on "Public Opinion and City Government Under the Proposed Municipal Program." by Mr. Horace E. Deming, of New York.

Mr. Deming then read a paper on "Public Opinion and City Government Under the Proposed Municipal Program." (See Appendix.)

The Chair: In the discussion now in order upon this paper I shall recognize Mr. John S. Rossell, of Wilmington.

Mr. Rossell: So closely identified with the work of the National Municipal League has been the movement for reform in Wilmington, Delaware, that it is most appropriate on this occasion to note the development of the sentiment in favor of better urban life in the metropolis of Delaware, and to point out a few of the provisions of the Wilmington Bill, which are similar in principle, at least, to certain provisions of the Program.

Let me say, however, first, that the Wilmington Bill is the work of a commission established by the Legislature when it had grown weary of governing the city. That commission was established in 1895, and it immediately placed itself in touch with the work of the National Municipal League and drew from the efforts of the members of that League the inspiration which carried it to the completion of the measure now pending; and so thoroughly was its work done that it was said in criticism of the bill that it might be a proper measure for the government of a community of angels, but not for the city of Wilmington; that the commission had proceeded upon the hypothesis that it was drafting a Constitution for a sovereign State and not making a law for the government of a free city.

At the very threshold of our investigation, we discussed with ourselves the question, "Are our fellow citizens capable of self-government, comprising as they do one-third of the entire population of our State, as intelligent and as progressive as any people in the Union?" We came quickly to the conclusion that they were capable of self-government and that they should be given the right, and that it should be made plain to them that it was their duty, to manage their own local affairs. So, regarding our peculiar conditions and our peculiar institutions, in form, we yielded; in principle, we stood unmoved.

We took away from our Council the disturbing and demoralizing influence of patronage and confined it to the enactment of such ordinances as were needful for the government of the city. The Mayor we clothed with full power of administration and focused upon him the fullest responsibility. In the matter of franchises, we provided that they could be granted only for twenty years, under such conditions and restrictions as the Council might prescribe; but not the Council alone could grant them; the Council and the Mayor, representing the corporation in its full organization, should act together in granting the right to use our streets.

In the exercise of the dangerous power of debt creation, we went a step further, and while requiring that an ordinance to be operative should receive the votes of two-thirds of our Council and the approval also of the Mayor, prescribed that the people upon whose property the debt created would become a burden should be consulted, and unless the ordinance had the approval of the majority of the voters it should not go into effect. The limit we prescribed to be ten per cent. of the assessed valuation of our real estate. The Board of Trade Committee, which now has the charter bill in hand, has reduced the limit to seven per cent. Our debt to-day is two millions of dollars upon an assessed valuation of forty millions of property; but I wish to say in this connection, and somewhat in explanation of our debt, that perhaps we are somewhat more fortunate than other cities in this respect, in that our public buildings—our water works, our school buildings, our parks, are worth more than the debt which covers the property of the tax-payers.

The movement goes steadily onward in Delaware, and I am happy in the thought that I will be able to go back to my home with such an encouraging report as the proceedings of this Conference will enable me to make, and while the Wilmington Charter Bill is not as far advanced as the Model Program, yet is in the same direction—it is a step in that direction—and the Model Program will serve the purpose of influencing sentiment in its favor; and once we secure the right to govern ourselves, to take charge of our own affairs, and the Legislature is relieved of the obligation of looking after us, we will, I have no doubt, go further in the direction of municipal reform and add to our first reform charter, the principal features of the Model Program.

The Chair: Francis Bacon James, Esq., of Cincinnati, is called upon to discuss the subject presented by Mr. Deming's paper.

Mr. James: In the paper just read by Mr. Deming it was well said that an "honest, efficient and progressive city government is impossible without the support of a strong public opinion."

On the question of municipal government there has not, in the past, existed an enlightened public opinion nor an opportunity to express it if it existed. The electors have not been educated to segregate, in their minds, city government, and to consider it, by itself, as a factor separate from the national and State government for securing the common good and promoting the general welfare. As the electors have become in-



formed on this subject, they have, from time to time, attempted to give expression to the opinions entertained by them. The number has been comparatively small, but their leadership has begun to find expression, not among the office-holding classes, but the citizens who are not and who do not expect to become office holders. The leadership of these educated men is showing itself through civil service reform associations, municipal leagues, civic leagues, good government clubs, bar associations and commercial bodies. The professional politician has watched with fear and trembling the growth of public opinion and the effort to express it. He has, therefore, attempted to prevent its formation, and when formed, prevent its expression. From citizens enjoying civil liberty under a democracy the inhabitants of our cities have become subjects under the forms of democracy. Paternalism has not been that of a "good father," described by Mr. Deming, but that of a "bad father," who, instead of giving to his children, takes from them their opportunities to develop and their right to pursue happiness.

The great effort of the political corruptionist has been to prevent the formation of public opinion on questions of municipal government. This has been accomplished in many ways. Partisanship has been encouraged; class has been arrayed against class; newspapers have been started professing to be the advocates of a political "boss." Other papers have passed into the control of the "bad father," either by direct purchase of a controlling interest in the capital stock or by promising sheriff's advertising and tax advertisements in considerations of support.

In the city of Cincinnati great efforts have been made to educate the people. Persistently and consistently the best citizens of that city have organized during the past four years to give the citizens good government. At times the political boss gained his point, and at others he was overthrown, but not completely so. The people of that city have just passed through a bitter struggle. The regular county Republican Committee passed a resolution which required every person offering to vote at the primary to pledge himself that he would support the unknown nominee of the so-called Republican Convention. The people who were enlightened upon the public questions declined to attend the primaries, and organized a mass meeting of independent Republicans. The Democratic Convention met the same day. And a conference of the independent Republican Convention and the Democratic Convention named a ticket. Three-fourths of that ticket was elected before the people. But one Senator and two Representatives on the Fusion ticket were defeated. Many of those elected have openly and publicly declared themselves in favor of the proposed Ohio Municipal Code, as drafted by Judge David F. Pugh and Hon. Edward Kibler. The gang has now become desperate. It was but yesterday that the regular Republican organization adopted resolutions boycotting "The Commercial Tribune," the morning Republican newspaper, for supporting the Fusion ticket. These resolutions were as follows:

"Whereas, The Cincinnati "Commercial Tribune" is patronized by a large number of Republicans in this city, county and State upon the theory that it is a Republican journal; and

"Whereas, The standing committees of the Hamilton County Central Committee have in their possession positive proof that the President as well as the General Manager of that paper during the late campaign supported the Democratic State and county tickets; and

"Whereas, The attitude of the "Commercial Tribune" during the late campaign has been such that it should no longer be accepted as a Republican newspaper, under its present management; and

"Whereas, It is the judgment of your committee that these facts should be properly presented to the Republicans of this county and State, in order that they may not be misled or deceived in the future; and

"Whereas, It has come to the knowledge of this committee that it is the intention of certain persons to establish in this city an English morning Republican newspaper; and

"Whereas, It is the judgment of your committee that such an enterprise deserves the support of all Republicans of the county and State; and

"Whereas, The attitude of "The Commercial Tribune," in selling out and supporting the Democratic party, warrants the condemnation of all loyal Republicans; therefore, be it

"Resolved, By the Hamilton County Republican Central Committee as follows:

"1. That the action of "The Commercial Tribune" in selling out and supporting the Democratic ticket be, and the same is, hereby denounced.

"2. That it shall be the duty of the members of this committee to ascertain what, if any, Republicans subscribe to or patronize "The Commercial Tribune" in their respective precincts, and to notify such persons, as well as all other Republicans, of the action of this committee of this day, in order that such persons may not be deceived by this paper in the future.

"3. Every member of this committee shall be directed to encourage and promote in their respective localities the enterprise looking towards the establishment of a morning Republican newspaper in this city.

"4. The Advisory Committee shall be directed to have printed the complete proceedings of this day, and to transmit a copy thereof to the following persons:

"a. To each delegate and each alternate to the last Republican State and County Conventions.

"b. To each member of every Republican Central, Executive or other committee in this State, including every precinct committeeman.

"c. To every Republican candidate at the last election in every county of the State.

"d. To every Republican newspaper in the State.

"e. And to such other persons as the committee may deem advisable, and to request all such persons to co-operate with this committee in its efforts to purge the party from the baneful influence of hypocritical journals standing ready to betray their party at most critical times."

The comments made upon this action by the Cincinnati "Enquirer" are as follows:

"The Hamilton County Republican Committee held a meeting yesterday, at which it officially writhed under the castigation the people gave the ring at the election on the 7th inst. It proceeded to solemnly read the 'Commercial Tribune' out of the party, and to denounce all men who had not supported the gang at the polls. The 'Enquirer' does not con-

ceal its gratification, after many years of political warfare, to find something in the 'Commercial Tribune' to commend. It cannot be entirely devoid of virtue if it receives the denunciation of the political thugs and robbers who have ruled this city to its almost ruin for many years, and who are now in a white heat of rage because the decent people of the community have taken them by the throats and branded them as moral outcasts. The 'Commercial Tribune' may well be proud of the hatred of the gangsters. It is the tallest feather in its cap. It is the brightest page in its record. And incidentally we might observe that it is a good omen of prosperity for it, for the decent people are going to have charge of this city and county hereafter, and they will not want a paper that is to be put in circulation through the browbeating, bullying methods of the Cox crowd. The performance of the committee yesterday—a committee that does not represent the Republican party of this county, but only a powerful ring of tax 'grafters'—shows that the election this fall struck home. The gang organization is going to pieces by the head weight of its own rottenness. It is a loud-smelling affair, and every clean man holds his nose as he passes it. Every man who is aimed at by the impertinent resolutions of the gang committee is instantly elevated in the opinion of the people in general, and if he is a Republican he immediately takes high standing in the real Republican party. The Cox crowd has been whipped, and is now reduced to the guerrilla style of warfare. The Legislature being Republican, it hopes to get further into the pockets of the tax-payers by ripping up the charter of this city. It is not too soon for the business men of Cincinnati—the merchants, the bankers, the manufacturers—and all who desire to promote public and private morals, to organize against a raid on the General Assembly. Let no man relax his efforts because the ringsters have again been defeated at the polls. Watch the robbers at Columbus. The fight has been transferred to the capitol."

Here was a direct attempt to stifle public opinion by the boycotting of a daily paper, and overthrow of a free press, which is the basis of civil government under a democracy.

The second aim of the political corruptionist is to prevent the expression of public opinion. In Ohio, prior to 1891, the nominees of each political convention and of independent citizens printed their own ballots. The conditions existing in Ohio under this system were common to all States, and are so well known that they need not be rehearsed. There was a great clamor among the good citizens of Ohio for the adoption of the Australian ballot system. A bill for that purpose was introduced in the General Assembly of Ohio, but the professional politicians, in and out of the Legislature, secured an amendment to the bill, so that when it became a law it introduced the element of political parties by requiring the printing of party tickets on the official ballot. The politicians thereby thought that they had suppressed the expression of independent public opinion, especially on local questions. But the good citizens overcame some of these difficulties by indorsing the best men and placing those names under a separate heading on the official ballot. This was a result not anticipated by the politicians, and often resulted in the overthrow of the best laid schemes of the gangsters.

This poor privilege was taken from the electors of Ohio by the Dana law, passed in 1896. It has now become almost impossible, except by

fusion, which is a poor, temporary expedient, to give expression to public opinion at an election.

But public opinion is manifesting itself. The most enlightened public opinion finds expression in the work of the new Ohio Municipal Code. This has been explained to you. Its four cardinal principles of home rule, the separation of executive and legislative functions, the merit system and a non-partisan ballot, means that there has been formed a public opinion on municipal government, and that an opportunity will be afforded the people of Ohio to give expression to that public opinion.

It now rests with the people of Ohio to see that the General Assembly which has just been elected enacts this most excellent bill into a law. If they do not, the good work must go on, and Senators and Representatives pledged to its enactment elected in the future.

The Chair: The subject is now open to general discussion for a few minutes.

Mr. F. W. McKee, Pittsburg, Pa.: In regard to the matter of public opinion, the fact that all our great American cities are composite in population, are composed of a mixture of people of various nationalities, has much to do with our present difficulties. The matter of securing an expression of public sentiment is more difficult in the cities of the United States than it is in Great Britain, and I think the question of foreign immigration is one which we can sooner or later discuss with profit.

Unquestionably, the fundamental thing in all our cities is the personnel of all the people. If we do not have good people, we cannot have good government. Some of the best people in my own town are of foreign birth; yet it is a well known fact that the quality of immigration into this country is steadily deteriorating. The quality now is greatly below that of 25 or 30 years ago.

I think it will be well to discuss this subject sooner or later with a view to petitioning Congress on the subject. But as the time is late, I will not go into the subject of the mixture of population and its effect on public opinion.

Mr. Sikes: I would like to refer briefly to Chicago's experience with its Council. You may not know that last spring it was operating upon a non-partisan basis. It was regarded a great achievement. I suppose a half dozen years ago we had the worst City Council in the country; at this time it is as good as any large city in the country and I wouldn't wonder if it were the best.

Conditions were very bad and there was general pessimism regarding the City Council. The franchise-seeking corporations were getting everything they wanted. They could get a two-thirds vote, over-riding the Mayor any time. The Municipal Voters' League then started out to improve the Council on non-partisan lines. There was some discouragement at first, but some good results. The franchise-seeking element had more faith than we; they went to Springfield to get what they wanted from the Legislature, and presented a bill to the Legislature for a fifty-years' extension. Such an outcry was raised that this was de-

feated on the ground of "home rule." So they proceeded to give us an overdose of "home rule" and provided that the Council might give a fifty-years' extension, which it could not do before—they could extend it to existing companies, but not to new ones. That was not wholly "home rule." But we got enough in the next Council, with the help of the Mayor, to prevent action. The next Council was organized on non-partisan lines, but the gang lines appeared. The Democrats were in the majority, but there were enough good Democrats, who would not go into the caucus, to prevent the Democrats from organizing the Council; but they finally organized with the help of the gang Republicans.

As a result of the last election the Council is organized on non-partisan lines and there is no bad legislation going through now, but a large amount of constructive legislation has been undertaken.

We have one cause for apprehension (and I refer to it here because the League has proposed a proper remedy for that) the non-partisan ballot. The Legislature passed a non-partisan election law. Undoubtedly good has resulted from it, but I am afraid in the long run it will not be beneficial, because we had the people so voting the independent ticket they would vote for the best man, and the independent candidate for Alderman and the independent candidate for Mayor ran second. But under the primary law it is thought advisable to affiliate with one party or another. It seemed the only way to accomplish anything; but I have fears as to the outcome. The primary system forces us back into the parties for action.

The Chair: Unless some gentleman desires to engage the attention of the Convention, I will entertain a motion to adjourn. The Board of Trade of Columbus is to entertain us at a banquet this evening to which all invited. The gentlemen are expected in the parlor at eight-thirty with the ladies to meet our entertainers, and the banquet will begin as soon after as practicable.

On motion, the Conference adjourned until 10.30 A. M. Friday.

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#### FIFTH SESSION.

Friday, November 17, 1899, 10.30 A. M.

President Carter in the Chair.

The Chair: We will come to order now.

We are on the subject of municipal accounting this morning, the first paper being "Public Accounting Under the Proposed Municipal Program," by Prof. L. S. Rowe, University of Pennsylvania.

Dr. Rowe then read his paper, entitled "Municipal Accounting Under the Proposed Municipal Program." (See Appendix.)

The Chair: The next business in order is the reading of a paper on "The Financial Reports of Municipalities, With Special Reference to the Requirement of Uniformity," by Dr. E. W. Hartwell, Secretary, Boston Municipal Statistical Commission.

Dr. Hartwell then read his paper entitled "The Financial Reports of Municipalities." (See Appendix.)

The Chair: The next is a paper by Dr. Samuel F. Sparling, Secretary, Wisconsin League of Municipalities, entitled "The Financial Reports of Municipalities."

Dr. Sparling then read his paper, entitled "The Financial Reports of Municipalities." (See Appendix.)

The Chair: Mr. Guthrie will read the paper prepared by Mr. A. L. Crosby, of Cleveland, entitled "The Financial Control Over Receipts and Expenditures."

Mr. Guthrie then read Mr. Crosby's paper, entitled "The Financial Control Over Receipts and Expenditures." (See Appendix.)

The Chair: The next paper, "The Accounts of Municipal Industrial Enterprises," by Prof. C. W. Tooke, of the University of Illinois, will be read by reason in his absence by Mr. Charles Richardson.

Mr. Richardson then read Professor Tooke's paper, entitled "The Accounts of Municipal Industrial Enterprises." (See Appendix.)

Dr. Goodnow: Inasmuch as the hour is late and the paper is to be published, as much as we regret the necessity, I move that the paper of Mr. Walter S. Allen be read by title and published.

This motion was duly seconded and carried.

The paper of Mr. Allen on "The Accounts of Grantees of Franchises" will be found in the Appendix.

Dr. Goodnow: I am requested to announce that the members of the Committee on Municipal Program will remain here after adjournment for a brief meeting.

The Secretary: The Executive Committee meeting will not be held until 4 o'clock this afternoon.

The Chair: We will now take a recess until 2.30 P. M.

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#### SIXTH SESSION.

Friday, November 17, 1899, 2.30 P. M.

Directly after the meeting had been called to order by President Carter, Mr. Thresher, of Dayton, asked the privilege of the floor.

Mr. Thresher: Before proceeding with the regular order of the afternoon, as I am obliged to return home in a few moments, I beg the privilege of expressing, on behalf of my associates of the State Board of Commerce, our very high appreciation of the meetings of the National Municipal League and our thankfulness that you have come to the city of Columbus and the State of Ohio at this particular time.

We feel also honored in the fact that you, Mr. President, and the Secretary and Treasurer and these distinguished men have been able and willing to leave your duties and come to this place at such a time.

I could wish the numbers in attendance had been larger, but after all this is a work not to be judged by numbers. It is the single grain of

wheat that is the source of every stalk of golden grain. And it is from the thoughtful actions of these men of discernment, patriotism and liberality, who possess the power to command the genius of organization, that great good shall come. It is a very slender point about which the beautiful diamond crystallizes; when the matter is in solution at the proper time it is there, and the priceless gem results. And so, from the laborious study and thoughtful exertion of these gentlemen in the quietude of their studies and in slimly attended meetings, will come that magnificent fabric of government, of prosperity and of happiness which the whole world shall see and in which every good American shall rejoice.

Permit me, sir, on behalf of my associates, to thank you most heartily, and to express our very high appreciation of your coming and the results of your labors.

The Chair: The Chair will express the satisfaction of the League at this sentiment expressed by the representative of the Board of Commerce of Ohio. It is particularly agreeable to the League that bodies like that are attracted to our labor.

Mr. Richardson: I move we vote our thanks to the ladies and gentlemen of Columbus who have done so much to entertain us and who have received us with such welcome and encouraging greetings.

This motion, duly seconded, was unanimously carried.

The Chair: On behalf of the League I will add to this vote the expression of the gratitude we feel to the ladies and gentlemen of Columbus for their efforts in our behalf. Much of the satisfaction of our meetings, of course, depends upon the spirit with which we are received by the inhabitants of the place where we visit. I am sure we shall remember the efforts of the citizens of Columbus with great satisfaction.

Our business of the afternoon, as I see by the program, will consist of a discussion of the various papers which have been presented here and will be brought to an end at 4 o'clock, when a vote will be taken on the adoption of the Report of the Committee on Municipal Program.

Mr. Low: There are one or two details I would like to call attention to, though I feel that the Report should be adopted as a whole and probably referred back to the Committee. But I feel that attention should be called, as I said, to one or two details, especially as I am under obligation to Mr. Foulke to do so, he having had to return to Indiana before he meeting closed. One in regard to the issuing of bonds. There should be added, it would be conservative and wise to provide, that there should not simply be a majority vote on the question, but at least a two-thirds vote to carry the proposition.

Then, regarding the election of members of Council. Mr. Foulke thinks—and I agree with him—that this provision takes the Council too far away from the expression of public opinion, something like the condition of the Senate of the United States with reference to the people to-day, which to some people seems unfortunate—especially as this Council is not to be administrative but to be legislative. It seems that it should be in closer touch with public sentiment and more immediately

responsible to the people. If it would not be possible to elect one-third every year, it seems that it would be better to elect them all at one time, once in two years. And it seems a reinforcement of that argument lies in the fact that the council is to elect the City Controller. I think there is reason to question the election of the Controller by that body rather than by the people; but if that is to be, it seems that the Council should be as responsive to public opinion as possible. I suppose the reason for having the Controller elected by the Council rather than by the people is to diminish the number of officers to be elected by the people. I think there is a grave chance to question the wisdom of that provision, but if it is to stand, I would use it as an argument against making the Council so permanent a body as provided in this scheme.

I think the committee has got to settle these things finally, and I shall be ready to move that full power shall be given the Committee to go over the suggestions and change the provisions in accordance therewith as they may think best.

Mr. Butler: I do not rise to take issue. I am not competent to do that, but I would like to make reference to conditions in Milwaukee as throwing some possible light on the suggestion made by Mr. Low, with reference to the effect of public opinion on the Council. Our Council is elected every two years by the people, and I never knew a body so indifferent to public opinion in my life. So some of us think that if the term of some could be extended, so that the people would think their interests were jeopardized in a greater degree, they would take more care in the selection. When an Alderman turned out bad, they would learn a lesson and certainly take greater care in the future.

Of course, the election of Council in thirds is a theoretical view. The people might take a little different view of it. The argument in favor of it would be a continuity of the policy of the city government and continuity in office of men of skilled capacity. It strikes me this would be more possible if the Council is elected in the way suggested in the Program. I only wish to excite thought by other people on the subject rather than to express my own opinion, however.

Mr. Carter: I have asked Mr. Richardson to take the chair for a moment for the purpose of expressing one or two thoughts which have come to me in consequence of my perusal of the Municipal Program and listening to the various papers which have been read. One of those is in relation to the true source of the mischief or the evil which lies at the foundation of most of our municipal misgovernment.

I think I can observe in the Municipal Program and in the papers which accompany it a disposition to depreciate to a certain extent that degree of emphasis which the League has hitherto placed upon the notion that the interference of political parties in municipal affairs was the principal source of our trouble.

Certainly, at the time of the formation of the League, and during the first meetings, that feeling was everywhere prominent, was expressed by gentlemen from every part of the country, and I supposed



there was entire concurrence in it, that it was the main source of the evil.

It is said in one of the papers which have been printed and offered in connection with the Program, that it must be admitted that efforts which have been made to take municipal affairs out of the domain of political parties have not met with a very encouraging degree of success; and it is left by implication, as it were, to be inferred that our efforts had better be expended in other directions and would be comparatively fruitless if continued in that direction.

Now, at that point I wish to add an observation or two because I am not quite convinced of that. We must consider what the real source of the mischief is, that lies at the foundation of our business. It is not lack of intelligence on the part of the community; it is not the lack of a disposition to have good municipal government. It is in consequence of something else; and I still think that if we look at the phenomena which the history of every city of the country shows, we will find that wherever there is misgovernment, wherever there is waste, wherever there is fraudulent embezzlement—there you will find the politician seeking to control municipal fortunes for the sake of his own emolument, or for the sake of advancing the fortunes of some political party. In other words, there has not been good municipal government, but something else. And, of course, unless we make the attainment of good municipal government the only object of those engaged in carrying out the various functions of the administration of city affairs, that object will not be attained.

I agree that the results which have attended the efforts to remove municipal affairs from the domain of politics have certainly not been as successful as we desire. But has it met with as much success as we could expect? That's the point. If that is the real source of the mischief, the fact that efforts so far made have not met with success argues feeble efforts or inherent difficulty of the work. I still think, without diminishing the efforts in other lines, such as securing a good form of charter and proper distribution of municipal powers to be embodied in the Constitutions of the States, and I commend it to the attention of the Committee accomplishing this work—I think we will make a great error if we forget or omit to see that the great principal source of the evils against which we contend is the determined efforts made by both political parties to use the domain of municipal administration.

Now, nothing, I suppose, is more true than that municipal administration has nothing to do with the ordinary work or ordinary business of great political parties. They are in a field which does not concern them; and while I am a firm believer in the existence of political parties and at times a strong partisan myself, I am thoroughly of the opinion that all efforts should be made to confine them to their true province which does not embrace municipal administration; and it should be our endeavor to exclude political parties from the control of affairs of cities and we should never encroach upon their domain by taking under our

administration any questions or issues which properly belong to the political parties.

Now, our success, I think we must admit, in striving against the efforts of political leaders has been but moderate; but the true inference is that the work is laborious. Our successful steps have been slow and far between, but it follows from that, not that we should discontinue those efforts, but continue them with redoubled energy.

I look forward to the day—and with confidence—to the day when municipal elections will be separated from the elections which concern State and national policy, and interest will be aroused and concentrated upon the interests of the municipality alone, and to such extent party lines will be substantially broken and independent candidates be brought forward and sought to be elected solely upon the merits of city issues. And until that time comes, until we can rescue municipal affairs and the control of municipal affairs from party domination which has no connection with them and no business to control them—until that is effected our work is left substantially incomplete.

In mentioning that I do not wish to make any suggestion as to the completeness or incompleteness of the work laid before us, but to impress upon the gentlemen the necessity of considering the true source of the evil, and if it be the connection of political parties with our affairs, to continue our efforts to prevent that interference, to rescue city affairs from party control, to be willing, all of us, to instantly leave our party upon such issues and to persuade others to do the same.

The other thought is this. I am a believer in home rule and concur in the enthusiastic, almost the fanatical devotion which our friend, Mr. Deming, has in favor of democratic principles in the administration of cities. I am a believer in its wisdom, and I think, too, that should be generally and at the present time adopted. Still, there is a limit beyond which we should not go even there, and it is well to know and to recognize what that limit is.

The right to control city affairs, the right to control the affairs of a locality, we must remember, does not belong originally and of right to the citizens of that locality; it is not a primary possession of theirs; it is not a heaven-born right to control your own affairs—it is the right, the duty of the State. The State government has the sovereignty over the whole and the sovereignty in each particular point of the domain which it covers; and as a consequence of that sovereignty, that duty of governing not only the whole as a whole, but each and every particular part, is a duty of the State at large. It is the duty of those who represent one part of the great State of Ohio to control every other part and to be interested in the affairs of a locality situated in another, in some remote part of it.

What is it the principle of home rule rests upon? Not the principle of right, but the principle of expediency only. It has been found by experience and confirmed by reason that the management of the affairs of a locality can be better carried on by entrusting it to the people of the

locality than in the hands of the State at large. Reason tells us, of course, that those representatives in the State Legislature—take, for instance, in New York—the representatives from the city of Buffalo have little knowledge or concern for the affairs of New York. They do not have the requisite knowledge or interest either. Both are necessary to qualify a person to control its affairs. Legislators must have knowledge of the circumstances upon which they are called to take action and must feel a vital interest in the particular Commonwealth which they undertake to affect by legislation.

Those two requirements cannot be found in the representatives from the State at large, so far as the locality is concerned. This has taught us the wisdom of committing the management of purely local affairs to the people of the locality. The city, town, county and school district are subordinate governmental agents on the part of the State, assigned to discharge a particular duty and trust which formerly devolved upon the State, for it is reasonable to suppose that that agent will perform the task more efficiently. If not—and it is conceivable that an agent might not be fit for the work—he should not perform it. The principal must then step in and do it himself, however indifferently qualified to do it. Therefore, we must recognize the fact that if a locality, a city or other corporation, exhibits itself as unfit to perform the task assigned to it, the interference of the Legislature becomes necessary and proper, and I think that is the only case where it is.

These two suggestions, gentlemen, I have felt called upon to make. I submit them to your judgment for what they are worth. They do not call upon me to make any motion in relation to the proceedings of the League.

Allen W. Thurman, Esq., Columbus, Ohio: Although not a member of the National Municipal League, yet being informed by your Secretary that the discussion this afternoon would be a general one, and that any one might talk who was interested in the subject, is my excuse for arising to speak.

I have been not only extremely interested but much instructed by the papers I have heard read at your different sessions, and certainly no one desires that success and advancement in the cause should come from them more than I do, and if I have a weaker faith than some of you, it may come from an experience, extending over quite a number of years, in investigating these matters.

Some ten or twelve years ago, the subject of municipal reform was greatly agitated in the city of Columbus. It was taken up by the Columbus Board of Trade, and meetings were held every month, which were attended by nearly every one who was a member of that body. Committees were appointed to investigate the whole subject and to report the conditions of affairs, not only in our own city, but in a general way. I am glad to know that the result of that work and those labors brought us exactly to the same conclusions as those arrived at by the Committee of this League.

A complete and thorough investigation of the whole subject showed conclusively to the committee appointed by our Board, the utter impossibility of securing permanent good government for the cities of Ohio, when at every session of the Legislature it could step in and interfere with them. Unfortunately, under our Constitution it is impossible, unless the charter expressly and specifically states what may be done, that cities cannot act. Realizing this, we therefore said that the only solution of these difficulties was to amend the Constitution, and such an amendment was drawn up by Mr. Henry C. Noble, one of the ablest lawyers in Columbus. It was submitted to and approved by the Board of Trade, and a committee was appointed to present it to the Legislature. The work done by that committee lasted over two years. They examined every charter in the United States they could get hold of, and yet all of that work, when we came to ask for it to give to the Municipal Code Commission last winter, could nowhere be found. In the changing of administrations and offices of the Board of Trade, it had been consigned to the cellar, and there it would have remained had it not been discovered by accident.

Notwithstanding that we thus went farther than any other city, the people of Columbus, from that time to this, have seemed to care little or nothing about the subject. All this is not very encouraging.

If you want to attain permanent municipal reform, you must begin at the beginning. We hear of home rule, but how is it to be secured? Now, the theory of our government is, that the people are sovereign; but are they so? Theoretically, they are; but in reality they are only so upon days of election, for on those days they delegate all of their powers away to their servants. This being so, is it not clear then, that the only way the people can exercise their sovereignty is first to be able to say who shall administer their affairs? And to say who shall hold office, they must first be able to name the candidate for office. This is the beginning, and the only way it can be done is by some kind of a compulsory primary election law. We must make the "good citizen" take an interest in affairs, and if he will not do it, then we must deprive him of the right to interfere or meddle with it in any way.

I believe that there should be such a primary election law, and that it should be surrounded with all the safeguards of a general election law. Expense should not be taken into account. Every safeguard that is thrown around the general election, should be thrown around the primary; and the man who refuses to vote at the primary election should be deprived of the right to vote at the general election. Do that, and then you may make this "good citizen" take an interest in the affairs of his country. I say may, because there is no certainty that he will.

Another thing you must do (and this is one of the greatest reasons why I am so skeptical about any reform that may come about in our time), is that you have got to begin by reforming the reformer. I do not mean by that, such gentlemen as you, who have given your time and best thought and study to this work; but I mean the fraudulent municipal

reformer, who walks the streets and abuses the politicians or any one who holds office, saying: "I don't dare touch his garment for fear I may be soiled!"

At every municipal convention I have ever attended, I have heard abuse hurled at the politicians. They are charged with all the fraud and all the evil in government, and especially municipal government. The "boss" is damned and the "ring" is damned, but why not damn the right thing? Why, the "boss" and the "ring" are simply the products of the briber. They are the children of your ordinarily "good citizen," who parades himself as an honest business man. I suppose you go on the theory "spare the rod and spoil the child." That may be, but in this case you would better take a club to the "old man." Do you need proof of it? Why, it was only a short time ago, that a company in the city of Columbus was granted a franchise by the City Council. It is common talk, and by those who profess to know, how that franchise was obtained. Even the amount of money paid has been specified. The men who are said to be interested in this corporation are members of the Board of Trade and are among the best citizens. They go to church and hitch their horses on the outside where everybody can see them every Sunday. There is not one of them who would go and deliberately offer a Councilman a bribe. They are too cowardly to do this, but they will hide themselves behind that corporation whose employes immediately seek out the "boss," if there is one, to manipulate affairs for them. These gentlemen simply enjoy the usufruct. Why not, then, tell them what they are? Why not call them by their right names, just the same as you call the political boss and the political ring by their right names? Go to work and reform these gentlemen; make it so that if any business man thinks so little of the institutions of his country that for the sake of greed he will offer bribes and debauch public servants, you will cast him out.

Will you do it? No. You will not do it, and I will not do it. Why? Because every day we meet them; they are good fellows; they belong to our crowd; they have some influence somewhere; they attend church regularly—they are gentlemen! And every one of us will put out the "glad hand" when we meet them, and are glad to associate with them; while we pass by the poor, little politician on the other side, and say, "Oh, I am holier than thou!"

Another thing, if you don't believe all this, take a hand some time in practical politics and you will learn it; for there is hardly a primary election held in any city in this Union for members of the Council or other municipal offices, where you will not find these same pious gentlemen, through the political machines of both parties, endeavoring to have selected as candidates only such men as they know can be used. I have known this to happen in the city of Columbus, I cannot say how many times, and it will continue to happen until you drive this man, this briber, this gentlemanly source of evil out of the problem.

Now, I don't think you can do it. For the greatest of all the troubles, my friends, which confront us in considering these problems, is the fact

that there has grown among our people such a desire to rapidly acquire wealth, that those in pursuit of it, by the dishonest means they have used to secure it, have to a large extent corrupted the whole people. These unscrupulous men have not hesitated for a moment to consider the evils which they are inflicting upon their country. In their greed they have debauched our Councils, our Legislatures, our Executives, and have not even spared our Judiciary. They have let nothing stand in their way which money could displace. Not only knowingly and willingly have they violated the laws which have been enacted for the benefit of the public, but they have violated in a thousand cases the justice and right of everything. And this has been done so often, and with such impunity, and has been so successful that it has demoralized every branch of industry. Why, the people now look with perfect complacency upon actions at which twenty-five years ago they would have stood aghast.

When I hear of such men engaging in this kind of nefarious business, and at the same time denouncing some poor, little official, and also speaking derisively of our laws, our institutions and our people, whom they have done so much to debase, it makes my blood boil, and I sometimes wonder if there is any God in Israel!

The Chair: These views are extremely interesting, but the proposition is to consider the Report of the Committee on Municipal Program. It is the discussion of the features of that to which this meeting is more particularly assigned.

Mr. Thurman: I was coming to that, and will be as brief as possible.

I think the Report should be adopted, because undoubtedly it is a step in the right direction; but this League should go further. It should urge the necessity of a compulsory primary election law. I believe, too, it should advocate municipal ownership, for only by teaching the people that they must act from the same selfish motives which individuals do, can we hope for complete success. If there must be monopoly, it should be public, not private, monopoly. This is the only true road, for if you wait, expecting to reform the "honest business man," you "will wait until the current of time flows into the Ocean of Eternity."

The following resolutions, presented by Mr. Allen Ripley Foote, of Takoma Park, D. C., were referred without discussion to the Executive Committee:

"Whereas, The National Municipal League has discussed certain features of municipal public policy relating to the ownership and operation of public service industries, and

"Whereas, Such industries must necessarily be owned and operated by public or by private capital, and, in either case, the application of a definite system of regulation identical in all of its details for both public and private ownership is fundamentally essential to promote and protect the welfare of users, taxpayers, employes and investors.

"Be it Resolved, First, That practical civil service regulations, strictly and continuously enforced, in the case of public ownership, and a just system of profit-sharing in the case of private ownership, are necessary provisions to safeguard the interests of employes, and to insure efficient economic management for the service of users and taxpayers.

"Second. That a system of accounting, uniform throughout the State prescribed and audited by authority of a general State law, designed to show the true and entire cost of every public service industry, identical in every particular for public and private ownership and operation, is an indispensable condition to secure intelligent and just regulation.

"Third. That a general State law should specify that there shall be included in all statements of costs, used as a basis for determining prices to users and taxpayers, interest on the investment at the rate paid on its bonded debt by the municipality in which the industry is located; a sufficient provision for insurance against loss by accidents of every kind; the amount of taxes relinquished, if a publicly owned industry, and paid if a privately owned industry; an ample provision for insurance against the impairment of investment; the true and entire costs of all materials used and salaries and wages paid, and an accurate statement of all miscellaneous expenses.

"Fourth. That price to users and taxpayers should be based on cost, plus a provision for the payment of all capital secured by taxation or the sale of bonds, in case of all publicly owned, and cost plus a legally limited profit in case of all privately owned industries.

"Fifth. That price should be determined for periods of five years.

"Sixth. That all services rendered to private and public users should be valued and paid for at prices determined as specified in number four. All free service should be prohibited.

"Seventh. That no service should be sold for less than its cost and no discrimination should be allowed between users taking service under like conditions.

"Eighth. That the divisible profits of private ownership and operation should be determined and limited by a rate upon the investment which shall be equal to twice the rate per cent. paid on its bonded debt by the municipality in which the industry is located, in all cases where costs are calculated and allowed, as specified in number three.

"Ninth. That all profits in excess of the legal profit should be divided equally between the municipality and the private owners.

"Tenth. That in making contracts with private corporations for the purpose of carrying the foregoing regulations into effect, the initial investment used as the basis of calculations should be determined by process under the law of eminent domain, or by arbitration, as may be mutually agreed upon between the municipality and the corporation.

"Eleventh. That this contract should provide that at the expiration of every period of five years the municipality shall have the option of paying to the corporation the full amount of its investment and thereupon taking possession of the property, and thereafter operating it as a municipal industry, and in case this is not done that the prices shall be determined for another period of five years and the contract continue in force without further change."

Mr. Sikes: I want to say a word in regard to the provision relating to bond limitation. I am fearful that in opposing that which I regard as a feature to be criticised, that we may go to another extreme. It seems what we want to do is to place a limitation upon the possibility of the municipality endangering the property of the tax-payers to an unlimited extent. We should not make it more difficult to issue bonds within ordinary limitations.

What are the limitations? First, the Mayor has an absolute veto; second, a two-thirds vote of Council is necessary to submit this proposition to the people; then it takes a majority of those voting on the prop-

osition to carry it. It seems that is difficult enough to issue bonds under ordinary circumstances. Within the debt limitation, we certainly should not make it more difficult than that to issue bonds. But when we go and get beyond the limitation and still want to issue more bonds in the adoption of public service industries, it seems then the special limitations should apply.

Within the limitation, we should not make the proposition to issue bonds more difficult. But the proposition is to require two-thirds vote of the people, no matter whether the bond limitation is exceeded or not. It seems what we should do is to put on these limitations after the bond issue is high, and not make it more difficult when the bond issue is small.

When the bond limitation has not been reached and the proposition is made to issue bonds for public service industry, I would not want a two-thirds vote of the people; but when the bond issue limit has been reached, then the danger is too great and the restriction should apply.

Mr. Rossell: In respect to the bond limitation, I would apprehend this danger, that the assessment of city property being the basis of the bond limit, as is the case in many of our cities, and most conspicuously so far as I recall, in the city of Boston, the assessment would be inflated in order that the limit of bond issue might be extended. I have not examined the proposed plan sufficiently to be able to say whether it contemplates a plan of assessment that would obviate that danger.

I assume that under the plan it would be entirely competent for any city, through the legislative branch of its government, to adopt a method of assessment whereby as nearly as might be practical, equality would prevail; and the inequality which I conceive to be the great curse, and the injustice underlying the exercise of the taxing power in our municipalities, would be avoided.

My understanding of the question before this Conference is whether or not the National Municipal League will adopt as a declaration of its principles with respect to city government, and as a tentative plan of city organization, the admirable Report of the Committee. The matters of detail we would differ about for a long time; but as to the great underlying principle of home rule for our cities, I can scarcely conceive it possible there should be any differences between us about that. And I have thought enough, and I trust seriously enough, about this problem of a better urban life, to believe, and believe firmly, that the only way that lasting reform can be brought about is by entrusting the people with the confidence of the State, making them conscious of their responsibility in the management of their own affairs, and trusting that in a better consciousness and a truer and higher conception of duty and of patriotism which will be reached in time, and in a time not far distant, that our highest ideals of city life will be realized.

I am, therefore, in favor of adopting as a declaration of the principles of the National Municipal League and as a tentative plan of city government, the Report made by the Committee.



Mr. Low: What is the parliamentary position of the Report? Has it been received?

The Chair: I think it has. It has certainly been discussed and considered, and it remains to be voted upon. I presume a motion will be made for the purpose of adopting it. Should that motion be carried, it will be the perfect and final approval by the League of the scheme consisting of the proposed Constitutional Amendment and Municipal Corporations Act.

Mr. Burnham: There is, of course, a very laudable desire on the part of all the delegates and all members of this Committee to make the Report as perfect as possible. But we must bear in mind that it has first received the careful consideration of the Committee appointed at Louisville; it was presented to this body at Indianapolis in its original form; it has been reconsidered by the Committee, has now passed under the criticism of this body at this meeting, and while some minor points have been criticised, yet on the whole there has been no serious fault found. There are some things which I myself perhaps would like to see changed, but I think the time has come when it should be finally acted upon.

Therefore, I move, Mr. Chairman, that the Report of the Committee on Municipal Program be received and its recommendations be ratified and adopted, and that it be referred to the Executive Committee with full power.

The Chair: What does that latter part of your motion mean precisely?

Mr. Burnham: If the Report is ratified and adopted, the Report as it is--that closes the Report as far as the League is concerned; but I think it is too soon now to say what steps shall be taken to propagate this Report. I think that might be well left to the Executive Committee to consider. Simply as to what means are to be taken to introduce the Report to the public and to the people, that full power be given to the Executive Committee.

Mr. Deming: I rise to second the motion. There have been many suggestions made here, and I think it might be well before the final Report is printed and distributed, to put some of these suggestions in as alternatives or as foot notes. After all, what we are trying to do here is to lay our suggestions before the friends and enemies of municipal reform. We are trying to make the people interested in the bettering of city government, understand the underlying principles and to set before them methods for the application of those principles, I think that we can and should leave certain latitude to the Executive Committee, which I am sure this entire body can trust to it; it is not a political body and cannot do anybody any harm.

I do not know of any higher compliment we have received for our work, outside of the fact that the gentlemen on the Committee could agree at all, than the fact that while our honored President arrives at his conclusions by an entirely different road, he reaches the same conclusions as the Committee. It is largely in the way of putting things that there seems to be a difference of opinion, when we can sit down and talk

it over, we find there is not really any difference in fundamentals. I do not think there was any sentiment expressed by our President that would not meet with the approval of our Committee, and is not indeed expressed explicitly or implicitly somewhere in our Program. For instance, as to the original source of the sovereign right. It comes from the State. While not disputing that legal theory, we would like to return to the spirit of the old historic time when that legal principal did not affect injuriously the conduct of local affairs. We would like to provide safeguards against abuse by the State of that power, and this we have attempted to do by certain measures in the proposed Municipal Program.

I hope this motion will carry. I trust the work of our Committee (you may consider this, I suppose, as a farewell address of the Committee), may prove useful in more than one way, but I am quite confident it will aid in stimulating thought and inquiry on this subject. And I want to announce from the Committee that the Report, which embraces the proposed Constitutional Amendment and Municipal Corporations Act, and the accompanying official papers which have received the sanction of the Committee, will be printed in the course of a month or six weeks in a separate book, preceded by a short historical introduction, and supplemented by a critical examination and analysis of the work of the Committee from Dr. Wilcox, and a carefully prepared index, so that it will be in form for study, discussion and practical use.

Mr. Low: Do I understand that the mover of the motion accepts the interpretation of the seconder?

Mr. Burnham: I agree with Mr. Deming's interpretation.

The Chair: The Report, if any, is it to be considered as a verbal one, to be ratified and approved?

Mr. Burnham: I mean the papers before us, presented by the Committee and including the proposed Constitutional Amendment and Municipal Corporations Act.

Mr. Deming: It is a matter very easily understood. Our Report a year ago contained an explanatory preface which showed what the Report was; also certain official papers presented on the part of the Committee. We have drafted the Amendment and Act and presented additional official papers. The report now consists of the proposed Constitutional Amendment and Municipal Corporations Act, and of the several explanatory papers which the Committee has submitted.

The Chair: It is moved and seconded, gentlemen, that the Report of the Committee on Municipal Program be ratified and approved and its recommendations adopted, and that the same be referred to the Executive Committee with full power.

The motion was unanimously adopted.

The Chair: It is carried unanimously, and the Report stands adopted, ratified and approved.

Mr. Deming: On behalf of the Committee, I move that the Committee on Municipal Program be formally discharged.

This motion, duly seconded by the Secretary, was carried:

Mr. Low: With thanks.

The Chair: It is so ordered.

Mr. McClintock: I move the thanks of the League be extended to this Committee for its protracted and very onerous labors in this matter. (Seconded.)

The Chair: It is moved that a vote of thanks be extended to this Committee for its protracted and very onerous and successful labors which have just been brought to a close.

This motion, duly seconded, was adopted.

The Chair: Before putting the motion that the League now adjourn without day, I feel moved to express my satisfaction with the result of its labors to this time, results which refer back, however, over quite a long period. There have been two annual meetings at which I have not been present, and I am able, therefore, to compare the present condition of the League and the character of its present efforts with such as it possessed at a prior period, and I cannot help but express to you my profound satisfaction. It has ceased to be an organization of gentlemen who come together with desultory and superficial opinions, as was largely its character at the start. We have now become the centre around which gathers the best character and the best ability. The character of the papers read at this meeting is of the highest order and gives promise of the highest usefulness and permanent effect of the League. I am very glad it was founded; more than ever hopeful of ultimate success.

The motion to adjourn without day was duly seconded and carried.

And thereupon the Fifth Annual Meeting of the National Municipal League was declared adjourned without day.



# APPENDIX

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CONTAINING THE

PAPERS READ BEFORE THE COLUMBUS CONFERENCE

FOR GOOD CITY GOVERNMENT.



## AN EXAMINATION OF THE PROPOSED MUNICIPAL PROGRAM.

DR. DELOS F. WILCOX, MICHIGAN.

The Committee on Municipal Program, in its survey of the municipal situation in the United States, has recognized the existence of three fundamental evils in the government of our cities.

1. The first of these evils is economic, and consists in the waste of public funds, through the multiplication of offices, the employment of inefficient officers, the payment of exorbitant prices, and the expenditure of large sums in relatively fruitless enterprises.

2. The second evil is "political," in the true sense of the term, and consists in the inadequacy of the service rendered by the city government to the people of the city and State. It is believed to be the true function of the city as a political organization so to regulate the relations of the citizens and so to master the environment of urban life that the people of the city may have the fullest possible opportunity for self-development in civilization. As a matter of fact, however, the physical, moral, and esthetic conditions, amenable to political control, are often so neglected that the true ends of associated life in the city are partially unattainable. To say nothing of rapid transit and abundant light and water, many cities are notoriously lax in the protection of life and property, and particularly in sanitary protection. This inadequacy of social service is very clearly seen in the lack of foresight so often displayed by city authorities in the laying out of streets, parks, and playgrounds, and in the provision for schools.

3. The third evil of city government is a moral one, and consists in the corrupt use of civic authority for the furtherance of individual ends. It is patent in the utilization of public funds as assets with which to pay political debts, in the barter of franchises and contracts for private remuneration of one kind or another, in the failure to enforce the laws, and sometimes even in the protection

of vice and crime for a money contribution or for political support. This evil gets its chief importance, not from the direct financial loss to the city, nor from the freedom enjoyed by the vicious and criminal classes, but from the fact that it throws politics into disrepute and degrades civic ideals, so saturating public opinion with distrust and a sense of helplessness that co-operation among the people for the attainment of truly political ends is rendered well nigh impossible.

Every existing evil has one or more causes, and to destroy the evil the causes must be removed. The causes of the evils of municipal government are, many of them, plain to even the casual observer. Some, however, are more obscure, and often the obscure cause is as important as the patent one. The committee finds the following principal causes of the fundamental evils already mentioned.

I. Of the economic evil, waste of public funds.

1. The first cause is ignorance, which takes three forms—ordinary illiteracy, or narrowness of intellectual culture among public officials, ignorance on the part of the people of the actual processes of their government, and that species of ignorance exhibited by men possessing wide general culture when they are called upon to perform public duties of a special nature and for which they have had no special preparation.

2. A second cause of waste is partisanship, by which is meant, not the legitimate adherence to political organizations that stand for different public policies in the city, but rather the introduction of irrelevant issues into the choice of city officers and the solution of city problems.

3. A third cause of waste is State interference, by which is meant the attempt so often made by State Legislatures, the majority of whose members are ignorant of city conditions, or at least responsible to a constituency thus ignorant, to settle local problems of government. If partisanship means the introduction of irrelevant issues, State interference means the introduction of irrelevant men to govern.

4. A fourth cause of waste is municipal irresponsibility, which is the counterpart of State interference, and consists in the conduct



of municipal affairs without due regard to the duty that the city as a local organ of government owes to the State at large.

5. A fifth cause of waste is indefiniteness of organization, on account of which the incidence of responsibility is obscure and the people are unable to hold themselves and their officials to strict account for the right conduct of public affairs.

## II Of the political evil, inadequacy of service.

1. The first cause is individualism, an undeveloped civic consciousness, on account of which the people tend to rely upon private effort for the satisfaction of public needs, and in many cases to stigmatize legitimate co-operative civic enterprises as "socialistic" and therefore unwise and dangerous.

2. A second cause of inadequacy of service is inadequacy of power, the city being unable to undertake needful civic enterprises on account of the parsimonious enumeration of its powers in its charter, or on account of obstructive limitations put upon its procedure by the constitution and laws of the State.

3. A third cause of inadequacy of service is undemocratic organization by reason of which the people of a city are unable to make their will effective.

## III. Of the moral evil, official corruption.

1. The first cause is greed, not the greed of politicians particularly, but the greed of people generally in a community where the struggle for life is intense and wealth takes the place of culture in popular ideals.

2. A second cause of corruption is the lack of civic integrity; that is to say, a deficiency in civic ideals and an absence of civic unity, due in large measure to the newness and compositeness of most American cities.

3. A third cause of corruption is the private control of public privileges, by which special powers are intrusted to individuals and corporations without due responsibility for their proper use.

The committee recognizes that many of these causes are such as can be removed only through long-continued processes of education and social development. There are, however, many of them inherent in our present system of laws, and it is to the removal of such through a better organization of city government in

all its relations that the committee's attention has been specifically directed.

The conditions of American commonwealth government—of which the municipality is a part—are such that a program of legal reform for cities must be divided into two sections, one to be incorporated in the constitutions of the commonwealths, and one to be enacted as a part of the general laws. The committee has, therefore, drafted a constitutional amendment embodying those remedies for the evils of municipal government which, in its opinion, may properly be made a part of the fundamental law, and also a general municipal corporations act in which these remedies are elaborated and supplemented by others not considered so fundamental as to require constitutional guarantees.

Following is an outline of remedies proposed by the committee for the several causes of municipal misgovernment already enumerated:

1. Ignorance.—To remove this cause of wastefulness in public expenditures several measures are recommended.

a. Competitive examinations to test fitness for appointment to positions in the city's administrative service. This would eliminate illiteracy and general intellectual unfitness from among office-holders. Constitutional Amendment, III: 6. Municipal Corporations Act, IV.

b. Indefinite tenure of office for all members of the administrative service except the mayor. This would tend to encourage permanence in official tenure, thus leading to the acquisition of special knowledge and experience on the part of public officers. C. A., III: 6.

c. Financial accounts and reports. A complete set of records is to be kept by the city controller, showing the city's financial transactions, and the accounts of every grantee of a public franchise, and reports are to be made to the council and the State fiscal officer. This will insure the opportunity for knowledge in regard to the financial affairs of the city, not only to the officers of the city and State, but also to the people at large. C. A., III: 4. M. C. A., II: 15, and VI.

d. Roster of administrative service. A public list of all public employees, except ordinary laborers, with date of appointment,

compensation, and other information given, is to be kept by the Civil Service Commissioners. This will give the people an opportunity to know just who the officers of the city are and how much they are paid. M. C. A., IV: 6.

2. Partisanship.—To remove, so far as possible, this cause of wastefulness and inefficiency, the following measures are proposed:

a. The separation of municipal from State and national elections. This will permit the people to settle municipal questions at other times than when State and national issues are pressing for immediate consideration. C. A., I: 3. M. C. A., VII: 2.

b. The requirements that the nomination of all elective city officers shall be by petition, that the voter must vote separately for each candidate for whom he desires to vote, and that the names of all candidates for the same city office shall be arranged alphabetically under the title of the office to be filled will favor freedom of nominations and make it easier when desirable to escape from the dictation of party primaries and conventions. C. A., I: 3. M. C. A., VII: 3.

c. Civil service reform and the prohibition of political assessments. This will take away from political and personal machines two chief sources of their strength, the power to reward their followers with the spoils of office and the power to replenish their treasuries with enforced contributions from the army of public servants dependent upon them for their positions. C. A., III: 6. M. C. A., IV: 11, 13.

3. State interference.—This prolific source of municipal difficulty will be greatly diminished by certain measures proposed in the program.

a. The main outlines of municipal government are established in the constitution itself, thus putting the city on a par with the central State government to a certain extent and preventing the constant interference of the State Legislature in matters settled by the constitution or assigned to the municipal authorities for settlement. C. A. entire.

b. Limitation of special legislation. Obnoxious special legislation is made difficult by requiring for the passage of any special act an absolute two-thirds vote of the Legislature in the affirma-

tive, to be followed by a reference of the bill to the council of the city affected for approval; sixty days are allowed for the consideration of the measure by the local council, and if at the end of that time the council has failed to signify its approval, the measure can become law only when passed a second time by an absolute two-thirds affirmative vote of the Legislature, this two-thirds to include three-fourths of all the members representing districts outside the city or cities affected. Special legislation is defined as any legislation applicable to less than all of the cities or to less than all of the inhabitants of the State. These provisions will make State interference impracticable unless the welfare of the State demands it so strongly as to make the members of the Legislature not representing the locality affected almost unanimous. C. A., III: 7.

The grant of exclusive privileges or franchises to any private individual or corporation by special act of the State Legislature is absolutely prohibited. C. A., II.

c. General municipal corporations act. State interference in local affairs is limited by a constitutional requirement that the Legislature shall pass general laws applicable to all cities which shall by popular vote choose to be governed by them. The committee proposes as the second part of its program such a general corporations act. The existence of such a law would often do away with the necessity of special legislation, where a city wishes to be incorporated or to exercise wider powers than have been granted to it in its existing charter. C. A., III: 8. M. C. A. entire.

4. Municipal irresponsibility.—This cause of extravagance and inefficiency in city government can be met only by the recognition of the city's proper relation to the State and by the provision of an adequate system of central control. The specific measures to this end proposed in the program are three.

a. Limitation of municipal debt and tax rate. It is proposed to incorporate in the constitution a limit upon the aggregate debt which a city can incur for other than self-supporting undertakings and a limit upon the municipal tax rate for all purposes exclusive of necessary public debt charges. These limitations are placed upon the city in recognition of the fact that the resources of the

State itself are crippled by municipal extravagance and to enforce upon the municipality its responsibility to the State for the moderate use of its delegated powers. C. A., III: 2. M. C. A., II: 14.

b. Declaration of local agency. It is proposed to declare the city within its boundaries the exclusive local agent of the central government for the enforcement of State laws, except as may otherwise be provided for all cities alike. This measure would throw upon the city a definite responsibility, and would tend to do away with the feeling of hostility toward the State authorities which the people of cities are likely to entertain whenever the central government sends special agents among them to execute general laws. M. C. A., II: 16.

c. State supervision. It is proposed to open the way for a system of central administrative control by declaring that cities shall be subject to the supervision of such State officers or administrative boards as may be established by general laws applicable to all cities. It is specifically proposed to require detailed financial reports by the city authorities to the State fiscal officer, these reports to be laid before the Legislature and published as a part of the public documents of the State. Furthermore the governor may remove the mayor after a hearing for specified reasons involving misconduct, incapacity or negligence. C. A., III: 4. M. C. A., II: 15, 17; III: 4.

5. Indefinite organization.—Responsibility for the right exercise of municipal powers is to be defined by the following measures of organization:

a. The mayor and members of the council are to be the only officers elected by the people, and they are to be chosen on general ticket. It is believed that this provision will make popular responsibility for the choice of good and capable officials more definite by reducing the number to be chosen at any one time and by requiring that the attention of the whole city be concentrated upon all the candidates. C. A., III: 6. M. C. A., V: 8.

b. Powers of the mayor. It is proposed to concentrate in the mayor full responsibility for the conduct of the administrative service by giving him authority to appoint and remove all city officers, except the controller, subject to the civil service regulations.

He is permitted to attend council meetings and take part in the proceedings, but without a vote; and he must prepare the annual budget, from which the council may subtract, but to which it may not add. The mayor is also given the usual veto power over the acts of the council. It is believed that the large powers of the mayor will enable him to give an excellent administration if he is capable and conscientious, while the careful restrictions put upon him by the civil service provisions and the checking powers of the governor, the council, and the controller will prevent him from stopping the machinery of government by his blunders if he is inefficient or from turning over the government to a set of rascals if he is a knave. C. A., III: 6. M. C. A., III, IV, entire.

c. Powers of the council. The council is made the sole legislative authority of the city. It exercises all corporate powers not specifically assigned to some other authority. It passes all ordinances and makes all appropriations. It may establish new municipal offices and may investigate any department of the city administration. Finally, the council elects and may remove the city controller, and receives his reports. Although the principle of the assignment of administrative and legislative functions to separate authorities has been adopted for the sake of defining responsibility, nevertheless the council is a body of vast powers for both construction and obstruction. It is to be remembered that municipal legislative functions increase in importance with the decrease of State interference and the establishment of municipal home rule. M. C. A., V.

d. Powers of the controller. The financial officer of the city, elected by the council for an indefinite term, is clothed with full power and responsibility for keeping the expenditure of public funds within legal channels. It is his business to audit claims, countersign all city drafts or warrants and contracts, keep the city's books, and make financial reports to the council. He may also require information concerning the financial transactions of any grantee of a public franchise, and shall receive and publish financial reports from every such grantee. C. A., III: 1. M. C. A., II: 10, 11, 14, 15, and VI.

e. Citizens' powers. In order to make it possible for the people to help in the enforcement of the laws, it is provided that a certain

number of citizens who are householders, acting together, may bring suit to enjoin the execution of any illegal contract, the payment of illegal claims, or the payment of the salaries of persons illegally appointed to office; they may also bring suit to recover money illegally paid out. M. C. A., VII: 7.

6. Individualism.—In the nature of the case the committee can offer no legal remedy for this cause of inadequacy of municipal service. It is believed that the stubborn argument of civic necessity combined with the ample powers possessed by the citizens under the proposed Program will gradually overcome however much of evil there is in individualistic tendencies.

7. Inadequacy of power.—The remedies proposed under this caption may all be included in the term "municipal home rule." The provisions recommended for the attainment of this end are numerous and important:

a. General grant of powers. Instead of the detailed enumeration of powers granted to the city we are to have besides the specification of the chief ones a general grant which will enable the city to meet emergencies as they arise, without seeking further legislative grants. The city may acquire, hold, and manage property. The city is to have authority to undertake all public services, including such things as the operation of street railways and ferries and the distribution of gas, water, and electricity. It is vested with power to perform and render all public services and with all powers of government subject to the limitations contained in the State constitutions and to laws applicable either to all the inhabitants of the State or to all the cities of the State and to special laws as already defined. C. A., III: 7. M. C. A., II.

b. Powers of taxation, eminent domain, and debt making. Within the corporate limits the city has the same powers of taxation as are possessed by the State; it may license and regulate all trades, occupations, and businesses; it may levy special assessments upon property benefited to pay for local improvements. In order that its authority to undertake public service enterprises may be real, the city is given authority to acquire land for municipal purposes by purchase or condemnation within or without the corporate limits, and authority to incur unlimited indebtedness for self-supporting undertakings that produce revenue sufficient

to take care of current interest and pay at maturity the principal of the debt incurred on their account. C. A., III: 2, 7. M. C. A., II: 12, 13, 14.

c. Annexation of territory. Cities shall have power to annex territory with the consent of its inhabitants subject to the approval of the State Legislature. This measure will enable the local authorities to keep the corporate boundaries of the city and the sphere of municipal service co-extensive with the natural boundaries of the city. M. C. A., I: 2.

d. Application of the general municipal corporations act. This act shall apply to those cities only which by popular vote determine to incorporate under it. In this way every city is permitted to choose whether it will accept the benefits and obligations of the general municipal system established by the Legislature, or will apply to the Legislature for a special charter, or will under certain conditions frame its own charter. M. C. A., I: 1.

c. Establishment of minor courts and municipal offices. Every city shall have power to complete its own organization by the creation of new offices and the establishment of municipal courts. Thus the city will be enabled to adapt its organization to the increasing demands upon it. C. A., III: 5. M. C. A., II: 9; V: 8.

f. Framing of charters. Any city with a population of 25,000 or more may elect a board of citizen householders to frame, under certain limitations as to the municipal organization, a charter which, if adopted by the people, shall become the organic law of the city. This charter may be amended at intervals of not less than two years by proposals submitted to popular vote. In these provisions we have the last guaranty of municipal self-rule, by which the city becomes responsible not only for the proper administration of the laws, but also for the wise organization of the machinery of government itself. C. A., IV.

8. Undemocratic organization.—To perfect the organization of democracy in the cities, thus enabling the will of the people to become directly effective, it is proposed to make possible certain radical changes of political methods.

a. Minority or proportional representation. The committee, feeling unable to be dogmatic as to the best mode of representation in the council, proposes to leave the legislative authority of



each city free to devise a suitable plan for such representation, to become effective when approved by the people, and upon a duly authenticated petition therefor, a proposition to establish such a method of representation must be submitted to popular vote. C. A., III: 3. M. C. A., V: 11.

b. Direct legislation. It is also proposed to leave each city free in like manner to establish a system of direct legislation, so that qualified voters of the city may submit and a majority thereof voting thereon may decide by direct vote upon propositions relative to city matters. C. A., III: 3. M. C. A., V: 11.

c. Civil service reform. The organization of democracy is to be aided by this reform in methods of appointing and promoting public officials, all of the people thus being put upon an equality and those best fitted for official duties being enabled to enter the service of the city. C. A., III: 6. M. C. A., IV, entire.

9. Greed.—This prolific cause of civic corruption cannot be removed by direct legal remedies, but the organization of the city government under the proposed Program, the direct and tangible responsibility enforceable upon the public officials, the publicity of their official acts, the ample opportunity for the citizens directly to participate in, and, if they choose, to control the conduct of public affairs will tend to diminish and make it possible to remove official corruption as a cause of municipal ills.

10. Lack of civic integrity.—This cause of corruption is also beyond the direct reach of legislative remedies, but conditions which favor the awakening of a civic conscience and make possible the establishment and enforcement of a high standard of civic conduct are created under the proposed Municipal Program. So far as the composite character of the population is responsible for the lack of civic integrity, this cause will disappear with the gradual assimilation of the foreign elements.

11. Private control of public privileges.—For this cause of corruption more tangible remedies can be suggested. The Program does not go so far as to say that the city ought not to grant any franchises or special privileges whatever. But it proposes particular safeguards to prevent the betrayal of the public interests.

a. Limitation upon franchise grants. The rights of the city in its public places are declared inalienable except by a four-fifths

vote of all the members of the council approved by the mayor, and no franchise shall be granted for a longer period than twenty-one years. In this way the grant of perpetual franchises will be prevented and the corrupt grant of franchises on any conditions will be rendered difficult. C. A., III: 1. M. C. A., II: 10.

b. Publicity of grantees' accounts. Every grantee of a municipal franchise is required to furnish detailed financial reports to the city controller, thus insuring to the people and officers of the city the opportunity to know what semi-public services cost and to hold those who perform them responsible for adequate service at reasonable rates. C. A., III: 1. M. C. A., II: 10.

c. Municipal powers. The city need not permit the private control of public privileges. It "may, if it deems proper, acquire or construct, and may also operate on its own account, and may regulate or prohibit the construction or operation of railroads or other means of transit or transportation and methods for the production of transmission of heat, light, electricity, or other power, in any of their forms, by pipes, wires, or other means." M. C. A., II: 10.

The proposed Municipal Program has taken democracy for granted, and has attempted to organize municipal government in relation to this great fact. There are those who hold that the future experience of the world will discredit democracy as a method of government, and in particular that democracy will prove itself inadequate for the solution of city problems. But at present, with the history of the past before us, the hope of humanity seems to lie in the perfection of democracy rather than in any retrogressive step, in exalting rather than in lessening popular responsibility.

## POLITICAL PARTIES AND CITY GOVERNMENT UNDER THE PROPOSED MUNICIPAL PROGRAM.

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For many years the conviction has been growing in strength among those interested in improving the conditions of American cities, that an important, if not the chief, cause of the evils which admittedly exist in our municipal life is the fact that municipal questions have not been clearly enough distinguished from general political questions; that municipal interests have been sacrificed to the exigencies of national and State politics.

When the National Municipal League was formed, those responsible for its formation were so thoroughly convinced that this was the case, that the separation of municipal from national and State politics was made one of the most important planks of the platform on which the League was placed. In many cities in the country political campaigns have been fought out on this issue.

The questions naturally present themselves: Why is it that a principle so reasonable as that of the separation of municipal and national politics has not received universal recognition? Why is it that national and State political parties busy themselves with municipal politics? and, What must be done in any municipal reform to be undertaken which will bring it about that municipal questions may be determined on their own merits?

The answer to the question why this principle has not received universal recognition can be made only after an understanding has been reached as to the reasons why the political parties interest themselves in municipal politics. These are two in number. They are, first, the natural and legitimate desire of political parties to

further the objects for which they have been established. They are, secondly, their desire—just as natural, but not so legitimate—to make use of the city to strengthen their own organization and maintain themselves in power.

Why, now, does the national and State party under our present conditions desire to control the city, in order to further the objects for which the party is formed? Because under our system of government the city is a most important agent of the State government. Officers elected directly or indirectly by the people of the city are discharging functions which are of vital interest to the State or nation. Thus the matter of education, which is often regarded as within the scope of local government, is a matter in which the State as a whole has a most vital interest. In a country where universal manhood suffrage is the rule the people of the State as a whole are vitally interested in having the youth of every community within its limits receive an education which will fit them for the intelligent exercise of their right to vote.

Again, the people of the State as a whole have a vital interest in the preservation of the peace and the maintenance of good sanitary conditions in every community within the State. Both disorder and disease are contagious, and their existence in one community of the State is a menace to the welfare of the people of the State as a whole.

But while the people of the State as a whole are thus interested most vitally in much that is commonly regarded as a function of municipal government, it does not by any means follow that their interest is not subserved by permitting these matters to be managed by the city governments. For while the people of the State as a whole are interested in having the children of every community well educated and the peace and health of every community maintained, at the same time every such community has, as a rule, an even greater interest in securing these results than the people of the State. It is the children of the local community not making provision for a good educational system, who primarily suffer. It is the people of the local community not preserving the peace and not maintaining good sanitary conditions, who are most exposed to the dangers arising from disorder and disease.

The appeal to local self-interest which is the psychological principle at the basis of the local self-government system, generally awakens sufficient response to justify the existence of such a system. At the same time, the interest which the people of the State have in the proper performance by the local communities of duties affecting the people of the State always exists and does not permit them to look with unconcern upon the failure of local communities to perform their duties, whether such failure arises from indifference and lack of intelligence or from positive unwillingness.

The city is, then, in numerous instances an agent of the State government, and as such is through its officers discharging functions which interest vitally the people of the State. The State is, therefore, justified in exercising a control over the city, in order to protect its own interests, so long as it permits the city to act as its agent. If this control is an effective one, i. e., if the system of government is such that State officers really control municipal action, the State political party may, through its control of the State government, which it is formed to carry on, exercise all the influence which it deems necessary should be exercised over the discharge of functions of government intrusted to the city, but interesting the State as a whole. Until the State control, however, is an effective one, the political party will inevitably enter into municipal politics.

The greater the powers of local self-government possessed by cities the greater will be the desire of the political parties to interfere with their government. Let me make this clearer by an example. Suppose that a moral question, such as total abstinence, has become a question of politics. We have a prohibition party formed which carries the State and puts a law on the statute book prohibiting the sale of liquor. So long as our principles of local self-government obtain, the enforcement of that law is very largely in the uncontrolled discretion of city officers. Now, the political party organized for the purpose of prohibiting the sale of liquor would be recreant to its principles if it did not strive to obtain control of the city government, in order that it might insist upon the enforcement of the law which it had put on the statute book.

So far, then, as the city is acting as the uncontrolled agent of the State, to that extent is the political party interested, and prop-

erly interested, in the operations of city government. So far as matters interesting the State as a whole are taken from out of the jurisdiction of cities, or are subjected to an effective State control, so far will the temptation of the political parties to interfere with municipal government be diminished.

In the second place, the political party desires to interfere with city government for reasons differing widely in character from those already referred to. The work of the political party under our system of government by checks and balances and of elective officers is enormous. Elections for either national State, or local officers coming every year, it is necessary for the success of the party that it be permanently organized, always ready to do battle for the principles it represents.

Now, one of the most evident facts of history is that all permanent organizations finally get to be ends in themselves, instead of remaining a means to an end. Political parties are no exception to this rule. The maintenance in its integrity and power of the political party organization becomes an end in itself, in the accomplishment of which the ends for which the party was formed may be lost sight of.

Even if this is not the case, the maintenance in its integrity and power of the political party organization is regarded as so necessary for the accomplishment of the ends for which it was formed that all means at hand must be made use of. What means more adaptable and useful than city governments, with their large patronage, their fat contracts, and their great police powers, the exercise of which is necessitated by great aggregations of people? What task more easy than to persuade people, who are citizens of the State and nation, as well as of the city, and whose conception of the possibilities of city life is not a broad one, that city interests, parochial interests, as they are sometimes called, must give way to the more striking, if not more important, interests of the State and nation? Such, then, are briefly the reasons why under our system of government, State and national political parties desire to busy themselves with municipal politics.

Our system of government, however, not only makes it thus inevitable that political parties shall desire to enter into municipal politics; it also affords ample opportunities for the parties to real-

ize their desires, and indeed tempts them to act illegitimately in their interference with municipal matters.

It has already been pointed out that in our system of government the localities, and particularly the cities, act as agents of the State, discharging functions which interest the State as a whole. The only State control over the discharge by the localities of these functions, whose development was originally permitted by this system was exercised by the Legislature. The absence of large powers of direction and control in the higher administrative officers of the State government made it necessary for the Legislature to descend into great details in fixing the authority of subordinate authorities and officers.

The city as a subordinate State authority has been treated as any other State authority, and has not been recognized as possessing any powers not granted by the State Legislature, while the powers actually granted by that body have usually been enumerated in great detail. Changes in these powers made necessary by changes in municipal development have been made by the Legislature, and generally by special acts.

Now the Legislature is and is properly, the most thoroughly political body in the government. It is the body which must ultimately make the legal determination of the policy of the State. It must be controlled by the political party in a majority in the State. It is therefore the very worst body in the government to exercise the necessary control over cities, if it is desired that city government shall be conducted free from the influences of State politics.

For a number of years the people of the United States have been becoming convinced that the exercise of this legislative control was accompanied by great evils, and have therefore been endeavoring to limit the powers of control over cities possessed by the Legislature. As a general thing the plan adopted has been to forbid in the constitution the Legislature to pass special acts relative to city affairs.

It can not be said, however, that such a method has been sufficiently effective to accomplish the purpose for which it was adopted. It is, of course, true that in some States the constitutional prohibition of special legislation has done some good, but gen-

erally it has not emancipated the cities from the control of the Legislature, while in some States, owing to the interpretation given by the courts to the words "special act," the failure of the constitutional prohibition of special legislation to cities has been egregious. The State of Ohio has the unenviable reputation of standing at the head in this respect.

The cause of the failure of the constitutional prohibition of special legislation is not, however, far to seek. It is to be found in the fact that it has not been accompanied by any change in the method of granting powers to cities. Ohio again may be used to point a moral. Its general municipal corporations act of 1852 descended into the greatest details as to the powers of the cities to be organized under it. An act which was general only in that it nominally affected all cities could not actually have any very general application. It was soon amended by scores of acts purporting to affect only certain classes of cities, but actually affecting only one city. These acts, although they did not mention by name the city intended to be affected, described it with a minuteness, it has been said, which would have identified a fugitive from justice. The experience of Illinois furnishes a most useful illustration by way of contrast. In 1870 its State constitution forbade special legislation with regard to cities; and in 1872 when it adopted a General Municipal Corporations Act, it departed from the method of detailed enumeration of powers, granting comparatively large powers to its municipalities. What has been the result? Special legislation relative to cities in Illinois, while not absolutely a thing of the past, has been reduced to a minimum.

The prohibition of special legislation regarding cities has not, however, been the only method adopted within recent years by the people of the United States to lessen the control of the Legislature over cities. Soon after the passage of the Illinois Municipal Corporations Act, the citizens of St. Louis, believing that prohibition of special legislation had been unsuccessful and also believing that their city was being continually interfered with by the State Legislature, obtained from the Constitutional Convention, which met in 1875, the right, subject to the constitution and general laws, to draw up their own charter. This privilege was also conferred upon the other larger cities of the State. The



courts have been called upon to interpret the meaning of this privilege, and, it may be said in a general way, have decided that it constituted the cities, which it affected, into little independent republics, so far as the things were concerned in which the State as a whole was not interested. Thus, it has been held that a provision of a city charter, adopted by the people of the city, relative to parks could not be in any way amended by the Legislature. On the other hand, the Legislature has, even since the adoption of the constitutional amendment, the right to regulate such matters as the police and education. The plan adopted by Missouri has been adopted also in California, Washington, and Minnesota. Such, then, are the conditions in which have developed both the doctrine and the practice that the national and State parties shall control municipal politics.

What now are the remedies whose application to these conditions will justify the reasonable man in believing that these conditions will be improved, and what in particular has been done in the proposed municipal program toward applying the proper remedies?

If what has been said is true, it is to be expected that the natural and legitimate desire of the political parties to interfere with municipal politics will be diminished either by diminishing the sphere of State agency accorded to cities or by subjecting their actions in that sphere to an effective State control. It is questionable, however, if in the present state of American public opinion it would be wise to suggest a large diminution of the sphere of State agency. It is also questionable whether regardless of public opinion such a change would be wise. As has been pointed out, local management of matters affecting the locality, even if they do at the same time affect the State as a whole, is probably more liable to lead to successful management than is State management. But it is perfectly possible, while maintaining such local management, to provide for a central State control effective enough to permit the State government to see to it that local standards are abreast of State standards. If this is done the legitimate desire of State political parties to interest themselves in municipal politics will be largely diminished.

Let me make myself plain by some concrete examples. If, while the city is permitted to retain the management of the police who have charge of the enforcement of a prohibition law, some State administrative authority is given disciplinary powers over the city police, the temptation of a prohibition party to interfere with the city government would be diminished. Again, if while the city is left in control of the schools, the city school board is subjected to the control of a State superintendent of common schools the political party which is interested in some educational reform may see to it that such reform is inaugurated by getting control of the State superintendent without attempting to control the local school authority.

Much has been accomplished in the past twenty-five years in the United States toward the establishment of these central State administrative authorities, and much good has resulted as a study of their history and development will show. All interested in the improvement of schools, charities and prisons will testify that the establishment of State Boards of Education and Superintendents of Schools, and State Boards of Charities and Prisons has done much to take the schools, charitable institutions and prisons out of politics.

The establishment and development of this central administrative control, however, is a matter which affects more than city government. It involves a change in our general scheme of State government. The constitutional Amendments and Municipal Corporations Act in the proposed Municipal Program have not therefore gone very far in this direction. They merely make provision (Constitutional Amendments, Art. Third, 4; Municipal Corporations Act, Art. II, 15, 17) for the establishment of a central administrative control over city accounts and for the subjection of cities in their discharge of functions, interesting the State as a whole to the control of such State administrative authorities as may now be or may hereafter be established by general law applicable to all the cities of the State. In this way it is believed the legitimate desire of political parties to control city politics will be diminished.

What now can be done to prevent political parties from making corrupt use of municipal patronage and powers to make contracts

with the end of strengthening their own organization? The answer must be as before. Both the temptation and the opportunity must be diminished. The temptation can be diminished by reducing the amount of patronage in the discretionary disposal of appointing officers; by introducing order, regularity, and publicity in municipal accounting and by subjecting the bestowal of municipal franchises to limitations which will both tend to prevent their corrupt grant and will insure the city a fair return for the benefits conferred.

In order then to reduce the temptation to the corrupt use of patronage the Constitutional Amendments and Act provide (Constitutional Amendment, Article Third, 6; Municipal Corporations Act, Art. IV). for most detailed civil service regulations, which it is believed makes it impossible, so far as legal provision can make anything impossible, for appointments in the subordinate service of the city to be made for political reasons. In providing such detailed regulations departure has been made from the general principle which an examination will show pervades the draft, viz., that the cities were to be left with great discretion. The departure from this general principle was believed in this case to be necessary, because of the desire to render it as difficult as possible for the political party to exploit the city and because of the belief that an efficient civil service could be obtained only in this way, and that an efficient civil service was a necessary prerequisite to good city government.

The further endeavor to reduce the temptations to make use of the city patronage in the interest of political parties has been made in the draft (Const. Amend., Art. Third, 6; Mun. Corps. Act IV, 16) by providing that no officer in the subordinate administrative service of the city shall have a fixed term, and that no city officer shall be removed except for reasons to be reduced to writing and made a matter of record, at the request of the officer removed.

It is believed that one of the greatest temptations to make improper use of municipal patronage is to be found in the fact that most municipal officers at the present time in this country have terms which expire at a stated time. The question of a new appointment will thus of necessity frequently come up for considera-

tion, and pressure is inevitably brought to bear upon the appointing officer to induce him to appoint some one who has worked for the party.

It has been felt that the provision that there should be no fixed term made it necessary to concede the mayor a disciplinary power of removal unhampered by any limitation except the one just mentioned, and it is believed that these two provisions will, as a more enlightened public opinion develops, do much toward diminishing the temptations of political parties to exploit city government in their own interests.

The draft has attempted further to reduce the temptations to an improper use by political parties of their powers, by providing (Const. Amend., Art. Third, 4; Mun. Corps. Act, Art. II, 15) for a uniform system of municipal accounting under State supervision; and (Const. Amend., Art. Third, 1; Mun. Corps., Art. II, 10) that no street franchise shall be granted for a longer period than twenty-one years, nor except upon payment to the city of compensation based upon the gross receipts of the franchise.

It is believed that these provisions will insure such publicity of the city accounts and of its relations with public service corporations operating municipal franchises, that it will be much more difficult than at present for political parties to form those connections with these corporations, which have in the past added so much to the strength of political parties at the expense of the highest interests of the city.

These are some of the methods adopted in the draft to diminish the temptations of State and national political parties to interfere in the management of city government.

What now has been done to narrow the opportunity of the parties to interfere? It has already been pointed out that one of the most favorable opportunities for such interference was to be found in the fact that the Legislature—a body peculiarly under political control—had in its hands the control of the city. It has also been shown that the attempt to prohibit special legislation—through which this control was largely exercised—has not been followed by the success which was anticipated; and that the reason of this comparative failure was to be found in the fact that the prohibition

of special legislation had not been accompanied by the grant of large powers to the city.

The draft has (Const. Amend., Art. Third, 7; Mun. Corps. Act, Art. II) accordingly vested the city with the widest powers, in the hope that much special legislation would thereby become unnecessary. Indeed in this respect the plan proposed makes the most radical departure from existing conditions. It is based on the proposition that cities shall be authorities of general rather than of enumerated powers, and shall be subject to legislative control, only in so far as that is exercised by means of general laws applicable to all the inhabitants or all the cities of the State or by special laws passed in a manner which, it is believed, will prevent the passage of much special legislation, indeed of any special legislation which is not absolutely needed. The purpose of granting such wide powers of action to cities is not merely to make special legislative action unnecessary, and thus to diminish the opportunity of the political parties in the control of the Legislature for interfering with cities to their disadvantage; it is also to give the people of the cities the widest opportunity for self-development and to bring home to them a sense of responsibility for their own welfare.

The draft further provides (Const. Amend., Art. Fourth) that every city of 25,000 inhabitants may frame its own charter, subject to the limitations that such charter shall provide for a mayor and council elected by the people; that the mayor shall appoint and remove all other officers subject to the obligation to appoint all officers for fitness to be ascertained, as far as practicable, by competitive examinations. Special provision (Const. Amend., Art. Third, 3) is made for permitting any city to adopt the referendum and initiative and any system of minority or proportional representation.

It is, of course, true that the limitations upon the power of the people of the cities relative to the kind of organization which they may adopt, lessen very greatly their power of framing their own charter. But it has been felt that while free play might be given the people of the cities as to the details of their city charters, it was wiser to fix beyond the possibility of change the general principles which should lie at the base of the municipal organization.

Such, then, are the means adopted to prevent the political parties in control of the Legislature from making use of the powers of this body over cities in their own interest and to the cities' disadvantage. No attempt has been made to define in the constitution what are municipal affairs which must not be interfered with. But care has been taken to grant the cities the widest possible powers, while reserving to the Legislature powers of control, the exercise of which is subject to such conditions as make it extremely improbable that special legislation can be resorted to for the accomplishment of improper ends.

While the draft does not, as has been pointed out, make any very extensive provision for the substitution of a central administrative control for the existing legislative control over cities, it still does allow of the development of such central administrative control, and it is believed that, so far as this method of central control shall take the place of special legislation, by so much will the opportunity for improper interference by political parties with municipal government be diminished, by so much will municipal government be taken out of politics.

The draft has finally attempted to provide a municipal organization so simple in character that municipal voters will place less reliance than at present on the political parties, may more readily than at present separate municipal from State and national issues, and may more easily than at present organize, separate from the State and national political parties, for the furtherance of these municipal issues.

One of the reasons—it might almost be said the reason—why the municipal voter has relied in the past on the State and national parties to fill elective municipal offices, is to be found in the great number of officers to be elected at any given election. If such an election be at the same time as a State election the voter is almost of necessity compelled to rely on the political party in which he on the whole puts his trust—with which he has been in the habit of acting. If this condition of things is further complicated by a party column blanket ballot the municipal voter is absolutely helpless except so far as he is aided by the political parties. The draft therefore provides, that municipal elections shall take place only once in two years, and that at each election for distinctively

city officers no more than two officers shall be elected, i. e., the mayor and members of the council. When we add to this the provision that municipal elections shall not be held at the same time as State and national elections (Const. Amend., Art. First, 3; Mun. Corps., Art. VII, 2) we are justified in believing that the municipal voter will, if this principle is incorporated into law, at the same time not need to place the reliance he has to place at present on the national and State political parties, and will be able to vote not because of any influence which that vote will have on the future of his party, but because of the influence he thinks it will have upon the municipal issues in which he is interested.

With this same end in view, provision has been made (Ibid.) for nomination for municipal office by petition of a small number of citizens, for personal registration, an absolutely secret vote and a blanket ballot with the names of candidates alphabetically arranged under the title of the office and that each voter shall vote separately for each candidate for whom he votes. If such methods of nominations and elections are followed it is believed that voters may be able in their municipal elections either to break away altogether from the State and national parties and form separate municipal parties, or may, because of the greater powers of independent political action they will possess, be able to force the local organizations of the State and national parties to fight out city elections on the basis of city issues. Whichever may be the outcome is a matter of little importance, provided an unbiased and unprejudiced consideration of city issues by the city voters is secured.

Such, then, are the purposes of the draft, and such has been the way in which it has been attempted to effectuate them. It has been felt that city government must, to be efficient, be emancipated from the tyranny of the national and State political parties, and from that of the Legislature—the tool of the party. It must, however, be subject to the proper control of the State government as the representative of the interests of the State. To avoid tyranny and preserve control is not easy. The problem may be solved, however, by diminishing both the temptations and opportunities for tyranny and by throwing limitations and opportunities of the control without destroying it. These temptations and opportunities

have, it is hoped, been diminished by making special legislation very difficult, by enlarging the powers of the cities, by making the control of the city government of little value to the parties through reduction of patronage and a publicity of accounts, and finally by making it easy for the city voter to separate city from State and national issues, and to insist that these city issues shall receive attention apart from any considerations of national and State politics. The State control has been preserved, but its exercise has been taken from the Legislature and intrusted to administrative officers wherever it has been felt that its preservation is absolutely necessary.



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## PUBLIC OPINION AND CITY GOVERNMENT UNDER THE PROPOSED MUNICIPAL PROGRAM.

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HORACE E. DEMING, NEW YORK CITY.

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Honest, efficient, and progressive city government is impossible in the United States without the support of a strong public opinion. Public opinion which cannot be effectively expressed and carried out is, for practical purposes, non-existent. No proposition for the improvement of city government in the United States is worth consideration that does not provide for the full, free, and deliberate expression of the wishes of the voters, and for the carrying of their wishes into effect. No scheme of city government will give promise of much improvement which will not develop an effective and general interest among the voters themselves in the actual conduct of the public affairs of the city.

One of the problems which the proposed Municipal Program undertakes to solve is to provide a form of city government which will compel the development of this interest, and upon which the public opinion of the voters, when deliberately expressed, will be effective.

To some it may seem a startling statement that, so far at least as city government is concerned, there is not only not now, but there has never been a public opinion in the United States which has either prevented or corrected the principal evils of bad city government. But how else shall we account for the fact that the remedy for such evils has almost invariably been to deprive the

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NOTE.—The papers of Messrs. Horace E. Deming, Frank J. Goodnow, L. S. Rowe and Bird S. Coler, together with the principal papers read at the Indianapolis Conference, with the text of the Municipal Corporations Act and the proposed Constitutional Amendment, will be published in a single volume under the title of "The Municipal Program," by Macmillan Co.

city of power to perform the very functions which naturally belong to it? For example, the limitation of the city's power to levy taxes for city purposes is almost universal in this country; the public opinion of its citizens is not deemed sufficiently intelligent or effective to keep the city from bankruptcy. And how otherwise shall we account for the general resort by the city to outside agencies in order to conduct purely city affairs? Witness the constant appeals to the State Legislature to remedy this or that purely local trouble or to create permanent or temporary boards of officials to perform purely local functions. Even in the election of the public officers of the city, its citizens rely mainly upon the agency of national or State political parties. Where in the United States is there a city which possesses all the powers requisite to conduct its local affairs without aid or interference from the State Legislature? or whose elective officers are not usually the product of the activities of national or State political parties? or in which the framework of the city government favors the full, free, and deliberate expression of the popular will as to the conduct of city affairs?

Sufficient reasons for this lack of local public spirit may be found in our political history.

From the origin of our government to almost the year 1876 the one great political question that, almost to the exclusion of every other, absorbed the attention of our citizens, was whether the United States were to be a nation or a federal league. From the surrender of Cornwallis to the withdrawal of the Union troops from the Southern States after the Civil War, the public had neither time nor inclination to consider problems of administration. It was not till the decade from 1876 to 1886 that the importance of good administration to good government began to attract public attention at all effectively. The century of political travail which had given birth to our national life left behind it, moreover, political habits of thought and political methods of action which have made improvement in public administration difficult and slow. City government, more than either national or State government, is an administrative problem. Until 1860 our cities were few and small; we may be almost said to have had no cities. What wonder, then, that, if there be not yet an enlightened public opinion

sufficiently strong to compel the administrative service of the State or of the nation to be conducted upon an efficient and economical plan, there should also be lacking the enlightened public opinion to compel honest, efficient, and progressive city government?

Another historical reason for the lack of city public spirit has been the marked influence of the political theory of division of the fundamental powers of government among many different officials. The constitutional scheme of government devised by the fathers was one of checks and balances. A President, a Senate, a House of Representatives, and a Supreme Court, each the product of a different electorate or appointing body, and each vested with different functions, were set the one against the other to conduct the government. Only a portion of the population could take any direct part in selecting the rulers of the country. Even this limited class had no direct voice in the selection of President or Senators. The Supreme Court was appointed by the President. Representatives held office for two years, the President for four years, Senators for six years. A manifest tendency of such a plan was to produce inefficient administration and a government not responsive to the popular will. The division of power among so many different officers and the different sources from which these officers derived their authority, dissipated responsibility for official conduct. And, since the nearest approach of the government to the people was the election of members of the House of Representatives by the limited class possessing the suffrage, those in charge of the practical conduct of public affairs were without direct responsibility to the people.

From the very beginning, the character of the questions which compelled attention in the field of national politics aroused intense popular interest; and the struggle on the part of the people for a more direct voice in public affairs and to create a government whose policy should be in more immediate accord with the popular will, led, among other things, to the abolishing of restrictions upon the suffrage and to the forming of political parties, whose adherents developed a partisanship the more intense because of the difficulties placed by the Constitution in the way of responsible and efficient government.

The political doctrine that the fundamental governmental powers should be apportioned among many different officials was combined with a firm belief in the beneficent political effect of frequent elections for short fixed terms, in order to insure that no man could stay long in public place without the continued approval of the body electing him.

These political doctrines made against administrative efficiency in public affairs. Their evil effects upon the administrative side of our national government have been very marked. Further complicated by the intrusion of absorbing and irrelevant questions of national politics, the natural result of their application to our city governments has been the chaotic irresponsibility so characteristic of most of them. The more officials to be elected and the more frequent the elections, the less efficient was the administration of city affairs, and the enlargement of the suffrage only served to aggravate the evils inherent in the system itself as applied to city government, which is in its very nature principally an administrative problem. When cities were few and small, and their administration comparatively simple, the evils were not perceived, and so universal and so firm was the belief in the political doctrines of divided powers and frequent elections, that as the cities multiplied and grew in size and their administrative problems increased in complexity, in variety, and in number, more elective offices were created, until the very multitude of offices and elections destroyed the possibility of a city government responsible to its citizens or of the existence of an effective public opinion as to the conduct of city affairs.

Other causes have co-operated to produce inefficient and irresponsible government of our cities, but these facts of our political history are a sufficient explanation of the general lack of active and effective interest by the citizens in the public affairs of their city.

The very considerable favor with which the Czar or good father theory of city government has met in recent years is a natural reaction from the disappointment in the practical working of the political doctrines of divided power and frequent elections for short terms of numerous officials. Under the Czar or good father plan, the mayor is a benevolent despot, the local legislature be-

comes a vanishing quantity, and the public policy of the city as well as the details of its administration are determined by the mayor, either directly or through subordinates appointed by him. Carried to its logical conclusion, this theory of city government would, according to its most earnest supporters, eliminate the State as well as the city legislature from the local field. But a benevolent despotism may easily become malevolent; and paternalism, even elective paternalism, can neither develop nor permit to be developed a healthy and enlightened popular interest in public affairs. A fatal defect in this new plan is that there is no provision for a representative body, elected by the people, to determine the local public policy. Without the opportunity to determine such questions for themselves, through their own representatives, there can never be developed among the citizens an enlightened and efficient public opinion as to the conduct of the city government. The effort which this system makes to do away with the existing chaos of irresponsibility deserves respectful consideration; but despotism, benevolent or malevolent, hereditary or elective, is foreign alike to American political traditions and to American political tendencies.

City government must be a government of the people, by the people, and for the people, through their chosen representatives, in order, on the one hand, to develop a general popular interest in the local public affairs, and, on the other, to make this interest effective. In other words, city government must be a representative democracy, if the public opinion of its citizens is to control its conduct.

The most persistent factor in the political development of the United States has been and is the growth of the belief in representative democracy, and the increase of intelligent effort to make the belief an accomplished fact. The stream of political tendency in that direction is stronger and more evident to-day than at any previous period in our history. The framework of government imbedded in our national Constitution prevented the general public from having any direct voice in the administration of the government. The voters were a limited class set apart from the general body of the citizens. This select class chose members of the lower house of Congress and elected still smaller and more

select classes, who in their turn elected the President and Senators. Government was removed from the people. It was not responsible to the people nor responsive to their will. The struggle for a government that should be responsible to the people and responsive to their will, in spite of the constitutional difficulties, has gone on ever since. The continued existence of the government has been due not so much to the perfection of the governmental machinery contained in the constitution, as to extra-constitutional and extra-legal devices through which the general public has sought and in considerable measure secured a direct voice in the conduct of public affairs. The line of political development in the United States leads directly toward representative democracy as the form of government best adapted to our needs. It is the recognition of this fact that inspires municipal reformers with the confidence that honest, efficient, progressive city government in this country is a certainty in a future not far distant.

Our efforts must be toward making city government a genuine representative democracy. No immovable constitutional barriers stand in the way. There need be no resort to extra-constitutional or extra-legal devices in order to make a simple form of government which shall be alike responsible and responsive to the people and which shall do away with the present conditions, so universal in the cities of the United States—a form of government that prevents both the effective expression of public opinion and the development of any public opinion to be expressed.

Let us now test the provisions of the proposed Municipal Program. Upon the one hand, does it furnish the requisite governmental machinery, through which a strong and enlightened public opinion will necessarily be developed? And, upon the other, does it insure the effectiveness of public opinion deliberately formed and expressed? If the program fails in either respect it is worthless.

#### THE CITY UNDER THE PROPOSED MUNICIPAL PROGRAM.

The city's independence is guaranteed. The State Legislature cannot meddle with purely local affairs. Its functions, so far as cities are concerned, are confined to passing laws applicable to all

cities or all inhabitants of the State, unless the necessity or propriety of legislative action in the case of a particular city is so clear that a special law receives the affirmative vote of two-thirds of all the members of the Legislature and is formally approved by the council of the city, or, if disapproved, is within thirty days after such disapproval, again passed by a two-thirds vote, which must include three-fourths of the members from districts outside of the city concerned.<sup>1</sup>

The city must manage its own affairs. No outside authority can interfere with it. The city is vested with ample power to manage its own affairs. It may acquire, hold, manage, and control property. Within its corporate limits it has the same powers of taxation as are possessed by the State; it may license and regulate all trades, occupations, and businesses; it is vested with power to perform and render all public services, and with all powers of government subject to the State constitution, and to laws applicable to all cities of the State or to all the inhabitants of the State. It may establish minor courts for the enforcement of its ordinances.<sup>2</sup> The city, not the State Legislature, controls the granting of public franchises within the city's limits.<sup>3</sup> It may incur indebtedness up to a certain percentage, limited, upon the assessed valuation of the real estate within its limits, but debt incurred for self-supporting undertakings, which also take care of the current interest and of the principal of the debt at maturity, are not included in the constitutional limitation.<sup>4</sup>

Contrast this ample grant of powers with the helpless condition of a city which may not even control its street franchises or the paving of its streets.

Guaranteed its independence, nay, compelled to act for itself, and clothed with ample powers to manage its own affairs, with what machinery is the city equipped to conduct its independent life? The business function of administration and the purely political function of determining the public policy to be administered

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<sup>1</sup> Constitution, Art. Third, Sec. 7.

<sup>2</sup> Constitution, Art. Third, Sec. 5.

<sup>3</sup> Constitution, Art. Third, Sec. 1.

<sup>4</sup> Constitution, Art. Third, Sec. 2.

are intrusted to entirely separate agencies. The former is given wholly to the mayor and his appointees who hold office without fixed terms. The members of the subordinate administrative service must be appointed and promoted upon the merit principle. Prompt dismissal from the service follows failure to perform their duties.<sup>1</sup>

All purely political functions are performed by the council, subject to the limited veto power of the mayor.<sup>2</sup>

The council is the local legislature elected by popular vote on a general ticket from the city at large, one-third of the council being elected at each city election.<sup>3</sup>

There are no gerrymandered election districts. The council has no patronage to dispense. Its membership is reasonably permanent, and a continuous public policy in important city matters is made possible. The council may establish any office necessary or expedient for the conduct of the city business or government and may fix its salary and duties.<sup>4</sup> It has absolute initiative in all public matters except as to the annual budget of current expenses, which must be submitted by the mayor. Any item in the budget may be reduced or omitted by the council, but it cannot be increased.<sup>5</sup> The council is the grand committee of the citizens chosen by them for the purpose of determining and regulating all questions of city policy. It chooses the city controller, who holds office without fixed term, and is the city's chief financial officer, clothed with most important functions.<sup>6</sup> The registration of voters, the absolute secrecy of the act of voting are guaranteed.<sup>7</sup>

Nominations for mayor and for members of the council must be made by petition, and the voter must vote separately for each candidate for whom he desires to vote.<sup>8</sup>

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<sup>5</sup> Constitution, Art. Third, Sec. 6, Corporations Act, Art. IV., Sec. 16.

<sup>6</sup> Corporations Act, Art. V., Sec. 1.

<sup>7</sup> Corporations Act, Art. V., Sec. 2.

<sup>8</sup> Corporations Act, Art. V., Sec. 8.

<sup>9</sup> Corporations Act, Art. III., Sec. 7.

<sup>10</sup> Corporations Act, Art. III.

<sup>11</sup> Constitution, Art. First, Secs. 1 and 2.

<sup>12</sup> Constitution, Art. First, Sec. 3.



The members of the council and the mayor are the only city officials elected by popular vote, and their election must occur at a different date from State or national elections.<sup>1</sup>

The council, if its action is ratified by the citizens, may establish a method of direct legislation, so that the voters may submit, and a majority thereof voting thereon may decide by direct vote upon propositions relative to city matters. In like manner minority or proportional representation as to elections to elective city offices may be established.<sup>2</sup> On a duly authenticated petition therefor, the questions whether direct legislation or minority or proportional representation shall be established must be submitted to the voters for decision, without previous favorable action by the council.<sup>3</sup> The citizens of a city having a population of twenty-five thousand or more may, through a local charter convention elected by themselves, if its action is ratified by them, have a charter and frame of government of their own devising, subject alone to the fundamental provisions of the State constitution.<sup>4</sup>

In city elections there will be neither need nor excuse for the antiquated, cumbrous, and complicated election methods now in use. Candidates for but two offices will be voted for, and the nomination of the candidates must be by petition. The ballot will be simple. The voter will not, confused by the multiplicity of offices and candidates, be forced to rely upon the guidance of the managers of his political party. He votes separately for each candidate for whom he desires to vote. The secrecy of his vote is guaranteed.

Such in brief outline is the city under the proposed Municipal Program. It is a representative democracy. Unable to resort to outside assistance and secure against outside interference, compelled to work out their own local destiny, clothed with ample powers to manage the city's business, its citizens are guaranteed that the public policy which they favor will be the policy of the city government; the very necessity of the case will develop an

<sup>1</sup> Constitution, Art. Third, Sec. 6, Art. First, Sec. 3.

<sup>2</sup> Constitution, Art. Third, Sec. 3.

<sup>3</sup> Constitution, Art. Third, Sec. 3.

<sup>4</sup> Constitution, Art. Fourth.

enlightened public opinion, which will determine the public policy. In such a government the will of the people when deliberately expressed will control, and the people cannot escape expressing their will. The people are the government.

The conditions which create and continue the tyranny of the present type of political party managers are abolished, simple methods of nomination and election are established, and a form of city government is created which compels the conduct of city affairs to be at all times in accord with enlightened public opinion.

## A GENERAL VIEW OF THE NEW MUNICIPAL PROGRAM.

JOHN A. BUTLER,

President, Milwaukee Municipal League.

The time has arrived in this country when, on many sides, the conditions of commercial and political life are becoming seriously complex, and the consequent tendency to confusion is great. There is confusion between politics and business, between national politics and city affairs, and between the methods of politics and the popular conception of the character and purpose of governmental machinery and processes. There was a time, perhaps, early in our history, when politics did no great harm in city government, if they had more than a nominal existence there. Government by town meeting was simple obvious and direct, in small communities; but even intelligent men readily lose the thread of things in the great cities of the present. There is a perpetual and conspicuous confusion between mere profitable expediency and the dictates of principle, owing to the absence of proper lines of leading and guidance, and, as a result, transactions that are fundamentally vicious are constantly entered into and consummated by men of high integrity. They are often surprised and dumfounded when they realize the actual condition of things, as in the case of a number of railway officials, a few years ago, who organized themselves into construction companies and sold newly constructed branch lines to themselves as officers of the main road, at a great profit. They probably did not realize what they were doing, although there was only one opinion on the subject among all good lawyers. In his brilliant speech at the trust conference in Chicago, Mr. Burke Cochran, although a corporation attorney, described similar conditions in connection with public service companies, with the utmost vividness and force, and placed special stress upon the moral sanitation of publicity. Such tendencies prevail conspicu-

ously in the relation of city officials to each other, to individual business men, and especially to the holders of municipal franchises; and this is no doubt largely due to the absence of that guidance which comes from carefully devised and well developed municipal machinery; in other words, a good and practical charter. No one would willingly admit that the American people is lacking in honesty. On the contrary, there is no people which possesses higher or more genuine ethical standards, to say the least, and yet the wonder is, not that corruption exists in politics and business but that under existing circumstances, without the checks which exist in other countries, it is not far more extensive than it is. This is particularly true in cities, and it is safe to say that a very large proportion of corruption in business arises from confused relations with city politics, and city politics are certainly largely associated with corrupt business and contaminated thereby in the same way. One of the main reasons why politics are so corrupt is because they are so complicated and full of indirection, and, consequently, so unfamiliar to the people in general in their actual workings. This is eminently characteristic of city politics, not only because the system is so complex and cumbersome, but because the guiding idea of party principle, the people's north star in national affairs, operates in municipal politics as a fatal ignis fatuus for the multitude of enthusiastic party men, who, with ideas as confused as possible, elect unworthy municipal representatives only because they appear to be the standard bearers of this or that national party banner. There is, of course, something which leads to this confusion, and prevents the formation of that accurate and well directed popular opinion which made government by town meeting a success, and a perfect reflection of the high average quality of the people at large; and its removal will ensure good city government in every community which deserves it. It is the want of exact popular knowledge of the processes of government, and the ends to be attained. Either the people ought to be taught to understand the scheme and workings of city government, in the public schools, so that when they become voters they will readily recognize all the processes and perversions of municipal politics and administration, and thus be enabled to effectively bring the force of an accurately formed public opinion to bear upon wrong

doing; or those processes should be simplified in such a way that they can be readily understood and protected from abuse under existing conditions of political knowledge. The people are entitled, preoccupied as they are with a thousand and one business interests, to conditions in which there shall be no confusion as to the exact nature of the city's powers and lines of work; the exact point of demarcation between those powers and the powers and functions of the State; the exact location of responsibility on the part of city officials; the exact nature of their relations to each other and to the holders of franchises; and the exact nature and condition of the city's finances and accounts: and the moment such conditions exist, and the entire system of finances and administration is simplified so that comprehension of all its workings is prompt and perfect, that moment the difficulties of the city problem will be swept away with a rapidity and certainty that will leave us in wonder that popular apathy was ever regarded as the cause, instead of the result of existing municipal conditions, in which nothing is certain in the popular mind, except that work is imperfectly done, direct responsibility is almost unknown, and there is no apparent remedy.

Now the clarifying and simplifying value of the new charter cannot be overestimated. It throws a flood of light upon the entire municipal situation by its brevity, its close adherence to definitely ascertained principles, and the publicity which must arise, in connection with city finances and the relations of franchise holders to the city government, from the application of its provisions. It both simplifies the municipal machinery, and, in its clarity and precise definition, educates the popular mind to a point where the people must and will realize that a remedy is at hand, which will ensure deliverance from most of the evils from which American cities suffer, wherever such deliverance is deserved. That deliverance will come, however, in most communities only after a preliminary educational stage, for which the charter itself, and the committee's report are most admirably fitted.

We all know how true it is that the city exercises many powers merely as the delegated agent of the State, and that the Legislature, the central political body of the State, must and should, as long as the present system remains unmodified, extend its con-

trolling influence into city politics. It is in the interest of the national party in the State to control municipal appointments in the city in order to enforce its own policies. It is interested in municipal elective officials for the same reason, and it is fair to infer that great progress toward the elimination of party politics from the city can be made by the establishment of central State boards of discipline and control; in other words, by the State's influencing the management of its own business in the city solely through an executive instead of legislative and necessarily political channel.

We all realize profoundly the far-reaching value of a well defined municipal civil service system, even at the worst, in defeating party appointments in the city, and certainly no one will deny the great value of the provision in the new charter which reduces the elective officials to the mayor and the members of a small council elected in thirds, in eliminating "politics" in the unfortunate sense of the word. Then there is the master idea of local legislative independence and local responsibility, with the new civic pride and patriotism which would naturally grow out of it, involved in the nearly total abolition of special legislation by a constitutional provision. Add to this nomination by petition only, the virtual abolition of party conventions, and a blanket ballot without a party column in it, and we realize that we are contemplating a great and ingenious document, splendid in its simplicity and unity of operation, and nearly certain in its detailed provisions alone to bring about a condition of things in which "party" in the old sense of the term will have, at the most, a nominal existence in city government. Yet great and valuable as the charter is, in that respect, there is an important sense in which it is a mere instrument in the hands of a people confused and hopeless to the point of lethargy and inaction, but capable and desirous of fighting the battle of municipal regeneration and development the moment a path of deliverance has been opened up before it. Above and beyond any mechanical efficacy in the document itself, and the legislation likely to be based upon it, is its power to fully inform the people about their government and bring them abreast of their opportunities and duties; and its value in thus clarifying and simplifying municipal processes, and enabling the people to take their own affairs into their own hands intelligently and effectively, is of the greatest pos-

sible importance. It enables the people to successfully take their bearings and themselves eliminate national and State issues from purely municipal affairs, as they alone can do. Thus much for the educational value and adequacy of the instrument, but important as those characteristics are, equal importance must be attached, in endeavoring to attain results, to what may be called the attitude and spirit in which it was drafted and has been presented to the people, and I will be pardoned if I consider this of almost primary importance in the effort to eliminate "politics" from the city, because, say what we may, wherever the charter is adopted it must have its baptism of fire at the hands of politicians; State politicians, legislators, if you will, but politicians after all, and bound by many ties of sympathy and interest to the merest bread and butter politicians in the wards of our great cities. If the charter is adopted it must be adopted through the instrumentality of such men.

In what has thus far been said, the idea has been intended to be conveyed that the people will welcome the charter as an instrument of progress when they fully understand it, and the best class of politicians with them, and our experience in Wisconsin, in placing its provisions first before a convention of the mayors of twenty or more cities and subsequently explaining its merits, by invitation, before the State League Municipalities to say nothing of the favor accorded the charter by leading men in Wisconsin generally, fully bear me out in that impression. The same impression was produced by its reception in the Committee on Cities of the Wisconsin Assembly last winter, in the form of an amendment to the Milwaukee charter. Its final endorsement after several sessions of discussion was unanimous, but I should add that the committee reported it for passage subject to the condition that it should be submitted to the voters of Milwaukee before going into effect. It failed to pass, as I learn on good authority, owing to certain hostilities that arose from the Senatorial deadlock between certain members of the committee and their fellows. Now, nearly all those who unequivocally endorsed the charter in its original form, or in our Milwaukee amendment, on the various occasions referred to, were politicians (excepting popular indorsements, of course), which I am disposed to regard as a proof of their recognition of the fact that liberal minded municipal reformers, in the

framing of the charter and in its advocacy, are seeking to remedy the evils of a system, rather than to ride a crusade against the great body of politicians, who, on the whole, average as highly as any other body of citizens.

Having repeatedly presented the separate features of the new charter in my own State, and discussed them in some detail at the last annual meeting of this body, and not possessing the ability of the able member of our committee from Columbia University to give to the retelling of an old story even more than the novelty incident to its first rehearsal, I am sure I will be forgiven for passing with rapidity over many of its details on this occasion. Indeed, it is due to myself, as well as to him, to say that his cogent, logical and exhaustive consideration of the subject has made it exceedingly difficult to find a foothold at any point, or any essential fragment of the charter which he has not made it unnecessary to discuss. There is however one feature, the importance of which in enabling the city to free itself from the grasp of the very worst class of mere bread and butter politicians, and from the very worst form of legalized robbery, cannot be overestimated or overemphasized. I refer to the local control of the holders of franchises, the obligation of such holders to submit to an examination of their finances at frequent intervals, not by a State official, like the State railroad commissioner, but by the comptroller of the city in which the franchises are granted. It might also be well to require that certain city officials should be admitted to a sort of ex-officio membership in the Board of Directors of franchise holding companies. The time limit of twenty-one years is also of the very greatest importance as a guaranty of perfect control, and to enable the city to meet new conditions and adopt new policies as occasion demands. The obligation to pay a certain amount per mile of track in the case of street car lines might, in my opinion, be advantageously added to the requirement that some graded percentage of the gross receipts be paid annually into the city treasury.

We have had a long and unfortunate experience in Milwaukee with our street car company and understand to the full how great and serious the influence of street car and electric light companies can be. For many years one of the chief officers in each of two companies holding franchises in Milwaukee has been the political



"Boss" of his party in the city and State, and they have ruled both the city and the State separately and together, and until the relations of such companies to the city are absolutely and definitely fixed beyond the possibility of their doing harm, it will always be in their interest and power to control elections in order to get their own men into office, or they will endeavor to control a sufficient number of councilmen and State legislators subsequent to their election to accomplish their ends.

Let me illustrate as briefly as possible both the spirit and methods of such organizations by a practical example. The properties of the present Milwaukee Electric Light and Railway Company, exclusive of the interurban lines, nominally managed by a different company, but turning their profits into the same general coffers, are valued at about fourteen millions. A bill was successfully passed in the Legislature a few years ago reducing their taxes to about \$20,000 a year. Of course, the people were outraged, and a year or two afterwards the taxes were with the greatest difficulty raised to something like \$60,000. In 1896, when the spirit of agitation was strong, the road expressed a willingness to grant the people an unconditional four-cent fare. Nothing came of it, as nothing has come of various similar propositions, although, in the interval between the reduction of the company's taxes and the four-cent fare controversy, there had been a serious and violent strike in which the people generally sympathized with and aided the strikers, and a city government had been elected to secure a four-cent fare. At the present time the old controversy has again arisen. An elaborate ordinance, which plainly bears ear-marks indicating the astute suggestions of the companies' leading official and his able attorneys, has been introduced in the council, offering an immediate four-cent fare to workingmen and a general four-cent fare at the end of five years. For this is asked the grant of twelve new franchises and a ten years extension of the road's present franchise, the principal ones of which now extend to 1924. This proposition, nominally arising in the city government, certainly had its origin in the railway company, and trusting to the renewed general prosperity, and the forgetfulness of the people, the road is making an heroic effort to secure its ends, with great expectations of success.

Misleading interviews with business men have been secured by its agents and widely published as a guide to public opinion, and the railway committee in the council, with the exception of one man, is in favor of the road. Representatives of the league and two daily papers have pointed to the example of Toronto and argued the matter before the council committee with little avail, except that the original proposition of a four-cent fare at the end of eighteen years has been changed to five years. Thus much of the grasping and extravagant demands of the road, and its efforts to smother, misrepresent and control the public opinion of the city.

Now as to some of the results of such a condition of things, I need only say that I have been repeatedly told by merchants that they did not dare to come out openly for fear of serious injury to their business, either in direct sales to the road, or because they feared their business with State and city institutions would be destroyed by the bread and butter order of politicians in sympathy with it.

A great mass meeting was held Tuesday evening under the auspices of the Municipal League of Milwaukee, and the situation thoroughly gone over, but the result still hangs in the balance. Now, under existing conditions, and with present municipal machinery, it is possible for great public companies to elect their own men to the council, browbeat the people and degrade city government upon a basis of practical robbery, and unless the utmost stringency of supervision is everywhere insisted upon, together with the utmost publicity of corporation accounts, and the most definite and comprehensive arrangements established between the city and such companies, even the better councils under the new charter may fall in some degree into the toils of corporate rapacity. The provisions of the new charter, however, faithfully carried into effect, must do away with a vast amount of damaging and most insidious political corruption. The features of the document which favor strict control of franchise holding companies not only tend to purify politics, and, with other things, exclude them from city government by depriving the pothouse politician of those golden opportunities which alone lead him into politics, and to their fortification in the city, but they also tend to liberate merchants who sell to public institutions, and who now stand in such awe of the

lower order of politicians that they cannot take an independent attitude in favor of reformed city government without suffering the infliction of serious financial loss, and, in my belief, tyranny of that kind is one of the causes of an apathy which is only apparent.

The separation of legislative and executive powers in the charter, and the definite location of each with certain and clearly defined responsibility, together with the abolition of patronage through municipal civil service, takes away the prizes, opportunities to let corrupt contracts without danger of punishment, which have always attracted spoilsmen to municipal office, and it is reasonable to believe that, with the spoils removed, it will not only be possible to secure good municipal servants who will not be interested in protecting party in the city, but it will be practically impossible to be subjected to bad municipal servants, who will have to look for other and more lucrative fields for profit.

I wish to refer in closing, to a pleasing though purely speculative hope excited by reading of conditions in the rich and very aristocratic city of Toronto, and contrasting them with those which prevail in many cities in the United States. In Milwaukee and other American cities the great majority of those who vigorously oppose excessive privileges on the part of public service companies are the poor. In fact, opposition to them in some cities produces social ostracism. In Toronto the suffrage is limited and the entire control of the city is in the hands of the wealthy classes, and yet it is just in Toronto and similar cities that the relations of the city to the holders of franchises, and particularly street car companies, and the forced relation of such companies to the people is most perfect, just, and democratic.

Now is it too much to expect that when our merchants are freed from the despotism of the petty city politician, the same high level of intelligence, local patriotism and just feeling, will become apparent among the wealthy men of the cities of the United States?

## THE POWER TO INCUR INDEBTEDNESS UNDER THE PROPOSED MUNICIPAL PROGRAM.

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HONORABLE BIRD S. COLER,  
Controller, New York City.

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The effect of constitutional limitations upon the debt-incurring capacity of cities has recently been a matter of extreme practical importance to the City of New York. None of the municipal corporations which were consolidated by the Greater New York Charter into the City of New York, as now constituted, had exceeded its constitutional limit of indebtedness at the time of consolidation. Nevertheless, the effect of consolidation was to create a new city, the indebtedness of which considerably exceeded the limitation in the Constitution of the State of New York, of ten per cent. of the value of its real estate as assessed for purposes of taxation. The reason for this was that the limitation in question applied separately to the indebtedness of the counties included within the territorial limits of Greater New York and to the municipal corporations included within it. For example, at the date of consolidation the City of Brooklyn had a debt practically equal to the maximum permitted by the Constitution, whereas the county of Kings, which was territorially identical, had a debt of nearly \$15,000,000. The Greater New York Charter made all indebtedness, including the county debts, a part of the common debt of the new city, so that the effect of the annexation of Kings County and the City of Brooklyn to the City of New York was to reduce the debt-incurring capacity of the new city by nearly \$15,000,000. The same results were also obtained in a less degree from the annexation of the counties of Queens and Richmond.

I do not mean to dwell upon the debt-limit difficulties which beset the financial administration of the new City of New York during the first eighteen months of its existence. We were theoretically—though not, of course, practically—bankrupt. The city

had exhausted its credit within the constitutional limitation, and could only continue in business on a system of cash payments. These difficulties have now been surmounted, first through a large increase in the assessed valuation of real estate, principally in the limits of the old City of New York; and, secondly, through the adoption at the recent election of a constitutional amendment eliminating the county indebtedness of the four counties of New York, Kings, Queens, and Richmond, from computation in ascertaining the debt limit of the city.

One effect of these difficulties has been to make the general public quite familiar with this constitutional provision, and to excite an amount of public discussion in regard to its merits and demerits which would not otherwise have been possible. Advocates of consolidation had written many eloquent articles describing the great possibilities for modernizing and improving the City of New York, so that it might become foremost among the imperial cities of the world. It was found, however, that consolidation, with its enormously increased public duties and responsibilities, instead of carrying with it an increase in the power to issue bonds to meet these responsibilities, actually brought about a diminution of that power.

I hope that this reference to the increased public duties and responsibilities resulting from consolidation will not be regarded as mere phrase-making. This change in conditions is a real one and vital, as a single illustration will show.

Prior to consolidation the building of a sufficient number of bridges across the East River was regarded as a pleasant dream, belonging, as a great English novelist has said, "to the avenue of wishes leading to the golden mists beyond imagination." To-day how different are the conditions! If Greater New York is to be one city in fact, as well as in name, intercommunication between its several boroughs must be made as easy as physical conditions will permit, almost regardless of cost. If consolidation had really any sensible meaning or purpose, that purpose was the upbuilding of a city of homes at more equal distances than at present from the centre of commercial activity. Prior to consolidation these bridges were but dreams, because the taxpayers of Manhattan Island would not build them, and the communities on the other

side of East River could not. To refuse to build them now would be to declare that consolidation has failed of its primary and most important practical object. Yet the cost of these bridges is enormous. Including the land necessary for approaches, twelve millions of dollars each is a moderate estimate of the average cost.

The demands made to-day upon the public purse for public improvements in the great modern cities of the world would astound the publicists of past generations. The ever-increasing cost and complexity of urban life is nowhere better exemplified than in the demand for increased assumption of public utilities by government. A city that does not respond to this demand is provincial, is not a metropolis. Paris has been regarded as the typical modern city. It certainly was the first to make widely extended use of its credit for public improvements. And this fact has, by most observers, been cited with approval and as a cause of its greatness. How does the bonded debt of the City of Paris compare with that of New York? The present net funded debt of the City of New York is \$253,000,000; the bonded debt of Paris is, in round figures, two billions of francs, or, say, \$400,000,000. Yet New York to-day is incomparably the richer city, and better able to sustain the larger debt.

In the argument I am about to make for a more liberal policy affecting a city's power to issue bonds, I wish to state clearly my appreciation of, and adherence to, the wisdom of constitutional restrictions on the indebtedness of cities. These restrictions are to be found in the constitutions of nearly all our States, and have been upheld both in letter and in spirit by the decisions of our courts. They have undoubtedly served to prevent the financial ruin of many small cities, which in the hands of unscrupulous political adventurers would otherwise have undergone the same disastrous experiences as befell the City of Elizabeth in days gone by. Yet this constitutional limitation has itself its limitations. It should not be made a fetish to be worshiped blindly at the expense of really necessary progress.

In the competition which exists to-day between nations and cities, as well as between individuals, to stand still means to retrograde, and if it should happen that a choice must be made between stopping the modernization of New York and amending the Con-

stitution I am in favor of the latter course, provided no real danger to the city's credit and solvency be thereby threatened.

I believe the clause in the Constitution limiting municipal indebtedness—wholly admirable at the time it was written—is not altogether adapted to modern requirements, in that it does not discriminate sufficiently between two classes of city debts of a wholly different character.

A city issues bonds only for permanent improvements, the benefits of which inure to posterity. But there are two classes of these improvements, easily distinguishable from one another, and between which a sharp distinction should be drawn.

In one of these classes are improvements which, while adding to the attractiveness, beauty, and healthfulness of a city, to its economical administration, or to the better conduct of its governmental functions, bring in no direct financial returns. This is by far the more numerous class, and embraces such usual works as the erection of public buildings, including schools, the acquisition of parks, and the repaving of streets. No matter how great the material benefits may be that are derived from such improvements the expense incurred is unquestionably a financial burden upon the taxpayers. In regard to such expenditures there can be no doubt as to the wisdom of establishing an arbitrary constitutional limit, since otherwise the burdens that might be thrown upon succeeding generations by excessive issues of bonds would become intolerable.

There is another class of improvements, however, far less common, which either result in casting no burdens whatever upon the taxpayers or else bring in an actual profit to the municipality. In such cases it may be permissible to ask wherein there lies any rational excuse for limiting the governmental activities of a city by constitutional restrictions. A dim recognition of this truth seems already to have found expression in the Constitution of New York, which partially excepts from the operation of the debt limitation bonds issued to provide for the supply of water, and requires only that a special sinking fund be established for their ultimate redemption. Why this exception? Because pure water is a prime necessity for the health of a community? Scarcely, for, there are many other public necessities paid for by the issue of

bonds which are hardly less imperatively needed by the people, and as to such the Constitution is silent. The reason must be found in the fact that for the past century, by a universal custom which has the force of unquestioned law, it has been the practice of cities owning water-works to charge consumers for the water supplied, and that the rentals received from the operation of this natural monopoly have almost invariably shown a profit over the expense of maintenance and operation. In other words, bonds issued to provide for the supply of water are not a real burden upon the taxpayers, since the water rents received pay the interest on these bonds, amortize the principal, and still yield a profit to the city.

If, as I believe, this principle is absolutely sound, there is no reason why, in these days of highly developed municipal functions, its application should be limited to the matter of water supply, simply because generations ago that constituted the only form of municipal ownership known to our forefathers. I will try not to wander too far into the seductive field of municipal ownership; but there are two illustrations of the principle I have just alluded to which, in the City of New York, are practical questions of the day. I refer to the construction of the Rapid Transit Railroad and the proper development of our dock system.

As is well known, the proposed contract for the construction of the Rapid Transit road provides for its completion by the contracting company for a specified sum to be named in the bid. This sum is to be paid by the city to the contractor in installments, as the work progresses. The same contracting company is bound by the terms of the contract and is under heavy bonds to operate the road for a term of fifty years, paying to the city as rental the annual interest on the bonds issued by the city to pay for the road, and one per cent. additional for the purpose of establishing a sinking fund for the liquidation of the bonds at the expiration of the lease. Thereafter the road becomes the unincumbered property of the city.

A more advantageous contract can scarcely be imagined. Here is a case where the bonds issued by the city are in no real, practical sense a debt at all. There is absolutely no burden thrown upon the taxpayers; on the contrary, the city will ultimately ac-



quire without cost an asset of inestimable value. Why should the Constitution hinder the city from entering into enterprises of this character?

The question of the development of our dock system is, in the opinion of many, even more important than the construction of the Rapid Transit Railroad. No one who is impartial and has really studied the matter can seriously deny that the municipilization of the New York City docks, tardily and insufficiently as it has been carried on, has been advantageous to the city. No city in the world is circumstanced similarly to New York in respect to its water front privileges. But the acquisition of dock property by the city has proceeded at a snail's pace. In the fierce commercial competition which exists to-day between the great ports on the Atlantic coast of this country New York has been badly handicapped by lack of wharfage room and transportation facilities incidental thereto. So grave has the situation become that a State Commission has been created to examine into the causes of and remedies for the decline in the commerce of this port. A danger of this kind defies exaggeration. All else we might lose, but the loss of our commercial primacy spells disaster. If this threatened disaster is to be averted, the acquisition, improvement, and control of dock property by the city should be made a matter of public agitation, and entered into at once in a vigorous, comprehensive manner. Excellent plans have been devised for improving the water front of the city, for constructing docks equal to those of Liverpool, and for providing proper means for transportation and transshipment along the lines of the city's marginal streets. But, thus far, the cost has proved prohibitive. Prohibitive, however, only for one reason—the obstruction of the Constitution. If it can be shown—and it can be—that the money expended for these dock improvements would not prove a real debt, burdensome to the taxpayer, but rather an advance or loan made by the city, and certain to be repaid, principal and interest, within the lifetime of this generation, with an enormous profit besides, who would be such a slave to conservatism as to dispute the wisdom of amending the Constitution so as to make this great improvement possible?

Our people do not properly realize the profits which the city derives from its docks. The bonds issued by the city in recent years to pay for the acquisition and improvement of dock property have borne an average interest charge of about  $3\frac{1}{2}$  per cent. per annum. Up to 1895 the Dock Department had spent the sum of \$6,508.-291.50 in acquiring and improving private property, from which the annual rentals received amounted to \$462,226.54, or 7 1-10 per cent. per annum on the total outlay. This would represent a profit over the interest charge on such bonds of more than a quarter of a million dollars per annum, or sufficient to redeem the principal of the bonds in less than twenty years, notwithstanding the fact that the outlay referred to includes the large expense of widening and paving West Street.

Since 1895 the Dock Department has conducted important condemnation proceedings in the vicinity of Bank and Bethune streets on the North River to provide piers of extraordinary length for the use of the large transatlantic steamship lines. Owing to the peculiar topography and development of this locality, the cost of these proceedings was greater than any heretofore attempted, or likely to be undertaken in the future.

The blocks of ground condemned were covered by large factories with extensive fixtures and machinery, which had to be paid for by the city, and then torn down and removed. Afterward the ground upon which these buildings stood had to be dredged out to a sufficient depths for the slips, which was a heavy expense not ordinarily incurred. This was followed by the construction of a masonry bulkhead wall and the erection of piers. The total outlay connected with this improvement was \$7,526,841.60, upon which the annual interest charge is \$244,947.35. The rentals received amount to \$370,206.52, which shows an annual profit of \$125,259.17.

Ordinarily the city does not have to acquire the upland property abutting on the water front, so that this improvement makes the least favorable financial showing for the Dock Department that could be exhibited. Nevertheless, the annual profit is sufficient to redeem the bonds issued in thirty-five years, at the end of which time the city will be probably \$10,000,000 richer by the operation.

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To adhere slavishly to the fetish of a constitutional provision in the light of such a showing as this is to shut the door of fate in the face of our city's future. If New York City is to occupy the position of commercial supremacy to which its past history and its natural advantages entitle it, we must reason about these matters like intelligent adults, and not like children still enmeshed in the prejudices of early teaching.

Our constitutions should be amended so as to except from the limitation on the indebtedness of cities bonds issued to provide for improvements—which, while governmental in their character are, nevertheless, essentially business enterprises—and from the operation of which profits can be derived sufficient to provide a speedy amortization of the indebtedness temporarily incurred.

## PUBLIC ACCOUNTING UNDER THE PROPOSED MUNICIPAL PROGRAM.

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Whatever may be the influence of the Municipal Program on the administrative organization and methods of our American cities, the very fact of its formulation marks a turning point in the history of reform movements in the United States. The most serious charge to which reform associations have been subjected has been that their efforts were confined to destructive criticism, and that they have failed to furnish a positive basis for political reorganization. Any one who has carefully observed the movement of popular opinion during recent years cannot fail to have been impressed with the danger involved in this growing distrust of the ability of reform movements to meet the practical problems of American political life.

To make the energy, which is being lavishly expended by such large numbers of devoted citizens really effective, requires the substitution of a positive program for negative criticism. Not only are the shortcomings of our city governments to be dwelt upon, but the positive measures necessary for the improvement of existing conditions must be formulated. To do this requires the most careful consideration of the general principles as well as the technical details of every department of municipal administration. In the various subdivisions of public accounting, pioneer work must be done, owing to the absence of any general appreciation of the close relations between systematic public accounting, on the one hand, and administrative efficiency on the other.

The provisions for public accounting in the Municipal Program may for purposes of convenience be grouped as follows:

- a. The content, arrangement, and publication of financial reports.  
Constitutional Amendment, Article Three, Sec. 4.  
Municipal Corporations Act, Article Two, Sec. 15.  
Municipal Corporations Act, Article Six, Par. 9.
- b. The financial control over records and expenditures.  
Municipal Corporations Act, Article Six, Par. 1, 6, 7, 8.
- c. The accounts of municipal industrial enterprises.  
Constitutional Amendment, Article Three, Sec. 2, Par. 4.  
Municipal Corporations Act, Article Two, Sec. 14, Par. 4.
- d. The accounts of guarantees of franchises.  
Constitutional Amendment, Article Three, Sec. 1, last par.  
Municipal Corporations Act, Article Two, Sec. 10.  
Municipal Corporations Act, Article Six, Sec. —, Par. 2, 3, 4 and 5.

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## THE CONTENT, ARRANGEMENT, AND PRESENTATION OF FINANCIAL REPORTS.

### *Constitutional Amendment, Article Three, Sec. 4.*

“Every city shall keep books of account. It shall also make stated financial reports at least as often as once a year to the\* in accordance with forms and methods prescribed by him, which shall be applicable to all cities within the State; such reports shall be printed as a part of the public documents of the State, and submitted by the\* to the Legislature at its next regular session. Such reports shall contain an accurate statement in summarized form and also in detail, of the financial receipts of the city from all sources, and of the expenditures of the city for all purposes, together with a statement in detail of the debt of said city at the date of said report, and of the purposes for which such debt has been incurred, as well as such other information as may be required by the\*. Said\* shall have power by himself, or by some competent person or persons appointed by him, to examine into the affairs of the financial department of any city within the State. On every such examination inquiry shall be made as to the financial condition and resources of the city, and whether the requirements of the constitution and laws have been complied with, and into the methods and accuracy of the city’s accounts, and as to such other matters as the said\* may prescribe. The\* and every such examiner appointed by him shall have power to administer an oath to any person whose testimony may be required on any such examination and to compel the appearance, attendance, and testimony of any such person for the purpose of any such examination, and the production of books and papers. A report of each such examination shall be made, and shall be a matter of public record in the office of said\*.”

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\* State Controller or other fiscal officer.

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*Municipal Corporations Act, Article Two, Sec. 15.*

Essentially the same as Article Three, Section 4, of the Constitutional Amendment cited above, with the additional provision that the financial reports of the city shall be certified as to their correctness by the fiscal officer of the State, or some competent person or persons appointed by him.

*Municipal Corporations Act, Article Six, last ¶.*

“The City Controller shall on or before the 15th day of January in each year, prepare and transmit to the City Council a report of the financial transactions of the city during the calendar year ending the 31st day of December next preceding,\*\* and of its financial condition on said 31st day of December. The report shall contain an accurate statement in summarized form, and also in detail, of the financial receipts of the city from all sources and of the expenditures of the city for all purposes, together with a detailed statement of the debt of said city, of the purposes for which such debt has been incurred, and of the property of said city, and of the accounts of the city with grantees of franchises.”

The recommendations of the Municipal Program under this head are designed to facilitate that enforcement of political responsibility which has been the end and aim of all recent administrative reforms. The close relation between public accounting and administrative efficiency is most clearly shown in the financing of private corporations. It is a well-known principle of corporate management that the responsibility of president and directors is largely determined by the annual financial report. That this report should be unequivocal and readily intelligible is one of its primary requisites. Otherwise, the stockholders are deprived of all means of enforcing responsibility. Whenever the system of accounting is defective, or when it has been arranged with a view to concealing the policy of the directors, all real responsibility disappears. At times, it is true, stockholders are willing to submit to such methods in order to avoid franchise taxes or other obligations.

Although the analogy between the management of private and public corporations is often misleading, it is of value in the discussion of questions of financial responsibility. It is quite true that the standards of efficiency in the two cases are quite different. The mere fact of a large treasury balance is no necessary indica-

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\* State Controller or other fiscal officer.

\*\* This section assumes December 31 to be the end of the city's fiscal year.

tion of governmental efficiency. A surplus may be due to the failure to repair the deterioration of public works, or to meet pressing obligations. While, therefore, the standards to be applied to the financial reports of private and public corporations are quite different, accuracy and intelligibility are equally necessary in both cases.

The provisions of the Constitutional Amendment and Municipal Corporations Act cited above prescribe:

- (1) The content and publication of financial reports.
- (2) The presentation of annual reports to the fiscal officer of the State.

The first of these is intended to remedy the evils resulting from the lack of trustworthy information on important questions of public policy, due, in large part, to the failure of officials to report on the financial condition of the city at stated intervals. The further requirement that the reports shall conform to the system prescribed by the fiscal officer of the State is intended as a guaranty that the statements will be readily intelligible and open to but one interpretation.

It must in fairness be said that the present complexity of city reports is due, in large part, to the haphazard and ill-advised State legislation which has burdened cities with an endless series of special accounts. In New York city, for example, instead of permitting the municipality to determine the details of financial policy, the State Legislature has not hesitated to force upon it a great number of expenditures for specific purposes. Many of these have been grouped under the "Special and Trust Accounts," and do not figure in the general appropriation account of the city. To add to the confusion the Legislature has pledged certain classes of receipts to the payment of interest on the city debt. Among these we find such important items as ferry rents, court fees and fines, Croton water rents, etc., amounting in 1896 to \$4,796,775.51. For the payment of the city debt, important sources of revenue, such as market rents, dock and slip rents, pawnbrokers' licenses, railroad franchises, etc., amounting in 1896 to \$5,546,798.21, have been taken from the General Income account. Naturally, the Controller's report mirrors the system of accounting which has been forced upon the city through State

legislation. It would, of course, be possible to re-group receipts and expenditures in more simplified form, but this would entail additional labor, and since the term of office of the Controller is usually brief, there is but little incentive to make the change.

It is important to note in this connection that under the proposed Municipal Program (Municipal Corporations Act, Article Six) the changes in the management of the Controller's office will probably be less frequent than at present. The office is removed from the uncertainties of popular election and given an indefinite tenure. The Council is not likely to endanger the stability of the city's financial system by making frequent changes, particularly when it is not called upon to make a change at any stated period.

With his tenure of office dependent upon the character of his administration, every inducement will be offered to the Controller to organize the financial department upon sound principles and to make the statements of financial condition readily intelligible to the citizens. He will thus be able to enlist strong popular support in case of an attempt by the Council to use, for political purposes, its power over the office.

The numerous instances in which public opinion has been unable to reach any definite conclusions—owing to the lack of systematic presentation of financial data—would seem a sufficient reason for these provisions in the Program. One of the most striking illustrations is the recent leasing of the Philadelphia Gas Works. The conflicting statements of opposing interests were supported by data taken from the same reports. The classification of receipts and expenditures was so confusing that almost any proposition could be read into it. We cannot expect the citizen to subject every public financial statement to critical analysis. He is at the mercy of conflicting interpretations unless the official information furnished him is so clear and unequivocal as to leave no room for doubt.

Another element of no mean importance is the relation of systematic accounting and reports to the financial stability and credit of the city. No business man or private corporation can afford to incur the odium resulting from negligent financial management. Civic life suffers no less than private business relations under such



circumstances. Wearied of the uncertainties of the city's financial management, the population is soon prepared to turn over public services to private corporations. The city's credit suffers, furthermore, from the inability of investors to ascertain either the nature of its assets or the productivity of its enterprises. Thus the financial stability of the government is gradually undermined until the stern necessities of impending calamity force a reorganization of the financial system.

The desirability of prescribing uniformity in city reports is so obvious as to require but brief consideration. It is quite likely that this provision will prove to be the first step toward a well-organized system of central administrative control over the finances of municipalities. The important power of inspection and examination given to the chief fiscal officer of the State is in harmony with the best interests of both city and State. The collection of the State's share of general property taxes by the local authorities gives it a real and direct interest in the organization of the city's finances. From the information contained in these reports the State Legislature will be in a position to determine with far greater accuracy than is possible at present the ability of cities to undertake new functions. The system of State examination of local accounts has been tried in a number of States—notably Minnesota and Wyoming. In the latter\* the examiner enjoys far-reaching powers, including the determination of the system of bookkeeping and the verification of all accounts of county officers. Refusal of local officers to make required returns or any attempt to interfere with or obstruct the work of the State examiner is made a penal offense, punishable by a fine of not less than one thousand dollars nor more than five thousand dollars, or by imprisonment in the penitentiary for not less than one year nor more than five years, or both.

Another advantage incident to uniformity of financial reports is the possibility thus offered of furnishing every city with the results of the experience of sister municipalities. An accurate record of the financial operations of the cities of the State cannot help furnishing valuable lessons, both positive and negative, provided ab-

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\* See Session Laws of Wyoming. 1890-91. Chap. 84.

solute trustworthiness of returns can be depended upon. The plan proposed guarantees this primary requisite. Finally, the provision under consideration will correct the evils resulting from the irregularity in the publication of reports. Few of our larger cities make any attempt to give to their citizens trustworthy statements of their financial status within six months of the close of the fiscal year. The officials are thus able to escape the responsibility which would otherwise attach to such statements.

As regards the content of the city's financial statements, it may be interesting to note that the annual report of the Auditor of Boston furnishes an excellent instance of a clear and intelligible presentation of financial condition. The general statement of receipts and expenditures and the condition of the city debt is followed by detailed tables, showing "Appropriations and Payments." This is followed by a minute exposition of the income and expenditure accounts arranged alphabetically, a statement of the income and expenditure of the County of Suffolk, and an analysis of city and county indebtedness follows. An appendix to the report contains information on special topics of interest, such as the value of city property, the city's trust funds, and summaries of total expenditures for specific purposes during the last thirty years, such as schools, water works, etc. The report of the Auditor of Cleveland is also worthy of special attention, because of the excellent summary of receipts and expenditures. In its main features this summary conforms to the outline presented in the appendix to this paper.

#### THE FINANCIAL CONTROL OVER RECEIPTS AND EXPENDITURES.

*Municipal Corporations Act, Article Six, ¶ 1, 6, 7, 8:*

"The Council shall elect, and may by resolution remove, a Controller, who shall have a general supervision and control of all the fiscal affairs of the city, to be exercised in the manner which may be by ordinance prescribed. It shall be his duty to keep the books of account and to make the financial reports provided for in Article II, Section 15 of this Act. His books shall also exhibit accurate and detailed statements of all moneys received and expended for account of the city by all city officers and other persons, and of the property owned by the city and the income derived therefrom. He shall also keep separate accounts of each appropriation, and of the dates, purpose and manner of each payment therefrom.

"The Controller shall examine and audit all bills, claims and demands against the city, and shall promptly report in writing to the Mayor and to the Council any default or delinquency he may discover in the accounts of any city officer.

"The Controller may require any person presenting for settlement an account or claim for any cause whatever against the city to be sworn or affirmed before him, touching such account or claim; and, when so sworn or affirmed, to answer orally as to any facts relative to the justness of such account or claim. Willful false swearing before him shall be perjury, and punishable as such. He shall settle and adjust all claims in favor of or against the city, and all accounts in which the city is concerned as debtor or creditor; but in adjusting and settling such claims, he shall, so far as practicable, be governed by the rules of law and principles of equity which prevail in courts of justice. The power hereby given to settle and adjust such claims shall not be construed to give such settlement and adjustment the binding effect of a judgment or decree, nor to authorize the Controller to dispute the amount or payment of any salary established by or under the authority of any officer or department authorized to establish the same, because of failure in the due performance of his duties by such officer, except when necessary to prevent fraud.

"No payment of city funds shall be made except upon draft or warrant countersigned by the Controller, who shall not countersign any such draft or warrant until he has examined and audited the claim, and found the same justly and legally due and payable; and that the payment has been legally authorized, and the money therefor has been duly appropriated, and that the appropriation has not been exhausted."

The questions here involved are mainly of a technical nature, involving many of the intricacies of administrative organization. The far-reaching powers of financial control given to the Controller assure to the office the importance which it has come to occupy in the minds of the people. In all our larger cities there is a marked tendency to look to this official for the speedy redress of grievances. When the citizen feels himself injured by the failure of a city contractor fully to meet his obligations, the easiest and usually the most effective remedy is to demand that payment be deferred until further investigation. The remedy is equally effective when a head of department has violated the law in the awarding of contracts or in the making of appointments. The controllers of New York and Philadelphia have not hesitated to use this power in cases in which the Mayor has refused to give relief through his power of removal. In addition to this most important

supervisory power this officer is given general control over the accounts of every city official.

With such a combination of powers there is every reason to expect that the office will attract men of the very highest ability. The experience of all our larger cities has shown that with every increase of power there has been a distinct improvement in the character of the candidates. Under the system proposed, failure to perform official duties faithfully and efficiently will carry with it consequences which no individual, and certainly no political party, can afford to meet.

#### ACCOUNTS OF MUNICIPAL INDUSTRIAL ENTERPRISES.

Constitutional Amendment, Article Three, Sec. 2, ¶ 4.

Municipal Corporations Act, Article Two, Sec. 14, ¶ 4.

Under these provisions the following classes of bonds are not to be included in calculating the limits of city indebtedness:

“Bonds authorized by the affirmative vote of two-thirds of the members of the Council, approved by the Mayor, and approved by the affirmative vote of the majority of the qualified electors of the city voting upon the question of their issuance at the next ensuing city election, for the supply of water or for other specific undertaking from which the city will derive a revenue; but from and after a period to be determined by the Council, not exceeding five years from the date of such election, whenever and for so long as such an undertaking fails to produce sufficient revenue to pay all costs of operation and administration (including interest on the city's bonds issued therefor and the cost of insurance against losses by fire, accidents and injuries to persons) and an annual contribution to a sinking fund which will pay at or before maturity all bonds issued on account of said undertaking; all such bonds outstanding shall be included in determining the limitation of the city's power to incur indebtedness. The City Controller shall annually report to the Council in detail the amount of the revenue from each such undertaking, and whether there is any; and, if so, what deficit in meeting the requirements of its sinking fund.”

With the exception of the provisions here cited—which affect but indirectly the question under consideration—the Municipal Program contains no recommendations either in the Constitutional Amendment or in the Municipal Corporations Act. This omission has been dictated by a desire to limit the Act to the general principles of municipal organization.

It is important to point out, however, that the experience of the last few years has shown the far-reaching consequences of unsystematic accounting in the industrial enterprises of the municipality. Here again the recent leasing of the Philadelphia Gas Works furnishes a striking instance. After some fifty years of municipal management the works were turned over to a private company, largely because of the failure of the published accounts to give a correct statement of the financial condition of the enterprise. Each year the published reports showed a large surplus which stifled the criticism to which the management would otherwise have been subjected. In fact, the deterioration in the quality of gas was largely due to the brilliant financial reports. When the attack upon the city's works was opened by the companies desiring to obtain the franchise, it was found that instead of gross profits having been applied to the repair and improvement of the works, no account had been taken of depreciation and deterioration. During the decade 1887-97 over five million dollars of gross profits were used to reduce the tax rate. Under such conditions it was comparatively easy for the franchise-seekers to show that under city management the gas works had been permitted to sink into a dilapidated condition. The popular feeling aroused by this exposure led to the abandonment of municipal management. Had the financing of the gas works been made to conform to sound business principles, they would never have reached the low plane of efficiency which made the easy prey for the corporation which now enjoys a monopoly of the gas service.

In any sound system of municipal accounting ample provision must be made to keep all public works at the highest point of efficiency before any surplus is turned into the general city treasury. The accounts of public works should be completely separated from the general treasury account, while the receipts of each public work should be charged with the interest and liquidation of the debt contracted for its benefit plus an amount sufficient to cover the cost of all repairs. Under such a system the true financial status of every public work will be kept before the public eye and thus effectually prevent the periodical raids upon the city's property by private corporations.

## ACCOUNTS OF GRANTEEES OF MUNICIPAL FRANCHISES.

*Constitutional Amendment, Article Three, Sec. 1, last ¶.*

“Every grantee of such franchises or rights to use shall keep books of accounts and make stated quarterly reports to the Financial Department of the city, which shall contain an accurate statement in summarized form, and also in detail, of all financial receipts from all sources and all expenditures for all purposes, together with a full statement of assets and debts, as well as such other information as to the financial condition of such grantee as said department may require, and said department may inspect and examine, or cause to be inspected and examined, at all reasonable hours, any books of account of such grantee.”

Municipal Corporations Act, Article Two, Sec. 10.

Essentially the same as the above, with the additional provision that the books of account of grantees of franchises shall be kept and reports presented in accordance with forms and methods prescribed by the City Controller, which, as far as practicable, shall be uniform for all such grantees.

*Municipal Corporations Act, Article Six, ¶ ¶ 2, 3, 4, 5.*

“The Controller shall keep a separate record for each grantee of a franchise from the city rendering a service to be paid for wholly or in part by users of such service, which record shall show in the case of each such grantee :

“1. The true and entire cost of construction, of equipment, of maintenance, and of the administration and operation thereof; the amount of stock issued, if any; the amount of cash paid in; the number and par value of shares; the amount and character of indebtedness, if any; the rate of taxes; the dividends declared; the character and amount of all fixed charges; the allowance, if any, for interest, for wear and tear or depreciation; all amounts and sources of income;

“2. The amount collected annually from the city treasury, and the character and extent of the service rendered therefor to the city.

“3. The amount collected annually from other users of the service, and the character and extent of the service rendered therefor to them. Such books of record shall be open to public examination at any time during the business hours of the Controller's office.

Probably no other question connected with the government of municipalities has so occupied the public mind within recent years as the relation between the city and public-service corporations. Entrenched behind constitutional and legal safeguards the corporations have been able, under the protection of the courts, to defy the city authorities to a degree which has made it difficult to de-

termine in many instances whether the city controlled the corporation, or vice versa. The dangers to our political life involved in such a situation can hardly be over-estimated. In the public mind it creates a feeling of antagonism to such corporations which furnishes the cloak for the most unscrupulous kind of extortion by corrupt politicians. The periodical "strikes" of the State Legislatures upon public-service corporations usually parade before the people as honest attempts to secure for them a larger return for the privileges which they have granted. The effect upon the corporations is no less unfortunate. The directors—who regard themselves as trustees for the stockholders—feel themselves under obligations to parry the attack by every possible means. As bribery is the surest and quickest plan, it is resorted to and subsequently justified with the argument that the fault lies with the people in electing a corrupt Legislature. However we may condemn this view, it represents the attitude of a very large and influential section of our population, and must be reckoned with in any attempt to meet the evil.

Experience—ofttimes of a rather bitter sort—has repeatedly demonstrated the futility of legislation designed to oppose the combination and consolidation of public-service corporations. Statute law cannot overcome the inevitable tendencies of economic growth. While it is evident to every observer that the permanent interests of the public are endangered by this feeling of antagonism between the corporations and the people, it is equally clear that some form of public control is absolutely necessary to safeguard such interests.

The first, and certainly the most important step, toward acquiring such control is to compel the public-service corporations to furnish complete data concerning the investment, capital, and operating accounts. Absence of trustworthy information on these points makes the determination of franchise values mere guesswork. The corporation, rather than the public, profits by the resulting uncertainty. Furthermore, the requirement that corporate accounts be kept in accordance with standards prescribed by the public authority, combined with the publicity of such accounts, will effectually check over-capitalization, which is a constant menace to the public at large as well as a ready means of avoiding pay-

ments for franchise privileges. In a great number of cases—of which the street railway system of Philadelphia furnishes a conspicuous instance—the reservation by the city of the right of ultimate purchase of the plant has proved worthless, owing to the absence of information as to construction and equipment.

Another advantage of no mean importance accruing from the publicity of accounts is the possibility thus offered of preventing the expenditure of large sums for corrupt political purposes. It is one of the most important means of taking the corporations out of politics.

With full and complete information concerning franchises in the hands of the public authority it will be possible to adjust the relations of the municipality to the public-service corporations on a definite and permanent basis. In the long run both the corporations and the public will profit by the change. The greater security to vested rights which must result will tend to offset the increased obligations resulting from a more accurate valuation of franchises. When these companies once clearly understand that they cannot avoid contractual obligations by any of the well-known methods of financial juggling, we shall be well on the way toward such an adjustment of relations as will safeguard both the interests of the public and those of the stockholders. There will no longer be any excuse for the periodical "strikes" which now disgrace our legislative halls, nor will there be any inducement for the public-service corporations to indulge in the questionable financial operations which have aroused so much criticism and opposition.

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#### APPENDIX.

#### OUTLINE FOR SUMMARIZED STATEMENT OF RECEIPTS AND EXPENDITURES.

#### ORDINARY RECEIPTS.

##### I. *Taxation.*

##### *a. General Property Taxes.*

1. Real Property Taxes.
2. Personal Property Taxes.

##### *b. Poll Taxes.*



*c. Licenses.*

1. Liquor licenses.
2. Other licenses, including mercantile, peddlers', and hawkers' licenses. Not to include street railway licenses, which are to be placed under the separate heading of franchises.

*d. Franchise and Franchise Taxes.*

Include under this head all payments for franchise privileges by gas, water, electric light, telephone, street railway, or other companies enjoying municipal franchises. Payments under general property taxes not to be included.

*e. Fees.*

1. Legal and judicial fees, including fees for recording deeds and registering wills.
2. Other fees, such as vault permits, sidewalk permits, etc.

*f. Special Assessments.*

1. Opening streets.
2. Paving streets.
3. Sidewalks.
4. Sewers.
5. Miscellaneous assessments.

II. *Public Safety.\**

- a.* Police.
- b.* Fire Department.
- c.* Fire and Police Telegraph.
- d.* Jails, Prisons and Reformatories.
- e.* Health Department.
- f.* Food inspection.
- g.* Building inspection.
- h.* Regulating dangerous pursuits.
- i.* Sanitary measures.
- j.* Public Pound.
- k.* Militia.
- l.* Miscellaneous.

III. *Public Charity.†*

- a.* Hospitals.
- b.* Insane asylums.
- c.* Homes.
- d.* Workhouses, almshouse.
- e.* Lodging houses.

\* The income from local courts has been included under "Fees."

† Although very little income is usually derived from some of these sources they are inserted to harmonize with corresponding items under "Expenditures."

- f.* Outdoor relief.
- g.* The unemployed.
- h.* Miscellaneous.

IV. *Public Convenience.*

- a.* Chief Engineer.
- b.* Opening and grading streets. Abolishing grade crossings.
- c.* Street and sidewalk paving.
- d.* Street cleaning.
- e.* Street lighting.
- f.* Removal of garbage.
- g.* Bridges.
- h.* River and harbor improvements.
- i.* Sewers.
- j.* Parks and playgrounds.
- k.* Baths, laundries and public comfort stations.
- l.* Ferries.

V. *Public Industries.*

- a.* Gas works.
- b.* Water works.
- c.* Electric light works.
- d.* Markets.
- e.* Docks and wharves.
- f.* Ferries.
- g.* Street railways.
- h.* Conduits.

VI. *Public Education and Allied Objects.*

- a.* Schools.
- b.* Free library.
- c.* Reading-room.
- d.* Celebrations.
- e.* Monuments.
- f.* Documents.

VII. *Public Trust Funds.*

Funds and foundations of which the city has the administration.

EXTRAORDINARY RECEIPTS.

VIII. *Public Debt.*

- (1) Funded debt.
- (2) Floating debt.\*

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\* Exclude from this mere book accounts, such as the income from revenue bonds issued in anticipation of taxes.

## EXPENDITURE.†

I. *General Government.**a. Executive.*

1. City Hall—General maintenance and repairs.
2. Mayor's Office.
3. Heads of Departments.
4. Special experts.

*b. Legislative.*

1. City Councils.
2. City Clerk.

*c. Legal.*

1. Law Department (city courts not included).

*d. Finance Departments.*

1. Assessors.
2. Tax Collectors.
3. Treasurer.
4. Comptroller or Auditor.
5. Board of Estimate and Apportionment.
6. Board of Equalization.
7. Sinking Fund Commission.

*e. Elections.*II. *Public Safety.**a. Police.**b. Fire Department.**c. Fire and Police Telegraph.**d. Local Courts.**e. Jails, Prisons and Reformatories.**f. Health Department.**g. Food inspection.**h. Building inspection.**i. Regulating dangerous pursuits.**j. Sanitary measures.**k. Public Pound.**l. Militia.**m. Miscellaneous.*


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† Under each heading it will be desirable to classify as follows :

- I. Current expenses and maintenance.
  1. Salaries.
  2. Supplies.
  3. Other expenses.
- II. Construction.
- III. Extraordinary expenditures other than construction.

III. *Public Charity.*

- a. Hospitals.
- b. Insane Asylum.
- c. Homes.
- d. Workhouses, Almshouses.
- e. Lodging Houses.
- f. Outdoor Relief.
- g. Unemployed.
- h. Miscellaneous.

IV. *Public Convenience.*

- a. Chief Engineer. Office and service.
- b. Opening and grading streets. Abolishing grade crossings
- c. Street and sidewalk paving.
- d. Street cleaning.
- e. Street lighting.
- f. Removal of garbage.
- g. Bridges.
- h. River and harbor improvements.
- i. Sewers.
- j. Parks.
- k. Baths, laundries and public comfort stations.

V. *Public Industries.*

- a. Gas works.
- b. Water works.
- c. Electric light works.
- d. Markets.
- e. Docks and wharves.
- f. Ferries.
- g. Street railways.
- h. Conduits.

VI. *Public Education and Allied Objects.*

- a. Schools.
- b. Free library.
- c. Reading-rooms.
- d. Celebrations.
- e. Monuments.
- f. Documents.

VII. *Public Trust Funds.*

- a. Funds and foundations of which the city has the administration.

VIII. *Public Indebtedness.*

- a. Interest on funded and floating debt.
- b. Liquidation of funded and floating debt\* (including payments for this purpose from general treasury and sinking fund).

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\*Assets of sinking fund are to be treated as "cash," and will figure in the balance sheet.

## SUMMARIZED STATEMENT OF RECEIPTS AND EXPENDITURES.

|   | RECEIPTS. |                | EXPENDITURES. |                |
|---|-----------|----------------|---------------|----------------|
|   | Ordinary. | Extraordinary. | Ordinary.     | Extraordinary. |
| <b>I. General Government.</b>                 |           |                |               |                |
| 1. Executive, . . . . .                       |           |                |               |                |
| 2. Legislative, . . . . .                     |           |                |               |                |
| 3. Law Department, . . . . .                  |           |                |               |                |
| 4. Finance Departments, . . . . .             |           |                |               |                |
| 5. Elections, . . . . .                       |           |                |               |                |
| <b>II. Taxation.</b>                          |           |                |               |                |
| Real Property Taxes, . . . . .                |           |                |               |                |
| Personal Property Taxes, . . . . .            |           |                |               |                |
| Poll Taxes, . . . . .                         |           |                |               |                |
| Licenses, . . . . .                           |           |                |               |                |
| Franchise and Franchise Taxes, . . . . .      |           |                |               |                |
| Fees, . . . . .                               |           |                |               |                |
| Special Assessments, . . . . .                |           |                |               |                |
| <b>III. Public Safety.</b>                    |           |                |               |                |
| Police, . . . . .                             |           |                |               |                |
| Fire Department, . . . . .                    |           |                |               |                |
| Fire and Police Telegraph, . . . . .          |           |                |               |                |
| Jails, Prisons, and Reformatories, . . . . .  |           |                |               |                |
| Health Department, . . . . .                  |           |                |               |                |
| Food inspection, . . . . .                    |           |                |               |                |
| Building inspection, . . . . .                |           |                |               |                |
| Regulating dangerous pursuits, . . . . .      |           |                |               |                |
| Sanitary measures, . . . . .                  |           |                |               |                |
| Public Pound, . . . . .                       |           |                |               |                |
| Militia, . . . . .                            |           |                |               |                |
| Miscellaneous, . . . . .                      |           |                |               |                |
| <b>IV. Public Charity.</b>                    |           |                |               |                |
| Hospitals, . . . . .                          |           |                |               |                |
| Insane Asylums, . . . . .                     |           |                |               |                |
| Homes, . . . . .                              |           |                |               |                |
| Workhouses, . . . . .                         |           |                |               |                |
| Lodging Houses, . . . . .                     |           |                |               |                |
| Outdoor Relief, . . . . .                     |           |                |               |                |
| Unemployed, . . . . .                         |           |                |               |                |
| Miscellaneous, . . . . .                      |           |                |               |                |
| <b>V. Public Convenience.</b>                 |           |                |               |                |
| Chief Engineer, Office and service, . . . . . |           |                |               |                |
| Opening and grading streets, . . . . .        |           |                |               |                |
| Abolishing grade crossings, . . . . .         |           |                |               |                |
| Street and sidewalk paving, . . . . .         |           |                |               |                |
| Street cleaning, . . . . .                    |           |                |               |                |
| Street lighting, . . . . .                    |           |                |               |                |
| Removal of garbage, . . . . .                 |           |                |               |                |
| Bridges, . . . . .                            |           |                |               |                |
| River and harbor improvements, . . . . .      |           |                |               |                |

SUMMARIZED STATEMENT OF RECEIPTS AND EXPENDITURES.—Continued.

|   | RECEIPTS. |                | EXPENDITURES. |                |
|---|-----------|----------------|---------------|----------------|
|   | Ordinary. | Extraordinary. | Ordinary.     | Extraordinary. |
| <i>V. Public Convenience.—Continued.</i>  |           |                |               |                |
| Sewers, . . . . .   |           |                |               |                |
| Parks, . . . . .  |           |                |               |                |
| Baths, laundries, and public<br>comfort stations, . . . . .                               |           |                |               |                |
| <i>VI. Public Industries.</i>   |           |                |               |                |
| Gas works, . . . . .  |           |                |               |                |
| Water works, . . . . .  |           |                |               |                |
| Electric light works, . . . . .   |           |                |               |                |
| Markets, . . . . .  |           |                |               |                |
| Docks and wharves, . . . . .  |           |                |               |                |
| Ferries, . . . . .  |           |                |               |                |
| Street railways, . . . . .  |           |                |               |                |
| Conduits, . . . . .   |           |                |               |                |
| <i>VII. Public Education and Allied<br/>Objects.</i>                                      |           |                |               |                |
| Schools, . . . . .  |           |                |               |                |
| Free library, . . . . .   |           |                |               |                |
| Reading-rooms, . . . . .  |           |                |               |                |
| Celebrations, . . . . .   |           |                |               |                |
| Monuments, . . . . .  |           |                |               |                |
| Documents, . . . . .  |           |                |               |                |
| <i>VIII. Public Trust Funds.</i>  |           |                |               |                |
| Funds and foundations, . . . . .  |           |                |               |                |
| <i>IX. Indebtedness.</i>  |           |                |               |                |
| Interest, . . . . .   |           |                |               |                |
| Liquidation of loans (from<br>sinking fund and general<br>treasury), . . . . .            |           |                |               |                |
| Totals, . . . . .   |           |                |               |                |
| RECEIPTS.   |           |                |               |                |
| Brought down, . . . . .   |           |                |               |                |
| Total receipts, . . . . .   |           |                |               |                |
| Cash in treasury at beginning<br>of fiscal year, . . . . .                                |           |                |               |                |
| Cash* in hands of Sinking<br>Fund Commissioners at<br>beginning of fiscal year, . . . . . |           |                |               |                |
| EXPENDITURES.   |           |                |               |                |
| Brought down, . . . . .   |           |                |               |                |
| Total expenditure, . . . . .  |           |                |               |                |
| Cash in treasury at end of<br>fiscal year, . . . . .                                      |           |                |               |                |
| Cash* in hands of Sinking<br>Fund Commissioners at<br>end of fiscal year, . . . . .       |           |                |               |                |

\* To be interpreted as cash or such securities as have a ready cash value.

## BOOK ACCOUNTS.

## RECEIPTS.

- I. Taxes collected for the State and to be turned over to the State treasury.
- II. Receipts from Revenue Bonds in anticipation of current taxes.
- III. Receipts of Sinking Fund.

## EXPENDITURES.

- I. Payment of taxes collected for the State.
- II. Payments to Sinking Fund from general treasury.
- III. Payment of Revenue Bonds from current taxation.

## GENERAL STATEMENT OF ASSETS AND LIABILITIES.

*Assets.*

1. Available.
  - Cash in treasury.
  - Salable lands and buildings.
  - Taxes, assessments, etc., in arrears.
  - Other debts due.
  - Other available assets (specify).
2. Not available.
  - Water works.
  - Gas works.
  - School houses.
  - Public buildings.
  - Parks.
  - Sinking Fund.
  - Bad taxes, *i. e.*, those in arrears for a period making future collections improbable.
  - Other assets not available (specify).

*Liabilities.*

- Debt.
  - a.* Bonded.
  - b.* Floating.
- Outstanding claims.
- Other liabilities (specify).

## THE FINANCIAL REPORTS OF MUNICIPALITIES, WITH SPECIAL REFERENCE TO THE REQUIREMENT OF UNIFORMITY.

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The Statistics Department of Boston, of which I happen to be secretary, was not established until May 1, 1897, and is only a few months older than the Statistics Department of New York City, the only other department of the same kind in the country, so far as I am aware. Moreover, I am fain to confess that I am not an expert accountant, and have never served in any capacity in the office of any comptroller or auditor of accounts. Naturally as a student of municipal statistics it has been my lot to deal somewhat with financial reports, and the publications of my department thus far relate principally to the financial statistics of Boston, as you will see from the specimens offered for your inspection. Still I am inclined to suspect that Dr. Rowe had some desire to exhibit me as a kind of municipal freak, when he asked me to speak on so special a subject as that assigned to me on your programme.

There is ample testimony to show that the accounts and financial reports of cities in the United States as a rule lack uniformity and are confusing and misleading; thus the Fassett Committee on Cities of the New York Legislature in 1891 declares "that the system of accounting in the several cities is more unintelligible and chaotic even than the laws under which the cities themselves are administered." The committee adds: "We believe that there can be no wise legislation with reference to the government of cities unless it be possible for the officers of this State, and especially for the Legislature and the Governor, to be able at all times to know with definiteness and certainty the facts relative to the



general condition of municipal administration in each of the cities, and more particularly the exact financial situation of each and all of them."

Mr. Frederick R. Clow, in an article on Suggestions for the Study of Municipal Finance in the *Quarterly Journal of Economics* for July, 1896, declares that "the great need is for better financial reports, and that need should be made known to officials at every opportunity. Statistics carefully worked out like those of national governments can seldom be had of cities. A good financial report requires some labor and expense, skill in handling statistics, and a genuine desire to convey information. Most local governments lack one or more of these requirements. An example will show the room there is for improvement. The Comptroller's report for Milwaukee for 1894 contains 290 pages; yet the only classification of expenditures in it is according to the funds on which bills were drawn, simply a list of the bills against each fund being given. Many cities and most of the small municipalities of the United States issue no other financial reports than lists of warrants of the kind just shown. The model report does not yet exist in this country. Even the best have serious defects. Boston has the lead in the character of its city documents; the Auditor's reports are better than anything else of the kind I have seen from an American city. Yet Mr. Nathan Matthews, Jr., who served as Mayor from 1891 to 1895, gave the results of his experience as follows: 'Called to the Chief Magistracy of the city without previous service in the government, and believing that the first duty of a public officer charged with the disbursement of millions of dollars of the public money was to search the printed reports of the city government for accounts that would show the cost from year to year of equipping and maintaining the various departments of municipal service, I was amazed to discover that practically there were none. I have in consequence been obliged to devote an inordinate amount of time to the work of securing this information and of arranging it in convenient form for use, the time thus spent amounting often to several hours a day for weeks at a stretch.' What must be the difficulty of the average citizen of the average American city in trying to understand his city's finances?" Mr. Clow goes on to say that "intelligible re-

ports are not enough. Our final study of municipal finance must be comparative. For that purpose we must have many financial statements arranged with such identity of plan that they can be compared. Our material must be thrown into statistical form."

It seems to be the first and chief desire of students of all branches of municipal affairs to institute comparison between different cities. There is a strong predilection to introduce statements showing the per capita cost in different cities for the same kind of service, e. g., police force, fire protection, the maintenance of schools, etc. This is an extremely difficult and unsatisfactory undertaking, since satisfactory bases for such comparisons are not to be had in intercensal years owing to exaggerated and varying estimates of population. For instance, Mr. August Hermann, of Cincinnati, read an elaborate and carefully-prepared paper before the Association for Municipal Improvements in November, 1898, in which he instituted comparisons in respect to departmental expenditures per capita, etc., for twenty-nine of the principal cities of the country. In every case but one the figures showing the estimated population for 1898 ended in three ciphers, and in some cases five ciphers. Mr. Hermann's material was obtained from city officials, and he gives 500,000 as the official estimate for the population of Baltimore in 1898. In the *Charities Review* for March, 1899, we find an article in which the comparative per capita cost of outdoor relief in various cities is set forth. In this article the official estimate of the population for the city of Baltimore in 1898 is given 625,270. The Baltimore Health Department's estimate of the population of the city in 1898, was 541,000.

The latest attempt at compiling on a large scale statistics concerning the cities of the country is found in an article entitled "Statistics of Cities" in the *Bulletin of the Department of Labor*, No. 24, September, 1899. In his introduction Hon. Carroll D. Wright states that "An examination of the reports showed that very few facts were reported uniformly by all the cities, and even the important financial statements were presented in so many different forms as to preclude such classification of the various items as seemed necessary for a satisfactory comparison. . . .

A schedule of inquiries was accordingly prepared, and the work taken up by the agents of the department."

The result of the work, judging from the tables presented in the article referred to above, can hardly be considered satisfactory even as establishing a base line for future operations. For instance, the tax rate per \$1000 of Chicago is given as \$83.65, and the tax rate per \$1000 for Boston is given at \$13.60. Although attention is called to the fact that the Chicago tax rate as stated does not include a park tax of from \$9 to \$11.50, no mention is made of the fact that in Chicago real estate is assessed at only ten or eleven per cent. of its value, whereas in Boston the assessors profess to assess real estate at ninety per cent. of its value. Again, in "Table X, City Schools and Libraries," the city of Boston is credited with 11 high schools and 59 under the head of "All Other." Fifty-nine may be taken to include the grammar schools of the city, in addition to which there are more than 180 primary schools, no mention of which is made in the table in question.

No very searching investigation of the accounts set forth in the reports of individual cities is necessary to discover that there is frequently great lack of uniformity in the systems of bookkeeping followed by different departments of the same municipality. Mr. Clow, already quoted, compliments the reports of the City Auditor of Boston, but it could be readily shown that a very considerable diversity has existed between the methods of many of the departments of the city of Boston and the Auditor's Department in classifying expenditures, under the general heads of maintenance and supplies, for instance. So marked is this diversity that one of the first steps of the Statistics Department was to recommend a uniform system of classifying accounts to the end that the reports of the departments and of the Auditor might agree more nearly with each other.

In his valedictory address in 1894 Mayor Matthews says: "The annual reports of the different departments I found to be much fuller than those published by most cities, but they were deficient in financial information. Taking, for instance, the annual reports of the several departments for the year 1890 we find that the City Architect has nothing to say about the cost of our school houses

and other public buildings except in respect to the payments during that particular year. The Board of Ferry Commissioners present a 'statement' of the cost of the department from the purchase of the ferries which is several hundred thousand dollars out of the way, and a 'trial balance' worthy of the most advanced style of speculative railroad bookkeeping. The Trustees of the Public Library furnish a list of the Trustees and Examining Committees for thirty-nine years, as well as much other interesting information, but omit all mention of the millions of dollars in process of expenditure upon the new building on Dartmouth street. The report of the Water Board contains a short and insufficient, if not inaccurate, statement of the 'cost of construction of the water works,' but not a figure concerning total expenditures, total receipts, net cost, loans issued, changes in rates, department charges, and other facts necessary to a correct understanding of our water works finances; nor is there anything to show the operation of the sinking funds or the steady increase of the debt. . . . It may be said of the department reports as a whole that they contained little information of the kind desired, and that such information as they did contain was always insufficient, generally inaccurate, and sometimes purposely misleading."

One source of confusion in the departmental reports of Boston was found in the fact that they generally related to a calendar year, whereas the fiscal year closed on the 30th of April. Mayor Matthews was instrumental in bringing about a change in the fiscal year, which now terminates on the 31st of January, and the departmental reports are made to cover the events of the fiscal year.

Under the present administration reports of expert accountants in regard to the financial affairs of the various departments have been had in several instances, and under the Revised Ordinances of 1898 the City Auditor is empowered with the approval of the Mayor to designate expert accountants to examine the books of the departments periodically.

The following statement by the Comptroller of Chicago, taken from "Finances of Chicago, 1897," is in point: "Too severe a criticism cannot be made upon the lack of system prevalent and the

absolute neglect to post the books and accounts in the Special Assessment Bureau of the Department of Public Works in past administrations. It was discovered by this administration soon after it came into office that the books and accounts of that bureau were more than five years unposted, and your Comptroller was forced to refuse to honor any vouchers for the payment of rebates because of his inability to properly check the correctness of such vouchers from the books of that bureau."

The recently-issued report, for 1899, by the Water Commissioner of Boston, contains a series of reports of a special expert accountant through whose recommendation the bookkeeping of the department has been greatly simplified and improved during the last three years. The Commissioner states that when he assumed office the stock books of the department called for material amounting to \$62,529 in value, whereas the inventory that was made disclosed stock on hand amounting to \$114,040 in value, a difference of \$51,511. Under the improved system of bookkeeping introduced at the instance of the expert accountant, the difference in stock on hand and the amount called for by the books at the close of the fiscal year 1896 was only \$573.

Having studied a considerable number of similar financial reports of American cities taken at random, it seems to me that they may be fairly criticised as follows: They contain much ill-digested material, which is too frequently presented in unsightly and forbidding form. They usually relate to a short period—frequently only to the year covered by the report. Too often the reader is required to add long columns of figures, sometimes extending over several pages, in order to learn the total amounts involved. Percentage relations are rarely set forth. Summary statements are too infrequently given. Capital and loan accounts, especially capital accounts, are largely neglected, or are inadequate. Trial balances are conspicuous by their absence. Debt statements are difficult to interpret. Schedules of employes are imperfect or lacking. Comparative tabular presentations of summaries for a series of years are few and meagre. The amount of work done under the heads of construction and repairs, and the value of services rendered are seldom even attempted to be set forth completely and intelligibly.

The reasons for confusion and lack of uniformity in municipal reports and in their methods of accounting seem to me not to be far to seek. American municipalities have developed recently and irregularly out of town and village communities, and present what may be termed overgrowth and underdevelopment. The words of the poet,

"It is not growing like a tree, in bulk,  
Doth make man better be,"

apply as well to aggregations of men as to individuals. City government, so-called, is full of rural survivals masquerading under quasi metropolitan forms. Administrative machinery which was well adapted to the government of country towns cannot readily and smoothly be adapted to the adequate performance of metropolitan functions. Our cities have grown so rapidly that their traditions are still of a semi-rural nature. One might almost say of the denizens of most cities in the United States, "Scratch a citizen and you will find a rustic." This country has no mediaeval urban traditions or examples, such as have exercised a helpful influence on the development of the great cities of Europe. Out of latent or germinal organs, so to speak, the European cities in many instances have been able to fashion effective instruments wherewith to meet new and distinctively modern needs.

"The Germans of our generation," says Dr. Albert Shaw, "have taken their old framework of city government as they found it and have proceeded to use it for new and wonderful purposes, altering it somewhat from time to time, but not allowing its defects to paralyze the varied activities of the household."

But the pressure of problems, due to overgrowth in our urban communities is beginning to force us into attempts to attain to higher and more specialized forms of development. We are, so to speak, in the stage of growing pains, similar to those which are incident to the period of accelerated adolescent growth in the human being. We must slough off old atrophied organs and develop new mechanisms—especially organs of co-ordination and of central control. It is the part of prudence and economy to profit where we can by the example and experience of more highly specialized forms of civic organism.

"The tendency of modern legislation," says Sir James Bell, one of the recent Lord Mayors of Glasgow, "has been to bring municipal government more and more strictly under the authority of Parliament, and to give direct statutory recognition and sanction to many functions and undertakings which in early times depended for their validity on use and wont, or on the vaguely recognized laws and customs of burghs."

The English Local Government Board may be looked upon as a permanent expert committee, to which Parliament has delegated certain powers of supervision and control. The board is of recent origin, and dates from 1871. As is well known, it exercises large powers of audit over certain classes of local government authorities, and has power to disallow and surcharge questionable items in the accounts presented to its district auditors. Certain classes of local authorities may not purchase or alienate land or incur loans for public works without the authorization of the Local Government Board after due investigation. Through the operation of the laws requiring most local authorities to report fully and regularly in regard to their financial affairs, the Local Government Board exercises a very considerable direct as well as indirect influence upon the financial reports of county councils, municipal corporations, town councils, etc. The annual reports of the Local Government Board constitute a mine of information regarding local taxation and expenditure, e. g., that for 1897 contains general digests and many detailed analyses of financial returns from over 34,000 local authorities of various kinds in England and Wales. Among them may be instanced the accounts of 647 poor law unions, 61 county councils, 304 municipal corporation boroughs, 303 town councils acting as urban sanitary authorities, 4069 parish councils, 2400 school boards, 6473 boards of highway surveyors or of highway parishes. Through its district auditors disallowances and surcharges in the matter of accounts were confirmed and remitted in 821 cases; confirmed and not remitted in 45 cases, and reversed in 57 cases. Under the Local Expenses Act of 1887 the applications of 3049 local authorities to issue loans or to incur indebtedness were made to the Local Government Board. In 2603 cases sanction was given, and in 446 cases it was refused.

A disproportionate amount of activity is devoted by State Legislatures in the United States to the local affairs of cities. Legislators from the rural districts are apt to be deeply imbued with the notion that they are by nature and lack of training especially fitted to exercise a determining influence in the solution of urban problems. Cities are forced by reason of their legal dependence upon the State to seek authority from the Legislature for their undertakings, and to submit many of their affairs to State control, but the legislative control of cities is too frequently marked by a meddling, partisan spirit and by crude and hurried measures. Recent attempts in New York and Indiana to secure the enactment of statutes for the establishment of State "municipal government boards" indicate the direction in which a remedy for the present untoward condition of things is likely to be sought.

Massachusetts is a State in which city problems may be said to preponderate. Kossuth characterized it more than fifty years ago as "The Commonwealth of Cities." In 1895 sixty-five per cent. of the enumerated population of Massachusetts was found in its thirty-two incorporated cities. In 1898 the cities of Massachusetts embraced seventy-five per cent. of the assessed valuation, eighty-seven per cent. of the gross debt, ninety-six per cent. of the sinking funds and eight-five per cent. of the net debt within the State. In 1898 the State of Massachusetts had a net debt of \$12,000,000 in round numbers, while the net debt of Massachusetts cities in the same year amounted to \$102,000,000, and the net debt of the three hundred-odd towns of the State amounted to less than \$9,500,000.

The Massachusetts Legislature of 1899 was in session from January until June. Nearly 1200 matters presented to it were referred to its 37 committees. Of those matters fully 12 per cent. related more or less directly to the city of Boston, and of 584 acts and resolves passed by the Legislature 47 related to that city. Four hundred and ninety-three matters, or about 42 per cent. of the whole number, were referred to five principal committees, as follows: (1) To Judiciary Committee, 131 matters; (2) to the Committee on Cities, 119; (3) to Committee on Metropolitan Affairs, 94; (4) to Committee on Probate and Insolvency, 90; (5) to Committee on Election Laws, 59. Of matters relating to local gov-



ernment 24 were referred to the Committee on Towns, 19 to the Committee on Counties, 94 to the Committee on Metropolitan Affairs, and 119 were referred to the Committee on Cities; total, 256. Of the total, 213 matters, or 83 per cent. (which were referred to the Committees on Cities and Metropolitan Affairs), related to matters of municipal government. Of the 213 matters relating to municipal government 88, or 41 per cent., concerned the city of Boston more or less directly.

The Governor of the State is evidently of the opinion that the time of the Legislature is too much taken up with municipal affairs. The following extract is taken from the inaugural address of Governor Wolcott, delivered January 5, 1899: "There appears to be among many of our citizens a growing tendency, without sufficient grounds of public necessity, to invoke the paramount power of the Legislature in the enactment of laws relating to the affairs of government of cities, and especially of the city of Boston. This results in the annual consideration by the Legislature of a great number of measures, many of them honestly intended by their promoters to cure serious evils, which are admitted by all to exist in the operation of our municipal government, but which may have their source in causes far too deep to be permanently affected by such legislation, while others spring from a desire to meet some temporary exigency of persons or politics, which, without such legislation, time is likely speedily to remove. I think there is danger of this tendency constantly to seek new legislation being carried too far."

Under the pressure of necessity a spontaneous impulse both on the part of the State authorities of Massachusetts and of the city authorities of Boston has already declared itself to secure more scientific and uniform methods in the preparation and publication of financial reports. Allusion has already been made to the action of Mayor Quincy's administration in the establishment of the Statistics Department, the employment of expert accountants, and the enlarged power of the City Auditor over the bookkeeping of the several executive departments.

In 1887 the Massachusetts Legislature established the office of Comptroller of County Accounts. The reason for this action was

found in the lax methods of many of the county officials and of the malfeasance, not to say corruption, of certain of them in connection with county expenditures. The duties prescribed for the Comptroller were similar to those imposed upon the Commissioners of Savings Banks. In recent years, owing to the enactment of new laws, the duties of the Comptroller have been somewhat enlarged; through force of circumstances he has come to be a sort of general adviser of the county treasurers and other county officers. The Comptroller declares that "order has been brought out of disorder, accountability has been fixed and uniformity of system has been established."

I believe that the provision contained in Section 15, Article II, of the proposed Municipal Corporations Act, namely, "That every city shall keep books of account and make stated financial reports at least as often as once a year to the State Comptroller or other fiscal officer, in accordance with forms and methods prescribed by him, which shall be applicable to all cities within the State," will commend itself to very many officials, both State and municipal, wherever the confusion and inconvenience due to present conditions shall be clearly recognized. It seems to me that the adoption of such a scheme is clearly justified by the experience of the Local Government Board in England, of the State Examiners of Accounts in Wyoming and the Dakotas, and of the Controller of County Accounts in Massachusetts.

The adoption of such a scheme may also be urged on general principles, because it is likely to promote better administration of financial affairs through the development of a higher degree of intelligence and responsibility on the part of State and municipal officials, and the awakening of a greater interest on the part of the general public and the taxpayers by reason of the greater publicity which would attach to municipal expenditures. Students of municipal affairs would be greatly helped in their efforts to arrive at a clearer understanding of the helps and hindrances which must be taken into account in their attempts to describe or influence the process of municipal evolution. Local officials through the recognition of good work would be stimulated and encouraged to do their best. In the end the successful working of such a scheme

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could hardly fail to increase the number of intelligent and public-spirited citizens, citizens who would deserve to be characterized as "pious" in the sense in which that word was used in the city commonwealths of antiquity.

"To me a city that hath not pious citizens," said Chrysostom, "is meaner than any village, more ignoble than any cave."

## THE IMPORTANCE OF UNIFORMITY FOR PURPOSES OF COMPARISON.

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University of Wisconsin.

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Before entering upon the discussion of the subject assigned me, I desire to avail myself of this opportunity to express the deep obligation which students of municipal government, as well as the American public owe to the magnificent leadership of the National Municipal League in this important field of American administrative reorganization. There could be no clearer demonstration of the intelligence and breadth of thought leading the forces of reform in the United States than is presented by the work and efforts of the National League. The discussions in your conventions have been characterized by a practical turn which has given your suggestions a permanent hold upon the best thought of our public life; in fact, it is to the National League that Legislatures must now turn for carefully digested plans for municipal reorganization. The manner in which you have organized the forces desiring better government is characterized by a broad, statesmanlike view of municipal conditions. The progress thus far secured augurs well for the future. More normal conditions of municipal unity and harmony bid fair to succeed an era characterized by institutional chaos and imperfection. You might fairly claim that your work should cease with a judicious presentation of the lines of development made necessary by prevailing conditions in our municipalities; but in addition to this task, your members are often compelled to assume the distasteful role of lobbyist in order to secure adequate consideration of your propositions.

I am requested by your committee to discuss the problem of uniform accounting for comparative purposes with especial reference to the cities of Wisconsin. It were well, then, at the outset,

that we should understand the conditions prevailing in those cities, which are to form the background of this paper, and how far, when viewed as a group, they differ from the cities of other States.

In the first place, it should be noted that the Wisconsin cities, with the single exception of the city of Milwaukee, belong to the group of lesser municipalities, the population ranging in all below 35,000, and in a great majority of them, below 20,000. We are then confronted with conditions which indicate an exceedingly uniform municipal life. This fact, doubtless, is sufficient to distinguish the general condition of municipalities in Wisconsin from that in the more populous States of the Union, and particularly of the North. Our problem, then, is that of the small city—a problem which in many respects is one of great difficulty, since it involves a lesser municipal vitality and possibly a lesser civic interest. But while the State of Ohio and similar States possess a great number of larger municipalities, there yet remains in each State a large majority of smaller cities which must be regarded as an important factor in any scheme of financial organization. In most instances we have been too prone to overlook the smaller municipality in the consideration of general municipal problems.

It is now some time since the writer first became interested in the matter of uniform accounting and its bearing upon the financial and general progress of our smaller cities, particularly those of Wisconsin. Nevertheless, in passing, he feels it necessary to record an apology, which, however, is found in numerous places in discussions pertaining to local financial conditions; it is an apology for ignorance—an ignorance which is inevitable in the presence of badly recorded financial data.

In the progress of an investigation into this matter, a feeling was encountered which indicates that there attaches to the subject of municipal accounting, as to other departments of investigation, a two-fold interest, which may be conveniently designated as academic and practical. This feeling is largely entertained by the city officials from whom information was sought. As a rule, it was found that each official was satisfied with his system whether it possessed meaning to others, or was intelligible only to himself; and that he looked upon any inquiry from outside as wholly foreign to the importance of his work. Some one has said that the work of

the investigator ceases when his problem has been sufficiently developed to arouse a public interest which will lead to proper action; but in the subject under discussion, the public is not likely to take an active interest; and our officials, grooved in accustomed ways of doing things, have intimated that the academic interest or benefits are far greater than the practical interest or benefits either to the individual city or to the cities collectively. It is urged by the officials that the expense of retaining such an accountant force as seems to them necessary for complete itemization, would be out of proportion to the benefits conferred. The fact that this feeling is also shared by many who are not public accountants indicates that considerable pressure will have to be brought to bear before the desired remedies can be secured. Those who have inquired into these objections find that they are based upon insufficient reasons, and that they may be readily overcome by a fair statement of the benefits of a system of uniform accounting.

We are rightly told by your committee "that the desirability of requiring uniformity in city reports is so obvious as to require but brief consideration," and further that such uniformity "will probably prove to be a first step toward a well-organized system of administrative control over the finances of the municipality." These observations are eminently true, but in the light of much of our past experience, it may be urged with equal emphasis that obvious steps in reform are at times the most difficult to secure. The very fact that a system of uniform accounting is "a first step" to a system of financial control is likely to arouse a public sentiment which will hold in disfavor any plan calculated to limit in any manner the traditional view of local self-government. Yet a proposition so elementary in its character and so fundamental in its relations to sound financial practice should speedily overcome any theoretical, traditional, or sentimental objection, when the value of the proposed innovation and the benefits to the municipality which must result from it have once been fully set forth. We must remember that it is only by long and persistent effort that old forms and practices are sloughed off and governmental operations reduced to simplicity. Local habits, local traditions, "the good old ways," are often easier, even when they are meaningless and wholly inadequate for best results.

Your committee has referred to the lessons which may be drawn from the business world and particularly to that of the benefits which accrue to private business undertakings through the use of careful and improved methods of accounting. That business house which should be careless in the matter of its book-keeping may be confronted with unexpected losses which the accounts have failed to reveal. Unquestionably there is, then, a definite relationship between careful bookkeeping and business thrift. Facts which may be learned from private business carry their rigorous lessons into public life. There is in the management of public business a necessity for the same careful and accurate accounting that is everywhere so manifest in the administration of private business undertakings. Public expenditures, especially for local purposes, have too often in America been made in the presence of prodigal resources—resources so lavish that they demanded no careful accounting to show whether profits were accruing or losses were being sustained. Our municipalities have generally been wedded to a loose and prodigal policy which has frequently resulted in financial confusion and in loss of valuable credits. From a financial point of view, our municipalities have too often conducted their administration in accordance with the well-known utterance of a Western Senator and promoter, who emphatically declared that he would not own a business that would not bear mismanagement. It may be true that our city officials are governed by the desire to make both ends meet, but through loose methods of attempting this, burdens have fallen heavily upon the taxpayer, and future credits have been discounted.

Although the writer believes that dishonest motives are too frequently urged, by a critical public, against our municipal officers, and that municipal office-holding is not presumptive evidence of criminal intent, yet he finds justification and necessity for referring to the well-known fact that systematic and organized theft has been carried on by the officers of some of the larger municipalities of the United States, through juggling with public accounts and through failure to give them due publicity. In addition to the illegal expenditure of public funds made possible by the lack of publicity of accounts, there have been expenditures lavish

almost to the point of criminal liability, and this criminal prodigality has in most cases sprung from error in judgment and from ignorance due to lack of any means of instituting a comparison with the experience of other cities conducting similar lines of work. Costly and needless experiments have in some instances been carried on by smaller municipalities in the State of Wisconsin, partly because of the lack of well-digested information, and partly because of the unwillingness of the officers in charge to seek advice and counsel from those whose experiences would have been valuable to them. In the interest of fairness, however, it should be stated that these cases are the exceptions. Those who have had experience with our Mayors and City Councils have found that, as a rule, they desire light, but that they have been unable to secure any but vague notions of results in other cities, from a study of their financial summaries, which require in most instances the personal interpretation of the accounting officers.

A brief summary of the causes which produced the chaotic condition of accounting in the cities of Wisconsin will doubtless be equally applicable to other States. The cities of Wisconsin were organized, and are still operating, under special charters, which were freely granted without proper regard for the uniform conditions naturally prevailing among the cities of the State. These enactments tend to emphasize the functional differences of cities, and this would naturally affect the value of a system of uniform accounting for comparative purposes. On the other hand, the functional activities of the great majority of the cities of Wisconsin are sufficiently uniform to admit of the use of common schedules in spite of the disturbances attending special legislation. The effect of this special legislation has been to create differences in organization rather than differences in function, but in many States it is evident that allowance should be made for functional differences by classifying the cities on some basis that will readily provide for these variations. The movement toward uniform accounting will be made easier by the fact that the State already provides for common sources of revenue.

In addition to special legislation there have been practices of our City Councils which are far more reprehensible and far more destructive of unity in the financial operations of the city. Their



loose methods of preparing the city budgets render it practically impossible for the accounting officers to group accounts according to any intelligent plan. This is a fundamental cause of chaotic accounting, and one for which the model charter provides a remedy. More care and attention must be given to the preparation of municipal budgets, and the careless practice of leaving appropriations until the amounts are presented in the form of claims allowed in a liberal manner—often by irresponsible minor officials—must be done away with. These practices have encouraged looseness in all the financial operations of the city, and are naturally reflected in the various accounting systems. As a result of the conditions just summarized, a reign of confusion prevails among the cities of the State, and particularly in the lesser municipalities.

The value of uniform accounting lies in the fact that the experience of each city along a given line of development is thus made available for all cities of that group or class. Municipal government is not a parochial affair; on the contrary, no city is so well governed that it can confine itself to its own circle of activity and experience. Parochialism affects both our smaller and our larger cities, and often leads to useless experiments and disastrous results. To avoid this, each city must be made to feel that it not must be reduced to an accurate and definite classification which only shares in the collective experience of the cities of its own State, but that it may still further be considered a part of the national movement. In order that this feeling of community of interests may be developed, the financial experiences of each city shall be available for other cities. A careful system of uniform accounting, supplemented by other statistical data, will furnish this basis for comparison. From the periodic display of the conditions of revenue and expenditure a graphic picture of the financial progress of the city, in its relation to general municipal progress, will be secured.

To change the illustration, a system of uniform accounting will place each city in possession of a vantage ground from which it may view the course of the stream of revenue as it is slowly built up from the mingling of innumerable tributaries, and may watch it later as it divides again into various branches through expendi-

ture. In other words, the officers of our cities should view municipal revenues and expenditures both as a unit, and as constituent parts of that unit. Financial progress is largely relative, and is revealed through comparative methods. Comparative figures may often be inconclusive, but the most careless official will scarcely doubt their value as a corrective in the development of a municipal policy.

It is impossible on this occasion to do more than present a summary of some of the conditions which must be considered in the construction of a plan for uniform accounting. In the first place, the schedules should reflect as accurately as possible the functional activity of the individual city, and of the cities of a given class. Thus, as the most convenient method of escaping great functional differences, it may be necessary to group the cities of the State into classes on the basis of population. At the same time the intensity of municipal activity should be shown in its relation to the volume of revenue and expenditure. The schedules should reflect the growth and intensity of functional activity of the community from the village to the larger urban centre.

In the second place, the revenue and expenditure in each department of municipal activity must be kept separate and distinct, and where two departments operate in close connection, one serving the other, the itemization of accounts must fully show this relationship. Until these objects are secured, little progress towards a system which shall be valuable for comparative purposes can be expected. Cities controlling their own water and electric lighting service quite commonly operate both from the same power plant. Though these instances of municipal ownership and control are few in the State of Wisconsin, they must, none the less, be considered in a discussion of general financial results of those cities. A more general practice among the cities of the State is the use by the street and fire departments of water furnished by the waterworks department for sprinkling the streets, flushing sewers and for fire protection. We should expect that the accounts would show the exact relation of these departments to each other, but it is found that as a rule the cost of the water supply furnished by the water department for the use of the other departments is not recorded.

In the third place, careful consideration must be given to a practice which is quite common, and which leads in many instances to deceptive results—the use of the fund system. This system, possessing, as it does, its own revenues and objects of expenditures, when displayed in the summarized tables of the city's revenues and expenditure, often assumes a double effect; it appears in the specific items of expenditure and also in summarized form as a fund expenditure. Objectionable as it is in some of its features, the system has become so thoroughly rooted in the financial methods of American cities that the preparation of uniform schedules must consider this peculiar form of municipal accounting.

In the fourth place, the schedules should not only contain a complete analysis of the city's indebtedness, but should also set forth the relation of that indebtedness to the debt-paying power of the municipality. The difficulties of uniform treatment of indebtedness are not so apparent as in other phases of accounting, yet in this day of growing municipal indebtedness, such treatment is of equal importance.

In the fifth place, there should be a common nomenclature. This expedient would obviate much of the difficulty now experienced in comparing the accounts of cities. The present use of terms is confusing in the extreme. Almost no attempt is made to group similar items under similar heads. The cities, in their accounts, often fail to distinguish among fines, fees and licenses, and other sources of indirect revenue. The same observation is equally true of expenditures. A system of common terms for common schedules, based upon the sources of revenue and the objects of expenditure, must be secured before the accounts of the various cities will be useful for comparison.

In the sixth place, comparisons should go further than the comparison of the financial results of the various cities. They should be available, so far as possible, for the local units operating in the same administrative area. For it must be remembered that the financial system of our cities is an organic part of the State financial system, and that it affects in a very fundamental manner the tax-paying power of the entire community. The citizen as-

sumes a number of burdens, and the accounting systems of the various units should indicate the relation of these burdens.

In concluding this sketch, it may be well to call attention to some of the results which have been secured by means of a circular letter, copies of which were sent not only to the cities of Wisconsin, but to the fiscal officers of other States. As was to be expected, there was expressed in the replies a general feeling that uniform accounting was desirable and should be secured if the cost was not too great. The replies further show that in addition to the objections which have already been mentioned, there is a widespread belief that uniform accounting, involving, as it does, central supervision, is but a step in the development of a centralization; and that such a movement towards uniformity will therefore endanger the traditional local liberty which the fussy interference of legislatures has already well-nigh overthrown. But when these objections to State supervision have been urged by the officers of our cities, the argument of the increased efficiency of city government, and of the more definite and accurate knowledge of financial operations made possible through the enforcement of uniform schedules has generally removed doubt as to the good results that would follow. When it is pointed out that through such a plan of central supervision, as will eliminate many of the disturbing factors which now defeat a progressive policy of administration, the individuality of the city will be rendered secure in its free development, any formidable opposition will be easily overcome.

The replies from prominent fiscal officers of other States have often been non-committal upon the subject of State supervision, while with few exceptions emphasizing the desirability of uniform accounting. It may be significant that we must go to the newer States for the first important lessons in State supervision of accounts that can be drawn from American experience. Your committee has referred to Wyoming as one of the States which has built up the sphere of central control over the financial operations of the locality. The Constitution of that State provides for a State Examiner, whose duty it is to examine local and State accounts. The Legislature has defined and greatly strengthened the power of this fiscal officer. He is empow-

ered to enforce correct methods of keeping the financial accounts of the several public institutions of the State. He must visit these institutions at least twice in each year, without previous notice to the officers in charge, and must make a thorough inspection of the accounts, of the detailed items of expenditure, and of the vouchers therefor. He is furthermore empowered to adopt and enforce a correct, and so far as possible, a practicable, uniform system of bookkeeping for the local and State officers, in order to afford a suitable check upon their actions, and to insure a thorough supervision of the State and local funds. In short, the State Examiner has entire supervision of the accounts of every officer within the State, whether he be an officer of the State or of a county, municipality or a district; and in case he detects illegal or extravagant expenditures it becomes his duty to render a full report to the proper authorities and to take steps to correct such expenditures. The State Examiner informs the writer that beneficial results have been achieved, and that great savings have been secured by the system of central inspection; that not only has there been a return to the public treasury of monies which had been either willfully or erroneously withheld or paid out, to an amount averaging \$1000 per month, but the cost of local government has been materially reduced. In 1892, the cost of county government was \$417,000, while in 1895 it was but \$328,000. The Chief Justice of the Supreme Court of Wyoming justifies the enthusiasm of the State Examiner in the following words: "The creation of this office is an innovation, but the test of time and experience has shown that the framers of the fundamental law did wisely in taking this step. It has saved much money for the people, and public officials undoubtedly proceed with more care when they realize that their official acts relating to the disbursement of public funds will be carefully scrutinized by a sworn public official. Eternal vigilance is not only the price of liberty, but it is an essential to pure government."

Other States have followed in the footsteps of Wyoming and have provided for uniformity in local financial accounts and for a system of central supervision. Minnesota has provided for an examining officer, whose powers, however, are not so comprehensive as those of the State Examiner of Wyoming. From the State

of Texas comes the outline of a plan of State supervision over the indebtedness of the various localities. By a law of 1893, any city desiring to issue bonds is required to present to the Attorney-General a full statement of the assessed valuation of its property together with such other information as he may require, and the particular ordinance authorizing the bond issue, before the bonds can legally be issued. These bonds, after the sanction of the Attorney-General has been obtained, must be registered with the State Comptroller. The effect of this law has been to give financial security and to prevent local repudiation, as well as to secure more careful consideration of municipal indebtedness.

The latest, and, in some respects, the most interesting contribution to American experience in the matter of uniformity and supervision of accounts comes from the State of Indiana. A recent enactment of the Legislature (March 3, 1899) provides for the use, by all the township trustees of the State, of a common schedule to be prepared and enforced by the State Auditor. The county law of the same date practically secures the same result for the counties by providing for a more systematic preparation of their budgets.

The legislation of Wyoming and Indiana thus paves the way for provisions of the model charter upon the question of uniform accounting. The propositions of that charter which recommend uniformity, publicity and central supervision are, therefore, no longer radical propositions, but are already yielding splendid results in Wyoming and promise equally beneficial results in Indiana, where local financial administration has, heretofore, been carelessly conducted.

By a system of uniform accounting, together with central supervision, unity in municipal government is preserved while the free development of the individual city is encouraged and sustained. The clumsy financial policy of many of our cities will give way before a more intelligent use of the experience of other cities. The management of the cities of our States can never attain to that high degree of efficiency which the taxpayer has a right to expect until more care is bestowed upon this elementary need of better municipal bookkeeping. Such a change means higher efficiency in mu-

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municipal government; it means a higher order of information concerning municipal finances, and consequently a general higher average of government in the cities. Institutional progress is measured by the fitness of our institutions for the ever changing conditions of our social and economic environment. The rapid changes in our financial conditions demand constant revision of our financial methods and institutions. The movement towards uniform accounting and central supervision is, therefore, it may be hoped, an initial step in the financial reorganization of our municipalities.

## FINANCIAL CONTROL OVER MUNICIPAL RECEIPTS AND EXPENDITURES.

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The necessity of financial control over municipal receipts and expenditures has been demonstrated time and again in every municipality of any size in the country; and the question is not at this time whether such control should exist, but how and by what authority should it be conferred, and in whom should it be vested.

Controlling power may be conferred upon municipal officials by municipal authority, either executive or legislative, or may be conferred by State law. The main object in vesting such controlling power, I take it, is to place a safeguard around all municipal transactions, and to establish general supervision over all city business, with a view to restricting such business to its proper and legitimate channels, and to assuring an exact and complete record of all such transactions.

If, however, the power of financial control be conferred by the municipal administration or executive authority, there would always be the dangerous condition attached thereto, that in cases of the execution of such control contrary to the interest or possible mandates of the administration, the controlling power might be taken away in the same manner, as well as by the same authority, as that by which it had been conferred. In other words, the authority of financial control, if held at all, would be limited by and subject to the administrative pleasure; in which case the entire procedure becomes a farce. The same objection holds good, although not to so great an extent, in the case of authority conferred by the legislative branch of the city government. What is needed is an absolute, standard authority of financial control, based upon a fixed quantity, and subjected to no fear of supersedence or overthrow, so long



as such authority is exercised within proper and legitimate limits. Such authority can only be conferred by State law.

Now shall this financial control be vested in a board of supervision or in an individual official, or controller?

It would seem that this question is effectually answered when we consider the trouble so often found with the work of a board of this character—that each of the individual members is naturally inclined to shift as much of the work as possible, and all the responsibility, if possible, on to the other members.

“What is everybody’s business is nobody’s business.” In order to fix the responsibility in case of neglect or failure properly to carry forward the legitimate functions of a municipality, there should and must be an individual head—one on whom may rest either public approval or public censure, and who must consequently have the requisite authority to compel attention to duty, and obedience to rules laid down for the guidance of all public officers in the transaction of city business.

This naturally points to the vesting of financial control over municipal receipts and disbursements, and in fact, over all financial transactions, in an individual official—or city controller, to whom the public may look for careful, conservative and faithful supervision of public business.

The duties of a city controller as set forth in Section 11, Article V, of the Municipal Corporations Act, are of three separate and distinct classes—first, as an auditor, to examine, pass upon and audit all bills or vouchers for expenditures incurred by the municipal officials in the performance of their respective duties, or in the caring for the general municipal good and improvement. Second, as an accountant, to keep the records and accounts of the receipts and disbursements, assets and liabilities of the city; and third, as a statistician, to exhibit annually, or oftener, full and complete statements of the municipal transactions and financial standing.

In order that he may fearlessly and without prejudice perform his duties under the first head (that of auditor) it would seem absolutely essential that the comptroller be relieved of any political entanglements, or obligations, such as would almost of necessity arise should the office be one to be filled by general election—and from favor or obligations of any kind to the administration or exec-

utive officials, upon whose expenditures he must pass. The office must, therefore, be one to be filled neither by election, nor by the appointive power of the mayor, or other executive officer. The appointment of the controller by the votes of the legislative branch of the government, or City Council, while open to the criticism that such bodies are too often subject to "inducement," as to how they shall cast their ballot, yet would seem the most available means of filling the office. I am, however, firmly of the opinion that a clause should be added to this section, providing that such officer, after having received his appointment, shall be removed only for misfeasance or malfeasance in office, and after due trial has been accorded him, upon written charges, before the body originally appointing him to office—thus practically removing all possible motive for seeking favor of voters, or legislators, or other officials, looking toward a "second term" or continuance in office—in a word, taking the office out of politics.

The controller must also be relieved, so far as possible, of all temptation to misdirect the use of public funds, either directly or by collusion with others; or in allowing such action to "pass muster." As a means to this end, I would suggest that all city officers, whose duty it is to collect money on behalf of the city be required to deposit same with the City Treasurer daily, upon order or receiving warrant of the controller. Such receiving warrant may specify, upon the back or face thereof the source of revenue so collected, and the proper fund to which the same is to be credited, together with such other information as may be necessary and desirable. Such warrant should be issued in duplicate, the original to go to the treasurer, and be his authority vice of the controller, as the authority for entry of the transaction of such business on the city records.

The collecting officer, when making application for a receiving warrant, should file a report with the controller showing what collections he has made, and turning over to him the numbered stubs of the receipts he has given for same. The controller will thus have a complete record of all monies received in every department of the city, while not touching a cent of same himself, and the treasurer, handling all the actual money, can receive and disburse only on the order of the controller.

A sworn statement should be sent daily by the treasurer to the controller showing all transactions of the day, which statement must agree in every particular with the records of the controller, and if the cash balances of the city are kept in banks or depositories a daily statement should also be rendered by such depository to the controller,—thus making the record complete. In case a depository is used, absolutely no money should be disbursed except by check duly authorized by warrant of the controller.

In the matter of disbursements the controller should be given full and complete authority to investigate to the fullest extent the validity of any and all claims presented for payment, and to refuse to pass upon any such claims until thoroughly satisfied of the correctness thereof. He should also be given authority to direct the method and conditions of such payment, and to insist upon proper restrictions and certifications upon vouchers before same are approved for payment. In the same manner as suggested for the receiving warrant, the voucher may have specified upon its face or back the fund and purpose to which such disbursement is to be charged.

The matter of accounting then becomes simply a record of receiving warrants and disbursing warrants arranged and classified according to the proper funds and municipal functions; to which record the books and accounts of the various departments, as well as of the city treasurer and city depositories must be brought into daily balance. It is, however, of the greatest importance that the controller be given the utmost authority and control over the keeping of the records of each and every department, so that there be no financial transaction of any nature whatever without his sanction and approval. The best system of accounting ever devised is worthless unless enforced in every detail; at the same time there are often found many ways of evading the law, unless special attention is given to prevent such action; so that unless some one official shall have ample authority to order and direct the accounting in all departments, and at the same time the ability to properly dictate the method, and the "backbone" to enforce such directions and dictations, there is almost a certainty of slipping into a lax and careless manner of doing business, especially when, as is too often the case, the clerks are appointed on account of political

prestige rather than ability to fulfill the duties of their respective positions.

It would seem far better also to have such authority conferred by State law, so that it can not be curtailed or abridged by action of other municipal officials, either executive or legislative, also to combine with the investment of authority a full and specific responsibility, so that any error or failure in the proper transaction of municipal business would revert not only to the minor officer or clerk making such error, but also to the official who had failed to enforce his authority to the extent of demanding and receiving exact, careful and correct work.

This brings us to the third, or statistical duty of the comptroller. With records arranged as above suggested, the data for a complete financial report are always at hand (a simple footing of columns giving total of receipts or disbursements for each and every purpose) and the main question becoming one of proper analysis and classification.

The method of formulating an annual financial report for a municipality is as yet far from being satisfactorily settled. It is a matter of growth, and, in fact, it is only in the last few years that the subject has been a topic for any general study or discussion. The great object for present settlement is an analysis or method of tabulating receipts and disbursements which will satisfy the demands of statisticians, and at the same time be so simple and practical as to appeal to municipal officials for immediate adoption, without entailing too great a change in their present methods.

Speaking from a practical standpoint, I believe I can say that no better classification of municipal functions has been presented than that suggested by Prof. L. S. Rowe in a paper recently published in the "Annals of the American Academy of Political and Social Science," November, 1898, entitled "Classification of Municipal Receipts and Expenditures."

Such classification is eminently adapted to all municipal transactions, and I have found in several years' use of a very similar tabulation in the Records and Financial Reports of the City of Cleveland that it meets all statistical demands, and is not so complicated but that it is easily grasped by the layman and general public. Further, such a system is not difficult to arrange and classify, both in

the records and annual report, falling in harmoniously and naturally with a common-sense analysis of municipal transactions. The laws and regulations of each municipality may demand some additions to same in the way of detail, but as a foundation on which to rest the base of a municipal annual report I have found Dr. Rowe's classification satisfactory in every respect.

There is a senseless and exceedingly harmful habit into which the officials of many of our larger municipalities have lapsed—that of withholding their annual financial report for six months or a year after the close of the fiscal year for which such report is made. After the lapse of so much time many of the statistics have largely lost their value as matters of immediate interest, and “public control,” which, after all, is the final and best authority, is lost sight of, through lack of interest and attention. Thus the main object of the compilation of an annual statement is frustrated by neglect on the part of careless officials. It is perfectly possible, using the methods of accounting suggested above, and formulating the annual statement along the lines of Dr. Rowe's schedule, to complete such a report in from thirty to sixty days, including all details, and the main facts and figures, showing all the material required for general information should be ready for publication within twenty-four hours after closing the books for the fiscal year.

Now a word as to the man. In order to perfect the execution of the plans and methods set forth in the Municipal Corporations Act, it is absolutely essential that a man be chosen as controller, who is not only of sterling integrity and exceptional executive ability, but who is willing to devote his life to the broadening and perfecting of the financial branch of municipal government. He must be a man of not too advanced age, or he will lack the vigor and energy necessary to the taking a firm stand on questions of importance, and maintaining same against all opposition; at the same time he must have acquired the ability and conservatism of matured experience. He must be an accountant of unquestioned ability (an expert, if possible) broad enough to receive and examine any proposition tending toward the advancing and improving of the functions of his office—able to teach—willing to learn.

The duties of the controller's office are not learned in a day or a month. Two years' work will not much more than familiarize a man with the foundation principles. The men who serve in his office are not always of the best. The controller must make competent clerks out of carpenters, shoemakers, or (more difficult still) politicians; must be able to show all his clerks how to perform their work, or in case of urgency, do it for them; must know how, when and what each clerk is doing, and how to correct same if necessary. From one to two years' preparation is not more than enough to fit the most competent to fill the position of controller in a large city, and every additional year will increase greatly his ability, knowledge and experience.

The only change I would suggest in the Municipal Corporations Act, other than to further specify the authority and responsibility of the controller, is to make the tenure of his office to continue during his life and good behavior. I am fully convinced that a system of municipal government laid out along the lines of the Municipal Corporations Act, especially in the department of finance, will be a vast improvement over any now in existence. The plan in general tends towards the development and broadening of government, and the betterment of municipal offices and officials.

# THE ACCOUNTING OF PUBLIC SERVICE INDUSTRIES.

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The question of securing a successful financial administration for our American municipalities has become of increasing importance within the last few years, due in no small part to the tremendous development of municipal functions and to the corresponding growth of public ownership of municipal industrial enterprises. In view of these movements and of the complexity of American municipal organization, the problem before the committee has been a difficult one and its suggestions toward a solution (1) should be carefully and seriously considered. The recommendations of the committee on this matter have as a whole the merit of being conservative, and so far as they go they are well adapted to meet the existing conditions, both constitutional and statutory, of our American municipal organization. In discussing in detail the present methods of securing the proper administration of the city's purse in connection with these recommendations, we may, for the sake of convenience, consider separately the constitutional provisions to be adopted, the legislative control to be exercised by the State, and the plan and policy of the local administration.

## II. PLAN AND POLICY OF LOCAL ADMINISTRATION.

The recommendations of the committee which look to the increased efficiency of the local administration must command our unqualified approval. Systematic and uniform bookkeeping, the publicity of accounts, the independent tenure of the controller, are all steps in the right direction and will go far toward fixing responsibility and toward giving to the public that accurate and

impartial knowledge of the city's finances which will render the control of the citizens over the administration at once intelligent and salutary.

The financial policy to be followed in carrying on the works in question has to my mind a forceful bearing on the formulation of the system of accounting that is to be adopted. The prime purpose of municipal bookkeeping is to secure successful financial administration; but we must recognize as essential to this end that the system of accounting should be designed to give to the public thoroughly reliable and intelligible information of the financial standing of the enterprise from a strictly business point of view. The only way in which this result can be obtained is to treat the public service industry strictly as a private industry for all purposes of municipal bookkeeping. Every element of expenditure both under the revenue account and under the capital account that a private company must take into consideration should be included in making up the statements of the cost of service. Not only should the interest on the entire investment, the insurance against loss by accidents and against the impairment of the investment be taken into account, but the industry should either be subjected to State and local taxes, or the amount of these taxes relinquished should be taken into consideration in ascertaining the annual expenditure.

Another obvious consequence of this method of treatment is that a separate account should be kept for each public service industry operated by a municipality. The expenditures for materials and for salaries and wages of employes should be truly and accurately charged to that department for which they are incurred. No department should enjoy free service at the expense of another, but all services rendered should be credited at the prices determined upon to the department supplying the same. These suggestions are among the simplest principles of correct bookkeeping and their adoption would avoid the concealment of the true financial condition of the enterprise—an evil in American methods which in some instances has been notorious (1).

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<sup>1</sup> See the brochure of L. S. Rowe, "The Municipality and the Gas Supply," published by the American Academy of Political and Social Science.



To some, these suggestions may seem to be radical, but I would call your attention to the fact that they are generally observed in all the English municipalities and in many of those on the Continent. If we open, for example, the annual report of the treasurer of the county borough of Bolton, a town of some 120,000 inhabitants, which owns and operates among other industries its water-works, gas plant, electric lighting plant and tramways, we find that the revenue account in each case includes the borough and poor rates, the property tax and the income tax on profits; and that a separate account is kept for each industry operated by the municipality, the report of which shows at a glance the exact financial state of the enterprise in question (1). As to the efficiency of the administration of these industries, it may be well to note in passing that for the last eight years the average profit of the Water Department has been over £11,000, and that of the Gas Department no less than £18,500 (2).

Such a system of bookkeeping has the further advantage, which I deem of paramount importance, of furnishing a reliable basis of comparison between the operation of such industries under public and under private ownership. I desire to emphasize this point because I believe that upon the proper solution of this question will depend the success or failure of municipal ownership in this country in the next twenty-five years. Advocates of public ownership on the one hand and supporters of private ownership on the other are coming to agree that the interest of the people of our municipalities is the sole criterion by which the franchise question should be settled. The difference of opinion as to the relative efficiency of the two systems is largely due to a difference of judgment as to the force of the evidence presented, and both parties freely admit that the evidence available to-day is inadequate to any scientific determination of the question upon its merit (3).

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<sup>1</sup> "Abstract of Treasurer's Accounts for Year 1897-8." See appendix II.

<sup>2</sup> "Municipal Year Book of the United Kingdom, 1798," pages 38-39.

<sup>3</sup> See the testimony of M. N. Baker in his article on "Water-works" in "Municipal Monopolies," page 50; and that of Allen Ripley Foote in "Municipal Public Service Industries, page 214. The investigation now being conducted by the U. S. Department of Labor will doubtless throw much light on this question.

The practical statement involved in this contention is that all companies operating under municipal franchises should be compelled to keep similar accounts and to make annual reports to the State authorities. There is no valid reason why the same State authorities should not exercise a control in this respect over all public service industries, whether operated under private or under public ownership. That private companies should seek to conceal from the public the true state of their business is natural, but the time has come when for the public service industries under discussion such concealment should no longer be regarded as permissible. The interests of the people are so directly concerned that publicity of accounts, systematically and correctly set forth, must in the near future be required of all companies operating under municipal franchises. The interests of the stockholders of the private corporations demand a like control to prevent undue interference by the local authorities and to enable the companies to operate their plants to the best advantage (1).

### III. THE CENTRAL CONTROL BY THE STATE AUTHORITIES.

The important question of method in this connection is to determine to what extent the constitutional amendment and municipal corporations act should go in prescribing the details of municipal bookkeeping. Personally, I believe that as few such details as possible should be stated either in the constitution or in the general statute of incorporation. And this leads us to the consideration of the existing method of legislative control which the report recognizes as the principal means of enforcing the recommendations suggested. If we are to continue the existing system, we must in all probability rely on the State Legislature to enforce these recommendations, but I believe that the movement in this country is directly toward the substitution of a central administrative control in place of the control by the Legislature. The report of the committee admits the general failure of legislative control and invests the State Comptroller with certain defined powers of and invests the State Controller or other State fiscal officer with certain defined powers of examination and audit over municipal

<sup>1</sup> "Review of Danville Water Case" in *Municipal Engineering*, September, 1899; also "Municipal Monopolies," page 60, by E. W. Bemis.

accounts. Are these powers adequate and is the Controller's office the best means of securing their enforcement? Without question, the State Controller can carry out successfully the powers designated in the report, but if these powers are to be extended to cover the administration of privately owned industries and to include a larger control over municipal finances, I believe that an independent board, with an organization similar to that of the Local Government Board in England should be established.

In the English system, annual reports are made to a government department of the Board of Trade with regard to electric lighting, gas and tramways. While the larger towns employ independent auditors to check their accounts, the books of the smaller towns, that is, of the district Councils, are examined by auditors appointed by the Local Government Board. The central control over private gas companies, for example, is similar to that exercised by the Massachusetts Board of Gas and Electric Light Commissioners, and serves to restrict over-capitalization and to compel the companies to sell additional stock issued under authority at auction. The annual profits of such companies are limited by Act of Parliament to a certain per cent. of the capital invested, and they are required to furnish gas of a fixed standard to all consumers at a reasonable price.

If we are to adopt a similar system of control over private companies and to enforce uniform accounts for all municipal service industries, we must look to the establishment of a similar administrative board; and only thus, in my opinion, can the control by public authorities over the charges for services rendered, a power that already exists in several of our States, be exercised with justice alike to the private corporation and to the public. Such board, invested with ample powers, could work out the details of the system of accounting to be prescribed and could adjust its provisions to the experience gained in its administration. Either we must leave to the Legislature the duty of providing by statute the manner of accounting, with a resulting complexity and inelasticity of method, or commit this duty to the administrative body which is to exercise such control. The latter alternative is in every way preferable and commends itself to our judgment as the best adapted to secure simplicity of system and efficiency of administration.

## IV. THE CONSTITUTIONAL PROVISIONS.

The pertinence of the suggestion of the establishment of a State Municipal Board may be better realized when we come to the question of the constitutional control. The committee has found it expedient, in view of existing conditions and of the inelasticity of the percentage limitation, to exempt certain classes of indebtedness from its operation. Among bonds not to be included in calculating the limit of city indebtedness, are: (a) "Bonds authorized by the affirmative vote of two-thirds of the Council, approved by the Mayor and approved by the affirmative vote of the majority of the qualified voters of the city voting upon the question of their issuance at the next ensuing city election, for the supply of water or for other specific undertaking from which the city will derive a revenue." Realizing the inadequacy of this provision, the committee has added: (b) "But from and after a period to be determined by the Council, not exceeding five years from the date of such election, whenever and so long as such undertaking fails to produce sufficient revenue to pay all costs of operation or administration (including the interest on the city's bonds issued therefor and the cost of the insurance against losses by fire, accidents and injuries to persons) and an annual contribution to a sinking fund which will pay on or before maturity all bonds issued on account of said undertaking, all such bonds outstanding shall be included in determining the limitation of the city's indebtedness."

While I have already indicated my approval of including the items designated in making up the cost of operation, this provision in my estimation is open to the objection that it will tend to nullify the force of the percentage limitation just where the conditions require a salutary check upon municipal extravagance. If the Council adopt the maximum period of five years, a large city may at the end of that time find several millions of dollars arbitrarily added to the amount included within the percentage limitation; and the result may be that all its borrowing power will be suddenly destroyed without any possibility of a remedy—a contingency that would greatly aggravate the evils ascribed to this method of constitutional control.

My time forbids a discussion in this connection of the operation of the percentage limitation; a question which I treated at some length in a paper read before the last meeting of the League of American Municipalities.<sup>1</sup> In that paper the recommendation is made that "all bonds issued for a supply of water or for other specific undertaking from which a revenue is to be derived shall be secured by mortgage on the franchises, property and income of the undertaking for which they are issued, and shall not in any event become a general claim or lien against the municipality issuing the same." This provision warrants the exclusion of such bonds from the operation of the percentage limitation without the danger of their becoming a charge upon the city. This clause I would substitute for that which contemplates a possible inclusion of such bonds within the limit (Clause B), retaining both the first and third clauses of the section (Clauses A and C), as recommended by the committee.

I fully realize how radically this proposition differs from that of the committee and that it contemplates placing the public service industries owned and operated by a municipality upon the same basis as those owned and operated by private companies; and that a logical consequence of its adoption would be to make such industries subject to foreclosure, receivership and sale in a manner similar to those of private corporations. I do not believe, however, that such a consequence is to be feared, if such enterprises are subjected to a properly organized administrative control. Nor do I think that its adoption would be inimical to municipal ownership. If an industry under municipal ownership, with the advantages of an indeterminate franchise and of a monopoly of production, cannot be successfully conducted under these limitations, it is not for the interest of the people that it be so operated. I believe that public service industries may be thus operated under municipal ownership with success, and that in central administrative control our municipalities are to find that degree of independent action, free from the trammels of legislative caprice, which will enable them to solve this problem in the only correct way; namely: In the interest of the people of our cities.

## ACCOUNTS OF GRANTEES OF MUNICIPAL FRANCHISES.

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WALTER S. ALLEN, NEW BEDFORD, MASS.

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A prime essential of public control of franchise companies is an accurate system of bookkeeping which shall show every detail in such a way as to enable a true value to be placed at any time upon the business. In order to secure this, a system of bookkeeping must be arranged and its use enforced by some public authority, and in order to secure uniform methods this should be done by State authority rather than by municipal.

The statutes governing the incorporation of such companies should provide for the supervision by the State of their accounts, and a comprehensive system should be arranged by the State authorities, on such broad lines that franchise companies of all sizes could find in it identical means of expressing their operations. This is by no means simple. For many years such uniform methods have been established in Massachusetts for railroads, street railways, gas and electric light companies, and these franchise companies have gradually approached uniformity of statement.

Even if it were practicable to incorporate in a municipal charter all of the detail which such a system requires it would be of doubtful expediency. A city charter may, however, require certain definite statements to be filed at regular intervals with the city's financial officer, the controller or the auditor, and these statements should be in such detail as to enable any one to ascertain whether a true statement was made of the company's business. It is not necessary that these statements be elaborate, and they must vary in detail according to the nature of the business, i. e., it is not possible to require from a street railway the same items that must be asked for from a gas company, and other facts yet must be obtained from a water company. Certain data will be common to all companies. These are: The number and par value of shares; the

amount of cash paid in; the amount and character of indebtedness; the dividends declared; the amount of receipts from the city, and the amount received from other users. Under the head of receipts there must also be given, in order to obtain clear conceptions of the returns of the business, statements showing different details for each class of companies. For instance, street railway companies must show the number of passengers carried and the number of car miles run; water companies must show in detail the amount of water supplied by meter, the amount supplied to consumers using water and paying a fixed annual sum, and so on, the return covering those essentials which would enable an expert to draw proper conclusions from the data given. Under the head of expenditures it is extremely difficult to lay down general requirements. If a true statement is to be obtained of the condition of the company the cost of operation must necessarily be sub-divided in different ways in different franchise companies. The material used, the labor, the repairs, the cost of administration, the taxes must all be given in detail, and in this connection certain manufacturing or operating facts must be stated in such detail as will enable an expert to determine whether the charges made are proper, or whether excessive amounts have been allowed for repairs of track of street railways, or of works of gas companies, or of mains of water companies, or wires and poles of electric companies. Such statements must show—for instance, in the case of street railways—the length of track, the number of cars in use, the character of the repairs made on paving, etc.—for electric light companies the number of poles replaced, the nature of repairs to wires, and the total length of the wire system.

Then certain charges which should be allowed to a company—wear and tear, or depreciation—must be stated, and if the franchises are of limited duration the charge of amortization must also be made. This is a legitimate charge against the earnings of any company, which by the terms of its organization sees an end to its rights at some definite and not far off period. This subject of amortization is so important that it will be necessary to consider it at some length in connection with the proposed municipal act.

Provision has been made in the draft for two forms of grants to franchise companies: One where at the end of a certain term of

years, which is fixed at twenty-one, the entire property of the company becomes the property of the city without further payment. The other provides for a purchase on a valuation of the property of the company. In Europe these forms are in use, and the details have been worked out in many different ways. In the event of the property of a company becoming the property of the municipality without payment, provision is always made for the allowance of a charge against income each year, sufficient when invested and compounded to pay off at the expiration of the franchise the entire capital originally invested. In the other case provision is made for the basis upon which the valuation is to be made, and if based simply upon the actual replaceable value of the property of the company at the expiration of the franchise, this amortization charge must be sufficiently large to pay off the difference in value between the probable receipts from the city for the property and its actual cost.

Closely connected with this question is the treatment of capital employed during the closing years of the life of the franchise in making extensions. In one of the latest contracts—that between the Berlin Street Railway Company and the city of Berlin—provision is made that for all extensions ordered within five years of the expiration of the contract the city shall pay the full cost of construction; for those ordered within the period between ten and five years before its expiration the city shall pay one-half of the cost of construction; and for those ordered between ten and fifteen years before the expiration of the franchise the city shall pay one-third of the cost of construction. This insures the building of proper extensions, and is only fair towards the company, inasmuch as its property becomes the property of the city without further payment at the expiration of the franchise, and it would be impossible to return to investors the money put in within the short term of the franchise by setting aside sums from earnings for the amortization of this capital, without placing undue burdens in the way of high charges for service upon the users.

Another form of contract—that between the city of Berlin and the Edison Electric Light Company—provides for a franchise of thirty years, at the end of which time the company shall sell its property to the city at its actual value, but if the city takes it at any



period before the expiration of thirty years there shall be an addition of three and one-third per cent. to the actual value for each year unexpired, and if the city does not use its option until after the expiration of thirty years there shall be deducted three and one-third per cent. from the value of the plant for each year in excess of thirty, so that at the end of sixty years the entire plant becomes the property of the city free of cost.

The duration of a franchise becomes thus a matter of great interest to the users of the service of a franchise corporation, for assuming that the community proposes to allow the original investors to secure a return of the money originally invested as capital, it will depend very largely upon the life of the franchise. If a franchise is for sixty years, as with the Electric Light Company in Berlin, the charge for amortization annually is not a heavy burden, but if this life is only twenty-one years the charge for this purpose is equivalent to the payment of an additional dividend at about the ordinary rate of interest on investments.

If the city has acquired in either of the ways provided in the recommendations of the committee the property of a company which has enjoyed a franchise in the public streets, it is essential that the books of account should be kept in exactly the same manner as is prescribed for a private company, and this charge for amortization, or an allowance for a sinking fund to extinguish the bonded debt, must be treated in exactly the same way as it is by a private company. Short-term franchises and short-term bonds fix, of course, a heavy tax upon the present users of the service, and it becomes then a question merely of right or wrong as to whether the present users shall be obliged to pay high prices for service in order to secure to a future generation low prices, a question with which this paper is not concerned. It is only desired to call attention to the important items of charges which must be met before those who have invested money in such enterprises can expect to receive a return in the way of dividends.

One of the features which the financial statement of the company should show would be the exact cost of construction, including in that the cost of equipment, and with a new company this will be comparatively simple. Unfortunately, in most cities we shall have to deal with these companies as already in existence, and it will

in many cases be almost impossible to obtain—indeed, the managers of any of the older companies cannot obtain the true cost of construction; i. e., the actual amount of money invested over and above what should have been charged off for depreciation. In such cases it will probably be necessary to make provision for a valuation at the time of extending old privileges or of granting new rights to existing companies.

The whole object of accurate methods of bookkeeping and of public supervision and control of the accounts of franchise companies is to secure an equitable division of profits among the three parties in interest; i. e., the users of the service, the investors of the capital employed, and the community at large. So far as the first and third classes are concerned with the question, they look only at the payment to the second class, and the rate of dividend becomes therefore the important factor in the discussion. The recommendations of the committee provide in any event for a payment of a percentage of the gross earnings to the municipality. This special tax, of course only upon the users of the service is an increase in the cost. By this tax the community at large secures a revenue not from the company but from the users of the service. But this charge is made ahead of the net income applicable to dividends, and does not concern that except indirectly.

If the dividends paid by franchise companies are in excess of the average rates of interest the public demands this excess, either in the form of a payment to the city directly in cash for the benefit of the community or in a reduced charge for service. The method in which this is secured is, of course, to be fixed by the specific terms of the franchise grant, but some provision should be made by which those who have invested their money in public service companies may receive some return for the ability and enterprise which they have put into the work. The English plan of treating gas companies seems to cover this point reasonably well, i. e., in the charters granted by Parliament there is fixed a standard rate of dividend and a standard price for service. As the charge for service diminishes the standard rate of dividend is allowed to increase, thus sharing between the consumers and the investors the benefit of improved methods and high financial and administrative ability. Without some inducements to obtaining greater returns

than the average rate of interest the management of a franchise corporation will content itself with the business as it exists, and not be eager or even willing to introduce improvements, or to employ administrative ability sufficient to extend and improve the service. This English plan does not provide for any direct payment to the community as a whole, so that this plan, instead of laying a special tax upon users of the service, gives them the benefit of lower prices.

The entire benefit of the franchise company does not, as is commonly assumed, fall to the promoters, but such company is a benefit to the community at large as well, and the important point in making the accounts of such companies public is to see that the promoters, even if they give good service, obtain not more than their fair share of the financial benefit, but it must not be assumed that all of the profit beyond an ordinary rate of interest belongs to the municipality as a whole. The establishment of any of the class of companies here considered increases the value of the whole community as a place in which to live, raises the value of real estate which can obtain its service, and in this way a community gains largely by its establishment.

To place a true value on a municipal franchise is, even with the most careful and strictly controlled bookkeeping, very difficult. Profits must undergo a good many deductions before the profit over and above the ordinary rate of interest can be determined, and before the community can rightly lay claim to any part of the net earnings, and it is, therefore, essential that whatever form of bookkeeping be determined upon, the net profits should be charged with interest on bonds, with wear and tear, and in the case of terminable franchises, with a proper amount for extinguishing the capital at the end of the life of the grant. What then remains might be called a correct net profit, and from that the ordinary average rate of interest should be deducted and the balance would represent the value in the terms of earning capacity of the franchise and of the business ability of the managers. To capitalize this amount and call that the value of the franchise would not be entirely correct, but undoubtedly a large portion of it is the true value to the shareholders of the right to do business in the public streets, and a valuation upon which the community, which does not own but has

built the streets, would have a claim. This corrected net profit then, over and above the usual rate of interest, should be divided between the shareholders as representing administrative ability, and the city as representing the grantor of the franchise.

The analysis of the accounts of a franchise company, i. e., the inference to be drawn from the accurate data supplied, leads up to two important subjects, neither of which is provided for in the recommendations of the committee. One is the regulation of the price of service, and the other the regulation of the rate of dividends. A discussion of the methods which may be employed to settle these points would lead too far for the scope of this paper, but an attempt has been made here to show the importance of a carefully worked out and accurate system of accounts, and of a distinct understanding of the nature of the items which are legitimately chargeable to income before the actual profit of the undertaking can be determined. By securing accurate returns from franchise companies and by careful analysis of these returns, the relative proportion of the net profits due to each of the parties interested—the users, the investors and the whole community—can be ascertained. In this way only may reasonable charges for service, fair dividends and a return to the community of interest on that part of the capital which it supplies, namely, the franchise, be secured.

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## A YEAR'S ADVANCE.

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CLINTON ROGERS WOODRUFF, PHILADELPHIA.

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If one were asked to characterize the distinguishing feature of the growth and development of public interest in municipal government in the period covered by the existence of the National Municipal League, he would be entitled to reply. "Continuous and uninterrupted progress."

Each year I find the preparation of this annual review of municipal happenings an increasingly difficult task; not because of any lack of material, but because of its increasing abundance. If I were to mention each municipal achievement of the past year I should unduly extend the limits of my review. Indeed, it is impossible to do more than refer to the more important, and to touch upon the general features only.

Since the League was organized in 1894 in New York City it has held meetings in Minneapolis, Cleveland, Baltimore, Louisville, Indianapolis, and this year we meet at Columbus, at the special invitation of the Ohio State Board of Commerce, the Board of Trade of Columbus, and the Ohio Municipal Code Commission. These meetings have brought together those interested in the solution of the pressing municipal problems of the day; but they have not by any means constituted our whole work. Not only has the League served as a Bureau of Information, but also as a Clearing House. In addition to this, it has prepared and distributed large quantities of literature, by the means of pamphlets, leaflets, reports and articles published in the various newspapers. No better test of the importance of the work of the League and its effectiveness is to be had than the support which has been heartily given to it by the newspapers of the United States. Indeed, a large part of the effectiveness of our work is directly due to this co-operation.

During the five years of our activity there has sprung up a literature about municipal government and its reform, of great and lasting value. There have been organized in the numerous cities strong organizations working for the correction of existing evils. The number of active workers has steadily increased. Public opinion has been formed and organized; and still there are those who ask that something tangible be shown for our five years' work. Statistics will not tell the story of our activity. We might speak of the number of meetings held; of the amount of literature issued; of the number of newspaper notices received; and yet come far short of expressing in any adequate sense the impression which our conferences, our publications, our literature, has produced. Even if we went so far as to point to the organizations which have been formed and the work which they have done, we would still fall short of telling the whole truth, simply because we are dealing with a matter so subtle and so difficult of exact determination that figures fail to give us any adequate impression concerning it.

The National Municipal League has steadily worked to create a deeper and more widespread interest in all that relates to the government of our cities. It has sought to bring together in effective co-operation all who are working on municipal problems, whether as citizens or as officials. It has sought to create a public opinion at once insistent upon higher ideals and intolerant of inefficient execution. That we have succeeded to a measurable extent is evident by the reception given to our literature; by the attention paid to our proceedings by the press, and by the public in general; and by the inquiries which come to us daily from all parts of the country. Within a day your Secretary has received letters of inquiry from Astoria, Ore.; Greenville, O.; Austin, Tex.; Nashville, Tenn.; Kansas City, Mo.; Lansing, Mich.

The League, however, has discharged an additional function in that it has attempted to ascertain actual municipal conditions; and has sought, and is seeking, to frame a Municipal Program, which will furnish reformers everywhere a definite plan of action.

It is not my intention to trespass upon the Report of the Committee on Municipal Program, which will be read later on at this session, but it is fitting to say that the effort of the League in this

direction has met with a very general support; and with that degree of public interest which indicates the great necessity for it.

The League stands pre-eminently for a consideration of municipal questions separate and apart from State or national politics. In other words, for the breaking down of party lines in the discussion and determination of municipal questions. It is coming to be more generally recognized than ever before as a result of the agitation persistently maintained by the League, and by its upwards of one hundred affiliated organizations, that State and national politics should have no part in municipal affairs. That there is a growing appreciation of this important principle is shown by a number of significant events in the past two or three years.

Last April Baltimore elected a Mayor because he represented this idea. In national politics he was opposed to the majority of the city as expressed at the two preceding Mayoralty elections; but because the voters had confidence that he would give first consideration and first attention to municipal affairs; and ignore national and State politics, they elected him to be Mayor over a man who was of their own party in State and national matters; but who gave no such assurances. In Toledo at the same time Mayor Jones, who ran on an Independent ticket, and was opposed by both of the national party organizations, polled a larger vote than both of his opponents together. Why? Because his candidacy represented the pre-eminency of municipal affairs. The 151,000 votes cast for Seth Low in the municipal campaign in New York bear witness to the same effect.

The municipal election of last spring in Chicago tells the same story. Mayor Harrison was re-elected, not because his views on national questions were approved, nor because his participation in State and national politics met with sympathy, but because he represented a definite stand upon a definite local question. Indeed, before the campaign was closed, all three candidates for the mayoralty were compelled by public sentiment to ignore State and national issues, and adhere to local ones, but too late to convince a plurality of the voters of their sincerity of purpose.

This breaking down of party lines where municipal questions are involved is making headway in another direction. If the argument in favor of a divorce of municipal affairs from State and

national politics holds good, the contention that State matters must be considered from a State standpoint, and not from a national standpoint, must be equally sound, and voters are beginning to appreciate this. So regular and orthodox a party paper as the Philadelphia "Press," in the campaign of 1898, said that "the party appellation of the Governor was of secondary consequence." Mayor Jones in his candidacy for the Governorship of Ohio this autumn, represented the same idea. The Business Men's Republican League of Pennsylvania in the election just passed, definitely endorsed the Democratic candidate for State Treasurer, and maintained in defence of its action that inasmuch as only State issues were involved, its standing in national matters was not thereby jeopardized.

This tendency toward the separation of municipal from State and national matters is not confined by any means to the few localities mentioned, nor to the few organizations named; but evidences of it are to be found wherever men come together to discuss any phase of the municipal problem. For instance, at the Detroit meeting of the League of American Municipalities the following resolution was unanimously adopted:

"RESOLVED, That it is the sense of this convention of American Municipalities, that municipal questions should be absolutely divorced from the domain of partisan politics that rule in State and national affairs. The municipalities should set the example for the State and nation in ministering to the needs of all the people, and the best results cannot be secured under a system of politics that seeks to consider as first only the interest of a few people who belong to the dominant party."

The editor of the organ of the League of California Municipalities says, discussing the same question, "When we require adepts to run our cities, our universities will establish a department specially to fit our young men to enter the new profession of conducting municipal business; then it would be but natural to expect our municipal officers to hold diplomas from such institutions, just as we now require our school teachers to have certificates as to their ability to teach; and why should it not be so?"

The position taken by the editor of "California Municipalities" is utterly inconsistent with the old idea that municipal officers



should be elected on national platforms, and the fact that a city official in an organ for city officials should take this position is one of the most gratifying illustrations which I can adduce as to the new spirit which prevails throughout this country, to an extent that five years ago would have been considered impossible. It is true that politics of a certain kind have their place in municipal elections; but we in America have introduced the wrong kind of politics into our municipalities. At the Philadelphia Conference for Good City Government one of the statements of principle that met with the most hearty endorsement was, "Municipal parties for Municipal issues and National parties for National issues." At that time he would have been regarded as an optimistic reformer, indeed, who would have said that within five years from that time an organization composed of city officials would take substantially the same ground, and that the editor of an official organ should maintain that efficiency was of first consideration, and politics second.

Hand in hand with the movement to divorce municipal from State and national questions is that for the introduction of the merit system. The spoils system and national partisanship in municipal matters go hand in hand. The elimination of the spoils system means the elimination of national partisanship in municipal affairs. The spoils partisan recognises this, and devotes his force and energy to combatting the introduction of the merit system, but despite his efforts, his subtlety, his chicanery, the movement for civil service reform in our municipalities goes steadily forward and is making substantial headway. During the past year important advances have been made. The most conspicuous of these is in New York, where an act was passed by the last Legislature repealing the so-called Black Act, which was intended by its author "to take the starch out of civil service reform." The Roosevelt Act installs the genuine merit system.

In New York city the heads of the Tammany administration maintained that the new charter established a separate civil service system under their own control and free from the supervision of the State Commission. This contention was disputed in the courts by the Civil Service Reform Association, which has been sustained by the Court of Appeals. The charter rules, however,

remained in force during the whole period of litigation, and, in fact, continued in force until the passage of the recent act, April 19, the ruling of the court at that time still being in process of enforcement. The new act requires the reclassification of the city service under strict rules subject to the State Commission; but upon the failure of the municipal authorities to act, the said Commission is empowered to prescribe and enforce rules of its own. The municipal authorities did fail to act and on July 11 a complete code was framed and established by the State Board and is now in full force and effect.

During the period from January 1, 1898, to July 11, 1899, while the former rules were in force, appointments after competitive examination were almost the exception and there existed no practical check upon the use of the city offices as patronage. The result was that after the new government had been fairly launched, from July, 1898, to July, 1899, there occurred an increase in the number of city employees variously estimated from three to eight thousand, and the pay roll, as the department heads themselves admitted, was increased more than \$2,000,000 annually. This was notwithstanding the fact that the argument had been that with the joining of offices and the simplification of their functions the expenses of government would be decreased.

The new act in New York applies equally to all cities and the improvements it is intended to effect have been brought about in each with the exception of three or four of the smaller ones, which remain to be brought into line. A recent estimate gives the number of municipal employees in Greater New York as between 52,000 and 53,000. All of these, with the exception of 1000 minor employes in the city hospitals and institutions, are now brought within the working of the merit system and subject either to competitive examination or registration, and excepting about 400 of the higher order, which are still classified as exempt. The new act provides also that the employes of the larger counties shall be classified and for the first time rules are about to be extended to these. In the counties embraced in Greater New York about 1200 additional officers will be brought within its operation.

The new San Francisco Charter, adopted by popular vote and recently sustained by the Supreme Court of California, provides

for a complete system of civil service classification and regulation on the lines of the rules in force in Chicago. The campaign for the charter was made largely upon this issue and the result is accepted as a substantial approval of the merit system.

The Civil Service Act of Illinois, the principal application of which is to Chicago, has been the subject of further litigation during the year, all of which, however, has resulted favorably to the reform. There have been embarrassments in connection with the work of the Commission due apparently to lack of sympathy of certain of its members, but there has been no impairment of the rules themselves. In the late municipal election both political parties declared in unqualified terms in favor of the maintenance of the rules.

The experience in New York State, in San Francisco and in Chicago, all point to one conclusion, that the people when they have a chance to express their opinion are in favor of the merit system, and that the politicians, whenever they have an opportunity, will do all that lies within their power to retard its progress. The movement for the establishment of the reform in other cities throughout the country has been materially advanced, though there is none other in which rules have been established during the year, unless we include the cases of Pittsburg and Allegheny. At the request of the heads of the Police and Fire Bureaus the Legislature of Pennsylvania passed an act bringing the employes of these bureaus under civil service regulations of a character similar to those in force and effect in New York and Chicago.

This fact may, upon its face, appear to be at variance with the statement that the politicians are opposed to the merit system, but it must be borne in mind that not all heads of departments are politicians in the ordinary sense of the word and that some are more interested in maintaining the efficiency of the force under them than in making places for insistent and shifty politicians.

There has been no abatement in the movement for charter reform throughout the country. It has gone steadily on; succeeding here, failing for the present there, only to be followed by still more vigorous efforts.

In Somerville, Mass.; Providence, R. I.; Greater New York; in the second class cities of New York; in Jersey City, in Pittsburg, in Wilmington, Del.; in Baltimore; in Raleigh, N. C.; in Jacksonville; in Grand Rapids; in Milwaukee and other Wisconsin cities; in Minneapolis, St. Paul, Duluth, Mankato, in fact, in all the Minnesota cities of any size; in Chattanooga; in Nashville; in San Antonio; in Denver; in Spokane; in San Francisco, Los Angeles, San Jose and other California cities, movements for charter amendments or a new charter have been inaugurated, and in many instances prosecuted to a successful end.

Of the excellent work of the Ohio Municipal Code Commission, which will make its report to the next session of the Legislature in this State, we shall hear more this evening.

In Indiana, the Township Commission, the chairman of which is one of us, has completed its labors. Its recommendations have practically been accepted in their entirety by the Indiana Legislature, and while they have been in operation but a few weeks, the results from them have already made them extremely popular in the State, and I am told by close observers that they will undoubtedly mark the beginning of a new era of better local government in America.

The League of Wisconsin Municipalities, under the leadership of its officials and under the inspiration of the Municipal League of Milwaukee, an affiliated member of the National Municipal League, has taken up with great vigor the Municipal Corporations Act recommended by our Committee on Municipal Program and its efforts bid fair to be crowned at an early day with that success which their sincerity and persistency merit.

There has been no more substantial indication of the growing public interest in municipal problems than the discussion during the past year of the question of the municipal ownership, control and operation of municipal franchises. At the Detroit meeting of the League of American Municipalities the sentiment of the officials of the cities there represented was unqualifiedly, and, I think I am justified in saying practically unanimous in favor of the municipal ownership, control and operation of the principal municipal franchises. Since that time the whole question has been discussed with a degree of care and thoroughness that indicates be-

yond question that the people are thinking upon the subject, and thinking with a view to determining once and for all the fundamental policy involved.

I cannot within the limits of this report refer even cursorily to the numerous attempts made throughout the country on the part of various municipalities to assume the control and operation of important municipal undertakings such as water plants, gas and electric lighting plants.

Perhaps the one experiment which attracted most attention was the attempt of Governor Pingree, of Michigan, whose long career as Mayor of Detroit has given him a national reputation as a municipal administrator of power and aggressiveness, to test the matter of the municipal operation of a street railway system. Governor Pingree, with characteristic vigor and persistency, overcame all of the minor obstacles, but was finally defeated by a decision of the court to the effect that under the Constitution of Michigan as it now stands it was impossible for the city of Detroit to operate its street railways. The attempted experiment of Governor Pingree attracted general attention throughout the United States and the eyes of all interested in municipal affairs were directed to the outcome of his efforts. No single municipal undertaking of the past year attracted more widespread attention or created a more general interest. There is a feeling of regret, I think, throughout the country that he was unable to carry out his experiment and demonstrate the practicability or impracticability of an American city operating street railways.

Another illustration of the hold which the municipal ownership idea has upon the public is provided by the re-election of Mayor Jones in Toledo last spring. As I have pointed out, he was nominated on an independent platform, which unqualifiedly and without reservation indorsed the principle of the municipal ownership, operation and control of municipal franchises, and his triumphant election by an overwhelming majority clearly indicated that the idea for which he prominently stood was one which had a tremendous hold upon the people of Toledo.

The victory of Mayor Harrison in Chicago is indicative of the same feeling. There were many citizens of Chicago who were displeased with many of the acts of Mr. Harrison in connection

with the administration of the Civil Service rules and regulations and his administration of the police, but his brave and manly stand upon the street railway question won for him a popularity which outweighed all other considerations and secured his triumphant re-election.

Not the last gratifying fact which I have to chronicle is the substantial service in the cause of good government rendered by many city officials now in office. The leadership of Mayor Quincy, of Boston, in all matters relating to municipal progress and developments is too well known to need more than a passing reference. Mayor Quincy's administration has been characterized by a breadth of view and grasp of the municipal problem which place him at the head of American municipal administrators. While there may be differences of opinion concerning certain of his proposals, there can be none as to the public spirit and intelligence with which he has executed the important duties of his office.

The substantial services of Comptroller Coler, of Greater New York, have likewise been very generally recognized. His courageous stand in defense of the city's rights and in behalf of an enlightened economy, and especially his vigorous onslaught upon the infamous Ramapo water deal, are fresh in mind. The charter of Greater New York makes the Comptroller an official of extraordinary powers and responsibility. Not only is he the custodian of every dollar received by the city, and personally responsible for the disbursements of all moneys of the city, but he collects all taxes and assessments and duties and pays all claims against the city. He is a member of the Board of Estimate, and no appropriation for any department nor any bond issue authorized by the board is legal without his approval. As a member of the Sinking Fund Commission, no lease of the city property can be made without his approval. In addition, he is a member of the Board of Public Improvements and Commission for the Revision of Assessments. When it is recalled that the disbursements of New York City in 1898 amounted to one hundred and thirty-eight millions of dollars, some slight conception of the importance of this office may be had. That Mr. Coler has so administered the enormous powers and the diversified duties of his office as to meet with the

general approval of his fellow-citizens and municipal students generally is of itself an enviable accomplishment. But he has done more than this. He has used the great powers entrusted to his care to protect the highest and best interests of the city. His prompt and efficient action has preserved the credit of the city and saved it from the clutch of a grasping syndicate of money lenders. He has likewise maintained the credit of the city by defeating the members of the municipal legislature in their attempt to "hold up" the departments until their demands for spoils and patronage had been complied with. But above all and beyond all, he deserves credit for the courageous stand he has taken in behalf of the continued municipal ownership and control and operation of the water system of Greater New York.

I have thus dwelt at some length on the achievements of Mr. Coler, not only because they intrinsically merit it, but because they furnish an illustration of what a brave, conscientious public official can do. Although Mr. Coler was elected as a partisan, he left partisanship behind when he assumed the control of his office. Unlike those who were elected at the same time he was, he has placed public interests first, party interests second, and with what results? Not only has he protected the city and advanced its interests, but he enjoys a reputation throughout the country to-day which he could never have enjoyed if he had put party first and public interest second. The excuse is often made by weak and complacent officials, that they would do differently if they had public support. The experience of Mayor Quincy, Comptroller Coler, Mayor Jones and Mayor Harrison clearly demonstrates that the law-abiding, conscientious and fearless official has nothing to fear in the way of public support, if the people are only convinced that he is sincere in his desire to advance public ends.

The growing interest of city officials in purely municipal affairs is to be noted in another direction. It seems strange that it is necessary to refer to such a matter; it ought to go without saying that the city official is interested in municipal affairs; but as a matter of fact, we know that in times past the city official's interest in municipal affairs has been in many instances slight, and confined to doing as little as possible for the city and as much as possible for the party, and this is the direct outgrowth of the

pernicious partisanship to which we have referred. As long as city officials are elected as party candidates and not as men who are fitted to control the office, so long we shall have city officials who will relegate city affairs to a second place in their consideration. When, however, we have city officials elected on municipal issues and because of their administrative fitness, then we shall have a different state of affairs. The organization of the League of American Municipalities has been watched with much interest. As was pointed out in our last annual report, it has great possibilities for usefulness. It is a matter of congratulation that we are able to say that it is rising to a true conception of these possibilities. Its Syracuse meeting marked a great advance over preceding meetings, not only in the character of topics discussed, but in the intelligence and interest manifested in their discussion.

This League of Municipalities is not the only national association of municipal officials, however. Various other organizations have recently been formed. The National Association of Municipal Electricians held its annual meeting in Wilmington, Del., last September. It was characterized by an intelligent comprehension of the problems with which its members had to deal, and a degree of devotion to duty which augurs well for the future. When our city officials come together for conference and consultation concerning the interests committed to their care, then, indeed, we have an evidence of an aroused interest in municipal affairs which is most promising. Imagine a meeting of city officials ten or fifteen years ago to discuss city affairs, and yet now not only have we a League of American Municipalities, but there are at least ten State Leagues of Municipalities, all manifesting a marked degree of activity. In Ohio, Indiana, Illinois, Michigan, Wisconsin, Kansas, California, Connecticut, Florida, and recently in Pennsylvania, we find the city officials meeting in annual session to debate municipal topics and to exchange ideas as to municipal administration.

The evidence of municipal progress, however, is not confined to officials in office and their activity. The citizens of the various cities throughout the country have not been wanting in intelligence and comprehensive effort to promote municipal reform. In New York the City and Reform Clubs have carried on with an



increasing degree of efficiency their respective lines of work. During the past session of the Legislature the former prepared a series of publications dealing with bills relating to the city. Copies of these circulars were sent to the members of the Legislature, to the Governor, to the newspapers and to members of the Club and those known to be interested in the subjects treated. They had a decided influence upon the intelligent and conscientious legislator, and the continuance of this work is bound, sooner, or later, to make the enactment of good legislation easier and of bad legislation more difficult. The campaign of the City Club in behalf of unassessed judges has attracted attention to the glaring evil of the intervention of party influence and party organization in municipal matters. The Club's petition to the Governor, calling his attention to the derelictions of the District Attorney of New York, will have important results, even though it may fail of its immediate object. The existence of an organization like the City Club of New York, always ready to call attention, without fear or favor, to the shortcomings of officials and to aid by advice and suggestion in the enactment of wholesome legislation, is of itself of the utmost importance.

The work of the Reform Club along educational lines has been maintained. Its excellent quarterly journal, "Municipal Affairs," has had, and is having, a decided influence in the direction of establishing a high standard in all matters relating to municipal policy.

What has come to be known as the "Trenton Movement" seems likely to prove a valuable method as to one way of awakening public opinion. Upon invitation of one of the Baptist clergymen of that city, the president and secretary of the League for Social Service, conducted an eight days' campaign, or as I presume it might be called, a series of municipal evangelistic services intended to arouse the people of Trenton to their duties as citizens. The meetings were successful in that they brought out many men of high and low degree, who for years had had little or no interest in the church or in public matters. As the Mayor of the city said, "I would have been a better Mayor if I had heard these addresses at the beginning instead of the end of my administration, and some of the suggested reforms would have been undoubtedly inaugu-

rated." I am told "that already many thoughtful and influential men and women have expressed a determination as a result of these meetings to seek some avenues of public service to express in concrete form the teachings which they heard."

Like the City Club of New York, the Municipal League of Philadelphia has exercised a wholesome influence in its criticisms of public officials and their conduct. Its last annual report contains a record of service of far greater value than the mere recounting of its activities would at first seem to indicate. Its action in connection with other organizations in agitating for an improved water supply; its conduct of a suit to determine the right of the Governor to veto a proposed constitutional amendment to the State Constitution; its activity in behalf of open competition in the matter of electric lighting; its municipal campaign in behalf of municipal candidates and its legislative work, form a record of which any municipal organization might feel proud. Public opinion manifests itself more slowly in Pennsylvania than elsewhere, but none the less surely. There is gradually forming in Philadelphia and in the State at large a sentiment intolerant of corrupt political methods which sooner or later will result in an ending of the present regime which has brought the fair name of the State and its municipalities into discredit. The exposure of the methods pursued by prominent politicians in using State and city funds as if they were private assets has cleared the atmosphere and has made a recurrence of such conduct practically impossible. The action of the Municipal League in conducting municipal campaigns upon municipal platforms, dealing only with municipal issues, is directing the attention of the people to the folly and unwisdom of determining matters of local importance upon irrelevant issues.

The result of the April election in Baltimore was a great triumph for good government. The Independents, under the leadership of the Baltimore Reform League, vigorously supported the Democratic ticket and it is quite universally conceded that their support determined the result. The Mayor elected was a most active member of the new Charter Commission and was, perhaps, more responsible than any one else for its provisions, so far as these relate to the organization of the city government. During the campaign he pledged himself most emphatically and most explicitly to a non-

partisan administration conducted upon business principles. The other officers elected are also quite unusually well qualified for their respective positions. There are, of course, a few black sheep in Councils, but it is, taken as a whole, I am advised, "the best city government Baltimore has had for many years." As Mr. Bonaparte has said, "We achieved a great victory for the principles of the National Municipal League; the issue was clearly drawn, the Democrats making their canvass on the basis of separating municipal from State and national issues, while the Republicans distinctly denied the possibility of doing this and conducted a purely partisan campaign. The result has shown beyond all question that the independent vote here holds the balance of power and that on the whole we have, in my opinion, a better chance for a good government conducted on business principles in Baltimore during the next four years than any other great city of the country. This is a remarkable and very gratifying change since I read my paper at our first Conference for Good City Government, but I see no reason to doubt the correctness of my opinion and you know I am not especially inclined to optimism."

From Richmond, Va., comes the news that the League for Good City Government did not succeed in electing its entire ticket at the last municipal election, but it elected enough honorable business men to control practically both branches of City Councils. The result has been most desirable in every way. Economy is now the watchword and erstwhile opponents of the League are trying to outdo its friends. Observant citizens say that Richmond's affairs have never been so well managed as now.

From Chattanooga equally good news comes. Former Mayor Ochs, now a member of our Executive Committee, writes, "I feel much encouraged over the situation here. We have now incorporated in our charter, thanks to the good work which was done last spring by the Independents, a clause which prevents any officer or employe of a quasi-public corporation having any contract relations whatsoever with the city or from holding any municipal office. Furthermore another clause which provides that the power of the Mayor and Alderman in granting franchises is limited and that no franchise can be granted for a longer time than twenty-

one years and no franchise shall be granted except for a consideration."

I have already referred to the results obtained by the Independents in Toledo. In Cleveland the Citizens' Municipal Association cut an equally notable figure in April in the election of Mayor Farley. While it is true that various factors co-operated in defeating the machine candidate for Mayor, the Municipal Association deserves a large share of the credit because it inaugurated the fight and presented the charges which the machine candidate was unable to refute. The officials of the Association feel that he was defeated because of their vigorous and unceasing warfare against him, and by reason of the effort which it made to advance the people a step towards municipal reform and the breaking down of party lines in municipal contests. The Association was assisted by business and professional men and others interested in securing better government. To-day everyone in Cleveland understands that there is in existence an association working for better government, scrutinizing the conduct of public officials and bold enough in its membership to attack any public officer seeking reelection whose record is bad.

In Detroit the Good Government League participated in the regular spring election. Four of the candidates for Circuit Judges endorsed by it were elected, while the fifth came within thirty-four votes of being elected. All the candidates for School Directors endorsed by it were elected. Although defeated in some of its contests nevertheless it deserves to be congratulated on the results which it has accomplished in electing a School Board freer from politics than any for years. The Municipal League of Milwaukee has performed an effective and valued service in bringing to the attention of the people of Wisconsin the merits of the Constitutional Amendment and Municipal Corporation Act prepared by the Committee on Municipal Program of the National Municipal League. It is due to its energy and initiative that the question of an improved form of municipal government has become a burning question in Wisconsin. In Minneapolis the present Mayor was elected by the Republicans who voted against their party candidate avowedly because as an Alderman he had stood for an administration which had been anything but satisfactory. The re-

sult emphasized the popular protest against misgovernment and the independence of the voters of Minneapolis. In Oakland and in Alameda and in Santa Clara, Cal., the reform organizations also won substantial victories.

Indeed, the number of important achievements in the way of the election of men to municipal offices, irrespective of their party affiliations, but illustrates again the growing tendency to disregard party lines in municipal contests. To be sure the municipal problem is far from solution; there are many evils deeply rooted and strongly entrenched which years of activity and organization will be required to eliminate; nevertheless the indications everywhere are encouraging.

If I may be permitted to quote from a few representative reports, you will see what I mean. From Portland, Oregon, comes the word that "with all its faults our Committee of One Hundred did probably the best work for the future that has ever been done and the corrective effects upon our institution are manifest. In fact, there is a steady trend upon the part of the city and county towards better government and a more decided growth of the feeling of good citizenship in the people at large, and the demand that they make for better administration." From Raleigh, N. C., we learn that although an effort to reorganize the municipality by means of the revision of the Charter by the last General Assembly failed. "We failed because the people were not quite prepared for it; but there is every reason to feel hopeful that out of the failure will come ultimate success." From the Santa Barbara Civic Club, that "we are convinced that, in spite of our short life, we have done much toward arousing a better public sentiment in this city." From Wilmington, N. C., that it "has put on new life and energy, and the people are sanguine in regard to her future." As to St. Louis, "It is a pleasure to record that the Mayor's appointments last spring were a pleasant surprise. As a whole, they are fair and calculated to make as much as possible out of bad conditions. They may be regarded as an unwilling confession that the real political plans could not be carried out, and if one or one and a half years from now a business man of fair experience and intelligence is placed at the head, it is entirely possible that the combination may prove the beginning of one of those periodical up-

liftings to which municipal government is indebted for many of its advances."

To my mind the most hopeful sign of the situation is the amount of permanent work in behalf of better municipal government that is being accomplished. In Boston, we have the Municipal League; in Cambridge, the Library Hall Association; in New York, the City Club; in Philadelphia, the Municipal League; in Baltimore, a Reform League; in Cleveland, a Citizens' Municipal Association; in Chicago, a Civic Federation; in San Francisco, a Merchants' Association; in Milwaukee, a Municipal League, all permanent organizations; all working unceasingly for better government; not spasmodically, not sporadically, not intermittently; but persistently, courageously, fearlessly. If the people of our American municipalities are ever to solve their problems, it must be by work of this kind. I could occupy your time to a much greater extent in a recital of the activity of the upwards of two hundred organizations working in this country for better municipal government; but all to the same end—that we may have improved municipal government.

At the Mohonk National Arbitration Conference last June I was greatly impressed with the wonderful speech of Edward Everett Hale on his favorite topic of an International Court of Arbitration. After reciting the facts well known to the students of our history that the Supreme Court of the United States for many days and months had practically no business to transact, he said, "Perhaps the National Court of Arbitration would have no business for some time to transact; but it would exist." He described how the members would come together in Switzerland, perhaps, and take out their books and hire a hall, and the Court would exist. Th cynics would come along and say, "What have you done?" Nothing, but the Court exists. Next week, and the next, the Court does nothing; but it exists. And while the Lord Salisburys and Joseph Chamberlains and the heads of governments are looking around for some case trifling enough to be referred to the Court, it exists.

So with the municipal reform movement. The forces making for better government in some sections are defeated in their early campaigns; but they persist. Workers come and go and are

diverted from their original purpose; but the movement for good government persists. The candidate elected on a reform ticket may prove untrue to his pledges; but the reform movement persists. Some organizations may disband, and in others the active members may drop out; but the movement persists. Critics and cynics and spoilsmen will say, "What have you done?" The answer is, we have persisted.

The National Municipal League and its affiliated organizations stand for persistence in this matter of securing better city government. Men may come and men may go; organizations may come and organizations may go; but the movement for good city government will go on and persist. When the American people are aroused as to the importance of any problem, and when they realize the necessity for its solution, it is only a question of time when the matter will be settled. Our history is full of illustrations of this trait of American character, and while at the present time there are many depressing facts in connection with our municipal government and there are many instances which arouse our indignation and make our blood boil, and many other things which make our hearts sad, yet on the other side we must not overlook the fact that the tendency points toward brighter days; that the indications are that the dawn of a new era of municipal government is not so far distant as some of us thought five years ago when we came together in our first Conference for Good City Government.

## THE WORK OF THE OHIO MUNICIPAL CODE COMMISSION.

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EDWARD KIBLER, NEWARK, OHIO.

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The Municipal Code Commission of Ohio was created by an act of the Legislature, passed April 25, 1898, the title of which was "An Act to Authorize the Governor to Appoint a Commission to revise the Municipal Code of the State," and provided that the Governor should appoint two persons to revise the laws relating to the organization of cities and villages in the State of Ohio, and required the Commission to prepare a bill for the organization of cities and villages in Ohio, upon a plan of organization which shall be uniform in its operation throughout the State, and in which there shall be a separation of the legislative and executive powers of the officers of the municipal corporation; such bill to be prepared in form to be acted upon and adopted by the General Assembly, and the Commission is required also to prepare an explanation and analysis of the bill, which, together with the bill, shall be reported to the Governor prior to the assembling to the next General Assembly, and the same shall be by the Governor submitted to the General Assembly for its action thereon, with such recommendations as he may deem proper.

On the 17th day of June, 1898, the Governor of the State appointed David F. Pugh and Edward Kibler as members of this Commission, who since that time have been engaged upon this work of revision.

The bill proper has been prepared and printed and is complete with the exception that the repealing and amending statutes are in course of preparation and do not appear as a part of the printed bill.

In the limited time allotted to me I can do no more than give a brief description of the general features of the bill, and shall make no attempt to state any of the reasons or considerations which in-



fluenced the Commission in the adoption of any of its provisions, nor even indicate the particulars in which the revised code differs from the present code of the State.

The scope of the work embraces a revision of the following subjects, to wit: The organization of municipal corporations; legislative department; executive officers; police department; department of health; improvements, appropriation of property, assessments; property of the corporation, dedication, rights of the public and property owners, and agencies of convenience and necessity; finance and taxation and municipal elections.

Four cardinal ideas or principles have controlled the commission in the preparation of this bill, viz.:

First.—The abolition of all city classification, the division of all municipal corporations into cities and villages, the placing of all municipal corporations under the legislative control of the Council rather than the General Assembly, the prohibition of all special legislation for cities and villages; in other words, home rule or local self-government, under a liberal grant of governmental powers.

Second.—The total separation of legislative and administrative functions; all legislative power to be lodged with the Council, and all administrative duties imposed upon the executive department, and the adoption of the federal plan of municipal government with the Mayor, the responsible head of the administrative department.

Third.—A comprehensive merit or civil service system for the filling of all subordinate offices, and

Fourth.—The nomination and election of all elective municipal officers, including members of the Board of Education, upon a non-partisan ballot.

Under the first Constitution of Ohio, 1802, each town was incorporated by a special act of the Legislature. This created such diversity in the form and powers of municipal corporations that the evil was sought to be corrected in the Constitution of 1850, by the requirement that the General Assembly should provide for the organization of cities and villages by general laws, and that all laws of a general nature should have a uniform operation throughout the State. It seems perfectly obvious that the intention of the Constitutional Convention in the adoption of these provisions

was to abolish all special legislation for cities and villages, and to make them, so far as their powers and the form of their government are concerned, as nearly uniform as general legislation could accomplish these purposes. In other words, that there should be no classes or special charters for municipal corporations, except the classes mentioned in the Constitution, viz., cities and villages.

Since the adoption of the Constitution of 1850, the division and subdivision of municipal corporations has gone on until at present there are fifteen distinct classes of municipal corporations in Ohio, viz., four grades of first-class cities, eight of second-class cities, two classes of incorporated villages and hamlets, with a form of government to a greater or less extent special for each class. In ten of these classes there is but a single city in each class, and under the holdings of the Supreme Court of the State, notwithstanding the provisions of the Constitution, the right of the General Assembly is firmly established to legislate specially for each city and village in Ohio, the only requirement being that they shall adhere to that cherished legal fiction of creating a special class for each municipal corporation and then legislating for the class; so that it will appear, that in all these years since 1850, Ohio, under the license of its Supreme Court, has been traveling in a circle and we are in practical effect back to where we were before the present Constitution, to the era of special charters.

Latterly our Supreme Court has expressed great dissatisfaction with its earlier decisions sanctioning municipal classes under the present Constitution, and has shown a disposition to welcome any legislation which will enable us to get back to those wholesome provisions.

The Commission has, therefore, provided that municipal corporations in Ohio shall be divided into cities and villages, with no other division of them into sub-divisions or grades. One of the inevitable consequences of the prohibition of city classification will be the conferring upon the municipality of the largest measure of self-government, and the prohibition of all special legislation and legislative interference with the details of municipal government. It is obvious, from the history of municipal classification in Ohio, that it is merely the vehicle or means of special legislation for the evasion of the Constitution, and that the aboli-

tion of municipal classes must necessarily result in the abolition of legislative interference, and what seems to be a mountain of difficulties in the path of the abolition of city classes disappears the moment we properly discriminate between the true functions of the State Legislature and of the City Council in municipal affairs.

The act creating the Commission requires that there shall be a separation of the legislative and executive powers of the officers of municipal corporations. Under the general municipal statutes, now in force in Ohio, the duties of City Councils are more largely administrative than legislative in their character, while in much of the special legislation applicable to particular cities, especially the larger cities, the city officer vies with the City Councilman in legislative duties. Under the revised code the duties of the Council are purely and strictly legislative. The Council in cities consists of seven members, three of whom are elected at large and of the remaining four one is elected from each of four councilmanic districts into which the city is to be divided, and one of the three Councilmen-at-large is nominated and elected as the president of the Council, who is required to serve as Mayor in case of a vacancy in that office. All elective officers to serve for two years, except the judge of the police court. All Councilmen are to receive an annual salary and are required to execute a bond for the faithful discharge of their duties, upon which bond they shall be liable for the illegal expenditure of all money voted against the advice of the Director of Law. In villages the Council consists of six members, elected at large, to receive no salary.

All administrative duties are performed by the officers of the executive department, which consists of the Mayor and four directors appointed by the Mayor, without confirmation by the Council, and under the control of the Mayor, each director has exclusive authority in his separate department, and he may be removed by the Mayor at will, the reason for such action to be stated to the Council in writing. The only officers elected by the people are the Mayor, Treasurer, members and president of Council, members of the Board of Education, Police Judge and clerk of the police court.

The Governor of the State has power to remove the Mayor from office upon notice and after a full and fair opportunity has been

given him to be heard in his defense, for misconduct in office, incompetence, gross neglect of duty, gross immorality or habitual drunkenness. The Mayor's right of veto extends to the fixing of the salary and bond of any officer, the expenditure of money, the approval of a contract for the payment of money, or for the purchase, sale or lease or transfer of property, or creating a right or levying any tax or imposing any fine, penalty or forfeiture.

The four principal departments are as follows:

Department of Accounts.—The Director of Accounts is given supervision and control of all the fiscal affairs of the city. It is his duty to keep a full set of books, exhibiting statements of all moneys received and expended and of all property owned by the city and the income derived therefrom; to keep an accurate account of all taxes and assessments and of each appropriation made by the Council, and, generally, of all assets and liabilities of the city. At the end of each fiscal year he is required to examine and audit the accounts of the several departments and officers, and prescribe the form of accounts and reports to be rendered to his department, and the method of keeping accounts of all the departments. All departments are required to report to the Director of Accounts. No warrant for the payment of any claim can be issued by the Director of Accounts until the claim shall have been approved by the head of the appropriate department, and he may require evidence to be presented to him as to the justness and legality of any claim presented for payment. He is required to make a yearly report to the Mayor and Auditor of State of the financial transactions and resources of the city, the receipts from all sources and expenditures for all purposes, together with a statement of the debt of the city, and the purposes for which such debt has been incurred, in accordance with forms and methods to be prescribed by the Auditor of State, who is empowered to examine into the affairs of the financial department of any city of the State, and as to the financial condition and resources, whether the requirements of the Constitution and laws have been complied with and as to the method and accuracy of the city's accounts. The Director of Accounts is also required to keep accounts which will show, as to each franchise granted by the city which renders a service paid for by the users

thereof, the cost of the construction, maintenance and operation of the service, the annual collection from users, and the character and extent of the service rendered and the amount collected by general taxation for the service rendered to the city and the character and extent thereof.

Department of Law.—The Director of Law has the same duties which usually attach to the office of Corporation Counsel or City Solicitor, and in addition is required to apply in the name of the corporation for an injunction to restrain the misapplication of funds, the abuse of corporate powers or the performance of any contract made by the city in contravention of law, or which was procured by fraud or corruption. He is required to apply for the forfeiture or specific performance of any obligation or contract made on behalf of the city, granting a right or easement or creating a public duty where the same is being evaded or violated. In case any officer fails to perform any duty ordered by law, he is required to compel the performance of the duty by a writ of mandamus.

It is also made the duty of the Director of Law, whenever instructed by resolution of the Council, to apply in the name of the city to the court, for the appointment of a receiver to take charge of all property and operate the same, of any corporation which is required to render any public service under any right or franchise granted by the city, whenever in the opinion of the court the corporation owning the franchise fails, for any reason, to furnish the service to the public required of it by the terms of the franchise, and that in such case it shall be the duty of the court to appoint such receiver and require him to operate the franchise and furnish such public service under the orders of the court until such time as it shall be made to appear to the satisfaction of the court that such corporation is able to and will render the public service required of it by such franchise.

Department of Public Safety.—The Director of Public Safety has jurisdiction over the police force, its officers, employes and property connected therewith; sealing of weights and measures; city scales and markets; inspection of food; the public health; fire force of the city and officers, employes and property connected therewith; inspection of buildings, boilers, elevators and fire-es-

capas; work-houses, houses of refuge and correction; cemeteries, infirmaries, and all charitable and penal institutions. The Council may, by ordinance, provide for a superintendent of police and a police department; a superintendent of fire and a fire department, and a superintendent of health and charity.

Department of Public Improvements.—The Director of Public Improvements has charge of the administration of the water-works, care of streets, construction and care of public buildings, sewers, drainage, making and preserving all maps and surveys, general supervision of the highways, public places, street lighting, public buildings; and the Council may provide by ordinance for a superintendent of water-works to have charge of that department, superintendent of streets in the street department, chief civil engineer, who shall have charge of street improvements, and a superintendent of parks, who shall have charge of the public grounds.

Under the merit system or civil service provision, the Mayor has the right to remove any officer in the administrative service of the city appointed under the provisions of the law, with no other restrictions than that he must assign the reason for the removal. The bill provides that the Governor shall appoint three persons to be merit system commissioners, who may be removed for incompetency, neglect of duty, malfeasance in office, habitual drunkenness, gross immorality, with the provision that any manifest failure on the part of any Commissioner to enforce the provisions of the law according to its true intent and purpose shall be deemed incompetence. It requires the classification of all offices and places of appointment and employment in each city, into a classified list, exempting from the operation of the act officers elected by the people, Judges and Clerks of election, members of the Boards of Education, superintendents and teachers in the public schools, the heads of the four principal departments of the city, and members of the law department; it provides a method of examination in each city, under the supervision of the Commission, of all applicants for office or place, which shall be practical in its character and shall relate to those matters which shall fairly test the relative capacity of the applicants to discharge the duties of the position and may include test of physical qualifications and health, and

when appropriate, of manual skill; that in all cases where it is practicable, vacancies shall be filled by promotion; when a position or place is to be filled, it is the duty of the Commission to certify to the head of the department or appointing officer the name and address of the candidate standing highest on the register for the class or grade to which said position belongs, except that laborers may be selected by lot or by an examination which shall relate to their capacity for labor, their habits of industry and sobriety and the necessities of themselves and families. The Commission is required to appoint a chief examiner, whose duty it shall be, under the direction of the Commission, to superintend all examinations held in each city. The bill provides appropriate penalties for the bribery of the Commission, for the solicitation of political contribution, payment of political assessments, abuse of official or political influence, and forbids the payment of any salaries or wages to any person for services as an officer or employe of any city unless such person is occupying an office or place according to the provisions of the merit system law.

The commission will recommend that the nomination of all candidates for officers elected by the people, including members of the board of education, shall be by written petition, signed by not less than ten electors, and filed with the deputy State Supervisor of elections, between the first Monday of January and the first Monday of February, preceding the general municipal election occurring on the first Monday of April of each year. All petitions shall be written and signed with ink by each petitioner in person, and shall state the full name, place of residence, and occupation, if any, of the person placed in nomination, the name of the office for which he is nominated, one of the petitioners to each separate nomination petition being required to make affidavit that the names to the petition are genuine, that each was signed by the petitioners in person and that the statements made in the petition are true.

It requires that the names of the persons so nominated shall be placed upon the official ballot, unless such nominee shall die, remove his residence, or decline the nomination. Any declination shall be in writing, signed by the nominee, and filed on or before five days before election day. The bill forbids, under a penalty

of fine and imprisonment, the nomination by any voluntary political association or party, of any candidate for any municipal office, or the indorsement of any nominee previous to the first Monday in February, and requires that the names of all nominees shall be printed in a single column upon the ballot under the title or name of the office, without any other designation whatever, and the names of the candidates for each office shall be printed alphabetically upon the ballot in such rotation that the name of each candidate for each office shall be printed first, upon an equal number of ballots used, at the election, and the ballots shall be so bound into books or blocks that the name of each candidate for each office shall rotate consecutively as the first name thereon under the title of the office.

Concerning the schools of the cities of the State, the Commission has determined to limit the number of members of the board of education to seven, require their nomination and election by the electors-at-large, upon a non-partisan ballot; requiring the selection and promotion of all teachers to be made by the Superintendent of the schools, subject to confirmation by the board of education, and the establishment of a pension to be paid to teachers upon their retirement after twenty-five years' continuous service.

Among the miscellaneous provisions of the bill may be mentioned the requirement that before any suit can be brought against the city for damages for personal injuries occurring in any street or public place, a claim shall be presented to the Mayor or City Council within thirty days after the happening of the injury, stating when, where and how the injury occurred and the extent thereof; that all City Councils are required to provide by general ordinance that all encroachments upon streets or alleys by cellar ways, area-ways, railings, stairway steps, balconies, etc., appurtenant to buildings, shall pay into the general fund of the city a reasonable rental for such use; that municipal corporations having over three thousand inhabitants shall constitute cities, those having less than three thousand inhabitants villages; that all ordinances granting franchises, or for the ownership and operation of public utilities shall require for their validity a popular ratifying vote; that all franchises be limited to twenty-one years, and



by their terms shall reserve to the city the right of purchase upon a valuation exclusive of good will, value of franchise or any value based on earning power; that no franchise be renewed unless within eighteen months of its expiration; that no City shall become indebted for any purpose beyond five per centum of the valuation of the taxable property exclusive of bonds issued in anticipation of taxes or assessments, or for the purpose of constructing, erecting or providing any public service to be owned and operated by the city, which shall permanently produce a revenue; that the maximum maturity of municipal bonds be twenty years; that all special assessments for improvements be made upon the basis of the benefits conferred upon the property in accordance with the decision of the Supreme Court of the United States in the case of *Norwood vs. Baker*, and before such amounts are assessed against property, the validity of the assessment and its amount shall be determined by the Probate Court in a proceeding instituted by the city for that purpose; that Cities, when authorized by a vote of the electors, may own and operate gas works, water works, electric light, telephone, and when authorized by a vote of the people, Cities having a population of fifty thousand or over, may own and operate street railways.

Among the additional powers granted to cities and villages to be exercised at the option of the City Council are the following:

To determine the location of and to regulate, restrain or suppress houses of ill-fame.

To authorize the destruction of machines used for winning or losing money.

To raise or lower grade crossings at the equal expense of the municipality and the railroad company.

To erect public bath houses.

To regulate the erection and height of buildings, partition fences and party walls.

To regulate the moving of buildings along public highways and to provide for the payment of compensation to those damaged.

To require railroad companies to keep flagmen and maintain gates at railroad crossings.

To provide for and regulate the use of bicycle paths.

To establish and maintain a public municipal employment office.

To require officers and employes to pay their just debts incurred for necessities while in the employ of the city.

The bill also provides that before the bonds of any municipal corporation shall be negotiated or be valid, the same shall be submitted to the Attorney-General of the State, together with certified copies of all the proceedings relating thereto and other information affecting the validity of the issue, whereupon it shall be the duty of the Attorney-General, within thirty days, to examine said proceedings and if he finds such bonds are valid and binding obligations upon the city, he shall so certify in writing to the secretary of State, whose duty it shall be to register said bonds, and certify thereon that the same are valid, legal and binding obligations of such municipal corporation, and thereupon the bonds shall be delivered to the Treasurer of the city, to be sold as provided by law; that at any time before said bonds shall be certified by the Secretary of State, any tax payer may apply for an injunction to restrain the Secretary of State from registering or certifying said bonds, and that when such bonds have been so certified and sold, they shall be impervious to a legal attack except upon the ground of forgery, fraud, exceeding the limit of indebtedness or unconstitutionality.

The Commission is glad to submit the provisions of this bill for consideration by this Convention, and will welcome any suggestion or criticism which may tend to its improvement. The Commission acknowledges itself indebted to the League for its "Municipal Program" or "Municipal Corporation Act," submitted to the Indianapolis convention by the Committee on Municipal Program, all the provisions of which have received the serious consideration of the commission and many of them adopted.

The commission has great hope that an aroused public sentiment in Ohio, demanding the simplification of municipal government, more direct responsibility to the people for the misconduct of their affairs, the elimination of partisan politics from municipal control, and the establishment of merit in official places and tenure, will eventually result in favorable action by the General Assembly of the State.

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## THE WORK OF THE OHIO COMMISSION.

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HON. E. J. BLANDIN, CLEVELAND, OHIO.

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In looking over the evils which exist in the municipalities in Ohio, as this league has been doing for some years past, and casting about for a remedy for those ills, it must have become apparent to the gentlemen who have given it consideration, as I know you have, that about all, in the last resort, which you can offer as a panacea for these ills is found to consist in a plan of organization for the cities and villages; for so far as those mischiefs are due to the passions of men, or the greed of men, or the lack of high character in men, either as public officers or as voters for public officers—very little can be done for that except by the higher and better education of the people. Looking at the subject, therefore, practically, and conceiving, as one of the speakers said in the discussion this afternoon, that one of the established principles of this country is democracy, there is nothing left but putting it in the power of the best citizens to secure good government by exercising their power as voters and thus minimizing as much as possible the evils which obviously grow out of municipal elections; and what is done in that direction will have to be done by a plan of organization for cities.

Of course, in Ohio, as in most other States, it is true that there has grown up a horde of evils from indiscriminate legislation applicable to cities of a certain class, but in fact applicable to a particular city, so that the government was removed from the local officers to the State Legislature, to a body composed of members not knowing anything about such cities or the needs of such cities, meeting in the centres of the various States and enacting what are practically the municipal ordinances of the cities, and as a rule, without request from any one having the interests of a city at heart.

To get rid of that class of mischiefs, of course, it did not take any one who gave the subject consideration long to conclude what was the first thing to be done to get rid of them. Looking into the constitution of Ohio, we found it provided that cities and villages should be organized by general laws and that the general laws should be uniform throughout the State. If the Legislature can be prevailed upon to abolish all classification of cities, the Supreme Court will probably stand in the way of any future effort of the Legislature to pass any further class legislation under the guise of general legislation. When once we have the cities of the State organized under laws uniform in all the cities, if thereafter it is desired by the Legislature to make any change whatever in the laws applying to cities, such alterations will command and receive the careful consideration of every member, because their constituents at home will be interested in any change to be made.

By abolishing classification we will be able to rid the cities of Ohio of a very large brood of evils which we all realize exist. But then the question immediately presents itself: What shall be the form of organization? Because that is the business which the constitution of Ohio has committed to the Legislature, giving it the power to provide for the organization of cities and villages, restricting their power to incur indebtedness, etc.

So far as the constitution provides, it seems to intend to limit the power of the Legislature upon the subject to organization, to confine its powers to setting up the skeleton of government, and to leave it to the government of each of these cities to do or not to do the particular things set down as among its powers whenever in its judgment it will be beneficial to the local interests so to do.

That being then the object and purpose with which we set out, the question arises: What will be the form of government of cities? And I suppose it has long since passed beyond the region of debate that one of the essentials of this miniature government would be what is recognized as a fundamental principle in governmental architecture—the total separation of the executive and legislative functions. With the adoption of that proposition, all boards such as have been had in most of the cities of the country disappear at once and a body is constituted to exercise the leg-

islative powers of the cities. Among other questions which would arise with respect to the legislative body would be how many chambers it should be composed of, one or two. It has been found by experience, I think, where two chambers of city council have been tried, that instead of improvident or imprudent proposed legislation by one body, being checked and corrected in the other, that the opposite of that has resulted. The first body will say: "If there is anything wrong about this we need not give it very critical scrutiny to detect it, for it will be found and corrected by the other body." And between the two, bad measures skip through without the attention of anybody. Considering the nature, the character of the functions of a legislative body for a city, it would not take long to conclude that one body would be more serviceable, would be more likely to be prudent, wise in action, than two, and certainly much less cumbersome.

Another consideration would be that the more bodies there are the more persons we must have to compose those bodies, and a larger number of legislators in municipalities would be necessary. Under our system of popular voting, if it be the desire to elevate the personnel and character of the men elected, in order to select the best men available for the purpose, the number of men must necessarily be reduced. And that consideration, carried further, would determine, or aid in determining, how numerous the members of councils should be. The commission at last reached the conclusion to reduce the number in Ohio cities, large and small, in Cincinnati, Cleveland and smaller cities, to seven. To my own mind, if the number of seven had been reduced still further—reduced to five or three, I would think it would increase their strength rather than their weakness—however, no one can have his own notion entirely.

These are partly to be elected by districts and partly at large. This would be a compromise of views of the people on this subject, that of local and general representatives, partly gratifying each, wholly gratifying neither. Three of the members of council are elected at large and the other four from the councilmanic districts. My own opinion would be that three and those elected at large would be better. Still I think the arrangement provided

by the commission in Ohio for seven to be elected in the manner they have provided is quite acceptable indeed.

Having provided for the legislative department of the city, there is nothing left except the executive part of the city government. I think all experience has shown that the administrative function is best confined to a single head, a single hand. An aggregate body, composed of three, five, seven or more persons, as an executive body, is necessarily a failure. An aggregate body can act only by the will of the majority. There is nothing for the executive to do, when the will is expressed by the legislative body, but put it into effect; and making the mayor the chief executive officer of the city, with power to call about him the heads of various departments to transact the city's business, with power to remove or appoint them without anybody's confirmation, will enable the people to hold the mayor directly, specifically responsible for the proper administration of his department. This will give back to the people a simple form of government whereby they may concentrate their votes upon a man to be the single, sole administrator of the laws of the city; and if the administration is unsatisfactory to the people they will not be compelled to go to the polls to defeat the men at the head of the different departments, and thus take several years to get all the men out, but at once they may displace the head of the entire municipal government if they think his displacement is required by the best interests of the city. It puts that additional power into the voters' hands, and the intelligent, thinking voter constitutes the power among all the voters, acting as a rule and guide to the less intelligent voters. Subtract those who blindly follow a leader, on the one side, and the politicians on the other, and the intelligent people between will reach out and defeat an improper mayor and so change and correct the entire administration of affairs of a city.

That is the scheme or plan brought here by the commission, preceded by an act of the General Assembly authorizing the appointment of the commission. Having very carefully considered the subject for several years, and recognizing the improbability of the General Assembly ever being able to solve the difficulties of these municipalities, the State Board of Commerce thought they would be best solved by the Governor appointing a commission to study

the question, codify the laws and put it into the hands of the Legislature for their consideration and adoption.

Commissioner Kibler has asked for any suggestions or criticisms which might improve the bill. Generally, so far as I have had time to examine it, I approve it. There are some minor changes as to details I would like to suggest with the hope that it may call out observations from others of you, and that the commission may also be good enough to give it consideration, and one is, I think, of quite considerable importance.

The important point to be secured by this legislation is the abolition of the classification of cities in Ohio. That has been substantially accomplished by the form of the bill as it now is, but not quite. There are one or two particulars in which I hope it may be found wise and expedient by the commission yet to correct it before submitting it to the Legislature for action. One is conferring upon municipalities the power to own and operate street railroads, which is limited to cities of over fifty thousand people. I would like to have that limit excluded. It appears to be a semblance as yet dwelling in the law, of the classification of cities. I would like to see that entirely destroyed in this bill. I would like to see Ohio submit to the world what I know laymen have thought practically impossible, but which I think has never troubled the lawyers so much; that is that we can have the same form of government for a large city like Philadelphia, New York, Chicago, as for a small city of eight or ten thousand population; the same government for a city located on the lake, as Cleveland, or on the Ohio River, as Cincinnati, or an inland city, as Columbus. But this difficulty will disappear when a little consideration is given to the subject. It is not the form of government that needs to be changed, either with the locality, the topography of the city or the population; it is only necessary that the machinery of the government become more complex with the growth of the city. We want more elaborate machinery to carry on more complex business.

This law, when once properly enacted, will stand like the laws for the descent and distribution of property in Ohio, not changed from one decade to another.

Another matter is the limitation of the tax rate, varying in cities of differing population. I do not myself see very much practical

harm to come from the fact of these provisions in the bill, except this, that they may furnish pretexts for some other classification in the future by the General Assembly, which I would like to see made impossible.

There is one other matter of classification which I would like to suggest be changed, and that is the manner of determining the differentiation of a village from a city. That is put again upon the basis of population. It is a village with a population under three thousand, and beyond three thousand it becomes a city and takes on the form and characteristics of city government. I shall be glad if the commission can see its way clear, before it submits this, to modify that, so that nowhere will there be any need of counting the heads in a place to determine anything whatever about its form of government.

The reason we have different government for a city than for a village is, as I said, the difference in the business to be done. The business of the village is of a simple form. The complex business of a city requires more complex government. When the village, by action of its council, shall have added the departments of city government, erected waterworks, or what not—I do not undertake to say what they shall be—when they have added these departments, making necessary a more complex form of government, then that should determine the passing of the village into the other class of cities, without reference to the population in the village. This seems practical and logical; and I shall be glad if this bill, when it is adopted by the General Assembly, will be an example of uniform organization for cities and villages throughout the State of Ohio, without any sort of classification based upon population at all, but shall be uniform for cities throughout the State and uniform for villages throughout the State, and the line between villages and cities shall not be allowed to depend upon the number of the population.

I very much hope that when this bill is presented to the General Assembly it will be adopted. I shall give it my hearty commendation. The members of the legal profession are looking with great favor upon the bill. They have had so much experience with this vicious, very vicious special legislation for so many years in Ohio, unconstitutional as very many lawyers have always believed,



that they will hail with delight the bill about to be presented by which we shall get rid of this classification. And I think the members of the legal profession will be of great assistance in passing this bill through the General Assembly where we expect to meet the breakers.

I know, however, that in the general make-up of the General Assembly, there are so many diverse views about this and that and the other subject, that I should be glad if the commission would find it expedient to present the bill for the organization of cities and villages without classification in a separate measure from the other. Without intending in the slightest degree to detract from the merit of the other matters incorporated in the bill, I offer the suggestion that the passage of the measure would be more easily and certainly secured if these were presented as separate and independent matters; the others presented as separate bills applicable to all cities.

Suppose, for example, the merit system to be the stumbling block because of which some members of the General Assembly should refuse to support the entire bill, then the uniform organization of cities would go down because these members of the General Assembly would be unwilling to adopt the merit system. So I would suggest whether is it not wiser to get the uniform organization first—a thing to which very few, I think, will have objection—and get the merit system afterwards.

The same suggestion might be made with reference to the non-partisan election and municipal ownership of franchises. If they could be presented by themselves and stand or fall in the General Assembly upon their own merits, all right; if we get through the organization of all cities and villages in Ohio free from all classification, we would have made a very great advance.

There may be others who see less grounds for apprehension for the passage of the whole bill, and there would be no one happier to see the whole bill go through than myself, and I do not mean to intimate there is any danger; but I desire to see the plan of uniform organization become a law for the State whatever might happen to the other matters.

Now, I have merely thrown out these suggestions in the hope that they will elicit discussion from others upon the various points

and that as a result we may get increased impetus in the direction of securing ultimately the adoption of the uniform organization of cities in the State. It will certainly be a great reform in municipal government in Ohio if we can secure the adoption of this bill. It will certainly mark a great advance and a great reform, and we can proceed to make such amendments in the future as are suggested by experience. But it is all important in the first place to make the start, and so I feel willing to sacrifice every other feature and start alone with uniform organization for all cities in the State, with the legislative and executive functions separated, and have abolished all the classifications except that of villages and cities.

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## STATUS OF THE PUBLIC SERVICE CORPORATION QUESTION.

HARRY A. GARFIELD, CLEVELAND, OHIO.

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The relation between municipalities and public service corporations has been the theme of countless addresses and debates, inspired by the growth of cities and the discovery of new forces crowding upon an age already signalized for its scientific attainment and material progress. But just as it is difficult to perceive the true relations of objects set so near the observer as to destroy perspective, so is it most difficult to reach satisfactory conclusions as to the proper relation of these corporations to the municipality, living as we are in the midst of their development, and in the expectation of a progress so amazing as to render almost useless the prognostications of even the best informed men as to the future, size and importance of the question.

But there are some facts which we can lay hold of, and which must form a necessary part of the data for any consideration given to the subject. On the one hand, it is stated, and indeed it is acknowledged by parties the most interested financially, that in times past public service corporations have received grants and franchises, the value of which is out of all proportion to the consideration paid therefor; and further, that a failure to distinguish between a purely private corporation and a quasi-public corporation has led to acts on the part of the officers and managers of the latter which not only have lacked a just consideration of the rights of the public, but which too often have been tainted by bribery and corruption.

The public has at last awakened to this situation. It recalls the day of the horse car and contrasts the limited use of the streets of that time with the overcrowded condition now prevailing. It perceives that millions of capital are now invested in street railway properties where formerly there were thousands; that consolidation

of interests has led to the doubling and tripling of the combined capital of the old corporations; that companies which a few years ago were struggling to meet the bare expense of operation are now earning and paying dividends upon this increased capitalization, and that the bonds of street railroads have taken a place alongside of the bonds of steam railroads in the minds of a large proportion of the investors of this country.

The comparison could be extended to other corporations having a like relation to the public, but the illustration of the street railroad is sufficient.

Over against this startling development of public service corporations and closely linked with their fortunes is the surprising growth in size and wealth of cities. Formerly the question of government of cities was simple. Now it is more complex than that involved in the largest private enterprises. But the growth of cities and the resulting evils as well as the enormous benefits to the citizens as a body and individually is so clearly before the minds of the members of this organization, that further comment is unnecessary. Suffice it to say, for the purpose of the thought I venture to bring before you, that with this accompanying growth enormous expenditures have been necessary. Our cities have been bonded to the limit set by law. It is estimated that the municipal indebtedness of the cities of this country was in 1860 about \$100,000,000; in 1870 it was \$515,000,000; in 1880 it had advanced to \$826,000,000; in 1890 to \$906,000,000; to-day it must exceed \$1,000,000,000, and the end is not yet. At this very convention we are, as I am informed, to discuss how it may be possible without infraction of law and without overstepping the limits of sound economic principles, to empower our municipalities to borrow sums far in excess of the indebtedness already existing.

One of the suggestions offered by which cities shall be permitted to exceed the legally established limits is to exclude from the operation of the law all indebtedness created for the purpose of acquiring public service corporations, on the ground that the returns to the city from such corporations will be sufficient to take care of both principal and interest of the debt. The suggestion deserves consideration; but, were such policy adopted, it will be none the less true that the total actual indebtedness of municipalities, if

municipal ownership is established, will be enormously increased. What, my fellow citizens, will then be the attitude of the public toward our creditors? What, indeed, is the attitude of the public to-day toward those who have invested in these securities? I beg you mark that the situation is not different in kind from that presented at the close of the War of the Rebellion when the government of the United States found itself in the debtor class to the extent of \$2,845,000,000 at rates of interest so large that the total annual payment on that account amounted to \$130,000,000.00. The creation of the debt at that time had been made necessary that the integrity of the Union might be preserved. The creation of the enormous municipal indebtedness of to-day has been made necessary in order that the progress and prosperity of our country should not be impeded, and in order that opportunity to labor and live should be preserved to the eighty millions of people residing within our borders.

But there is another and more striking resemblance between the situation in which the country found itself in 1865 and that in which it is to-day. Those who think upon the growth of public service corporations; who are scandalized by the corruption which has marked the stages of this progress, are many of them ready to rise up in indignation against these interests and to justify the violation of a contract because of past acts of injustice by those corporations. And it is very adroitly argued that, if franchises are taken away, or if railroads are forced against their will and against the letter and spirit of the contract to receive returns below that which the law allows them, the public is thereby but rectifying the unjustifiable over-capitalization which has taken place. In other words, the public says to the corporation: "Your stock ought not to be worth one hundred cents on the dollar to-day; it is intrinsically worth but a fraction of that amount, and you have no manner of right to base dividends on any other figure than real value. If by reducing the fare of your street railroad we reduce your earnings, we are not thereby doing an injustice."

The argument is plausible, but is it any more plausible, when applied to existing contracts, than the argument addressed to the citizens of this Republic from 1865 to 1870, concerning the taxation of government bonds? When our members of Congress were

confronted by the enormous debt created by the War of the Rebellion, when peace had been firmly established and the time was ripe to consider by what means this indebtedness should be met, one of the methods suggested was to tax the government bonds; but the Supreme Court stayed the hand of Congress and declared that the obligations created by it must be paid dollar for dollar. The repudiator did not, however, give up the fight. He indignantly denied any intention to repudiate, and defended his course by the argument that the government had received but sixty-eight cents on the dollar for its bonds and hence was doing no injustice if it required the creditor to accept a small fraction less than one hundred cents in payment. And so it was proposed to evade the decision of the Supreme Court by levying a tax upon the annual interest derived from government securities. Throughout the country the movement gained great headway. For the most part our public debt was owed to foreigners. Without doubt a large proportion of it had been taken for speculative purposes, in the belief that the government of the United States would soon readjust its affairs and that the bonds purchased at sixty-eight would be worth par.

From the standpoint of to-day it is easy to see, and I presume there is not a man in this audience who would not agree, that any of these propositions to tax our government securities was to the extent of that tax a repudiation of our contract to pay. And yet the country was almost ready to take the step which would have forever destroyed our credit and stained our national honor.

Mr. Chairman, I am convinced that many of the citizens of our larger municipalities are listening to propositions which are no less dishonorable than the proposition to repudiate a part of the indebtedness of our republic. The statement may seem harsh, but it is true. What is a grant, a franchise, to a public service corporation? We are too apt to regard it as a license, revocable at will. I am perfectly aware that attempts have been made to distinguish between a contract and a franchise; but shorn of technicalities and the distinctions of fine drawn definitions, a grant to a public service corporation to lay tracks in the street with accompanying provisions as to rates of fare, etc., is when acted upon a contract between that corporation and the municipality. It has all the essential fea-

tures of a contract, and it is binding at law upon the parties. It may be a fact, and an irritating fact that when the contract was made the city parted with rights at a wholly inadequate figure, but as is well known to every lawyer, the consideration of a contract is not required to be an equivalent. It is a good consideration if it is sufficient and no one will undertake to deny that a sufficient consideration is named in the contracts, and that the terms of the contracts have been from year to year complied with in the vast majority of cases. It may also be a fact that the street railroad companies, pursuing a short sighted policy, have maintained a formidable lobby in various city halls throughout this country. It is undoubtedly a fact that those who bought railway securities ten years ago may contemplate the gratifying result of a greatly enhanced value. But do any of these considerations warrant us in pursuing a course calculated to take from these corporations their contract rights?

Furthermore, the entire burden of the blame does not lie at the door of the public service corporations. Cities have been prodigal in their expenditures, and the time has now come when it is easily perceived that we must make preparation to pay our indebtedness. then arises the question, What shall we tax? The tax laws of Ohio and of many other States are sadly in need of revision. Without any manner of doubt, street railroad corporations, for example, are greatly undertaxed. But again, none of these things can justify the repudiation of a contract. What will an overflowing treasury profit us, if the public conscience be dulled to a high sense of honor and integrity?

I have ventured thus far into a field which may appear aside from the particular question under discussion. But I am profoundly impressed with the necessity of bringing the mind back to the fundamental principles which must actuate the public in dealing with this important question, and the first and foremost principle is to do justice on our part, irrespective of whether the other party has been just or unjust. And so firmly am I convinced of the correctness of this position that I believe the owners and managers of the public service corporations will themselves co-operate with the municipality which so governs its action.

And now, coming to a more direct consideration of the question, I beg to submit in briefest outline some suggestions for a proposition which are at present being considered by the Municipal Association of Cleveland, and while they apply exclusively to the street railroad situation in our city, the principle can be extended readily to public service corporations generally. The grants to the two companies owning the Cleveland street railroads expire at different times within the next fourteen years. Already, actuated by the instinct of self-preservation, the railroads are anxiously looking forward to a renewal of their contracts. For the past three or four years, the public mind has been more or less agitated by the street railroad question, and public opinion is divided. Perhaps it may be said to be divided along the three following lines: First, the wave of enthusiasm for municipal ownership now passing over the country affects a large number of our people. A second class cares less about municipal ownership, but is firmly convinced that a renewal of contract on a basis of low fares is the better policy, while a third class believes that municipal ownership under present conditions and without a properly developed civil service system would but strengthen the hand of the unscrupulous politician by furnishing him with new material for his political machine. This third class advocates a renewal of franchise on the basis of present fares, provided the railroads will agree to pay a percentage of their gross receipts into the public treasury. Undoubtedly there are many who are not included in any single one of the above classes, but in general I believe that classification fairly represents the division of opinion in Cleveland.

It is also believed by many that whichever of the above programs is to be adopted, no renewal ought at this time to be agreed to; that because of the thoroughness with which the question is at present being agitated, it would be far wiser to postpone any action until near the time of the expiration of the present contracts.

The Municipal Association of Cleveland has for a long time given serious consideration to this question, having issued a bulletin in 1897 at the time when an attempt was made to push through the City Council an ordinance which the Association believed to be prejudicial to the interests of the city, and during the past summer



having opposed the grant of an extension of one of the lines for a like reason.

It believes it to be far wiser to postpone any action looking to renewals until the expiration of the present contracts, but, recognizing the desire of a large proportion of citizens to proceed to an immediate consideration of the question and recognizing the existing diversity of opinion as to the basis to be established, the Association has endeavored to fairly weigh the rights and interests of all parties and at the same time to suggest that which is practical and possible of accomplishment in the event that renewals are made. The Association reasons as follows: The advocate of municipal ownership can hardly ask that his views, which are, to say the least, radical for this country, should be enforced in the face of an honest opposition from other citizens quite as anxious to subserve the public interest as he; on the other hand those who advocate the payment by the railroad of a percentage of gross receipts, would, it seems, take too much upon themselves to say that the time will never come in which the municipality can safely be entrusted with the management of street railroad property. Also there is much to be said in favor of lower fares in the interest of workingmen. And then there is the street railroad company. If we are to put aside, and I believe we must, any thought of repudiating a contract entered into, then we must consider the railroads as parties to an existing agreement with right of assent or dissent to any proposals looking to a change of terms. Under such circumstances can we reasonably expect a street railroad company, having still, we will say, ten years of the life of its contract left, to surrender the very great privileges which it possesses and upon which the value of its property is largely based, without an adequate return? Undoubtedly, it would be more acceptable to the citizens of Cleveland if the street railroads would consent to surrender their present franchises for new twenty-five-year contracts with an agreement that the city might at any time acquire the roads at the appraised value of the physical property only, no account being taken of franchise value; but who can reasonably expect that the railroads would consent to such an arrangement? Or, again, can we expect that a street railroad should leave out of account the vast sums used in develop-

ing their present well-equipped roads? Shall we require them to charge off at one stroke of the pen the discarded horse cars and inferior rails of a few years ago? In any other business, the process is gradual. May not a certain proportion of this discarded material and equipment still be properly carried as an asset? We must remember also, that the roads own at the present time that which we ourselves loudly declare to be of immense value, namely, a franchise for a term of years. Can we expect that they will surrender this property without an adequate consideration?

The following outline will indicate the position of the Municipal Association of Cleveland upon the question. With its present light upon the subject, the Association is convinced that no renewals should, under any circumstances, be considered satisfactory to the city which do not include the following reservations and provisions:

(a) A reservation to the city to at any time re-take the franchise and purchase the railroad property by the payment of the appraised value of the physical property, account being also taken of material and equipment, worn out or discarded, and still properly carried as an asset; but if the city elect to take the railroad property prior to 19— (the average life of the present existing franchises), then the city should pay the railroad company the estimated value of the franchise between the date of acquisition by the city and 19—; but thereafter no account should be taken of franchise value.

(b) A requirement that the railroad pay to the city annually a percentage of gross receipts from all sources according to a sliding scale to be agreed upon; right being reserved to the Council to require lower fares, in which event, however, the percentage of gross receipts should be less by a proportion to be specified in the original contract.

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NOTE.—(a) By this reservation the city saves to itself the right to own and operate the roads, should the legislature authorize it, and the people desire it.

NOTE.—(b) By this requirement the question of low fares, or payment of a percentage of gross profits, would be susceptible of change from time to time by the council.

(c) A requirement that the railroad company's books be open at all proper times to inspection for the determination of gross receipts by accountants of recognized ability and standing to be appointed by the Mayor.

The Association realizes that these propositions are but an outline; they cover but part of all that should be included in a final program, but they cover the essentials. I state them to the convention more by way of a report upon the Cleveland situation than for the consideration of this body. But the principles by which we have been governed must, I believe, underlie any wisely conceived program.

The provisions of the proposed Municipal Code bearing upon this subject prepared by the Ohio Commission and under discussion before this body, as well as the report of your own committee upon codification of municipal laws, and also the suggestions to be offered by Mr. Allan Ripley Foote, are entitled to respectful and careful consideration.

The time has been too short to enable me to examine thoroughly the provisions of the proposed Ohio code, and I do not, therefore, venture to pass any criticism upon it. Whatever need there may be for amendment or change, the value of the work as looking toward a codification of the laws governing our municipalities is unquestionably great. And it is to be sincerely hoped that the incoming Legislature of Ohio will take no step backward, but will seek, by a continuation of the Commission, if necessary, to place upon the statute books a uniform law calculated to establish the cities and villages of this State upon sound political and economic footing, and with powers commensurate with the great responsibilities which municipalities owe to the public.

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NOTE.—(c) This provision would be absolutely essential to the protection of the city's interest.

## CONSTITUTIONAL AMENDMENTS.

### ARTICLE FIRST.

Section 1. The right to vote and registration.

Sec. 2. Secrecy in voting.

Sec. 3. Separation of City Elections from State and National Elections. Nominations to City Office. Method of Voting.

### ARTICLE SECOND.

No private or local bill granting exclusive privileges, immunities, or franchises.

### ARTICLE THIRD.

Section 1. A city's public places inalienable. Franchises for their use only for limited term. Stated financial reports of the grantee and right of city to inspect grantee's books a condition of their grant.

Sec. 2. Limitation of city's power to incur debt and of its tax rate.

Sec. 3. City's power to establish direct legislation or minority or proportional or other form of representation as to elections to elective city offices.

Sec. 4. Uniform methods of city accounting.

Sec. 5. City may establish minor courts.

Sec. 6. Organization of cities hereafter created must provide for Mayor vested with executive power of city and appointing heads of all city departments except Finance Department; a council; appointments and promotions in administrative service on the merit principle; mayor and members of council only city officers elected by popular vote.

Sec. 7. General powers of cities.

Sec. 8. Legislature shall pass a general municipal corporations act.

### ARTICLE FOURTH.

A city having a population of twenty-five thousand or more may adopt its own charter and frame of government.

### ARTICLE FIFTH.

#### PETITIONS.

## CONSTITUTIONAL AMENDMENTS.

### ARTICLE FIRST.

Section 1. The Right to Vote and Registration. Laws shall be made for ascertaining by proper proofs the citizens who shall be entitled to vote at popular elections and for the personal registration of voters, which registration shall be completed at least ten days before each election.

Sec. 2. Secrecy in Voting. All elections by the citizens shall be by a secret ballot or by such other method as may be prescribed by law, provided that absolute secrecy in voting be preserved. No voter shall disclose at any polling place or within ——— feet thereof how he has voted.

Sec. 3. City Elections and Nominations. Method of Voting. Elections of city officers elected by popular vote shall occur at a different date from that of any election by popular vote of officers of the State or National government. Nominations of such city officers shall be by petition, signed by qualified voters of the city concerned. The number of the signatures to such petition shall be determined by the council of the city concerned, but not more than fifty signatures shall be required. Such petition shall be filed in the office of the mayor at least thirty days before the date of the election; provided, however, that in the case of the death or withdrawal of any candidate so nominated such petition may be so filed within a less period than thirty days. The voter must vote separately for each candidate for whom he desires to vote; if the election is by ballot the council of the city shall determine the form of the ballot to be used, and the names of all candidates for the same city office must be printed upon the ballot in alphabetical order under the title of the office.

### ARTICLE SECOND.

Private Bills. The Legislature shall not pass a private or local bill granting to any private corporation, association, or individual any exclusive privilege, immunity, or franchise whatever.

### ARTICLE THIRD.

Section 1. Streets and Public Places. Franchises. The rights of every city now existing, or hereafter created within the State, in and to its water front, ferries, wharf, property, land under water, public landings, wharves, docks, streets, avenues, parks, bridges, and all other pub-

lic places, are hereby declared to be inalienable, except by a fourth-fifths vote of all the members elected to the Council approved by the Mayor; and no franchise, lease or right to use the same, either on, through, across, under, or over, and no other franchise granted by a city, to any private corporation, association, or individual, shall be for a longer period than twenty-one years. Such grant and any contract in pursuance thereof may provide that upon the termination of the grant, the plant, as well as the property, if any, of the grantee in the streets, avenues, and other public places shall thereupon, without further or other compensation to the grantee, or upon the payment of a fair valuation thereof, be and become the property of the city; but the grantee shall be entitled to no payment because of any valuation derived from the franchise. Every grant shall specify the mode of determining any valuation therein provided for, and shall make adequate provision by way of forfeiture of the grant, or otherwise, to secure efficiency of public service at reasonable rates, and the maintenance of the property in good order throughout the term of the grant. Every grantee of such franchises or rights to use shall keep books of accounts and make stated quarterly reports to the Financial Department of the city, which shall contain an accurate statement in summarized form and also in detail of all financial receipts from all sources and all expenditures for all purposes, together with a full statement of assets and debts, as well as such other information as to the financial condition of such grantee as said department may require, and said department may inspect and examine, or cause to be inspected and examined, at all reasonable hours, any books of account of such grantee.

Sec. 2. Municipal Indebtedness. Tax Rate. No city shall hereafter give any money or property, or loan its money or credit to or in aid of any private individual, association, or corporation; but it may make such provision for the aid and support of its poor as may be authorized by law.

No city shall become indebted for any purpose or in any manner to an amount which, including existing indebtedness, shall exceed — per centum of the assessed valuation of the real estate within such city subject to taxation as shown by the last preceding assessment for State or city taxes; provided, however, that in determining the limitation of the city's power to incur indebtedness there shall not be included the following classes of indebtedness:

(1) Certificates of indebtedness or revenue bonds issued in anticipation of the collection of taxes, unless the same be not paid within two years from the date of issue; and all certificates of indebtedness and revenue bonds shall be provided for and payable from the taxes levied for the year in which they are issued, and shall never exceed the amount of such taxes;

(2) Or bonds authorized by the affirmative vote of two-thirds of the members of the Council, approved by the Mayor and approved by the

affirmative vote of the majority of the qualified voters of the city voting upon the question of their issuance at the next ensuing city election, for the supply of water or for other specific undertaking from which the city will derive a revenue; but from and after a period to be determined by the Council, not exceeding five years from the date of such election, whenever and for so long as such an undertaking fails to produce sufficient revenue to pay all costs of operation and administration (including interest on the city's bonds issued therefor and the cost of insurance against losses by fire, accidents and injuries to persons) and an annual amount sufficient to pay at or before maturity all bonds issued on account of said undertaking, all such bonds outstanding shall be included in determining the limitation of the city's power to incur indebtedness, unless the principal and interest thereof be payable exclusively from the receipts of such undertaking. The City Controller shall annually report to the Council in detail the amount of the revenue from each such undertaking and whether there is any, and, if so, what deficit in meeting the requirements above set forth.

Provisions shall be made at the time of their issue for raising a sum of money by taxation sufficient to pay, as it falls due, the interest upon all city bonds not exclusively payable from the receipts of revenue-producing undertakings, and to pay and discharge the principal thereof within ——\* years from the date of their issue; but whenever in any year the receipts from any revenue-producing undertaking shall be sufficient to pay the costs of operation and administration as above defined, and the annual amount hereinbefore required, the tax to pay the interest and provide for the principal of the bonds issued for such undertaking shall not be collected, and the same shall be paid from such receipts.

The amount to be raised by tax for city purposes upon real and personal property, or either of them, in addition to providing for the principal and interest of the then outstanding bonded indebtedness shall not in the aggregate exceed in any one year —— per centum of the assessed valuation of the real estate subject to taxation by such city, to be ascertained as hereinbefore prescribed in respect to the city debt.\*\*

Sec. 3. Direct Legislation. Minority and Proportional Representation. The Council of any city may, with the consent of the majority of the qualified voters of the city voting thereon at the next ensuing city election taking place not less than —— days thereafter, establish a method of direct legislation so that qualified voters of the city may submit and a majority thereof voting thereon may decide by direct vote propositions

\* This period should not, in the opinion of the committee, exceed thirty years.

\*\* Under this section a city may issue long term bonds, establish and maintain a sinking fund sufficient to provide for their payment at maturity; or it may have the bonds so drawn that a certain number will mature each year and be paid from the tax as collected. By the latter method the city avoids any risk incident to a sinking fund, the loss of interest on money not invested, any premiums it might pay to buy back its own bonds and the abuses incident to large accumulations of uninvested money.

relative to city matters, and may also in the same manner establish minority or proportional or other method of representation as to elections to elective city offices. On a petition therefor, filed in the office of the Mayor, signed by qualified voters of the city, equal in number to two per cent. (which shall not be less than one thousand) of those voting at the last preceding city election, a proposition to establish a method of direct legislation, or to establish minority or proportional or other method of representation as to elections to elective city offices, must be submitted to the qualified voters of the city at the next ensuing city election occurring at least ——— days thereafter; if a majority of such voters voting upon such proposition are in favor thereof, it shall go at once into effect.

Sec. 4. Uniform Methods of City Accounting. Every city shall keep books of account. It shall also make stated financial reports at least as often as once a year to the\* in accordance with forms and methods prescribed by him, which shall be applicable to all cities within the State; such reports shall be printed as a part of the public documents of the State, and submitted by the\* to the Legislature at its next regular session. Such reports shall contain an accurate statement in summarized form and also in detail of the financial receipts of the city from all sources, and of the expenditures of the city for all purposes, together with a statement in detail of the debt of said city at the date of said report, and of the purposes for which such debt has been incurred, as well as such other information as may be required by the \*. Said \* shall have power by himself, or by some competent person or persons appointed by him, to examine into the affairs of the financial department of any city within the State. On every such examination inquiry shall be made as to the financial condition and resources of the city, and whether the requirements of the constitution and laws have been complied with, and into the methods and accuracy of the city's accounts, and as to such other matters as the said \* may prescribe. The \* and every such examiner appointed by him shall have power to administer an oath to any person whose testimony may be required on any such examination, and to compel the appearance, attendance and testimony of any such person for the purpose of any such examination, and the production of books and papers. A report of each such examination shall be made and shall be a matter of public record in the office of said \*.

Sec. 5. City Courts. Cities may establish minor courts, which shall have exclusive civil and criminal jurisdiction in the first instance for the enforcement of city ordinances and of penalties for violations thereof. Such courts shall have such further or other jurisdiction as may be conferred by the Legislature, subject to the other provisions of this constitution, but they shall not have any equity jurisdiction, nor any greater juris-

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\* State Controller or other officer, or board which may exercise supervision over municipal finances.



diction in other respects than is conferred upon †. No one shall be eligible to appointment as such justice unless he has been \*\* for at least five years. Such justices shall be subject to the same liabilities, and their judgments and proceedings may be reviewed in the same manner and to the same extent as is now or may be provided by law in the case of †. The justices of such courts and, except as otherwise in this constitution provided, all other city judicial officers shall be appointed by the Mayor, and may be removed by him in the same manner as officers in the subordinate administrative service of the city.

Sec. 6. Municipal Organization. In the organization of every city hereafter created provision shall be made:

For a Council, the members of which shall be elected by the people;

For a Mayor elected by the people.

The Mayor shall be the chief executive officer of the city, and shall appoint and remove all heads of departments in the administrative service of the city, except the head of the Finance Department, who shall be known as the Controller.

The Mayor shall appoint and remove all other officers, agents and employees in the administrative service of the city, and fill all vacancies therein, provided, however, that laborers may be appointed and removed by the heads of departments in which they are employed and that all appointments and promotions in the subordinate administrative service of the city, including laborers, shall be made solely according to fitness, which shall be ascertained, so far as practicable, by examinations that, so far as practicable, shall be open competitive examinations.

All persons in the administrative service of the city, except the Mayor, shall hold their offices without fixed terms.

The Mayor and members of the Council shall be the only city officer elected by popular vote.

Sec. 7. General Powers of Cities. Every city within the State shall be vested with power to acquire, hold, manage, control and dispose of property. Within its corporate limits, it shall have the same powers of taxation as are possessed by the State; it may license and regulate all trades, occupations, and business, and shall be vested with power to perform and render all public services, and with all powers of government, subject to such limitations as may be contained in the constitution and laws of the State, applicable either to all the inhabitants of the State or to all the cities of the State, or in such special laws applicable to less than all cities of the State, as may be enacted in the manner hereinafter provided.

Special laws shall require the affirmative vote of two-thirds of all the members of the Legislature, and shall not be valid in any city unless they

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\*\* An attorney and counsellor-at-law of the State, or some equivalent expression appropriate to the particular State.

† Some lower court recognized as a regularly constituted part of the State's judicial system.

receive the formal approval of its Council within sixty days after the passage thereof by the Legislature, or, within thirty days after disapproval by the Council of the city, shall again be passed by the Legislature by the affirmative vote of two-thirds of all the members of the Legislature, which two-thirds shall include three-fourths of the members of the Legislature, from districts outside of the city or cities to be affected. The failure of the Council of the city to take formal action approving or disapproving a special law shall be deemed a disapproval thereof. Laws repealing such special laws may be passed in the manner provided for the passage of general laws.

Sec. 8. General Municipal Corporations Act. The Legislature shall pass a general municipal corporations Act applicable to all the cities in the State which shall, by popular vote, determine to adopt it.

#### ARTICLE FOURTH.

Power of Cities to Frame their Own Charters. Subject to the Constitution and laws of the State, applicable to all of the inhabitants or all the cities thereof, and to such special laws as may be passed in the manner hereinbefore provided, any city having a population of twenty-five thousand or more may adopt its own charter and frame of government in the following manner:

The Council of said city may, and, on a petition therefor, filed in the office of the Mayor, signed by qualified voters of the city equal in number to two per cent. (which shall not be less than one thousand of those voting at the last preceding election, must provide by ordinance for an election to take place not less than — days nor more than — days thereafter, upon a proposition for the election of a board of not less than fifteen nor more than — members, to prepare and propose a charter and frame of government for such city. If such proposition shall receive the affirmative vote of a majority of the qualified voters of the city voting thereon, the Council must, within fifteen days thereafter, provide for the election of such a board within not more than — days. It shall be the duty of said board to convene upon the — after said election, and thereafter and within — days to prepare and propose a charter and frame of government for such city, which shall be signed in duplicate by the members thereof or a majority of them, and returned, one copy thereof to the Mayor and the other to the Secretary of State. Such proposed charter and frame of government shall then be published daily in two papers of general circulation in such city for at least twenty days, and within not less than thirty days and not more than sixty days after such publication, shall be submitted to the qualified voters of such city at a special or general municipal election, and the Council of said city shall provide by ordinance for the holding of such special election unless a general municipal election shall be held within the time hereinbefore prescribed.

If a majority of the qualified voters of the city voting thereon shall ratify the same, it shall become the charter and frame of government of such city and the organic law thereof, and supersede and repeal all laws inconsistent therewith and any existing charter and all amendments thereof. A copy of such charter and frame of government duly certified by the proper authorities of such city, setting forth its submission to the legally qualified voters of the city and its ratification by them, shall be made in duplicate, and deposited, one in the office of the Secretary of State and the other among the archives of the city. All courts shall take judicial notice thereof. The charter and frame of government so adopted may be amended at intervals of not less than two years by proposals therefor which the Council of the city may, and when requested by a petition filed in the office of the Mayor, signed by qualified voters of said city equal in number to two per cent. (which shall not be less than one thousand) of those voting at the last preceding city election, must submit at the next city election held at least sixty days after the adoption of the ordinance or the filing of such petition in the office of the Mayor. Each such proposed amendment before it goes into effect must be ratified by a majority of the qualified voters voting thereon, as herein provided for the adoption of the charter and frame of government. In submitting any such proposal any alternative article or proposition may be presented for the choice of the voters, and may be voted on separately without prejudice to others.

#### ARTICLE FIFTH.

**Petitions.** After the filing of a petition in accordance with the provisions of the foregoing articles, if the Council of the city neglects or fails to provide by ordinance for an election as hereinbefore directed, then it shall be the duty of the Mayor to order such election, and his order for such purpose, duly signed by him and filed in the archives of the city, shall have the same force and effect as an ordinance for the same purpose.

The petitions mentioned in the foregoing articles need not be one paper, and may be printed or written, but the signatures thereto must be the autograph signatures of the persons whose names purport to be signed. To each signature the house address of the signer must be added, and the signature must be made and acknowledged or proved before an officer authorized by law to take acknowledgement and proof of deeds. The certificate of such officer under his official seal that a signature was so made and acknowledged or proved shall be sufficient proof of the genuineness of the signature for the purposes of these articles.

The signing of another's name, or of a false or fictitious name, to a petition, or the signing of a certificate falsely stating either that a signature was made in the presence of the officer or acknowledged or proved before him, shall be punishable as felonies.

## MUNICIPAL CORPORATIONS ACT.

### ART. I.

#### INCORPORATION OF CITIES. PROCEDURE FOR ORGANIZATION OF EXISTING CITIES UNDER THIS ACT AND FOR ANNEXATION OF TERRITORY.

Section 1. Cities, villages, towns, and boroughs heretofore incorporated may organize under this Act.

Sec. 2. How a city organized under this Act may annex territory.

### ART. II.

#### POWERS OF CITIES.

Section 1. Corporate Powers.

Sec. 2. Powers of Ordinance.

Sec. 3. Street Powers, Water-works, Buildings, and Sewers.

Sec. 4. Wharves, Docks, Harbors and Ferries.

Sec. 5. Markets, Market Places, and Abattoirs.

Sec. 6. Charities and Correction.

Sec. 7. Fines, Penalties and Imprisonment.

Sec. 8. Schools, Museums, Libraries, and Other Institutions.

Sec. 9. Minor Courts.

Sec. 10. Franchises.

Sec. 11. Contracts for Labor or Materials Limited to Five Years.

Sec. 12. Taxes.

Sec. 13. Local Assessments.

Sec. 14. Indebtedness and Tax Rate.

Sec. 15. City Accounts.

Sec. 16. City the Local Authority for Execution of General Laws of the State.

Sec. 17. State Supervision of the City's exercise of its powers.

### ART. III.

#### THE MAYOR.

Section 1. Mayor's Term of Office.

Sec. 2. Filling a Vacancy.

Sec. 3. Disability of Mayor.

Sec. 4. Removal of Mayor.

Sec. 5. Presence of Mayor and Heads of Departments at Council Meetings.

Sec. 6. Veto Power of Mayor.

Sec. 7. City Budget.

Sec. 8. Compensation of Mayor.

#### ART. IV.

##### THE ADMINISTRATIVE SERVICE OF THE CITY.

Section 1. Appointive Officers.

Sec. 2. Civil-service Commissioners.

Sec. 3. Civil-service Regulations.

Sec. 4. Reports of Civil-service Commissioners.

Sec. 5. Duty of Public Officials to Obey Civil-service Regulations.

Sec. 6. Civil-service Commissioners to keep a Roster of the Administrative Service. Payment of Public Employees. Action to Restrain or Recover Illegal Payment of Salaries.

Sec. 7. Records of Civil-service Commissioners. Their Duty to Enforce Regulations.

Sec. 8. Power of Civil-service Commissioners to Investigate.

Secs. 9-15. Specific Prohibitions and Penalties under the Civil-service Provisions of this Act.

Sec. 16. Power of Removal.

Sec. 17. Power of Mayor to Investigate.

#### ART. V.

##### THE COUNCIL.

Section 1. Council to exercise Municipal Powers.

Sec. 2. Composition of Council. Members of Council shall Serve Without Pay.

Sec. 3. Council Judge of the Elections and Qualifications of Its Own Members.

Sec. 4. Ineligibility of Councilors.

Sec. 5. Council Elects Its Own Officers and Determines Its Own Rules.

Sec. 6. Quorum of Council.

Sec. 7. Meetings of Council. Proceedings of Council and Sessions of its Committees to be Public. Special Requirements as to Publication of Ordinances Granting Franchises.

Sec. 8. Council may establish Municipal Offices.

Sec. 9. Council's Powers of Investigation.

Sec. 10. Councils Powers to regulate assessments, levy taxes, and make appropriations.

Sec. 11. Council may by ordinance provide for Direct Legislation or for Minority or Proportional or other form of Representation in Municipal Elections.

ARTICLE VI.  
THE CONTROLLER.

Council elects City Controller. Powers and Duties of Controller.

ARTICLE VII.  
GENERAL PROVISIONS.

Sec. 1. Actions by Citizens.

Sec. 2. Municipal Elections to take place at a separate date from State or National Elections.

Sec. 3. Nominations for Elective Municipal Office to be made by petition at least thirty days before Election.

Sec. 4. Petitions.

ARTICLE I.  
OF THE INCORPORATION OF CITIES.

Section 1. When City may be Incorporated.

All cities hereafter created within this State shall be organized under the provisions of this Act.\* Any city or borough, or any incorporated town or village of ————— inhabitants, heretofore incorporated under the Laws of the State, may organize under this Act in the following manner:

On a petition filed in the office of (1) signed by not less than five hundred qualified voters of such corporation, or on the two-thirds vote of the legislative authority of such corporation, there shall be submitted at the next local election, (2) occurring at least thirty days after such filing or vote, the question whether or not the form of organization provided in this Act shall be the form of organization of said corporation, and in case a majority of the qualified voters thereof voting on said question, vote in favor thereof, said city, village, incorporated town, or borough shall thereupon be and become a body politic and corporate under the provisions of this Act, provided, however, that the official terms of the officers elected at the next ensuing local election, held in accordance with the provisions of this Act, shall commence, and the terms of all offices and all officers existing under such prior organization shall cease and determine (3) on the first Monday of the month succeeding such local election held under the provisions of this Act. The first election of officers

\* A proper method of procedure adapted to the local needs of the State should be provided.

1. *i. e.* The office where the public records of such corporations are required to be kept, *e. g.* city clerk's or village clerk's office.

2. The method of submission must be set forth and should be adapted to the election laws of the particular State.

3. If this should shorten the term of office contrary to constitutional provisions a different plan would be necessary.

of the new corporation shall take place on the first day for holding local elections, provided by law, which occurs at least sixty days after the adoption of this act, provided, however, that if there be no such day fixed by law for holding local elections, then such first election<sup>4</sup> shall take place on the last Tuesday of the month following such adoption.

Sec. 2. Annexation of Territory.

Any city organized under the provisions of this Act may annex additional territory contiguous and adjacent to the limits of said city in the following manner, and such territory and the inhabitants thereof, when so annexed, shall become a part of said city and subject to the jurisdiction thereof.

Upon a ————— vote of the Council of the city desiring the annexation of such territory, and a petition filed in the office of the Mayor of the city signed by qualified voters of said territory in number equal to two per cent. of those voting at the last preceding local election, the question whether such territory shall be annexed shall be submitted to the qualified voters residing in said territory at the next general election held therein at least thirty days thereafter, and in case a majority of the qualified voters residing in said territory and voting on said question vote in favor of said annexation, the said territory shall thereupon be and become a part of said city, and the public roads and streets thereof become reverts of said city, and the property and liabilities of any therein existing local municipal corporation or corporations shall belong to and be assumed by said city, and the inhabitants of said territory shall become subject in all respects to the jurisdiction of the authorities of said city, and the jurisdiction of any public authority exercised theretofore in said territory shall, so far as it is in conflict with the corporate authority of such city, thereupon cease and determine.

The apportionment of taxation for the payment of the debts of such city and of the local municipal corporation or corporations theretofore existing in such annexed territory shall be adjusted by ——— commissioners to be appointed by the judges of the ——— Court, who shall also, in case the territory annexed does not include the entire territory of an existing corporation, equitably apportion the property and liabilities of such corporation between it and such city. Said commissioners shall give public hearings, shall have power to compel the attendance and testimony of witnesses under oath, and the production of books and papers, and shall conduct their proceedings according to the rules that shall be established and published by the judges of said court. Any vacancy occurring in said commission shall be filled by the remaining members. The report of the commissioners, or a majority of them, shall be filed in the office of the clerk of said court, and shall be final and conclusive, unless exceptions are filed thereto within thirty days after filing. In

4. If there is no general law under which such an election can be held, the Act should include appropriate provisions therefor in harmony with the election system of the particular State.

case of exceptions, the court appointing said commission shall have power to overrule the same, and confirm said report, or to set the same aside and refer the matter back to the same, or another commission, when the same proceeding shall be had.

## ARTICLE II. OF THE POWERS OF CITIES

### Section 1. Corporate Powers.

The inhabitants of any city incorporated under this Act are hereby constituted a body politic and corporate which shall have perpetual succession, may use a common seal, sue and be sued, and, for any purpose which it deems necessary or expedient for the public interest, perform and render all public services, and acquire property within or without the city limits by purchase, gift, devise, or by condemnation proceedings, and hold, manage, and control the same. (5)

### Sec. 2. Powers of Ordinance.

Every city organized under this Act shall have power to enact and to enforce all ordinances necessary to protect health, life, and property, to prevent and summarily abate and remove nuisances, and to preserve and enforce the good government, order, and security of the city and its inhabitants.

### Sec. 3. Street Powers, Water-works, Buildings, and Sewers.

Said city shall have power to lay out, establish, open, close, alter, widen, extend, grade, care for, pave, supervise, maintain and improve streets, alleys, sidewalks, squares, parks, public places, and bridges, to vacate the same, and to regulate the use thereof, and to prescribe and regulate the height of buildings adjacent thereto or abutting thereon, and the method and style of construction of the same, to vacate and close private ways, and to construct and maintain water-works and sewers, and to do all things it may deem needful or appropriate to regulate, care for and dispose of sewage, offal, garbage, and other refuse.

### Sec. 4. Wharves, Docks, Harbors, and Ferries.

The city shall have power to establish, erect, maintain, lease, and regulate wharves and docks, charge wharfage and dockage, regulate the use of the harbor, and establish, lease, regulate, and operate ferries, and charge tolls and ferriage.

### Sec. 5. Markets, Market-places, and Abattoirs.

The city shall have power to establish, lease, maintain, regulate, and operate markets and market-places and abattoirs.

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5. It should be provided that these proceedings should be conducted in accordance with the general law on the subject if there is one and it is applicable; or that the necessary proceedings should be the same as those under which other public or quasi-public corporations may act.



### Sec. 6. Charities and Correction.

The city shall have power to establish, maintain, and regulate work-houses, houses of correction, and such other places of incarceration and reformatory institutions, and such hospitals and charitable institutions as it may deem expedient.

### Sec. 7. Fines, Penalties and Imprisonment.

The city shall have power to enforce obedience to and observance of its ordinances and regulations by ordaining reasonable fines, penalties, and terms of imprisonment.

### Sec. 8. Schools, Museums, Libraries, and other Institutions.

The city shall have power to establish and maintain schools, museums, libraries, and such other institutions for the instruction, enlightenment, and welfare of its inhabitants as it may deem appropriate or necessary for the public interest or advantage.

The number, duties, and salaries of teachers and other subordinate officers of such institutions shall be fixed by the officer (or board) in charge of the educational administration of the city. (6)

### Sec. 9. Minor Courts.

The city shall have the power to establish minor courts for the enforcement of its ordinances, which shall also be vested with the civil and criminal jurisdiction of (justices of the peace). 7 The justices of such courts shall be men learned in the law, and shall be appointed by the Mayor, and may be removed by him in the same manner as officers in the subordinate administrative service of the city. No one shall be eligible to appointment as such justice unless he has been —— 8 for at least five years. Such justices shall have within the city in which they have been appointed, and in cases where the alleged crime or misdemeanor has been committed within said city, exclusive jurisdiction to issue all warrants, hear and determine all complaints, and to conduct all examinations and trials in criminal cases that may now be had by —— 7, and shall have the same power and jurisdiction in such criminal cases as —— 7

6. The Committee is of the opinion that the local schools should be under local control subject to a State supervision which compels the local standard to be fully equal to the State standard, and that so far and so rapidly as practicable this result should be accomplished. The Committee is aware, however, that there is a great diversity of practice in the different States, and that on account of the deep popular interest in education there is no branch of the public administration which on the whole has been so successful. It has therefore seemed best to leave the elaboration of the provisions of the draft relative to education to be made in accordance with the local conditions of each particular State.

7. The civil and criminal jurisdiction of justices of the peace is well defined in some States. Where it is not, some other proper officer should be designated. The intention here is to confer upon municipal judicial officers, to the exclusion of the ordinary minor State judicial officers, such minor civil and criminal jurisdiction as experience has shown should be exercised by magistrates of this class. It is probable that in some States a constitutional amendment would be required in order to enact the provisions of this section into valid law.

8. An attorney and counselor-at-law of the State, or some similar expression appropriate to the particular State.

now have by law or as may hereafter beconferred upon — 7, and shall have exclusive jurisdiction in all cases of violations of such ordinances. Such justices shall be subject to the same liabilities, and their judgments and proceedings may be reviewed in the same manner and to the same extent as now by law provided in the case of. 7.

#### Sec. 10. Street and Other Franchises.

The rights of the city in and to its water front, ferries, wharf property, land under water, public landings, wharves, docks, streets, avenues, parks, bridges, and all other public places are hereby declared to be inalienable, except by a four-fifths vote of all the members elected to the Council, approved by the Mayor; and no franchise or lease or right to use the same, either on, through, across, under, or over, and no other franchise granted by the city to any private corporation, association, or individual, shall be granted for a longer period than twenty-one years; and, in addition to any other form of compensation, the grantee shall pay annually a sum of money, based in amount upon its gross receipts, to the city. Such grant and any contract in pursuance thereof may provide that, upon the termination of the grant, the plant as well as the property if any, of the grantee, in the streets, avenues, and other public places shall thereupon, without further or other compensation to the grantee, or upon the payment of a fair valuation thereof, be and become the property of the city, but the grantee shall be entitled to no payment because of any valuation derived from the franchise. Every grant shall specify the mode of determining any valuation therein provided for, and shall make adequate provision by way of forfeiture of the grant or otherwise to secure efficiency or public service at reasonable rates and the maintenance of the property in good order throughout the term of the grant. Every grantee of a franchise from the city rendering a service to be paid for wholly or in part by users of such service shall keep books of account and make stated quarterly reports in writing to the City Controller, which shall contain an accurate statement, in summarized form and also in detail, of all financial receipts from all sources and all expenditures for all purposes, together with a full statement of assets and debts, as well as such other information as to the financial condition of such grantee as the City Controller may require. Such reports shall be public records, and shall be printed as a part of the annual report of the City Controller, and said City Controller may inspect and examine, or cause to be inspected and examined, at all reasonable hours, any books of account of such grantee. Such books of account shall be kept and such reports made in accordance with forms and methods prescribed by the City Controller, which, so far as practicable, shall be uniform for all such grantees.

The city may, if it deems proper, acquire or construct, and may also operate on its own account, and may regulate or prohibit the construction or operation of railroads or other means of transit or transportation and

methods for the production or transmission of heat, light, electricity, or other power, in any of their forms, by pipes, wires, or other means.

#### Sec. 11. Contracts for Labor and Materials.

No contract to which the city is a party for services rendered or to be rendered, or for goods or materials furnished or to be furnished, shall be for a longer period than five years. <sup>(9)</sup>

All contracts except for services rendered shall be made upon specifications, and shall be let in the manner to be prescribed by general ordinance.

In no case shall the contract for any material, machinery or process which or the supply of which, is controlled by one person or company, be let with a contract for work or for other material or machinery.

No contract shall be entered into until after an appropriation has been made therefor, nor in excess of the amount appropriated.

Each contract, before being binding on the city, must be countersigned by the Controller, and charged to the proper appropriation, and whenever the contracts charged to any appropriation equal the amount thereof, no further contracts shall be countersigned by him.

#### Sec. 12. Taxes.

Within its corporate limits the city shall have the same powers of taxation as are possessed by the State. It may license and regulate all trades, occupations, and businesses.

#### Sec. 13. Local Assessments.

The city shall have power to make local improvements by special assessment, or by special taxation, or both, of property adjudged to have received special benefit, or by general taxation; the ascertainment and apportionment of the benefits derived from such local improvements shall be made in accordance with State laws. No improvement to be paid for by special assessment or by special taxation shall be undertaken without the consent of a majority in interest and number of the owners of the property to be taxed or assessed, unless the ordinance therefor shall receive on final passage the affirmative vote of three-fourths of all the members of the Council, and be approved by the Mayor after a public hearing of the persons interested, of which due notice shall be given by advertisement in the manner to be prescribed by general ordinance.

#### Sec. 14. Indebtedness and Tax Rate.

The city shall have power to borrow on the credit of the corporation, and issue bonds therefor in such amounts and form, and on such conditions as it shall prescribe, but the credit of the city shall not in any manner be given or loaned to or in aid of any individual, association, or corporation, except that it may make suitable provision for the aid and support of its poor.

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9. The intention of this provision is to prevent the city from entering into any long-term contracts except the issue of long-term bonds.

No city shall become indebted for any purpose or in any manner to an amount which, including existing indebtedness, shall exceed (10) —per centum of the assessed valuation of the real estate within such city subject to taxation as shown by the last preceding assessment for State or city taxes; provided, however, that in determining the limitation of the city's power to incur indebtedness there shall not be included the following classes of indebtedness:

(1) Certificates of indebtedness or revenue bonds issued in anticipation of the collection of taxes, unless the same be not paid within two years from the date of issue; and all certificates of indebtedness and revenue bonds shall be provided for and payable from the taxes levied for the year in which they are issued, and shall never exceed the amount of such taxes;

(2) Or bonds authorized by the affirmative vote of two-thirds of the members of the Council, approved by the Mayor, and approved by the affirmative vote of the majority of the qualified voters of the city voting upon the question of their issuance at the next ensuing city election, for the supply of water or for other specific undertaking from which the city will derive a revenue; but from and after a period to be determined by the Council, not exceeding five years from the date of such election, whenever and for so long as such an undertaking fails to produce sufficient revenue to pay all costs of operation and administration (including interest on the city's bonds issued therefor and the cost of insurance against losses by fire, accidents, and injuries to persons) and an annual amount sufficient to pay at or before maturity all bonds issued on account of said undertaking, all such bonds outstanding shall be included in determining the limitation of the city's power to incur indebtedness, unless the principal and interest thereof be payable exclusively from the receipts of such undertaking. The City Controller shall annually report to the Council in detail the amount of the revenue from each such undertaking and whether there is any, and, if so, what deficit in meeting the requirements above set forth.

Provision shall be made at the time of their issue for raising a sum of money, by taxation, sufficient to pay, as it falls due, the interest upon all city bonds not exclusively payable from the receipts of revenue-producing undertakings, and to pay and discharge the principal thereof within ——— 11 years from the date of their issue; but whenever in any year the receipts from any revenue-producing undertaking shall be sufficient to pay the costs of operation and administration as above defined, and the annual amount hereinbefore required, the tax to pay the interest and provide for the principal of the bonds issued for such undertaking shall not be collected, and the same shall be paid from such receipts.

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10. The limitation is intended to be the one provided in the State Constitution. If there is no such constitutional provision, it should be fixed somewhere between five and ten per cent., as appears to be proper.

11. This period should not, in the opinion of the committee, exceed thirty years.

The amount to be raised by tax for city purposes upon real and personal property or either of them, in addition to providing for the principal and interests of the then outstanding bonded indebtedness shall not in the aggregate exceed in any one year — per centum of the assessed valuation of the real and personal estate subject to taxation by such city, to be ascertained as hereinbefore prescribed in respect to the city debt. <sup>12</sup>

Sec. 15. City Accounts.

Every city shall keep books of account. It shall also make stated financial reports at least as often as once a year to the <sup>13</sup>, in accordance with forms and methods prescribed by him, which shall be applicable to all cities within the State. Such reports shall be certified as to their correctness by said <sup>14</sup> or by some competent person or persons appointed by him; they shall be printed as a part of the public documents of the State, and submitted by the <sup>14</sup> to the Legislature at its next regular session. Such reports shall contain an accurate statement, in summarized form and also in detail, of the financial receipts of the city from all sources, and of the expenditures of the city for all purposes, together with a statement in detail of the debt of said city at the date of said report, and of the purpose for which such debt has been incurred, as well as such other information as may be required by <sup>14</sup>. Said <sup>14</sup> shall have power by himself or by some competent person or persons appointed by him, to examine into the affairs of the financial department of any city within this State. On every such examination inquiry shall be made as to the financial condition and resources of the city, and whether the requirements of the Constitution and laws have been complied with, and into the methods and accuracy of the city's accounts, and as to such other matters as the said <sup>14</sup> may prescribe. The <sup>14</sup> and every such examiner appointed by him, shall have power to administer an oath to any person whose testimony may be required on any such examination, and to compel the appearance and attendance of any such person for the purpose of any such investigation and examination, and the production of books and papers. Wilful false swearing in such examinations shall be perjury, and punishable as such. A report of each such examination shall be made, and shall be a matter of public record in the office of said. <sup>14</sup>

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12. Under this section a city may issue long-term bonds, establish and maintain a sinking fund sufficient to provide for their payment at maturity; or it may have the bonds so drawn that a certain number will mature each year and be paid from the tax as collected. By the latter method the city avoids any risk incident to a sinking fund, the loss of interest on money not invested, any premiums it might pay to buy back its own bonds, and the abuses incident to large accumulations of uninvested money.

13. State Controller or other officer, or board which may exercise supervision over municipal finances.

14. State Controller or other officer, or board which may exercise supervision over municipal finances.

### Sec. 16. Local Authority for Execution of State Laws.

Within its corporate limits every city incorporated under the provisions of this Act shall be the local agent of the State government for the enforcement of the State laws, to the exclusion of all other public officers, except so far as the contrary may be provided by general law applicable to all the cities of the State. <sup>15</sup>

### Sec. 17. State Supervision.

Every city incorporated under the provisions of this Act shall, in the exercise of the powers hereby conferred, be subject to the supervision and control of such State administrative boards and officers as may be established for this purpose by general laws applicable to all cities of the State, or may be granted powers of supervision and control, by general act of the Legislature applicable to all cities within the State. <sup>16</sup>

## ARTICLE III.

### THE MAYOR.

#### Section 1. The Term of Office.

The chief executive officer of the city shall be a Mayor, who shall be a citizen of the United States, a qualified voter residing within the city limits, and shall hold his office for two years, <sup>17</sup> and until his successor is elected and qualified.

#### Sec. 2. Filling of Vacancy.

Whenever a vacancy shall occur in the office of the Mayor, the President of the Council shall act as Mayor, and shall possess all the rights and powers of the Mayor, and perform all his duties until the next election, and until his successor is elected and qualified.

#### Sec. 3. Disability of Mayor.

During the temporary absence or disability of the Mayor the President of the Council shall act as Mayor pro tempore, and during such absence or disability shall possess the powers of the Mayor and perform his duties, except that he shall not appoint or remove from office any person in the administrative service of the city unless such absence or disability continues for a period of at least — days.

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15. For example, the city as a corporation, unless there were a general police system applicable to all cities in the State, would be under this section intrusted with the duty of preserving the peace.

16. For example, the State Board or Superintendent of Education, the State Board of Health, the State Board of Charities.

17. Compare Art. V., Sec. 1. The act contemplates a six years' term for a member of the Council, one-third of the members going out of office at each biennial election. The Mayor is thus elected at the same time as one-third of the Council, and presumably they will be in political accord. The Mayor and one-third of the Council have great power when acting together. They will practically control the character of the administration in many important respects.

The biennial elections will enable the citizens effectively to review the conduct of the city administration; and the terms of office fixed by the Act will enable the dates of city elections to occur on the usual election days in November in years alternating with State and National elections, as is done in New York, thus avoiding two elections in the same year.

#### Sec. 4. Removal of Mayor.

In case of misconduct, inability, or failure properly to perform his duties, the Mayor may be removed from office by the Governor of the State, after being given an opportunity to be heard in his defense.

The proceedings upon such removal shall be public, and a full detailed statement of the reasons for such removal shall be filed by the Governor in the office of the Secretary of State, and shall be a matter of public record. The decision of the Governor when filed with the reasons therefor shall be final. And the Governor may, pending the investigation, suspend the Mayor for a period of thirty days.

#### Sec. 5. Presence of Mayor and Heads of Departments at Council Meetings.

The Mayor and the heads of the administrative departments of the city shall have the right to be present and participate in the proceedings of the Council, but not to vote. It shall be the duty of the Mayor and of each of the heads of departments to attend the meetings of the Council when specifically requested by the Council, and to answer such questions relative to the affairs of the city under his management as may be put to him by any member of the Council.

#### Sec. 6. Veto Power of Mayor.

Every ordinance or resolution of the Council shall, before it takes effect, be presented duly certified to the Mayor for his approval. The Mayor shall return such ordinance or resolution to the Council within —— days after receiving it, or at the next meeting of the Council after the expiration of said —— days; if he approve it, he shall sign it; and if he disapprove it, he shall specify his objections thereto in writing. If he do not return it with such disapproval within the time specified, it shall take effect as if he had approved it. In case of disapproval, the ordinance or resolution may be again passed within —— days by the votes of at least —— of all the members elected to the Council. In case an ordinance or resolution of the Council shall appropriate money, the Mayor may approve one or more of the items in such ordinance or resolution, and disapprove the others. In such case those which he shall fail to disapprove shall become effective, and those which he shall disapprove shall become effective only if again passed as above provided.

#### Sec. 7. City Budget.

It shall be the duty of the Mayor from time to time to make such recommendations to the Council as he may deem to be for the welfare of the city, and on the —— day of —— in each year to submit to the Council the annual budget of current expenses of the city, any item in which may be reduced or omitted by the Council; but the Council shall not increase any item in nor the total of said budget. <sup>18</sup>

18. The purpose of this provision is to give the Mayor, who is the head of the administrative service, the power to make up the annual budget of current expenses, subject to the power of the Council to reduce but not to increase the proposed appropriations. Appropriations for other purposes than current expenses and for emergencies are provided for in Art. V., Sec. 10.

### Sec. 8. Compensation of Mayor.

The Mayor of any city incorporated under this Act may be paid a salary, the amount of which shall be fixed by the Council; but no Council shall change the salary of any Mayor after his election.

## ARTICLE IV.

### THE ADMINISTRATIVE SERVICE OF THE CITY.

#### Section 1. Appointive Officers.

The Mayor shall have power to appoint all heads of departments in the administrative service of the city, except the City Controller. Subject to the restrictions and limitations hereinafter contained, the Mayor shall have power to appoint all officers and employees in the subordinate administrative service of the city, and to fill all vacancies therein, except that laborers may be appointed and removed by the heads of departments in which they are employed.

#### Sec. 2. Civil-service Commissioners.

The Mayor shall appoint three or more suitable persons to be known as Municipal Civil-service Commissioners, who shall prescribe, amend, and enforce regulations for appointment to, and promotion in, and for examinations in the administrative service of the city, including the appointment and employment of laborers therein. Such Commissioners shall not hold any other paid position in the public service. The regulations and amendments thereof made under the authority of this Act, or a copy certified by the Secretary of said Commissioners, shall be received in evidence in all courts and places.

#### Sec. 3. Civil-service Regulations.

Such regulations shall, among other things, provide:

1. For the classification of the offices, places, and employments in the administrative service of the city.

Such classification shall be based on the respective duties and functions of the offices and positions affected, and on the amounts of the salary or other compensation attached thereto, and shall be arranged so as to permit the grading of offices and positions like in character in groups and subdivisions, and so as to permit the filling of offices and positions in the higher grades, so far as practicable, through promotion.

2. For examinations, wherever practicable, to ascertain the fitness of all applicants for appointment to the administrative service of said city. Public notice shall be given of all examinations, and the Commissioners shall adopt reasonable rules for permitting the presence of representatives of the press.

No question in any examination under the regulations established as aforesaid shall relate to political or religious opinions, affiliations or services, and no appointment or selection to or removal from any office or employment within the scope of the regulations established as afore-



said, and no transfer, promotion, reduction, reward, or punishment shall be in any manner affected or influenced by such opinions, affiliations or services. Such examinations shall be practical in their character, and shall relate to those matters which will fairly test the relative fitness of the persons examined to discharge the duties of the positions to which they seek to be appointed. Such examinations, save in the case of applicants for employment as ordinary (not skilled) laborers, shall be open, competitive examinations, except where, after due efforts by previous public advertisement or other effort in case of extraordinary emergency, competition is found not to be practicable. The examination of applicants for employment as ordinary laborers shall relate to their capacity for labor and their habits as to industry and sobriety, and shall be accompanied by such physical examination and tests, competitive or otherwise, as the Commission, in its discretion, may determine.

3. For the filling of vacancies in the offices, places, and employments in the administrative service of the city which are subject to competitive examination by selection from a number not exceeding three graded highest as the result of such examination; and for the selection of laborers, from among those found qualified, on the basis of priority of application.

In the absence of an appropriate eligible list, from which appointments are to be made, and pending the preparation of such list, any office, place, or employment subject to competitive examination may be filled temporarily without such examination, but not for a longer period than thirty days. No person shall be appointed or employed under any title not appropriate to the duties to be performed, and no person shall be transferred to, or assigned to perform the duties of, any position subject to competitive examination, unless he shall have been appointed to the position from which transfer is made as the result of an open, competitive examination equivalent to that required for the position to be filled, or unless he shall have served with fidelity for at least five years in a similar position. A copy of each list of eligible, with their respective grades, shall be accessible to each person whose name appears upon such list.

4. For a period of probation not exceeding three months before an appointment or employment is made permanent.

5. For promotion from the lower grades to the higher based on merit and competition and seniority of service.

An increase in the salary or other compensation of any person holding an office, place or employment within the scope of the rules in force hereunder shall be deemed a promotion.

No public officer or employee shall be deemed or held to be excluded from the operation of this Act, or from competitive examination, nor shall competitive examination be deemed or held to be impracticable, on the ground or for the reason that any office, place or employment or any of the duties thereof, is confidential in character, or by reason of the fact that fiduciary responsibility is involved, or by reason of the fact that any

bond or security is or shall be required of the appointee; provided, however, that in advance of any competitive examination for any office, place or employment, the appointing officer may, where otherwise permitted by law, publicly prescribe the amount and the necessary details of the bond or security which shall be required to be given by any such appointee, and provided further that any surety company, the bonds of which are accepted by a Justice of \_\_\_\_\_ Court, shall be a sufficient surety on any such bond.

Sec. 4. Reports of Civil-service Commissioners.

The Municipal Civil-service Commissioners shall have authority to employ a secretary and such other assistance as may be necessary for the performance of their duties as provided in this Act, and shall make reports from time to time to the Mayor, whenever said Mayor may request, of the manner in which the regulations hereinbefore provided for have been and are administered, and the result of their administration in such city, and of such other matters as said Mayor may require, and annually, and on or before the \_\_\_\_\_ day of \_\_\_\_\_ in each year, shall make a report to the Mayor; and it shall be the duty of the Mayor to transmit either these reports, or a sufficient abstract or summary thereof to give full and clear information as to their contents, to the Council annually on or before the \_\_\_\_\_ day of \_\_\_\_\_.

Sec. 5. Duty of Officers to Obey Regulations.

It shall be the duty of all persons in the public service of the city to conform to and comply with said regulations and any modifications thereof made pursuant to the authority of this act, and to aid and facilitate in all proper ways the enforcement of said regulations and any modifications thereof, and the holding of all examinations which may be required under the authority of this Act by said regulations. Proper provision shall be made in the annual budget for all the expenses of the Municipal Civil-service Commissioners.

Sec. 6. Roster of Administrative Service. Payment of Public Employees. Action to Restrain or Recover Illegal Payments.

It shall be the duty of said Civil-service Commissioners to prepare, continue, and keep in their office a complete roster of all persons other than ordinary laborers in the public service of the city. This roster shall be open to inspection at all reasonable hours. It shall show in reference to each of said persons his name, the date of his appointment to or employment in such service, his salary or compensation, the title of the place or office he holds, the nature of the duties thereof, and the date of any termination of such service. It shall be the duty of all officers of the city to give to the Civil-service Commissioners all the information which may be reasonably requested, or which the regulations established by the Civil-service Commissioners may require in aid of the preparation or continuance of said roster, and so far as practicable said roster shall state whether any and what persons are holding any and what offices or

places aforesaid in violation of this act or of any regulations made thereunder. Said Civil-service Commissioners shall have access to all public records and papers, the examination of which will aid the discharge of their duty in connection with said roster. It shall be the duty of said Commissioners to certify to the City Controller the name of each person appointed or employed in the public service of the city (ordinary laborers excepted), stating in each case the title or character of the office or employment, the date of the commencement of service by virtue thereof, and the salary or other compensation paid, and also, as far as practicable, the name of each person employed in violation of this act or of the regulations established thereunder, and to certify to the said Controller in like manner every change occurring in any office or employment of the public service of the city forthwith on the occurrence of the change. No officer of said city whose duty it is to sign or countersign warrants shall draw, sign, countersign, or issue, or authorize the drawing, signing, or issuing of any warrant or order on any disbursing officer of the city for the payment of salary or compensation to any person in its public service required to be so certified as aforesaid who is not so certified as having been appointed or employed in pursuance of this Act or of the regulations in force thereunder. Any person entitled to be certified as aforesaid may maintain a proceeding by mandamus to compel the issue of such certificate. Any sums paid contrary to the provisions of this section may be recovered from any disbursing officer of the city paying the same or signing, countersigning, drawing, or issuing, or authorizing the drawing, signing, or issuing of any warrant or order for the payment thereof, and from the sureties on his official bond in an action in the ——— Court. All moneys recovered in any action brought under the provisions of this section must, when collected, after paying all expenses of such action, be paid into the city treasury.

**Sec. 7. Records of Civil-service Commissioners. Their Duty to Enforce Regulations.**

The said Commissioners shall keep records of their proceedings; they shall make regulations for and have control of such applications, registrations, certifications, and examinations as are or may be provided for under this Act and the regulations established under their authority, and shall cause a record thereof to be kept and of the markings and gradings upon such examinations; and all recommendations of applicants for office or employment received by them, or by any officer having authority to make appointments or select employees in the public service as classified by said Commissioners, shall be kept and preserved by said Commissioners. And all such records and regulations shall, subject to such reasonable regulations as may be made by said Commissioners, be open to public inspection.

It shall be the duty of the Civil-service Commissioners to supervise the execution of this law and the regulations thereunder, and to see that the same be enforced, and they shall be responsible for correcting all abuses

and irregularities occurring in the administration of said law and the regulations thereunder, and shall investigate all complaints in respect of such abuses and irregularities made to them. They shall supervise the examinations thereunder and the markings and gradings upon such examinations, and shall keep themselves well informed concerning the same in all parts of the public service to the end that such examinations, markings, and gradings shall be as uniform and just as possible.

Sec. 8. Power of Civil-service Commissioners to Investigate.

A majority of said Commissioners shall constitute a quorum. The said Commissioners may make investigations concerning the facts in respect to the execution of this Act, and of the regulations established under its authority, and in the course of such investigations each Commissioner and their secretary and such other assistant as they may designate shall have the power to administer oaths. Said Commissioners shall have power, for the purpose provided for in this Act, to examine into books and records, compel the production of books and papers, subpoena witnesses, administer oaths to them, and compel their attendance and examination, as though such subpoena had issued from a court of record of this State; and witnesses and officers to subpoena and secure the attendance of witnesses before the said Commissioners, shall be entitled to the same fees as are allowed to witnesses in civil cases in courts of record. Such fees need not be prepaid, but the proper disbursing officer of the city shall pay the amount thereof when the same shall have been certified by the president of the Commissioners, and duly proved by affidavit or otherwise to the satisfaction of the said officer; and all officers in the public service and their deputies, clerks, subordinates, and employees shall afford the said Commissioners all reasonable facilities in conducting their inquiries specified in this Act, and give inspection to said Commissioners of all books, papers and documents belonging or in anywise appertaining to their respective offices, and also shall produce said books and papers, and shall attend and testify when required to do so by said Commissioners. Wilful false swearing in such investigations and examinations shall be perjury and punishable as such.

Secs. 9-15. Specific Prohibitions and Penalties under the Civil-service Provisions of the Act.

Sec. 9. Any commissioner, examiner, or any other person who shall wilfully or corruptly, by himself or in co-operation with one or more persons, defeat, deceive, or obstruct any person in respect to his or her right to examination or registration according to any regulations prescribed pursuant to the provisions of this Act, or who shall, wilfully or corruptly, falsely mark, grade, estimate, or report upon the examination or proper standing of any person examined, registered, or certified according to any regulations prescribed pursuant to the provisions of this Act, or aid in so doing, or who shall wilfully or corruptly make any false representations concerning the same, or concerning the person examined, registered, or certified, or who shall wilfully or corruptly fur-

nish to any person any special or secret information for the purpose of either improving or injuring the prospects or chances of any person so examined, registered, or certified, or to be examined, registered, or certified, or who shall personate any other person, or permit or aid in any manner any other person to personate him, in connection with any examination or registration or application or request to be examined or registered, shall for each offense be deemed guilty of a misdemeanor.

Sec. 10. No person in the national public service or the public service of the State or any civil division thereof, including counties, cities, towns, villages, and boroughs, shall, directly or indirectly, use his authority or official influence to compel or induce any person in the public service of a city to pay or to promise to pay any political assessment, subscription, or contribution. Every person who may have charge or control in any building, office, or room, occupied for any purpose of said public service of a city is hereby authorized to prohibit the entry of any person into the same, and he shall not knowingly permit any person to enter the same for the purpose of therein making, collecting, receiving, or giving notice of any political assessment, subscription, or contribution, and no person shall enter or remain in any said office, building, or room, or send or direct any letter or other writing thereto for the purpose of giving notice of, demanding, or collecting, nor shall any person therein give notice of, demand, collect, or receive any such assessment, subscription, or contribution; and no person shall prepare or make out, or take part in preparing or making out, any political assessment, subscription, or contribution with the intent that the same shall be sent or presented to, or collected from any person in the public service of the city, and no person shall knowingly send or present any political assessment, subscription, or contribution to or request its payment by any person in said public service.

Any person who shall be guilty of violating any provision of this section shall be deemed guilty of a misdemeanor.

Sec. 11. Whoever, being a public officer or being in nomination for, or while seeking a nomination or appointment for, any public office, shall use, or promise to use, whether directly or indirectly, any official authority or influence (whether then possessed or merely anticipated) in the way of conferring upon any person, or in order to secure or aid any person to secure any office or appointment in the public service, or any nomination, confirmation, or promotion, or increase of salary, upon the consideration or condition that the vote or political influence or action of the last-named person or any other shall be given or used in behalf of any candidate, officer or political party or association, or upon any other corrupt condition or consideration, shall be deemed guilty of bribery or an attempt at bribery. And whoever, being a public officer or employee, or having or claiming to have any authority or influence for or affecting the nomination, public employment, confirmation, promotion, removal or increase or decrease of

salary of any public officer or employee, shall corruptly use, or promise or threaten to use, any such authority or influence, directly or indirectly, in order to coerce or persuade the vote or political action of any citizen, or the removal, discharge, or promotion of any public officer or public employee, or upon any other corrupt consideration, shall be also guilty of bribery, or an attempt at bribery. And every person found guilty of such bribery, or an attempt to commit the same, as aforesaid, shall, upon conviction thereof, be liable to be punished by a fine of not less than one hundred dollars or more than three thousand dollars, or to be imprisoned not less than ten days or more than two years, or to both said fine and said imprisonment, in the discretion of the court. If the person convicted be a public officer he shall, in addition to any other punishment imposed, be deprived of his office and be ineligible to any public office or employment for — years thereafter. The phrase "public officer" shall be held to include all public officials in this State, whether paid directly or indirectly from the public treasury of the State, or from that of any civil division thereof, including counties, cities, towns, villages, and boroughs, and whether by fees or otherwise; and the phrase "public employee" shall be held to include every person not being an officer who is paid from any said treasury.

Sec. 12. No recommendation of any person who shall apply for office or place, or for examination or registration under the provisions of this Act, or the regulations established under the authority thereof, except as to residence and as to character, and in the case of former employers as to the abilities, when said recommendation as to character and abilities is specifically required by said regulations, shall be given to or considered by any person concerned in making any examination, registration, appointment, or promotion under this Act or under the regulations established under the authority thereof. No recommendation or question under the authority of this Act shall relate to the political or religious opinions or affiliations of any person whomsoever.

Sec. 13. No person in the service of the city is for that reason under any obligation to contribute to any political fund or to render any political service, and no person shall be removed, reduced in grade or salary, or otherwise prejudiced for refusing to do so. No person in the service of the city shall discharge, or promote, or degrade, or in any manner change the official rank or compensation of any other person in said service, or promise or threaten to do so for giving or withholding, or neglecting to make any contribution of money or service or any other valuable thing for any political purpose. No person in said service shall use his official authority or influence to coerce the political action of any person or body, or to affect or interfere with any nomination, appointment, or election to public office.

Sec. 14. Whoever, after a regulation has been duly established according to the provisions of this Act, makes an appointment to office in the public service of the city or selects a person for employment therein

contrary to the provisions of such regulation, or wilfully refuses or neglects otherwise to comply with, or conform to, the provisions of this Act, or violates any of such provisions, shall be guilty of a misdemeanor.

Sec. 15. Misdemeanors under the provisions of this Act shall be punishable by a fine of not less than \_\_\_\_\_ dollars nor more than \_\_\_\_\_ dollars, or by imprisonment for not longer than \_\_\_\_\_, or by both such fine and imprisonment.

#### Sec. 16. Power of Removal.

No officer or employee in the administrative service of the city shall be removed, reduced in grade or salary, or transferred because of the religious or political beliefs or opinions of such officer or employee; nor shall any official in the administrative service of the city be removed, reduced, or transferred without first having received a written statement setting forth in detail the reasons therefor; a duplicate copy of such statement shall be filed in the office of the Civil-service Commissioners, and at the option of the official who shall have been removed, reduced, or transferred, such statement of reasons, together with the reply thereto made by the officer removed, shall be made a matter of public record in the archives of the city. Subject to the foregoing provisions of this Act, all persons in the administrative service of the city shall hold their offices without fixed terms and subject to the pleasure of the Mayor.

#### Sec. 17. Mayor May Investigate.

The Mayor may at any time, with or without notice, investigate in person or by agent or agents appointed by him for this purpose, the affairs of any department of the city government, and the official acts and conducts of any official in the administrative service of the city. For the purpose of ascertaining facts in connection with these examinations, the Mayor or the agent or agents so appointed by him shall have full power to compel the attendance and testimony of witnesses, to administer oaths, and to examine such persons as they shall deem necessary, and to compel the production of books and papers. Wilful false swearing in such investigations and examinations shall be perjury, and punishable as such.

### ARTICLE V.

#### OF THE COUNCIL.

##### Section 1. Council to Exercise Municipal Powers.

There shall be a City Council which shall have full power and authority, except as otherwise provided, to exercise all powers conferred upon the city, subject to the veto of the Mayor, as hereinbefore provided.

##### Sec. 2. Composition of the Council.

The Council shall consist of <sup>20</sup> \_\_\_\_\_ members, who shall serve without pay, one-third of whom shall be elected at each municipal election. The

<sup>20</sup> At least nine and not more than fifty, the precise number being determined by the local conditions of each State.

members of the Council shall be elected on a general ticket from the city at large, and shall serve from ----- after their election. The members of the first Council elected under the provisions of this Act shall be divided by lot into three classes, as nearly equal in number as may be, to hold office respectively for two, four and six years, and thereafter at each municipal election there shall be elected members of the Council to take the place of outgoing members for a term of six years, and to fill the unexpired term any vacancies that may have occurred in the respective classes. 21 Outgoing members of the Council shall be eligible for re-election.

Sec. 3. The Council to be Judge of Election and Qualifications of Its Own Members.

The Council shall be the judge of the election and qualifications of its own members, subject to review by the courts.

Sec. 4. Ineligibility of Councilors.

No member of the Council shall hold any other public office or hold any office or employment the compensation for which is paid out of public money; or be elected or appointed to any office created or the compensation of which is increased by the Council while he was a member thereof, until one year after the expiration of the term for which he was elected; or be interested directly or indirectly in any contract with the city; or be in the employ of any person having any contract with the city, or of any grantee of a franchise granted by the city.

Sec. 5. The Council Shall Elect Its Own Officers and Determine Its Own Rules.

The Council shall elect its own officers; determine its own rules of procedure; may punish its members for disorderly conduct, and compel the attendance of members, and, with the concurrence of ----- of the members elected, expel a member. Any member who shall have been convicted of bribery shall thereby forfeit his office.

Sec. 6. Quorum of the Council.

A majority of the members of the Council elected shall constitute a quorum to do business, but a smaller number may adjourn from time to time, and may compel the attendance of absentees under such penalties as may be prescribed by ordinance.

Sec. 7. Council Meetings.

The Council may prescribe by ordinance the time and place of its meetings and the manner in which special meetings thereof may be called. But the Mayor may call a special meeting of the Council at any time by previous written notice mailed to the postoffice address of each

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21. In States where the conditions make it practicable to hold two elections at different times in the same year without subordinating local questions to issues of national or State politics, and the interest of the voters in public affairs can be sufficiently aroused to permit two vigorous political campaigns in the same year, the term of a member of the Council could be made three years, one-third of the Council being elected each year.



member of the Council at least twenty-four hours before such special meeting. The Council shall elect one of its own number as president, shall sit with open doors, shall keep a journal of its own proceedings, which shall be public and printed. All sessions of committees of the Council shall be public. The Council shall act only by ordinance or resolution, and all ordinances or resolutions, except ordinances making appropriations, shall be confined to one subject, which shall be clearly expressed in the title, and ordinances making appropriations shall be confined to the subject of appropriations. The ayes and nays shall be taken upon the passage of all ordinances or resolutions and entered upon the journal of its proceedings; and every ordinance or resolution shall require on final passage the affirmative votes of a majority of all the members.

No ordinance or resolution shall be passed finally on the day it is introduced, except in case of public emergency, and then only when requested by the Mayor and approved by the affirmative votes of three-fourths of all the members of the Council.

Except in case of such public emergency, each ordinance when introduced shall be referred to a committee and printed for the use of members, and shall not be subsequently so altered or amended as to change its original purpose. It shall be reported to the Council at the next regular meeting thereof, unless another date be designated by the Council when the reference is made, or at a subsequent meeting thereof.

Before any grant of a franchise shall be made, the proposed specific grant embodied in the form of an ordinance, with all the terms and conditions, including the provisions as to rates, fares, and charges, shall be published at the expense of the applicant for the franchise at least twice in each of two newspapers designated by the Mayor, having a general circulation in the city. Such publication shall take place at least \_\_\_\_\_ days before the final vote upon such ordinance, and such ordinance shall require the affirmative vote of at least \_\_\_\_\_ of all the members of the Council.

#### Sec. 8. Council may Establish Municipal Offices.

The Council, except as herein before provided, shall have power to establish any office that may in its opinion be necessary or expedient for the conduct of the city's business or government, and may fix its salary and duties; but no city official shall be elected by popular vote except the Mayor and the members of the Council. The incumbents of all offices established by the Council shall be appointed by the Mayor, as herein provided, except that the Council may elect its own officers.

#### Sec. 9. The Council's Powers of Investigation.

The Council, or a committee of the Council duly authorized by it may investigate any department of the city government and the official acts and conduct of any city officer; and for the purpose of ascertaining facts in connection with such investigation, shall have full power to compel

the attendance and testimony of witnesses, to administer oaths, and to examine such persons as it may deem necessary, and to compel the production of books and documents. Wilful false swearing in such investigations and examinations shall be perjury and punishable as such.

**Sec. 10. Council's Power to Regulate Assessments, Levy Taxes and Make Appropriations.**

The Council shall provide by general ordinance for the appraisal and assessment of all property subject to taxation and for the collection and enforcement of taxes and assessments and for penalties for non-payment thereof. Such taxes, assessments and penalties shall be a lien upon the property affected thereby until paid.

All taxes shall be levied and appropriations made annually, not more than sixty days nor less than thirty days before the date for holding municipal elections, except such taxes as may be levied and appropriations as may be made to provide for debts already incurred or continuing contracts already entered into. And except, also, in cases of emergency, when on a certificate signed by the Mayor and Controller that such emergency exists, a special appropriation may be made to meet the same.

Subject to the foregoing, and other provisions of this Act, the Council shall have the power to appropriate all money necessary to provide for the expenses of the city government, to make special appropriations, and to transfer to a different appropriation the unexpended balance of an appropriation already made, and not needed for the completion of the work for which such appropriation was originally made.

**Sec. 11. Direct Legislation; Minority or Proportional or Other Form of Representation in City Elections.**

The Council of any city now existing or hereafter created within the State may, with the consent of a majority of the qualified voters of the city voting thereon at the next ensuing city election taking place not less than —— days thereafter, establish a method of direct legislation so that qualified voters of the city may submit and a majority thereof voting thereon may decide by direct vote propositions relative to city matters, and may also in the same manner establish minority or proportional or other method of representation as to elections to elective city offices.

On a petition therefor, filed in the office of the Mayor, signed by qualified voters of the city equal in number to two per cent. (which shall not be less than one thousand) of those voting at the last preceding city election, a proposition to establish a method of direct legislation or to establish minority or proportional or other method of representation as to elections to elective city offices, must be submitted to the qualified voters of the city at the next ensuing city election occurring at least —— days thereafter; if a majority of such voters voting upon such proposition are in favor thereof, such proposition shall go at once into effect.

## ARTICLE VI.

The Council to Elect City Controller; his Powers and Duties.

The Council shall elect, and may by resolution remove, a Controller who shall have a general supervision and control of all the fiscal affairs of the city, to be exercised in the manner which may be by ordinance prescribed. It shall be his duty to keep the books of account and to make the financial reports provided for in Article II, Section 15, of this Act. His books shall also exhibit accurate and detailed statements of all moneys received and expended for account of the city by all city officers and other persons, and of the property owned by the city and the income derived therefrom. He shall also keep separate accounts of each appropriation, and of the dates, purpose, and manner of each payment therefrom.

The Controller shall keep a separate record for each grantee of a franchise from the city rendering a service to be paid for wholly or in part by users of such service, which record shall show in the case of each such grantee:

1. The true and entire cost of construction, of equipment, of maintenance, and of the administration and operation thereof; the amount of stock issued if any; the amount of cash paid in, the number and par value of shares, the amount and character of indebtedness, if any; the rate of taxes, the dividends declared; the character and amount of all fixed charges; the allowance, if any, for interest, for wear and tear or depreciation, all amounts and sources of income;

2. The amount collected annually from the city treasury and the character and extent of the service rendered therefor to the city;

3. The amount collected annually from other users of the service and the character and extent of the service rendered therefor to them. Such books of record shall be open to public examination at any time during the business hours of the Controller's office.

The Controller shall examine and audit all bills, claims, and demands against the city, and shall promptly report in writing to the Mayor and to the Council any default or delinquency he may discover in the accounts of any city officer.

The Controller may require any person presenting for settlement an account or claim for any cause whatever against the city to be sworn or affirmed before him, touching such account or claim, and when so sworn or affirmed, to answer orally as to any facts relative to the justness of such account or claim. Wilful false swearing before him shall be perjury, and punishable as such. He shall settle and adjust all claims in favor of or against the city, and all accounts in which the city is concerned as debtor or creditor, but in adjusting and settling such claims, he shall, so far as practicable, be governed by the rules of law and principles of equity which prevail in courts of justice. The power hereby given to settle and adjust such claims shall not be construed to give

such settlement and adjustment the binding effect of a judgment or decree, nor to authorize the Controller to dispute the amount or payment of any salary established by or under the authority of any officer or department authorized to establish the same, because of failure in the due performance of his duties by such officer, except when necessary to prevent fraud.

No payment of city funds shall be made except upon draft or warrant countersigned by the Controller, who shall not countersign any such draft or warrant until he has examined and audited the claim, and found the same justly and legally due and payable, and that the payment has been legally authorized, and the money therefor has been duly appropriated, and that the appropriation has not been exhausted.

The City Controller shall, on or before the 15th day of January, in each year, prepare and transmit to the City Council a report of the financial transactions of the city during the calendar year ending the 31st day of December 22 next preceding, and of its financial condition on said 31st day of December. The report shall contain an accurate statement, in summarized form, and also in detail, of the financial receipts of the city from all sources, and of the expenditures of the city for all purposes, together with a detailed statement of the debt of said city, of the purposes for which such debt had been incurred, and of the property of said city, and of the accounts of the city with grantees of franchises.

## ARTICLE VII.

### GENERAL PROVISIONS.

#### Section 1. Actions by Citizens.

Any ——— or more citizens who are householders of said city may maintain an action in the proper court to restrain the execution of any illegal, unauthorized, or fraudulent contract or agreement on behalf of said city, and to restrain any disbursing officer of said city from paying any illegal, unauthorized, or fraudulent bills, claims, or demands against said city, or any salaries or compensation to any person in its administrative service whose appointment has not been made in pursuance of the provisions of law and the regulations in force thereunder. And in case any such illegal, unauthorized, or fraudulent bills, claims or demands, or any such salary or compensation shall have been paid, such citizens may maintain an action in the name of said city against the officer making such payment, and the party receiving the same, or either, or both, to recover the amount so paid, and such amount, after deducting all expenses of the action, shall be paid into the city treasury, provided, however, that the court may require such citizens to give security to indemnify the city against costs, unless the court shall decide that there was reasonable cause for bringing the action. The right of any householder of the city to bring an action to restrain the payment of com-

22. This section assumes December 31st to be the end of the city's fiscal year.

pensation to any person appointed to or holding any office, place or employment in violation of any of the provisions of this Act, shall not be limited or denied by reason of the fact that said office, place or employment shall have been classified as, or determined to be, not subject to competitive examination; provided, however, that any judgment or injunction granted or made in any such action shall be prospective only, and shall not affect payments already made or due to such persons by the proper disbursing officers.

In case of any unsatisfied judgment or any suit or process of law against said city, and ————— or more citizens who are householders of said city shall, upon petition, accompanied by affidavit that they believe that injustice will be done to said city in said suit or judgment, be permitted to intervene and inquire into the validity of such judgment or defend said suit or action, as fully and completely as the officers of said city would by law have the right to do.

Sec. 2. Separate City Elections. 23

Sec. 3. Nominations.

Candidates for elective city offices shall be nominated by petition signed by qualified voters of the city. The number of the signatures to such petition shall be determined by the Council of the city, but no more than fifty signatures shall be required. Such petition shall be filed in the office of the Mayor at least thirty days before the date of the election; provided, however, that in the case of the death or withdrawal of any candidate so nominated, such petition may be so filed within a less period than thirty days. The voter must vote separately for each candidate for whom he desires to vote; if the election is by ballot the Council of the city shall determine the form of ballot to be used, but the names of all candidates for the same office must be printed upon the ballot in alphabetical order under the title of such office.

Sec. 4. Petitions.

The petitions provided for in this Act need not be one paper, and may be printed or written, but the signatures thereto must be the autograph signatures of the persons whose names purport to be signed. To each signature the house address of the signer must be added, and the signature must be made and acknowledged or proved before an officer authorized by law to take acknowledgement and proof of deeds. The certificate of such officer under his official seal that a signature was so made and acknowledged or proved shall be sufficient proof of the genuineness of the signature for the purposes of this Act. The signing of another's name, or of a false or fictitious name, to a petition or the signing of a certificate falsely stating either that a signature was made in the presence of the officer or acknowledged or approved before him, shall be punishable as felonies.

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23. No election for any city office should be held at a time coinciding with the time for holding State or national elections. Proper provisions to accomplish this result should be drawn in harmony with the general system of holding elections in the particular State.

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## BANQUET SPEECHES.

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The members of the Board of Trade and their wives tendered the officers and delegates of the League and their wives a banquet at the Hotel Chittenden, Thursday evening, November 16, 1899.

After the banquet had been served, Mr. O. A. Miller, President of the Columbus Board of Trade, called the guests to order and said:

The Columbus Board of Trade stands for what is best in this community and we deem it an honor, an unusual honor, to have as our guest on this occasion the distinguished body now assembled with us. There have been provided for you this evening distinguished speakers, so that I will not take your time, but proceed to introduce the Toastmaster for the evening, Hon. David F. Pugh.

Judge Pugh: Members of the National Municipal League, Ladies and Gentlemen of the City of Columbus—I do not believe that it is the function of the toastmaster to make a speech; it is his duty to introduce the makers of the speeches. But the members of this League will pardon me for a few moments for addressing some remarks to those present who are not members of the League touching this organization. I will not encroach upon the territory of the first speaker, because what I shall say modesty would forbid him saying.

The members of the National Municipal League are sincere and earnest men. They are men of note leading in the great work of the improvement of the government of American cities and towns. They are profound thinkers on the municipal problem. They have dedicated years of time and thought and spent freely of their fortunes, whether small or large, in helping to solve this problem. They are not mere theorists and rapid sentimentalists. They are practical men, men having knowledge and experience of practical affairs.

All the acts of heroism have not been performed by soldiers on burning battlefields. There has been just as beautiful heroism displayed in quiet and peaceful lives. The members of this National Municipal League have for several years been engaged and are now engaged in a heroic work. They ought to be estimated as heroic figures in our contemporary history. No other body of men have done as much as they have in emancipating the cities and towns of this country from partisan perversions and bad and inefficient government. Their work has also been educational. It has helped to educate the people as to where the responsibility lies for the ills that have been troubling the cities and towns of this country for years. They have helped to educate and lift up the purposes and moral sense of cities touching municipal questions. They believe with the great French student that a nation without the spirit

of municipal institutions is without the spirit of liberty. By their labors and sacrifices they will win a triumph that is worth living and dying for; and I believe that will be the verdict of history.

But I am not going to make a speech. It would be a work of supererogation, my friends, in introducing the first speaker to tell you who he is. To all intelligent men of this country it is known that he is one of the great leaders of the American Bar. Neither in this or the Old World is there any lawyer superior to him. In his presence I feel very much as Prentiss expressed himself when he stood in the presence of Henry Clay and was asked to make a speech. He said: "When the eagle is flying about, the bats ought to be in their holes."

I say not perfunctorily but sincerely that it is a great honor and pleasure to introduce to you the first speaker of the evening, who will respond to the toast, "The National Municipal League," the Hon. James C. Carter, of New York City.

President Carter: Mr. Toastmaster, Ladies and Gentlemen—I feel personally and on behalf of the National Municipal League, of which I have the honor to be President, very much gratified at the reception which has been given to me. I am very much obliged to you, sir, (turning to Toastmaster) for the terms in which you have spoken of the National Municipal League, heartily obliged for the pinnacle of exaltation upon which you have placed my humble self.

I am glad to perceive that you have a right and proper conception of the purpose and work of the Municipal League. I have sometimes felt myself that a certain degree of suspicion is attached to those who profess themselves zealously interested in some great public work and are found gathering in meetings where there is no money to be made or anything of that kind, and interesting themselves in what they suppose to be the public welfare. It sometimes seems to be the thought among the good and solid people that these circumstances afford evidence of lightness of intellect, and they are rather disposed to regard such in the light of "cranks." I am glad to see, Mr. Toastmaster, that you are not under such a hallucination.

We are not cranks gathered together for argument of a fad; we are business men and professional men, regularly engaged in the ordinary pursuits of life, who happen to feel very gravely concerned over what we conceive to be, and which all will agree to be, the very low and degraded condition of our city government. I say degraded, yes, I may use so strong a word as that of the municipal government in this country. We feel that it forebodes great evil unless the condition is checked and unless municipal government is improved.

There are many things in this country of which we have just reason to be proud, proud of the magnificent extent of the country, of its national resources of every description; proud of the bounty of nature with which it is blessed over and above that of any other nation of the world; proud of its independence; of its vast manufacturing indus-

tries and its enormous product; and proud of its prodigious commerce. We are proud also of its institutions; proud of our national government and glorious Constitution; proud of our State government and the position they fill in this complicated system of ours. But there are some things we are not so proud of; of which we cannot be so proud. When we call to mind the condition of the government of our large cities, I say large cities, I might almost say the government of almost all our cities, when we contemplate the low condition in which we find them, we see something there we cannot be proud of. In almost all the cities of the country, except Columbus (laughter)—and yet as I walked about the streets of Columbus this morning (I thought I would take a look at it, it being my first visit to it) I thought even in Columbus there were places in which a broom or two extra might with advantage be employed, a place or two here and there where the natural earth was easily persuaded into mud, might with advantage be covered with a pavement, things of that sort, so that a scrupulous observer might find even in Columbus places where improvement could with advantage be applied, but in the larger cities (well, Columbus is a very large city), but in our larger cities the condition at times is too much almost for human contemplation.

These things have engaged the public attention to a greater or less extent, as you are all aware, for many years. They were the grounds upon which this Association was formed. The Association consists of a company of men and affiliated societies (more than a hundred now) interested in the great work of securing some improvement in municipal conditions. Their expectations, they are not over-sanguine; they know the work is a great one and necessarily a slow one; they know the prodigious extent and weight of the evil influences against which they are obliged to contend, and experience has taught them that they must be satisfied with a very moderate degree of improvement and a very slow progress of improvement. But if that can be brought about, if we can put ourselves on the march of progress, if we can ascend from bad to something less bad, if we can take step after step upward, we will be abundantly satisfied. The goal may be very far distant, it is certain to be very far distant, but our faces are turned toward that goal and it is sufficient to say we are advancing on that goal. However slowly, we are yet advancing.

Now, Mr. Toastmaster, you have introduced me and introduced this subject of municipal reform in a way which leads me to trespass upon your attention for a few words in connection with it. Coming, as I have, one thousand miles to attend this meeting, thinking of nothing else, trying for nothing else—how can I speak of anything else?

Now, in a single word as to what the causes are of this decline in municipal government. What are the reasons why this great, wealthy, intelligent people of ours cannot have suitable government? Is it because they do not have the necessary intelligence? Is it because they can-



not comprehend the great problem of municipal government? Is it because there are not men in the community of intelligent public spirit enough to take hold of the work? Certainly not. We boast that our intelligence is greater than that of any nation on the face of the earth, and I suppose there is some reason for it. Is it because we are unwilling to pay the price to make our cities what they ought to be? No; very far from it. On the contrary, we are resting under a weight of taxation such as is exhibited no where else on the face of the globe. Money is poured out with such profusion here that there would be an abundance, if properly applied, to supply every land with every advantage and improvement and adorn them with all the marvels of architecture and art; yet we do not have them. Take in New York; we have a public indebtedness of \$250,000,000, debt incurred for political objects over and above what is annually paid. And the amount annually raised by taxation and which finds no representation in the debt, almost surpasses the imagination. What, Mr. Chairman, do you suppose it to be at this moment, the amount of money raised annually by taxation, drawn from the reluctant pockets of the people every year for purposes of municipal government—between eighty and ninety millions of dollars; nearly a fifth of the entire annual expenditure of the Government of the United States drawn annually by taxation from the people of the city of New York; and in addition to that the debt at this time amounting to \$250,000,000! And imagine that at least one hundred millions of that represents money entirely wasted or fraudulently applied.

Why, if we take the aggregate amount of expenditures made in constituting all the public libraries of the land, all the zoological gardens, public parks, and everything of that nature designed for amusement, health and recreation of the people—put it all together and it would not amount to nearly the sum of one hundred million dollars! Only think of the facilities and advantages we might have enjoyed if the money had been properly expended!

We see it is neither lack of intelligence for municipal government, nor hesitation to expend the money necessary for securing it. What is it, then?

Do we find in the actual government of our cities generally that the best intelligence is selected and placed at the head? No; we do not. On the contrary, we find ignorance, to a large extent, everywhere in control; waste and extravagance everywhere, and what is worse than all, fraudulent disposition and embezzlement of public funds for private gain. Now, this is the spectacle presented, and what is the true reason for it if it is not the lack of intelligence nor niggardly economy? What is it? Because we do not strive for it, I suppose. I believe it is true of every human object, in every object which men place before them and which human effort is capable of obtaining, it will always be obtained if striven for. And it is equally true that we will certainly never gain an object we do not strive for.

The end in view by those who happen to be in charge of the municipal government of our cities is not good government. That is not the object they are after; it is something else. And as that is not the object they are after, of course they will not attain it.

What is it they are after, if they are not after good municipal government? Well, to a very large extent they are after their own private emolument, the expenditure of enormous sums of money which can be turned to private account. Another thing in close connection with that is the disposition made of the great public franchises, the operation of which in themselves does keep and does produce enormous profits. They are all in the hands of private individuals. Sometimes they make good use of the franchise acquired and sometimes not such good use; but it is all in their hands for the benefit of the private proprietor. Franchises worth millions have been disposed of for little or nothing.

That is one of the objects to which municipal government is perverted, made instrumental, and particularly instrumental for private and personal gain.

Another still more important, far more powerful object is the political advantage acquired by the fortunes of our cities. These are very great. Whoever is able to control to any considerable extent what may be called the ignorant vote of the country has an enormous power in his hands. It is not so easy to control in the rural districts, but where the people are gathered in great masses it is comparatively easy to control them there. The ignorant, less educated classes, the laboring classes, and we must add to them the criminal classes, are separated from the rest of the population by a very wide gulf which it is very difficult to pass. Great attempts have been made to pass it, and I am sorry to say that the attempts were not as gratifying as they ought to be. Consequently the influence over the ignorant vote is comparatively nothing, and it is left, therefore, to dispose of by those that make it a business to dispose of it; and it has long been the habit of both political parties to endeavor to secure to these political parties in State and national politics as much of this ignorant vote as they can. People have great ambitions, they desire to be President, Senators, Representatives in Congress, and these offices are obtained, as politics go, things are now, by the power of the political chiefs under them who control this ignorant vote; and consequently there is a tacit understanding between the chiefs of the political parties and the smaller political chiefs in the cities, if they will give the city vote or as large a portion as they can control to the political party to which they belong, they shall have the benefit of the patronage of the municipal government; and, therefore, with the offices and patronage goes the government of the cities, and it goes into the hands of the smaller politicians in the way indicated.

The power of these influences is almost beyond conception, not all of it altogether bad. A large number of the men connected with municipal politics have the ordinary ambitions of men in politics; they like

to lead, like to control in public affairs. This is rather praiseworthy, but it is apt to degenerate into the desire for plunder, though it does not need to. But it makes the temptation very strong and hard to struggle against. So the objects of those placed in control of the fortunes of our cities is not to secure good government but to aid their personal interests and those of the party to which they belong. And so the fortune and prosperity of our city government are everywhere subject to these very adverse conditions, and as long as they are so subject it is impossible to put them in any creditable shape whatever.

Now, these are, as I think, and I suppose there is general agreement in the matter, the principal grounds and reasons which render the conditions of our city government as bad as they are at the present moment and what we have to struggle against.

What are the remedies for it? As you have said, Mr. Chairman, this is a subject which has excited great attention everywhere. We do not pretend ourselves to have penetrated this problem any deeper than other people who have given it the same amount of study. We see but two methods by which the evil can be cured and municipal government improved. The first is by arousing interest everywhere in the subject greater than at present expressed—interest everywhere, among the men and women. I am glad the ladies are here to-night in order that I may lay before them the opportunity they have to engage in this work for which they are peculiarly fitted. Our cities are households. In the rural districts a man's home is his house; in the city the whole city is your home, your dooryard, and you feel, should feel, ought to feel its appearance, its conveniences, its order, its beauty, are things in which you are as much concerned as in the convenience, order and beauty of your own houses. Much can be done by the women in arousing and maintaining an interest in this work. It is by arousing interest in the community and sustaining the interest that it is expected that great improvement can be brought about. In the city of New York—we are the worst in the world, and you know how bad we are if you read the newspapers—in New York we have, I think, take it all through, a very low degree of intelligence and ability on the part of the public officers, a set of men who, if left without any suggestions from others outside of themselves would not perform any of their duties in any decent manner whatever; and that is the history of the performance of municipal duties in New York in the past; but we have found there in proportion as this interest is aroused and exhibited by the citizens, and especially in so far as that aroused interest finds its expression in public efforts to overthrow these men and establish better government, that they improve. Several years ago there was an opposition of citizens to Tammany Hall and they were successful and placed Mayor Strong in the chair of the Chief Executive. He was a very excellent man, but he could do comparatively little because he was greatly hampered in making a selection of officials. But, nevertheless, a great deal was accomplished, and in

one particular was very observable to strangers. Our streets had been in a very wretched condition. A new man, a very excellent man—Colonel Waring, whose melancholy death we so much deplore—was put at the head of the street department. He instituted reforms and our streets were clean, and New York in external appearance was as fine as any city in this country, perhaps in Europe. This was accomplished by one man, sustained by this aroused public sentiment.

At the next election this reform movement failed, so hard it is, so difficult, so almost impossible to keep up to a great height an aroused public interest. At any rate, Tammany Hall was successful. Colonel Waring was displaced.

Did the streets relapse into their former condition? No; Tammany Hall did not dare to do that. It knew that the citizens of New York has been accustomed to the spectacle of clean streets and would not stand that. Therefore it was made an object by his successor to keep the streets in the same order in which they were under Colonel Waring's superintendency. So we still have them not so good, not so clean as under Colonel Waring, but far cleaner than formerly, and that, too, under Tammany Hall. And Tammany Hall under this aroused sentiment has ceased to be what it was twenty-five or more years ago, and though the men are the same, they fear public sentiment, they are afraid of it. They know that they have to give a certain amount of decency to the government or again receive a summons of dismissal.

That is one great method by which this reform, as other great reforms, is to be carried on by exciting public feeling everywhere; and you must all admit that it is your duty, your personal duty, your absolute duty, to take an interest and a deep interest in this movement and do all that in us lies to improve the condition of our cities.

There is one other method by which some improvement can be effected and that is in the organization of our cities under the law; I mean under the proper constitution of legal power conferred by the Legislature of the State upon the cities, and the proper arrangement and division of the officers who are to exercise that legal power. In other words, the contrivance of a perfect city charter for the carrying on of a city government.

What is a city? We sometimes think of a city as a great collection of buildings and people. That is the physical conception of a city. What is a city? It is not physical at all. A city is a corporation government and has many methods by which it may accomplish its ends.

Take your State, Ohio; it was originally the duty of that government to secure good government all over the State and in every part and corner of it. That's the duty of a State government. In the discharge of that duty, however, it finds that it can best be performed if it will trust the duties which concern a small community, living in a small area and which does not concern the people generally of the State, to the

citizens of the locality, and a city is incorporated for carrying on local government. Now, much depends upon the sort of charter, which is the statement of powers and authority which the city may exercise, and of the various officers that may be elected to exercise the authority.

Now, not one of us think that a good city charter is of itself sufficient to secure good city government. We know that alone and unaided it may have a bad effect. "Whatever is best administered is best." A great many city charters have been tinkered with from time to time, and tinkered with in very important ways and for improper purposes in such a manner that they advance the progress of the mischief so much more, and make it difficult for even good officers to properly discharge their own duties. Therefore it is highly important that a good charter should be provided for city government, and to that the National Municipal League has given much attention. Its labors in that direction are drawing to a close and the final draft of the charter will probably be approved at this Conference; and if it should fortunately be adopted in the various cities in the land we expect considerable advantage will follow from it.

Now, it is impossible, of course, for the Municipal League, by any work which it can accomplish, to raise and maintain this interest in good city government in the people generally which is so important, if the community does not feel it. We can only try our best to do our part of it and lay it before the people, to meet with them from time to time and urge upon them the importance of it.

The other part of the work, forming the charter, is one, I suppose, that it has some qualifications to perform. We have used the best diligence we could and have hope and expectations that experience will be had in the various Legislatures in adopting for such cities as they may wish this so-called model city charter. And from that we have great expectations.

I have now spoken too long. Mr. Chairman, ladies and gentlemen, but you must excuse it and charge it to my interest in the subject and the opportunity.

Mr. Chairman, you give me hope that our visit to Columbus may not be altogether unproductive in results, and I hope it may excite a greater interest, I have no right to say you do not have an interest, in this subject. If we could only accomplish what we want our cities, instead of being spots of contagion, they would be gardens that blossom as the rose, they would be a spectacle we would like to dwell upon, and human society would present an aspect vastly improved over that which it now presents. It would not stop with the city government, it would reform the great political parties, take away the temptation of these sums, these enormous sums of money available in municipal government, and the great national issues would be decided upon their merits. It would purify the politics of the land, and in purifying the politics of the land would purify the whole human society of the land.

The Toastmaster: The proceedings, discussions, conclusions of the League, including those of this banquet, would be robbed of a large fraction of their value if the next speaker should remain silent. He is a veteran, one of the veterans in furthering the mission of this League, the great work of perfecting municipal government. He is one of the authors of the Municipal Program, which will doubtless be a beacon light to future makers of municipal law. He is well qualified to respond to the sentiment because he lives in the city of New York, the government of which city has sometimes been so bad that it has shaken the faith of a great many Americans in the capacity of America to govern itself. It has been so bad in that city and others that it has almost tempted some Americans to join Charles Dickens in saying: "My faith in the people to be governed is infinite; while my faith in the people to govern themselves is infinitesimal."

Mr. Deming will tell us some things which may tend to restore our faith in the capacity of the people to govern themselves. He will speak to the toast, "Have the people as good a government as they want?"

Mr. Deming: Our honored President has quoted Pope for us:

"For forms of government let fools contest—  
Whate'er is best administer'd is best."

Many very sincere and earnest people say that, not as our President said it, by way of contrast to something worse, but as if it were a fundamentally sound proposition, that after all the form of government is unimportant, that the character and ability of the men who administer the government is the all important matter, that our greatest need is to elect good men to public office. How often we hear also that the people have as good a government as they want, that the kind of government they have mirrors very exactly the desires and standards of the average citizen.

Sincere and earnest men hold these views. No doubt, many in this audience hold them. Are they sound? Will they bear analysis? It is plain enough that they are discouraging. They explain and excuse all sorts of misgovernment. Progress is slow and difficult at best. Such views as these pile difficulties mountain high in the way of improving the conduct of public affairs. They tend to inaction, to be content with things as they are, to wait rather than to work for progress.

I propose to show that these views are based upon an unsound political philosophy, and are unsound in morals; that they express but half truths, that they brush merely the surface of the facts, that the whole truth is a vivifying force leading to positive and forward action, to a healthy discontent with things as they are and a hopeful and courageous endeavor to make things what they ought to be.

What, then, is the ethical basis of the assertion that forms of government are of small consequence, that the selection of able and honest public officials is the important matter? It is that the well being and happiness of the people is the ethical ideal of government, that so long as

the people are content the form is unimportant. Is this sound? No more sound than if you applied the same test in justification of the conduct of the individual. What kind of happiness is his aim? you ask at once. Is the fact that his conduct makes him happy a sufficient justification for his conduct? Are you justified in drinking to excess because it makes you happy to be drunk? Is the fact that to be drunk is the kind of happiness you want, that it exactly mirrors your ideal of the principal end of life, a sufficient justification for your being a toper? It may explain the kind of life you lead, but does it justify that kind of life? Is your ethical standard high or low, false or true? It conduces to my well-being to have money. I take the trust funds confided to me. I have the money. I feel no remorse; I am perfectly content and happy. Am I any the less a thief? And am I likely ever to become a better man if the doctrine prevails that it is right to steal because it makes me happy? You may walk in safety the streets of New York or Philadelphia. Many happy homes are there and abounding business prosperity. Are their governments, therefore, good?

No; government must be judged by its conformity to some ideal, just as individual conduct must be judged.

The political philosophy of the views we are discussing is as false as their ethical standard is unsound.

Whatever the governmental ideal may be, how is this ideal to be realized? The most important and weighty thoughts concern only the man himself until he finds some means for expressing them to others. So, the sovereign must find a means to utter its commands. Of what avail is it merely to think commands? And given an organ for expressing its will, how if it be without organs for enforcing the will when it has been expressed?

Sovereignty, without adequate organs for expressing and enforcing its will, is a phantasm. For practical purposes it has no will; which is the same thing as saying that the sovereignty does not exist.

A sovereignty which neither proclaims nor enforces commands is unthinkable; or, at best, a mere metaphysical abstraction existing quite apart from and of no practical consequence to a world of action.

Now, forms of government are the means for expressing and enforcing the will of the sovereign—the governing power. They are the sovereign's organs of utterance and action, the agencies through which the sovereign's ideal seeks its realization. Herein lies the importance of forms of government—that they either assist or hinder the realization of the governmental ideal.

If they are hindrances, in process of time they will inevitably be changed for new forms, better suited to the sovereign's needs. Or it may be that the character of the sovereignty itself will change. The kings may be replaced by senate and consuls, and they in turn give way to emperors. At any given moment in the history of every people the governing power, the sovereignty, is always seeking more perfect organs

for expressing and enforcing its will, and the governed are seeking a change in the character of the sovereignty. Out of this conflict have come successive and ever bitter types of government.

By slow degrees, at cost of infinite sacrifice and suffering, a new ideal of sovereignty, of the real source of power, has been evolved. Why should not the people themselves be the source of power? Why should not the people govern themselves? The governed be the government? This is the democratic ideal. Our Declaration of Independence voiced this ideal and the struggle to realize it has gone on ever since. It is this struggle by the people to rule themselves which has given us manhood suffrage, called into existence the great political parties, put national and State nominating conventions in place of Congressional and Legislative caucuses, compelled vast improvements in our elective methods in order the better to guard the people's sovereignty, and is slowly but surely eliminating "spoils" from the public service. In the beginning an electoral college stood between the people and a direct popular vote for President; the State Legislatures between the people and a direct popular vote for Senator. The electoral college has become a mere recording machine; the signs of the times point to a similar fate for the State Legislatures as electors of United States Senators.

No man can study the history of our country and fail to recognize that the most persistent factor in our politics has been the struggle for a government responsible to the people. The vivifying force in our politics has been the determination of the people to be the government. There is no other political force to-day comparable with this faith in democracy. The problem of problems politically in this country is how to find safe expression and sure effectuation to the people's will in the conduct of public affairs—how to give the people as good a government as they want.

It is not a question of whether the people is wise or unwise, or whether some other idea of the source of sovereignty than the people themselves would have led to a better and healthier political development. The conviction that the people's will ought to be the real source of all political power has been preached from pulpit, proclaimed from platform, and repeated in the press from generation to generation, until it has become the one deep, abiding and universally held article of political faith. With each successive decade we have seen new methods resorted to in order to give practical effect to this faith. Some have been well advised, some ill advised. Curiously enough it is this very struggle to secure a government responsible to the people that has given opportunity for the rise of the "boss," a sort of political dictator, at once a symptom and a natural product of imperfectly organized democracy. It is this same fierce struggle of the people for mastery that will extirpate the "boss." The "boss" stands in the way and he must go. Whatever stands in the way will go. Resistance but increases the energy to overcome the resistance, and if the obstacle is strong enough, the effort



to overcome it will be revolution. Yet the revolution, disastrous though it may be to contemporaries, will be but a means to the evolution of a higher and better form of government for those who come after.

Revolution or evolution, that is the alternative. Democracy is inevitable. How shall it be organized? Through revolution or through evolution? That is the political question to-day which overshadows in importance all others, as it has been throughout our history. Through what means shall the all pervading democratic spirit find safe outlet? That is the problem before us, as it was before our fathers. In their time, as in our own, there were those who said that the people had as good a government as they wanted and whose love of country was satisfied by a sense of personal comfort and security. We owe no political debt of gratitude either to them or to their false philosophy. The measure of freedom that we enjoy is due neither to the doctrines nor the conduct of such as these, but to the active patriotic men who bent their energies toward the discovery of safe means through which the people could strive to reach their goal—a government of the people, by the people and for the people, through their own freely chosen representatives.

How shall we of this generation help toward this end? The field of our labors is not far to seek. It lies at our doors. In the national field and, perhaps, in the field of State politics, in order to give either expression or effect to the people's will, we may be forced in the future as we have been in the past to extra-constitutional or extra-legal forms of government; but within our own lifetime the cities have become the controlling political force of the entire country. No indirect methods are needed to ascertain the people's will or carry out their policy in the public affairs of cities. Some way can be found by which the citizens of a town govern the town. The all-pervading democratic spirit can be given a sure and safe outlet in a form of city government which shall be inspired by and shall embody the principles of true representative democracy. Nothing less will suffice, and until this has been accomplished, not only will our cities be examples of wasteful, inefficient and often also of corrupt government; but they will be centres of political unrest, and possible political revolution, which imperil the stability of the republic. Make each of our cities a true representative democracy and the political future of the whole country is secure. Does courage fail at times and the struggle to attain this end seem long and hopeless? It is the old, old struggle of ethical standards, the world-old struggle of the powers of good with the powers of evil, of light against darkness. Who that knows history can doubt the final outcome?

The Toastmaster: One of Philadelphia's best citizens, now dead. George W. Childs, on a visit at one time to Boston complained to General Butler of the crookedness of the streets of that city. General Butler retorted that as soon as Boston became as dead as Philadelphia they "would lay out the streets as they were in Philadelphia." General Butler had to sacrifice the truth in order to round out a repartee, as he often

did. Philadelphia is not dead; it is truly the second greatest city in this country. Philadelphia is a great city in many things, in commerce, independence, history associations and many other things too numerous to mention. We are gratified in having with us one of her most prominent citizens, ablest and most indefatigable workers in the National Municipal League, the Secretary of the League. His work as Secretary has been of incalculable value in prosecuting the work of the League. I have the honor of introducing to you the Hon. Clinton Rogers Woodruff, who will respond to the toast, "Municipal Expansion."

Mr. Woodruff: Mr. Toastmaster and friends, I remarked as Mr. Deming sat down, to my friend Mr. Foulke, "I wonder how many I will drive away from you." Mr. Deming has driven away many of my hearers, and if I do as well, Mr. Foulke will have no audience. The hour is late because of the lateness of the commencement of the dinner, and I thought I would get out of making my speech by the device of Mr. Depew. He had gone to Europe on the same boat with General Horace Porter, and they occupied adjoining staterooms. Shortly after arriving in England they attended a banquet where both were invited to speak. General Porter was the first of the two and he made an eloquent speech. He captured the hearts of his hearers and made a profound impression. Mr. Depew was called upon next and he arose and said: "Mr. Chairman, I appreciate the very great honor done in asking me to speak here this evening. In fact, I will tell you in confidence that I rather indulged myself in the belief that I would be invited to this banquet and that I would be called upon to make a speech, and accordingly I prepared myself in advance, prepared my speech before I left the other side, and rehearsed the speech all the way over. The stateroom next to mine was occupied by General Porter and the speech you have just listened to is the speech which I rehearsed in my stateroom on the way over." So I thought I might get out of making any speech by saying that Mr. Carter and Mr. Deming have made my speech.

Still there is something left to say, though it will not be so extended or so expanded as its title would indicate. I should like to have the opportunity of speaking somewhat at length, but will not at this time. I am going to speak of the expansion that we have had; the expansion that we have and the expansion that we must have.

You are all more or less familiar with the figures produced time and again concerning the enormous growth of cities in the past hundred years. Mr. Deming has said that the city problem in the United States is practically a new problem which has grown up in the last thirty years. Strange as it may seem off-hand, we are still a rural nation. Sixty-six per cent. of the population of the United States do not live in cities. Nearly 33 per cent. now live in cities. In the city of New York are now living as many people as a hundred years ago lived in the whole United States scattered through the string of territories. A hundred years ago there was no city of Chicago. If there was a city of

Columbus, it was a very small affair. We have expanded enormously in the way of cities in the last hundred years, and the expansion is not at an end. I venture to say that the new census will show, in the ten years since the last one was taken, a still greater expansion in numbers.

Municipal expansion has not been confined alone to numbers. Our cities have grown in size. We have Metropolitan Boston, Greater New York, we have had Greater Philadelphia since 1854, and we now have Chicago striving to take in its adjoining territory; and I might enumerate instance after instance to amplify this thought that our cities have expanded numerically and territorially.

That is not all. I do not know how many have taken the trouble to read the history of a city for a hundred years, but take my own city of Philadelphia. What do you think the budget of 1800 was? It provided for just sixty-nine thousand dollars expenditures. The budget for 1899 called for an expenditure of thirty-three millions of dollars. The per capita expenditure of 100 years ago in Philadelphia, I think was about twenty-five or thirty cents. It is now nearly thirty dollars.

We have expanded numerically; we have expanded territorially; we have expanded in the things we do. Think of what the cities have accomplished in transportation; think of what has been done in the last ten or fifteen years in the domain of electricity; in the way of communication; in the police patrol; in the fire patrol and communication by telephone, and all the diverse new forms we have grouped together in the electrical bureaus! Think of the functions the cities exercise now! There has been expansion not only along the line of numbers and territory; but along the line of functions. Think of what has been done in Boston since Mayor Quincy has been Mayor in addition to what they have done in the ten, twenty or twenty-five years preceding. And yet, as Dr. Malthie tells us, they are but on the threshold of what they will do.

There has been an expansion of operations not only on the part of the city, but on the part of unscrupulous and shrewd politicians. I can only indicate lines of thought now. I want to suggest that the municipal problem is a problem of constant expansion. And in order to keep up with this problem of municipal expansion, there must be, as Mr. Carter pointed out, expansion of interest on the part of the citizens. I happen to be more or less actively identified with the Municipal League of Philadelphia, and perhaps because of my years, which are not many as yet, I am very hopeful of the outlook. Yet there are times when I become sad at heart concerning some things that come to my attention; because the people of Philadelphia (and they are in no sense different from the people of every other city I come in contact with)—because the people of Philadelphia do not seem to realize they have a direct and vital interest in the question of good city government and do not realize that the solution of that problem depends upon their activity.

I wish I had time to talk of some practical experiences; to take you to precinct after precinct where the so-called eminent, distinguished

citizens live and show you the actual polling books, and show you where thirty, forty, fifty, yes, sixty and seventy per cent. of these eminent citizens do not come out to exercise their franchises as freemen. They sit around the firesides and condemn the evils of city government and do not raise their hand, by means of the suffrage, to change these conditions.

Not only do we need expansion of activity and interest on the part of citizens, but we need an expansion of ideas and ideals concerning city government. Too many look upon the municipal problem purely as a problem of dollars and cents; as merely one of taxes. It is something of far more importance, of far greater significance than dollars and cents. If the people of the country are going to keep up the trend toward the cities; if the cities keep on growing in number and size as in the last few decades, it is going to be a question of the salvation of our republic unless we solve the municipal problem. It was said at Philadelphia at the first Conference for Good City Government, that the salvation of the cities was essential to the salvation of the country. Expressed in another way, unless we save the cities we are bound to lose the nation and all that stands with it. And why? Because we recognize that the city is the centre of influence, the keynote to the situation. As goes the city, so goes the nation. If you allow it to become corrupt, it is going to jeopardize the whole fabric of our government, not only in the city, but in the State and nation. And it behooves us to have an idea concerning municipal government other than that of dollars and cents. We must look upon it as a great institution for good, for human happiness, for bringing a better, larger degree of comfort and well being to the people who live in the community. We simply stand upon the threshold of an adequate conception of municipal government as an institution for good. Let us expand our ideas concerning the power of the municipal government as an agency for the good of mankind.

I am not going to trespass further on your time. I simply want to throw out the suggestion that the municipal problem is a problem of expansion and the solution of the problem must be sought by the expansion of activity and ideals on the part of the citizens.

The Toastmaster: In the line of what Mr. Woodruff has just said, Jefferson once said the township was the wisest invention that the wit of man ever devised for the exercise of self-government and the preservation of it. The next speaker is a member of the Indiana Township Commission, which had for its object the improvement of the government of townships of that State. He has studied the problem of local self-government and knows some of its worst enemies, and knows something about its gigantic evils—"The Boss and the Ring." Of all the scourges God ever inflicted on a community the worst are the boss and the ring in a city. The response will be made by Hon. William Dudley Foulke, of Richmond, Ind.

Mr. Foulke: I thank Mr. Woodruff for the courteous words at the opening of his remarks, which seem to have restrained the exodus, and I can promise that I will not detain you at this late hour but a very few minutes.

When yesterday morning I received this kind invitation to speak here to-night, I was asked what subject I would speak on. I said, without consideration, "The Boss and the Ring." Then it occurred to me that perhaps that was an unfortunate subject for me, for I live in a town where if there is a boss I do not know his name, and if there be a ring I do not know who compose it. But thinking a little further it occurred to me that perhaps that was fortunate, because I have always noticed among my friends, they can always speak best of things they know the least, and that the spirit of American liberty loves also greater freedom for its imagination. So it appeared a fortunate selection, as I could cull from the infinite fields of my ignorance perhaps a sufficient amount of material to describe the boss and the ring, and so drawing on that imagination I could tell you of the boss with horns and cloven hoof, surrounded with a circle kept together with the cohesive power of public plunder, of the little imps and devils dancing and prancing around him whom I could see lit by phosphorescent infernal fires!

But, after all, thinking a little further upon the subject, I wondered exactly what it was the word "boss" meant. As Mr. Deming said, the word "boss" is the outgrowth of democratic institutions. In a despotism there can be no boss, unless he be the despot and he has quite another name and function. The boss exercises great political power over his fellows. If we read history (and Mr. Deming referred us to history) we find in the democracy of ancient Athens, Pericles, who held no office, but was the absolute ruler of the city; and yet history fails to inform us that his rule was malevolent, that it conduced to the decay of public virtue. Was Pericles a boss?

Coming on down to the middle ages, we have another freer people than any which exists to-day. All the power was in the hands of the guilds, of the workingmen. Florence, where none were excluded from the government except the nobles who were excluded on account of fear for their power; a democracy as complete in theory as in practice; where all citizens held office in rotation, the term of office being limited to two months; and every reputable citizen appeared on the list to have his turn, determined by lot. It was certainly a free institution. Finally a man arose, a man who gained wealth and power by first obtaining power over the officers who made the lists from which the city functionaries were selected, and in this way he secured none but friends upon the list. So while but a private citizen and holding himself no office whatever, he became the absolute ruler of the State. Certainly that man was a boss.

How, then, shall we distinguish the leader, the legitimate leader, from the boss? The word "boss" has an honest significance; it is, indeed,

"the leader of the gang," but the "gang" is composed of a number of workmen engaged in a common object under the leadership of one man, a worthy function. But in our vocabulary it has a sinister significance; as I take it, a man who attracts and keeps power by pandering to the baser elements of humanity; who wins power by the distribution of public pelf or public patronage; by the greed and lust of gain; by the greed and lust of office.

What, then, are the remedies? Let us take greed of office first. The boss of the city controls, whether he holds office or not—and as Mr. Carter has shown, as fully when he holds no office as when he does. He holds in his hand the moral power, determines who shall hold places in that city, as police, members of the fire department, clerks in the various offices.

The possession of arbitrary power is almost sure to corrupt the possessor, and even if the boss at first is disposed to do right, the possession of such power will not remain long in his hands without abuse. Mr. Croker held this power of distributing the patronage of New York and it made him the boss. He used it for base purposes and unworthy ends; not for the benefit of the public, but for his party and himself.

Now, there is a perfect remedy for the evils of patronage, not existing in theory and the imagination only; but proved by actual experience of more than a generation in England, of more than a decade in our own country, by which we may have the power to select these men by other than the mere power of the boss. Civil service reform shows us the answer, and I am glad to attend this meeting as one of the representatives of the National Civil Service Reform League. What do we do in other things against the abuses of arbitrary power? Limit that power by general rules which all must obey. We know that even an imperfect law works better in the long run for the community to be governed by the law than the arbitrary will of any man. There should be a system of rules and laws to control the appointment of all non-administrative officers, the same as you insist that your rights of liberty, property and life shall be confided to the law of the land and not to the arbitrary will of any monarch or despot. Whatever the law, it is safer than the will of any single man. Rules are better to determine fitness for office than any man whatever.

You ask what kind of rules should they be? I answer very easy and simple ones. If a man has to perform a particular function, he must first understand the duties of that office; in the second place, he must perform the duties of that office. How will you know he understands them? By examination. How will you know he will do them? By trying him. Examination and probation ought, therefore, to be the portals to all these subordinate offices. The system is a very simple one after it is once applied. A man ought not to be a policeman unless he can run fast enough to catch a man and is strong enough to hold him after he is caught; he ought not to make an arrest if he does not know the

circumstances to justify the arrest, and under what circumstances he can make an arrest without a warrant. The examination should test speed, strength, intelligence and endurance. A man ought not to be a reading clerk if he can not read; yet I have heard clerks in the Indiana Legislature who read so that you could not understand them, and I have seen bills engrossed so that the people could not read them. We ought not only have a fit man, but the city is entitled to the fittest man. How can we secure that? By examination of all and taking the one who shows the most fitness. It is simple enough.

People talk about civil service reform being the Chinese system. The spoils system is the Chinese system, it is the round peg put into the square hole, that is the Chinese system. In order that a man may be appointed to a warship, he must have a complete knowledge of the precepts of Confucius and the writings of the fathers and the conduct of the dynasties. It requires him to know something he will never be required to use; it requires him to possess knowledge which will never be of use to him in such a position.

Under the spoils system what is the situation? A man asks to be appointed an accountant. He has served many years in that kind of work and understands the duties of the place. But the politician says, "I can't appoint that man, he is a Democrat, he believes in free trade."

"Who will you appoint?" "There is Tom Brown—he brought the boys in in the Fifth District all right. He locked up the floaters in a barn and had them ready to cast their votes the next morning. That's the man!" In fact, that's the round peg in the square hole; that's the Chinese system! And I was sorry that I could not agree with one sentiment expressed in a very admirable speech in regard to the new Code to be established here in Ohio. The speaker remarked that the important thing in the Code was for the organization of cities, to have something uniform throughout the State; and if civil service reform could not carry, still it would be enough if the Legislature of Ohio should pass the law making uniform all the charters of the State. My friends, that is taking the substance for the shadow. Uniformity is not necessary to good government; symmetry is a good and beautiful thing; if we see the dome in the middle and the column in front, an equal number on each side; but modern architecture contrives to erect great buildings without symmetry. It is not as necessary that we should be under one uniform law as that the laws under which we are existing should be good laws; and if you take out civil service you will take from the law the most important feature, because it is a certain specific against that kind of corruption which is nourished by the spoils of office. It is the one thing that will cure it. Let the law fit the place; never mind the uniformity. Do not force mankind into a condition where he has to fit the law. The main thing, after all, is to have the laws, good laws, whether uniform or not; and nothing is more essential to good law than providing for civil service reform.

People say that it is a remnant of some other form of government, that it is not democratic. What is more democratic than to give every man an equal chance? The old system of the past is a remnant which we have left of autoeracy in government, and we have outgrown it.

What I want to say is this: In order that we can find out very clearly what is the proper remedy for the evils which have fallen from the fact that immense aggregations of capital seek special favors of the city, the first requisite is publicity, requiring every corporation performing public service, as street railroad, gas and water companies, to keep their accounts open to the public; require them to make statements not only of all earnings of the company, but of everything connected with the business in such a way that the public can understand it. Uniformity is required for a different reason. Uniformity is required because there must be a general standard of measure, just as in currency, or for the dry goods merchant. We must have a uniform standard of corporation accounting. Let there be a uniform system of accounting; let there be a uniform system of examining. Let the world know exactly the earning power of each corporation. That should be done before the question is determined as to whether the city shall own these; whether the city shall control them or they be left in private hands. Throw light on that subject. There should be complete publicity in regard to all public business of all public servants.

Another thing, I believe in competitive leasing. Let bids be received and open to every one, just as offices are under civil service reform, and you will find a great deal of corruption will vanish. I have immense faith, as Mr. Deming says, in the recuperative power of democracy, in its power to purge itself of all evil. I do not doubt these reforms will come in the future; that the land we all love will continue to grow and develop by external expansion until our dominion will follow the stars over the continents, over the isles and the oceans, when there shall be a purer, higher and nobler life, when the boss and the ring shall have vanished forever from American institutions!

The Toastmaster: In one of our courts after a case had been tried and the presiding Judge of the court had delivered himself of a learned and exhaustive opinion on the question, then turned to his associates and said: "All has been said that can be said; what have you got to say?"

We have not reached that point yet in the intellectual part of our banquet. There is something more to be said, and the next toast will be responded to by E. M. Thresher, of Dayton, Ohio, who was instrumental in having the preliminary legislation enacted by the Legislature for the improvement of our municipal government in this State. Mr. Thresher, of Dayton, will respond to the toast: "The Business Man and Municipal Government."

Mr. Thresher: Mr. Toastmaster, Ladies and Gentlemen—At this early hour of a coming day, after the thoughtful, suggestive and comprehensive addresses to which you have listened, I feel that the greatest service I



could render would be to pronounce the benediction. I will have to fall back on Peter White's answer to prayer: He was a pious soul and wished for Divine guidance, and so he asked the Lord to give him refreshing sleep and a good night's rest that he might wake in the morning well and strong to work for Him. And a voice said, "Peter, what have you been eating?" "Oysters on the half shell, broiled beefsteak, bacon, fried potatoes, poached eggs, a little piece of sausage, buckwheat cakes, honey, apple butter and two cups of coffee!" And the voice replied, "Well, Peter, I will do the best I can for you under the circumstances."

The business man—what is he? He is one of the foremost factors in society to-day. He is one of the representative features of our modern civilization. When mankind awoke from the dark ages and went to work with heart and brain to avail themselves of the good gifts of God laid before them, the business man came in evidence at Venice, Genoa, Florence, London, Antwerp, Amsterdam. He was the friend of the laborer, he was the friend of good government, he was the promoter of learning, he was the patron of art, he was the supporter of the throne. He maintains the State, he is the cornerstone of society, he protects the home. "Knowest thou a man diligent in his business; he shall stand before kings." His relation to the municipal government is vital, because the municipal government is very much what he makes it, and he is very much of the time what the municipal government makes him.

The evils of municipal government arise mainly about the conduct of public business, and that is the sphere of the business man. And when we come to settle the relation that I and my friend as independent good citizens and tax-payers bear to ourselves as integral parts of a corporation which seeks the public patronage or the boon of public business, then we will settle the whole question.

An early settler in the beautiful Mud River Valley, who was a thrifty citizen, was greatly interested in the construction of the first turnpike between Springfield and Dayton, and after he had seen to it that it twisted around so that it ran past every one of his barns on his farms, he said: "There is nothing so good as a straight road—make it straight to Dayton and Springfield."

My friend, who is not here, holds gas stock and believes his company is a very worthy corporation and deserving of all that the corporation can do for it, but has clear convictions upon the enormity of the other gentleman of the electric light company who gets \$130 for a light which everybody else thinks worth only \$35.

What is the remedy for all this condition of affairs? How can the good citizen, the business man, get good government? Why, he can do it by seeing that good men are put in office; such a man as will be able to say "no" to him when he knows he ought to say no. I suppose that means civil service reform. Then you can see that the business of the city is conducted on business principles; that such a system, and forms and methods are adopted—and the best ones—as will remove him from

the temptation of expecting two prices and voting for the candidate who will let him get them. And then he can organize; he can join himself together with other good citizens to form a local business organization, and various local business associations can be joined together into a State organization, which will be able to do as our State Board of Commerce has done—see the opportunity to draft an adequate bill, to have it passed by the Legislature, to see that the most crying evil is corrected. The most crying evil in Ohio is the multitudinous classification of cities. The State Board of Commerce thought only to get uniform laws for the government of cities. When the Codifying Commission met they found they had to get at the bottom of things. I believe the thing will stand and I believe the people of Ohio will do now as they have always done—the right thing. I am proud of my fellow-citizens who have never failed to respond to the cause of right when it was set before them.

Gentlemen and ladies, when the country succeeds in having the business of our cities transacted by good business men upon good business principles, we shall have reached the Golden Age of Municipal Government.

The Toastmaster: The discussion of the evening and the toasts would not be complete unless we heard a voice from the land of flowers and oratory. The next toast will be: "A Former Official's View," responded to by the Hon. George W. Ochs, of Chattanooga, Tennessee, who served two terms as Mayor of that city. He ought to be able to tell us things very instructive to us. He might tell us his former view and his later view. Probably this is what he is going to do under the guise of this toast. Mr. Ochs, of Chattanooga.

Mr. Ochs: Mr. Toastmaster, Ladies and Gentlemen—After listening for four years at four successive meetings of the National Municipal League to the learned addresses that have been delivered at the conventions and at the banquets, on the festering sore on the body politic in the shape of municipal officers, I feel I owe an apology to this assemblage for the fact that in an unguarded moment I permitted myself one time to be lowered into that unspeakable set. I assure you, after what I have heard and after seeing here, writ in unperishable letters, that I have occupied a position among the degenerates, that my atonement, I think, is complete—I have done full penance.

But, perhaps, there is comfort in the thought that I am not alone; that even our distinguished Secretary has been sentenced to two terms in the Pennsylvania Legislature, and if he does no worse than he has in the past, I believe he will be given a life term.

The Secretary: Not with my consent.

Mr. Ochs: Hence, I feel that I must apologize to this assembly for having been committed to a merited term of four years, and I hope that my future conduct will do full penance for my misdeeds in that respect.

I will not detain you, for the hour is late. We have heard learned, crudite speeches on the question of municipal reform. I have only this

to say: The view of a former official is a concrete actual knowledge of the crying and imperative necessity of a propaganda such as was inaugurated and is now being carried on by the National Municipal League.

As was well said this afternoon, the first hundred years of our Government was an epoch simply to decide whether this nation was to be a confederation of States held by a slender tie, or whether it would be an indestructible union of States, a nation in every sense of the word. This was happily settled along with the question of slavery by the arbitrament of the sword. The next question confronting us, the most serious question to-day, is the administration of our municipalities, a question fraught with most serious consequences to every citizen, and which, I think, affects the well being and the future of the nation itself. Up to a very few years ago each municipality had a czar more absolute in his power than the Czar of the Russias. His word was law; he dictated the nominations, dictated the elections and filled all offices. This has been the condition of affairs and exists to-day, from the indifference, carelessness and disregard of public duty by the good citizen. As has been said before, the source of the evils which to-day afflict our American cities is the bad citizenship of the good citizen. And it is the purpose of the National Municipal League, which is the mother of all kindred and affiliated societies which have sprung up all over the United States, to correct this evil, to arouse the sleeping lion and to put the people on guard against the dangers which confront our nation. The effect has already been electrical. The National Municipal League has been in existence only a few years, and yet there have sprung up as if by magic from one end of the country to the other, from the Gulf to the Lakes, kindred societies and associations without number, with but one object in view, to arouse the sleeping sentiment of the good citizen, and that has been effective, I believe.

I am inclined to a little more optimism than some of the gentlemen who have preceded me. Evidences of improvement have already been seen in some smaller cities, and the leaven is being felt in the larger cities. We are told that even in Chicago they have an honest City Council. If that result has already been accomplished, what may we not accomplish in the balance of our country.

"He who joy would win, must share it;  
Happiness was born a twin."

The influence of the work of these municipal leagues has already prompted the city officials, to form an association of municipalities, a powerful factor in correcting these evils, to work hand in hand with the reform clubs, the National Municipal League and affiliated societies throughout the United States in remedying the evils which confront the municipalities.

Viewed from the standpoint of a former city official, it can in truth be said, God speed the day when the model charter will be the charter for American cities, and the day when the evils we complain of will be corrected.

Questions of more serious moment now confront us than any that have been presented since the Civil War; for the subject of expansion, the acquisition of countless isles across the seas, the administration of their affairs will soon make it necessary to decide the municipal problem in Santiago, in Manila, and in the cities of the Hawaiian islands. In the South we have had for many years a "white man's burden," and now you of the nation begin to share it with us. While an armed foe exists that assaults the armies of the United States or fires upon the American flag, I believe it to be the duty of every American citizen to stand by our soldiers until the foe is subdued. But what then? I believe in the genius of Americanism. I believe that this republic has a glorious destiny. I have faith in my country. My optimism convinces me that not only will we with equal and exact justice satisfactorily adjust all questions of foreign relation, but that no wrong will be perpetrated upon any race, and no race will be attached to this country by force of arms. I believe the foreign municipal question will be solved with honor to American citizenship and that the American municipal question will be so disposed of that future altruists will take as a standard of good government, not municipalities of Great Britain, or Germany, or any foreign potentate, but the model municipalities of Free America!

I have faith in the statesmanship and saving good sense of the American people.

I had hoped, ladies and gentlemen, to have said something about the toast I was asked to respond to, but the hour is so late that I will not inflict you with remarks on the subject. I have only this to say: That the municipal officers, as a rule, are perhaps not so bad as they have been painted. They need the advice of such men as sit at this board to-night, and the mature judgment of these students of the municipal problem, and more Demings and Carters and men of that character to give voice and expression to what constitutes the proper condition of city affairs. When I took the reins of government I was entirely untutored in the art of municipal economics. I occupied the same position, probably, as hundreds of Mayors do in the United States to-day. I had no means of learning the true condition of municipal economics. Through the influence of the National Municipal League opportunity was afforded me to study some of these subjects and I feel if I accomplished anything, it was through the knowledge obtained at this fountain head of knowledge. And this League is to-day doing more good for good government than all the agencies created by the government up to the present time. All that is needed is persistent effort. Municipal government is improving; there is no question about that. The people are beginning to think, and I look forward to the time when the hopes of the League will be realized, when American cities will be the honor and pride, instead of the despair of students of municipal government.

The Toastmaster: I want to thank the National Municipal League for conferring a great honor upon the city by holding its meeting here this year. This is the end of the banquet.

## LIST OF DELEGATES.

Ohio Municipal Code Commission—Hon. D. F. Pugh, Columbus; Hon. Edward Kibler, Newark.

Ohio State Board of Commerce—Henry A. Griffin, Cleveland; J. M. Kennedy, Cincinnati; O. A. Miller, Columbus; Hon. John F. Oglevee, Columbus; W. H. Davis, Cincinnati.

Cleveland Chamber of Commerce—Hon. E. J. Blandin, W. E. Cushing, W. M. Day, N. A. Gilbert, H. R. Hatch, J. C. Hutchins.

Municipal League of Pittsburg—Oliver McClintock, George W. Guthrie, F. W. McKee.

Municipal Association of Cleveland—Frederic C. Howe, G. K. Shurtleff, M. A. Fanning.

Good Government Club, Hamilton Co., Ohio—Hon. Charles Evans, Hon. C. D. Robertson.

Municipal League of Philadelphia—George Burnham, Jr., Charles Richardson, Dr. L. S. Rowe, Clinton Rogers Woodruff.

City Club of New York—James C. Carter, Horace E. Deming, Prof. Frank J. Goodnow.

Chattanooga, Tennessee—Hon. George W. Ochs.

Brooklyn, New York—William G. Low.

Wisconsin League of Municipalities—Dr. Samuel E. Sparling. Troy, New York—Walter P. Warren.

Boston, Massachusetts—Dr. E. W. Hartwell, Municipal Statistical Commission.

New York City—M. N. Baker, Hon. Bird S. Coler, Mrs. Horace E. Deming, William S. Crandall.

Elk Rapids, Michigan—Delos F. Wilcox.

Good Government League, Detroit—John Davis, S. D. Callender.

National Civil Service Reform League—William G. Low, Brooklyn, Hon. Wm. Dudley Foulke, Richmond, Ind.

Municipal League of Milwaukee—John A. Butler.

Reform Club of New York—Dr. M. R. Maltbie.

Civic Federation of Chicago—William A. Giles.

Chicago—Allen Ripley Foote, Paul J. Maas.

Philadelphia—Mrs. George Burnham, Jr., Mrs. Charles Richardson, Mrs. Clinton Rogers Woodruff.

Wilmington Board of Trade—William P. Bancroft, Rockford; Merris Taylor, "Every Evening"; John S. Rossell.

Taxpayers' Association, Cincinnati—Fred. Tuke.

Dayton Board of Trade—E. M. Thresher.

Municipal Voters' League, Chicago—George C. Sikes.

Commercial Club, Dayton, Ohio—Hon. Dennis Dwyer, Hon. J. C. Meyers, Hon. Lewis B. Gunckel.

Business Men's Club of Cincinnati—Francis Bacon James.

Columbus, Ohio—Joseph E. Blackburn, Fred. H. Heywood.

Columbus Board of Trade—George W. Latimer, William F. Burdell, Dr. Washington Gladden, Hon. D. F. Pugh, Hon. S. L. Black.

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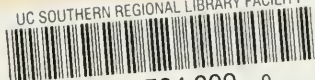
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