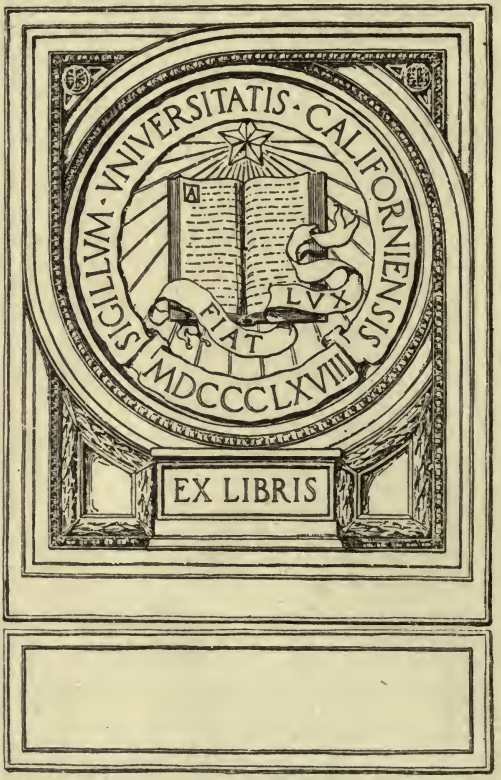

ESSAYS IN MUNICIPAL ADMINISTRATION

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ESSAYS

IN

MUNICIPAL ADMINISTRATION

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PREFACE

THIS volume of essays does not profess to be in any sense a systematic and comprehensive discussion of municipal government. It is a series of papers and articles on special topics that have been prepared under varying circumstances and for different purposes; and under these conditions they show considerable variety in method of treatment. But it is believed that some readers concerned in municipal questions will find it convenient to have these essays collected together where they may be made more readily available.

In arranging the essays an attempt has been made to group those most closely related. In the first group are those relating to problems of organization and the legal relation of cities to the state. In the second group are those dealing with municipal functions and activities. The third group presents some observations on municipal government in Europe made during a visit in the year 1906. And the last essay, on Instruction in Municipal Government, stands in a class by itself.

Most of these articles have been previously published in various magazines and journals, or delivered before several societies. My thanks are due to the editors of these journals and the officers of the societies for permission to reprint in this volume. More specific acknowledgments will be found in the footnotes at the beginning of each article. Many of these articles have been revised, and a few have been largely rewritten in order to include the record of later events. One paper — on the Revenue Systems of American and European Cities — is the joint work of Professor Charles E. Merriam, of the University of Chicago, and myself.

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I

SOME PHASES OF MUNICIPAL GOVERNMENT[1]

Municipal Government is so large and so complicated a subject that when one is asked to speak on the broad general topic, it is no easy matter to decide what aspect to discuss. There are the exciting and dramatic events of municipal politics in particular cities; there are the difficult legal problems of municipal organization and the relation of cities to the state government; and there are a long series of special subjects connected with the everyday work of municipal officials. Instead of considering any of these subjects, however, I shall attempt here simply to emphasize the general importance of municipal government by a brief sketch of the development of cities and their functions, with some reference to the defects of American municipal management and means of improving the situation.

By municipal government is meant the local government in cities; and it should be of some interest at the outset to note the rapid recent development of cities as the fundamental fact in making the problems of their government of vital concern. Cities have existed since the earliest period of recorded history; and even large cities developed in ancient times — especially during the time of the Roman Empire, when there were several of over half a million population, while Rome itself had at least a million. But with the decline of the Roman Empire, cities also declined; and although at the end of the mediæval period there was a brilliant revival of city life, notably in Italy and Germany, the cities of that time by no means equalled those of antiquity. Beginning, however, in England about the middle of the eighteenth

[1] Revised from an address delivered at Ann Arbor in 1902.

century, the growth of cities both in number and in size assumed a rapid and accelerating rate. Spreading to other countries, especially in Europe and America, this new movement by the early part of the nineteenth century easily surpassed that of the Roman period. Increasing by its own momentum, the process has continued and is continuing until one almost fears to consider its future possibilities. A hundred years ago there were in all Europe less than a score of cities with over 100,000 population, and not one such city in America. To-day there are two hundred cities of this size in Europe and America. The total population in cities of this class has increased from $4\frac{1}{2}$ to 60 millions, and from less than 3 per cent to one-eighth of the total. At the beginning of the nineteenth century there were less than two hundred cities of over 10,000 population in all the civilized world; and their aggregate population was but 10 millions, less than 6 per cent of the total. To-day, such cities are to be counted by the thousand — Great Britain and the United States have each nearly five hundred — and their aggregate population is more than 100 millions, or over one-fifth of the total in the civilized countries. In 1800 not a single city in the world was known to have over a million inhabitants. At present, there are nine such in Europe and America, and four others in Asia.

This increase in urban communities and urban population — which even our strongest adjectives fail fitly to characterize — has meant much more than a corresponding increase in the work and importance of municipal government. The growth of these dense masses of compact population has not merely increased the old lines of municipal activity; it has brought about new conditions which demanded the exercise of new functions to make life in the cities even as satisfactory as life in the country. It has also brought the opportunity and the means for developing still other lines of activity — impossible in rural communities — which add to the comfort and convenience of life, and permit of further progress in the

arts of civilization. Other factors have also come into play. The progress of scientific knowledge and its application has opened the way to further fields of municipal action. The influence of democratic ideas and the humanizing spirit has promoted still more additions to municipal functions, so that the masses of the population may share in the social, intellectual, and æsthetic aspects of life, hitherto confined to the well-to-do. These causes have indeed broadened and deepened the scope of all forms of governmental action; but especially within the cities has the work of the municipal authorities expanded with stupendous increments, far beyond even the startling development of cities and city population.

Look for a few moments in broad outline at the duties and activities which engage the energies of a modern municipal government. In the first place are the protective functions of maintaining peace, order, and health. These are, it is true, also primary duties of the state governments through their legislative statutes and systems of judicial courts. But the enforcement of the laws and the operation of the courts depend in large part on the efficiency of the municipal police, while urban conditions demand local regulations for the public safety not covered by the general laws of the state. So we find in our cities that the old night watchman with his staff and bell has given way to the organized, uniformed, and disciplined police force of a quasi-military character. For the protection of property from the dangers of fire, the volunteer company with its hand buckets has been supplanted by the paid brigade of disciplined men equipped with a host of mechanical appliances. The prevention and suppression of contagious diseases is intrusted to scientifically trained health officers, aided in larger cities by corps of expert assistants also trained in the details of sanitary science.

But municipal governments of to-day do vastly more than this protective work of warding off danger from the citizens. They enter aggressively on large fields of labor which add positively to the convenience, comfort, and well-being of the

people. On the material side alone functions of this sort provide us with what seem now to be essentials of city life. The plotting, grading, and paving of streets and sidewalks, and the construction of drainage systems are municipal duties in the smallest cities. In most cities, too, the supply of water, not only for public purposes, but for private consumption, is clearly accepted as a municipal function. Other related matters of municipal concern are the lighting and local transportation systems; and although most often the immediate management of these are intrusted to private corporations, these corporations depend upon rights from the city; while in Great Britain and Germany these undertakings are to a large extent managed directly by the municipal authorities, and in the United States there is a growing tendency toward municipal ownership of public lighting plants. In this group of activities we may place also the provisions of parks and other recreation grounds for the people.

Still another group of municipal functions are those of a charitable nature; and these have developed from the simple relief of starving paupers to the maintenance of homes for the aged and infirm, hospitals where the sick may be restored to health and vigor, and other minor forms of philanthropic effort.

In addition to these means of ministering to the material and physical needs of the community, the modern municipality does a vast and increasing work for the development of the intellectual, æsthetic, and moral faculties of the citizens. Even the elementary schools of to-day do much more than teach their pupils how to read and write, to add and multiply; while these are supplemented by high schools and public libraries; and in not a few places are to be found municipal museums of art and science, municipal theatres and opera houses, and even municipal universities.

Does this outline indicate too broad a realm of municipal activity? If so, one can only emphasize that this has not been a promise of the future, but what is now being attempted

and at least in part accomplished at the present time. The various functions named are those now being exercised, not only in the largest cities, but also in smaller places and in all the progressive countries of the world.

Perhaps we may perceive faintly something of the significance of this expansive field of action, by a fact or two about the expenditure it involves. A hundred years ago the city of New York with a population of 60,000 spent about $100,000 a year, or less than $2 per capita. To-day that city spends for current maintenance and operation of the various municipal institutions over $100,000,000 a year, or $25 per capita; and a variable number of millions in addition for construction of new municipal works. Smaller cities spend rather less proportionately; but to show that this development is not confined to the largest cities we may recall that in the city of Ann Arbor (with a population of 15,000) the annual taxes amount to $150,000 a year, or five times as much per capita as they were in New York when that city had four times the present population of Ann Arbor.

If these facts suggest anything of the importance of the work of municipal government, there should be little need of urging the interest and concern of every good citizen in that work and the government which has it in charge. But there are other considerations which show that it is necessary to arouse the attention and energy of many people if the work in this country is to be done efficiently and thoroughly. Municipal government in America has been and is subject to constant and severe criticism; and it can be stated positively that it is not only far below what is possible, but that in many respects it is below the standards of accomplishment in other countries of the world, which do not have our advantages and are usually considered inferior in most respects to our own.

Mr. Bryce, the well-known British critic of our institutions, has said that our municipal government is a failure — "the one conspicuous failure," in fact. And many others have accepted and reiterated his judgment. The statement,

however, like most rhetorical generalizations, is too sweeping and too indefinite; and it will be more exact to speak of the failures or defects than to brand the whole by a term which indicates a complete lack of success.

Of these defects in American municipal government, we may note first the frequent disclosure of gross corruption of and by municipal officials. From the time of the Tweed Ring in New York to the latest revelations in San Francisco the existence of corrupt officials has been made notoriously evident from time to time and from one city to another. And it is such cases which give rise to the impression in some quarters that a chronic state of flagrant corruption is the normal condition in most American cities. But I venture to believe that cases of *gross* corruption, such as those mentioned, are on the whole exceptional; that they are sometimes exaggerated by the heated language of exciting political contests, and the demands of the newspaper press and its readers for sensational news; and that when they occur, — as they do far too often, — they are the out-croppings of more permanent and more general defects in our municipal government. And it may be said that the undue emphasis laid on notorious cases of gross corruption tends to delude the people in the many cities where no such cases have arisen into believing that their municipal government is as good as it can be made.

But these more permanent and more general defects need more special attention. They may be summed up under two general heads: waste, and inadequate service. On the one hand, the municipal work does not meet the needs of the community. Things undertaken are poorly done, or undertaken on too small a scale; and many things which ought to be done are not attempted at all. The streets may be kept in no better order — perhaps not so good — as a cross-country road. The police force may be insufficient in number and lack training and discipline. The water-supply may be unsanitary. And the public library and other institutions

may be noticeable only by their absence. On the other hand, the cost of the works undertaken is too often in excess of the results accomplished or the results needed. At one time, the waste may be due to extravagance in starting some work on a larger scale than is necessary; at another time, to a mistaken effort at economy in beginning a petty scheme, when a larger one presently appears essential; or still again, to simple carelessness and ignorance in executing the details of any project.

The proximate causes of these defects are to be found partly in our municipal legislation, partly in the officials. Those due to legislation shall be passed over briefly at this time, as the legal problems involve much difficult technical discussion, for which there is no room here, while the remedies lie largely with the state legislatures. Their general nature may be briefly noted as a lack of legal power conferred on the city, the absence in most cases of any definite principles of municipal organization, and the confusing practice of special and detailed legislation. The causes due to municipal officials may be reduced to two: ignorance, and moral deficiency. By ignorance is not meant necessarily illiteracy, or even lack of a good general education, but ignorance of the matters which the officials are charged to perform. This is sometimes due to a lack of general ability, sometimes to lack of knowledge and experience, — the latter lack being continually renewed by the custom of changing officials as soon as they have learned the duties of their offices. Many of the elective offices in most of our cities have no political functions to perform; and the most efficient administration can only be secured by retaining experienced men in such positions as long as possible. The term "moral deficiency" is broad enough to cover the most flagrant case of bribery; but there is a large number of municipal officials who would probably scorn a direct bribe and yet fail to see that they are guilty of much the same kind of delinquency whenever they appoint any one to a position in the public service without reference to his

competence and because of personal or party affiliations. Where incompetence and lack of moral stamina are combined in one official, the results are likely to be so intolerable as to rouse public opinion and secure at least a temporary improvement at the succeeding election. But it often happens that the scheming and sordid politician has the practical knowledge and experience of municipal problems which the man of undoubted integrity lacks. The former must become imbued with higher principles, the latter must add to his character knowledge and experience in municipal affairs, before either can make a satisfactory official.

But our analysis must go behind the delinquencies of the officials to the reasons which explain why such persons are chosen to office; and here we shall find the principal ultimate causes of the defects in our municipal government.

Among the important factors which result in the selection of municipal officials who are either incompetent or dishonest, or otherwise deficient in their standards of public duty, we may note first the influence of political parties and their organized machinery. This influence is aggravated in many places by the characters of the men who have gained control of the local party organizations; and this aggravation may be reduced by legislation regulating party primaries and nominations. But even if this reform were effectively accomplished, so long as voting at municipal elections is based on national party affiliations it will be impossible to secure the best municipal officials and the best municipal government. In many European cities the political organizations for municipal elections have no connection with the national party organizations; and in several American cities there have been formed similar independent local organizations, which in some cases — notably in Cambridge, Mass. — have kept the national parties out of the field of municipal elections. Even where this plan is not adopted, it is still possible for the individual voter to exercise freely his right of independent voting between the various candidates of the different parties.

This latter plan has been followed effectively in Chicago, where a special organization known as the Municipal Voters' League devotes itself, not to making nominations, but to making non-partisan investigations of the various candidates of all parties, and publishing their information for the benefit of the voters.

But either of these plans for offsetting the defects of partisan-voting at municipal elections requires for its success an intelligent, public-spirited interest on the part of the citizens. And it is the lack of this intelligent interest which is probably the most important factor in the choice of improper officials. This criticism of the voters is precisely similar to that previously made in reference to the officials. There is, first, an intellectual deficiency — ignorance; and secondly, moral deficiencies. In our large cities the ignorance is to a large extent the ignorance of the illiterate; but both there and in smaller cities there is too often a less excusable ignorance on the part of the best educated classes in the community as to the organization and functions of the municipal government and the character and competence of the candidates for municipal office. So too, the moral deficiencies are, on the one hand, those of the poorer classes, varying from the acceptance of a direct bribe to voting out of gratitude for personal favors; and, on the other hand, those of the well-to-do and educated classes from bribe-giving to a selfish indifference to the interests of the community.

So long as these conditions continue among the inhabitants of our cities, no improvement in laws and the machinery of government will suffice to secure permanently satisfactory municipal administration. What is needed above all is the education of the citizens both mentally and morally, — by instruction in the nature and functions of municipal government and the qualifications of candidates for office, and by the inculcation of higher standards in the exercise of their duties as citizens. Perhaps, more than anything else, it is essential to overcome the indifference of those engrossed in

business, professional, and social life, to make them realize their concern in the public life of the community, to induce them to inform themselves on the municipal affairs of their locality and to become active workers for the improvement of local conditions. Sometimes the attempt is made to arouse this public interest simply as an unpleasant duty, which calls for a sacrifice of individual interests for the sake of others. It is vastly better and nearer the truth to emphasize the interrelation between the interests of the individuals and the interests of the community. There is need for the development of a larger social consciousness, for the realization of the mutual interdependence of all the citizens of a community and the importance of the common life, for a fuller appreciation of the thought that "none of us liveth to himself." This is the new philosophy of society. It is also an old philosophy that has never been better expressed than in the fable which the old Roman Menenius Agrippa told the seceding Plebeians nearly 2500 years ago: "Once upon a time the members of the body refused to work any longer for the stomach, which led a lazy life and enjoyed all the benefit of their labors. But receiving no longer any nourishment from the stomach, they soon began to pine away, and found that it was to the stomach they owed their life and strength."

II

PROBLEMS OF AMERICAN CITY GOVERNMENT FROM THE ADMINISTRATIVE POINT OF VIEW[1]

Much has been written during recent years about the defects of American municipal government. And all sorts of remedies have been proposed, and many of them put to the test of experience. Discussion and agitation, followed by legislation and the election of better officials, have wrought great improvement in many communities; and even the most recent disclosures of intolerable conditions have been signs of an awakened public opinion and the direct cause of uprooting some evils. But no one has suggested that we have as yet reached a state of perfection in municipal government, or that we are in any immediate danger of attaining such a state.

It is not the purpose of this paper to discuss all of the problems that have arisen in connection with our municipal affairs, nor to propose remedies for all of the difficulties and evils that still exist. No attention will be given to such questions as the scope of municipal functions or the political substructure underlying the organization of government. The task here undertaken is to consider only those features of the complex municipal situation on which a student of public administration may be supposed to be able to throw some light.

These features may be considered under two main heads: (1) the problems connected with the local machinery of municipal organization and the interrelations of local officials; and (2) the problems connected with the relations of the city to the government of the state. Under each division, the existing arrangements will be briefly summarized, their defects

[1] Reprinted from the *Annals of the American Academy of Social and Political Science*, XXVII, 132 (January, 1906).

will be pointed out and the various remedies hitherto applied, and plans will be suggested for future action. It will be admitted frankly that no scheme of purely administrative reform will offer a complete solution of all the municipal problems; but it is a false logic which deduces from this the belief that administrative reform is of no importance; and this paper is written in the conviction that some of the fundamental difficulties are administrative in character, and that administrative reforms are among the essential conditions of successful municipal government in this country. The basis for the discussion of administrative reforms will be found in a municipal program, adopted by the National Municipal League; but amendments to this plan as seem desirable will also be suggested.

LOCAL ORGANIZATION

One of the first facts that becomes obvious to any student of municipal government in the United States is the confused and complicated variety of local administrative arrangements, and the lack of consistent principles of municipal organization, not only in the cities as a whole, but even in most of the cities taken individually. Starting with a simple system of council government, this was first altered about 1820 by a limited application of the theory of the separation of legislative and executive powers in the popular election of mayors; while subsequently (since 1850) the division of municipal powers in the hands of separate and largely independent authorities has been developed to a remarkable degree, without any guiding principle and in a way that defies generalization or classification. In more recent years, some of our cities have secured a system of municipal organization based in part at least on some fundamental ideas. These have been for the most part a stricter application of the theory of separation of the legislative and executive powers, with the concentration of the latter in the hands of the chief executive, as in the national administration; but

in a few cases the centralization of authority in the hands of the mayor has tended toward the abandonment of the theory of separation.

There are two factors in American municipal organization which are practically universal, and may therefore be taken as the necessary bases for any systematic scheme. These are a council and a mayor, both elected directly by popular vote. Washington, D.C., is the only city which has been an exception to this rule for any considerable length of time.[1]

THE COUNCIL

When we turn to examine the structure and powers of these two common factors, we find ourselves at once in the midst of diversity and often of confusion. The typical form of the council is that of a single body elected by wards or districts for a one or two year term. Many of the large cities — six out of the twelve with over 300,000 population — have a bicameral council. In many of these the smaller branch of the council is elected from the whole city instead of by districts; the cities in Ohio, Indiana, and Iowa, and some others have a small number of councilmen elected at large, in addition to the ward representatives; and in San Francisco and a few other cities the whole membership of the council is chosen at large. In most American cities council members now receive some compensation; but the older rule of gratuitous service still prevails in New England, Pennsylvania, and is frequently found in Southern cities and occasionally in other parts of the country.

[1] Within recent years a new plan of municipal organization has been established in Galveston and Houston, Texas; and by legislation of 1907 similar methods have been authorized in Kansas and Iowa. These place all the powers of municipal government in the hands of a small elective board or commission, which acts collectively as a council, while the several members are the heads of various city departments. This experiment seems to promise a more effective administrative system; but it does not provide for any adequate grant of important legislative powers to local authorities.

Almost every one of these elements of council organization has been the subject of criticism. It is pointed out that a single council elected by wards, even if successful in representing the local interests of the various districts, makes no adequate provision for the general interest of the whole city. In addition the district system offers other difficulties in cities, and especially in large cities. The ward limits are artificial and seldom represent any natural social grouping of the population. Frequent changes of boundaries and the constant changes of residence on the part of the people hinder the development of a common social life within the political district. While even in the face of readjustments of boundaries, population movements go on so rapidly that there is seldom even the crudest approximation to representation in proportion to population; and in the largest cities at least the districts over-represented are those in the control of the worst elements in the population.

A bicameral council with one house elected at large might seem to meet some of these objections; but in fact, as generally established, it simply adds another body chosen in a way which prevents the representation of different interests, and thus weakens the deliberative character of the council. In practical experience, too, it has not been found that the bicameral system is in any way necessary, or that it secures any improvement in the management of municipal affairs.

In reference to salaries, it is urged on the one hand that no payment induces aldermen to accept or to demand compensation for their services in an irregular way, which often becomes either a system of bribery or blackmail; and on the other hand it is said that any salary makes the post one for which impecunious politicians will enter into active competition.

The plan of the National Municipal League recommends the election of a single chambered city council on a general ticket, although providing for the possible retention of the district system in cities of over 25,000. Does not this go

too far in ignoring the idea of local representation? It may be admitted that the present ward system is usually unsatisfactory; but are there not in every city sectional divisions with tolerably distinct municipal interests and some elements of common social life? Such divisions ought to be recognized and emphasized in the political system. They should have fairly permanent boundaries; and the district for electing council members should be also a district for other municipal purposes, such as schools, police, fire brigade, and the like, and indeed still further for larger political interests, such as the election of members of the state legislature. By thus concentrating the political interests of the same people in a common district, the germ of social unity and local spirit could be highly developed. Such districts would ordinarily be larger than city wards at the present time, and the internal transfers of population within the city would be more largely within the district, and would thus more often be made without requiring any readjustment of political relations. Moreover, as each district would have several members in the council, the exact number could be adjusted at frequent intervals in proportion to the changes in population, without changing district boundaries.

Besides such a district system, the plan now in use in several states of the Middle West, of electing a small number of members of the council at large also seems desirable. Such members would probably be more widely known throughout the city, and likely on this account to be men of large ability and character, and also likely to secure better consideration for the questions where local interests should give way to more general views. It may further be noted that these arrangements are adapted to various forms of minority and proportional representation; but even without this feature the district members will undoubtedly include representatives of different shades of political opinion on various questions of public policy, and the council will thus continue to be a body adapted to deliberation and discussion.

A system of council organization somewhat similar to that outlined was in operation in New York City from 1873 to 1882. And it is perhaps worthy of note that during this decade there was less criticism of municipal government in the metropolis than in any other period of equal length for the last fifty years, and that the abandonment of the system was due, not to any public dissatisfaction, but apparently for the sole purpose of strengthening the system of party machinery and increasing partisan influences in the municipal government.

An examination of the powers of municipal councils involves two distinct — or at least distinguishable — topics: the subject-matter of council activity, and the methods of council action. In both fields the diversity of detail and the difficulty of generalization is enormous. It may, however, be said, under the first head, that municipal councils generally have some power in reference to the protection of persons and property and the construction and management of local works of public improvement, and often they have some control over public charity; but seldom do they have much direct voice in reference to public education. In any case the authority of the council is strictly limited to the specific grants made by the state legislature. These legislative grants are not given in general terms, but are minutely enumerated, and the courts have uniformly applied the doctrine of strict construction to all such grants. In consequence, while in the smaller cities the councils have ordinarily about as much authority as they wish to exercise, in the larger cities where the need and demand for municipal action is much greater, the councils are constantly appealing to the legislature for larger powers.

Methods of council action may be considered as legislative or administrative. In their constitution, municipal councils are organized on similar principles to our legislatures; and this idea has been retained in the plan proposed in this paper. And in a vague sense the councils have been considered as

the body in the municipal government corresponding to the legislatures in the state and national governments. But it must be said that the law-makers have never thoroughly recognized this. Indeed, the judicial doctrine laid down as a general rule, that all legislative power not granted to Congress is vested in the state legislatures and may not be delegated, is in direct contradiction to the idea that the councils are legislative bodies. Nevertheless, some state constitutions have expressly provided that local legislative power may be delegated to local bodies; while the body of statutory legislation on municipal government does in fact give a limited amount of legislative power to municipal councils.

Legislative power as exercised by Congress and the state legislatures seems to consist of three main elements: the power to enact laws applying to the community at large; the power to organize a system of officials and regulate their functions; and the power to levy taxes and appropriate money to maintain the administrative system thus organized. Municipal councils have the first of these, to a limited degree, in their power to enact local ordinances and by-laws on specified subjects. But such ordinance power is sometimes given to administrative authorities such as boards of health, police commissioners, and park boards. They have the third class of powers also to a more or less limited extent. But they have in most cases only a most restricted authority in reference to powers of the second class.

As to the power over administrative organization, municipal charters usually provide so completely for all the officials of any importance that the municipal councils find little scope for further action except in the creation of minor positions such as milk inspectors or sealers of weights and measures; and in many of the larger cities this power of establishing minor offices is vested not in the council, but in an authority supposed to be administrative, — while in the new Ohio code such power has been given to the boards of

public service in every city in that state. In this respect city charters have carried to an absurd extreme a feature of our state constitutions where these have departed from the altogether excellent rule followed in the national constitution.

One state stands out as a notable exception to this rule. The municipal corporation act of Illinois, after providing for a comparatively small number of officials in every city, authorizes the municipal council by a two-thirds vote to establish such other offices as it deems necessary, and to discontinue any of these offices by a like vote at the end of a fiscal year. Thus in the city of Chicago such important offices as those of comptroller and commissioner of public works have been established by council ordinance.

In the exercise of such legislative powers as they have, municipal councils are generally restricted by the veto power of the mayor, in the same way as Congress and most of the state legislatures are restricted by the veto power of the President and governors.

In most of the smaller cities, and in New England and Pennsylvania even in cities of considerable size, municipal councils still retain and exercise many administrative powers. To some extent these powers are exercised by the council as a whole, by the issuance of specific orders to agents and employees, and by the appointment of officials and their subordinates. In other respects, such powers are exercised immediately by council committees, who have direct supervision over the municipal employees. Even in many larger cities where these powers are no longer in the hands of the councils, appointments to office are effective only after being confirmed by them, this control over appointments being sometimes used to secure some patronage for the individual members. In Chicago and many of the large cities, as well as the smaller ones, the council through its Finance Committee is the controlling factor in initiating proposals for expenditure as well as in passing the appropriations; but in

the larger cities of New York State and some other cities the budget is prepared by a small administrative board, and the council is not permitted to appropriate more than the sums provided in the budget.

Under the program of the National Municipal League, the legislative powers of city councils would be vastly increased. The ordinance power is to include general authority in reference to the "good government, order and security of the city and its inhabitants." Broad grants of power to deal with public works, institutions and certain commercial undertakings are given; and these are made effective by a comprehensive grant of taxing power. The council is made the general legislative authority in all matters, subject, however, to the veto power of the mayor; and with detailed restrictions in reference to granting away rights and franchises in the public streets. The council, too, is to have almost complete power in organizing the administrative departments. On the other hand, the council cannot appoint to any office, except that of comptroller; and it seems to be intended that the council shall have no powers of direct administration.

Several recent municipal charters have provisions along the line of those recommendations. The general law for the four cities of the second class in New York State vests the legislative power and only the legislative power in the city councils. A more emphatic statement is placed in the new charter of Portland, Ore.; and another in the latest (1900) charter of the city of New York. But it would seem that these clauses refer only to the ordinance power; and the equally important power of organizing administrative offices has apparently been effectively granted only in the law of Illinois previously mentioned.[1]

[1] In Michigan where the state constitution specifically authorizes the legislature to confer local legislative power on city councils, the Supreme Court has held that this applies only to the power of passing general ordinances, and that the legislature may not delegate to city councils the power of organizing administrative departments.

It is not entirely clear that all municipal councils should be restrained from exercising any administrative functions. In small cities, where the amount of municipal work is limited, there is no absolute necessity for separating legislative and administrative functions, and council committees may well discharge the latter duties and save the expense of additional officials. In large cities the distinction is much more important; the increased volume of business makes a greater demand on the time of aldermen than can safely be expected from the kind of men who ought to be members of the councils; and better administrative management can be secured by specializing that work in the hands of experts in the different fields who can be paid to give their whole time to the municipal service.

"With a careful separation of powers, the legislative function can be intrusted to typical everyday Americans from middle life who yet have broad enough training to enable them to see the interests of the city as a whole. In most cities strictly legislative duties would not seriously interfere with a man's regular business, and therefore the councilmen need not either be rich or receive high salaries from the city." [1]

THE MAYOR

The mayor has the longest pedigree of any of our American public officers. As far back as the sixth century we hear of the mayors of the palace in the Frankish kingdoms, the last of whom, Karl Martel, was grandfather to the Emperor Charlemagne. A few centuries later the name appears again both in France and England as the chief officer of a city, and in that capacity it has come down to our own time. American mayors occupy an intermediate position between the purely honorary and social dignity of the English office and the professional public administrator of Germany, with a tendency in recent years to confer on the officer legal powers

[1] Wilcox, *The American City*, p. 306.

in some respects analogous to those of a mayor in France. In this country the office is filled by direct popular vote, for terms varying from one to four years. The one year term is too short; it should be at least two. In most cities of over 25,000 population, and in many smaller cities, the incumbent receives a salary, — in cities with over 100,000 population, usually from $2000 to $5000 a year, and in five cities from $10,000 to $15,000.[1]

Although generally considered as primarily an executive officer, the mayor has always had important duties in relation to the council and legislative matters. In small cities, he is in most cases the presiding officer of the council; and has this position even in such important cities as Chicago, Providence, and Grand Rapids. In the last named he also appoints the committees of the council. But in most of the larger cities this connection of the mayor with the council has ceased. On the other hand, in all the larger cities and many small cities, he has a limited veto over the acts of the council, which in many cases includes the power to disapprove items in appropriation bills, sometimes includes the power to disapprove separate provisions of any ordinance, and in a few cities is made more effective than the veto power of the President and state governors by requiring a larger vote than the traditional two-thirds to override his disapproval. In the cities of New York State, the mayors have an additional legislative power to disapprove special acts of the state legislature applying to their cities, this disapproval operating as a veto unless the legislature repasses the bill.

In respect to administrative powers, the principles of executive authority employed in the national government have been but slowly and gradually applied to city mayors. In many small cities, and in some of considerable size (the latter mostly in New England and Ohio) the mayor has even yet little or no appointing power and no effective means of

[1] Racine, Wis., seems to be the largest city where no salary is paid.

controlling the other officials; and has thus still less relative authority than most of the state governors. In other cities, including most of the larger places, he now generally has powers analogous to those of a state governor: the right to nominate to the council for the principal positions not filled by popular election, and some power of removing officials for cause. In Illinois cities, the scope of this limited power over appointments may be greatly enlarged as the council creates new offices; and in the same state the mayor has also a large power of removal which gives him effective means of control over the other officials and strengthens his influence in appointments. In Chicago the mayor's power of nomination extends to most of the important positions, and in practice has been equivalent to the absolute power of appointment. In Cleveland for twelve years (1891–1903) the mayor had a very extended power of nomination, which in practice operated to give him complete control over most of the important positions.

During the last ten years, in a number of important cities, the mayor's power of appointment and removal has been still further increased. The mayors of the six largest cities in New York State, of Boston, of all cities in Indiana, and of a few other cities have now the sole and absolute power of appointing the heads of most of the municipal departments; and in the same cities, with the addition of the four largest cities in Pennsylvania, mayors have the power of removing at any time the appointed heads of departments. Under this system the executive authority and responsibility is concentrated in the mayor, except for a few officials still elected by popular vote.

In the program of the National Municipal League, this latest development of the mayor's authority is adopted, and indeed strengthened by making the mayor the only elective executive officer, and extending his power of appointment and removal to all administrative officers except the comptroller. At the same time the mayor's limited veto power

over council ordinances is retained; and he is also to prepare and submit the annual budget.

This concentration of executive authority in the hands of the mayor has been criticised, as enabling that official to use his power to build up a "political machine." This was the main argument of those who planned the recent Ohio municipal code, which relegates the mayor to a position of "innocuous desuetude," yet the system there established was that which has enabled one of the most notorious "machines" in the country to be maintained in the city of Cincinnati. Every system of appointment or election can be abused in this way, so long as positions in the municipal service are given as rewards for campaign work. The complete plan of the National Municipal League will restrict the possibility of this abuse to small limits by the merit system in filling all subordinate positions; and it is felt that the importance of the principal offices, and the responsibility of the mayor's power will in most cases secure the appointment of competent heads of departments.

One writer in a recent article advocates a still further development of executive authority.[1] He holds that the organic defect in municipal organization "lies in the fact that the executive and legislative departments, in addition to being separately constituted, are also disconnected, and this very disconnection has prevented in practice the degree of separation in their functions which their integrity requires." His remedy is to give the executive complete legislative initiative, with the right to demand a vote on proposed measures.

ADMINISTRATIVE DEPARTMENTS

Our discussion of the officials who deal with particular branches of municipal administration must be very brief. Any description of existing arrangements is out of the ques-

[1] H. J. Ford, in *Annals of American Academy of Political and Social Science*, March, 1904.

tion, for the situation may well be described as chaotic: a chaos in regard to the forms of organization, the terms of service, the methods of election or appointment, and the relations of the various officials to the council, to the mayor, and to each other. A large element of variety in some of these respects is almost inevitable: the number of officials and separate departments must vary with the size of the city and the scope of municipal functions; and the extent to which unsalaried service can be advantageously secured can hardly be fixed by a hard and fast rule. But the existing confusion goes far beyond what is either nesessary or excusable, and is the cause of constant friction and dissatisfaction in municipal operations.

Something may be said about conditions in those cities where a more orderly system has been introduced. Most of the cities where the mayor's power has been increased, place single salaried commissioners at the head of the various departments, and some other large cities, *e.g.*, Detroit, have also partially introduced this same feature But in every case some branches of administration remain under the supervision of boards, and there is no fixed rule as to which departments are under boards and which under single commissioners.

In most cities the various municipal bureaus form a heterogeneous list, frequently numbering from twenty to thirty or more, with no official connection even between those whose duties are most closely related. But a number of cities have made progress in grouping related offices into important departments. Thus in St. Louis the heads of the various public works bureaus, including the parks, streets, sewers, and water bureaus, are brought together in the board of public improvements; and in the larger cities of New York and Pennsylvania the public works department has been made to include most of the bureaus of this kind. In Ohio cities, under the new code, the department of public service embraces not only the management of all the municipal

engineering works, but also the charitable and correctional institutions, going too far in combining unrelated offices. Another development has been in establishing departments of public safety, bringing together the police and fire brigades and usually also the offices for sanitary and building inspection. This department is now to be found in some of the larger cities of New York, Pennsylvania, and Indiana, in all the Ohio cities, and occasionally in other places.

Most advance in this direction is to be found in the four cities of the second class in New York State. Here practically all the municipal service is organized in seven main departments. This plan seems to have been taken, with some modifications, from the so-called "federal plan" of Cleveland (1891–1903); and another feature of that plan is authorized in the New York cities; viz, the periodic meetings of the heads of departments with the mayor, as a cabinet for the discussion of questions of common interest to secure agreement on harmonious lines. In Cleveland the "cabinet" was constituted as a board of control with important legal powers; but in the New York cities it has been left to develop its own place in the municipal system.

In the new municipal code of Indiana (1905) from five to eight departments are established in cities of over 10,000 population, and provision is made for monthly meetings of the mayor and the heads of departments. This "cabinet" is authorized to adopt rules and regulations for the administration of the departments, including rules governing admission to the subordinate municipal service.

The plan of the National Municipal League does not provide in detail for the administrative departments; but leaves these to be organized by the council or by the special locally framed charters according to the needs of the city. But there is certainly need in most cities for more careful attention to this problem of departmental organization; and the larger cities of the country will find the plans that have been mentioned well worth their attention.

Subordinate positions in the municipal service in most cities are filled and held at the pleasure of the changing heads of departments and bureaus. And one of the most serious abuses in municipal administration has been the frequent changes in such positions for partisan and political purposes. In the cities of Massachusetts and New York, and in Philadelphia, Chicago, and New Orleans the system of open competitive examinations has been established. And in some other cities the police and fire departments are recruited under a merit system. There can be no question that the principles of civil service reform should be thoroughly applied to the whole municipal service.[1]

THE CITY AND THE STATE

Of equal importance with the problems of local organization are the problems of the relations between the city and the state. For in the United States, as in all other countries, cities are not independent political communities, but districts in a larger political area and subordinate in various ways to the higher governmental authorities. In the United States this subordination is to the government of the states. There are many evidences that the prevailing relations between the city and state authorities are unsatisfactory, and the remedy most widely suggested is a demand, usually vague and inarticulate, for municipal "home rule." Some attention may therefore be given to explaining the present arrangements and to presenting a definite plan for a better system.

At the outset it may be noted that in our fundamental political document, the national constitution, cities are in no way recognized as having any existence; and that under the principle of residual powers, cities are created by the states, which have complete power of control over them, and may even destroy their political existence.[2] But the powers of the states are for the most part exercised by the

[1] Cf. Essay III.

[2] U. S. *v.* B. & O. R. R. Co., 17 Wall. 322 (1872).

state governments; and these are established and limited by the state constitutions. The more practical question is therefore as to the relations of the cities to the state legislatures, the state executive and administrative authorities, and the judiciary.

LEGISLATIVE CONTROL

In the absence of specific limitations in the state constitutions, the power of the legislature in most states is held by the courts to be practically coextensive with the power of the states. A municipal corporation has only such powers as are expressly enumerated or clearly implied in its charter or the general laws; and the legislature "may, where there is no constitutional inhibition, erect, change, divide, and even abolish them at pleasure, as it deems the public good to require." [1]

In Michigan, however, and to a less extent in Indiana this doctrine has been somewhat modified; and the courts have held that the legislature may not vest distinctively local powers, such as management of public works, in state officers, and may not compel a city to undertake local improvements without its consent. More generally, too, it has been held that the constitutional guarantees for the protection of private property prevent the legislature from confiscating the private property of a city. But with these exceptions, restrictions on the power of the legislature must be based on specific constitutional provisions.

State legislatures, in the exercise of this power over cities, have generally granted the authority to elect local officials; but have regulated in minute details the organization of the municipal government and the powers and functions of the municipal officials. In earlier days, and even at the present time for most small cities, statutes on municipal government have usually been enacted only on local initiative and generally at the request of local members of the legis-

[1] Dillon, *Municipal Corporations*, I, 93.

lature without consideration by the whole legislature or any public notice. As a result, there has accumulated a great mass of special legislation in most of the states, overloading the statutes with heterogeneous and conflicting provisions, which make almost impossible an intelligent understanding of municipal government and dissipate and confuse responsibility for local affairs.

In most of the states containing large cities, legislation for their government has been affected by other considerations. Charters and charter amendments are passed not only without public and local discussion, but also, in many cases, against the wishes of the local officials and local members of the legislature. Sometimes such legislation has had, ostensibly at least, the immediate object of remedying some municipal delinquency; but in many cases the most effective motive has been to secure some partisan advantage for those in control of the state government, when the city officers belong to another political organization; while in some instances such legislation has been enacted through the worst sort of political jobbery, to confer privileges which could not be secured from the local authorities. By such means acts have been passed substituting state appointed officials for local officers, compelling cities to carry out expensive and unnecessary undertakings, and granting franchises in the public streets with little or no compensation to the city. The legislatures of New York, Pennsylvania, Ohio, and Missouri have been most active in these methods of interference; but instances are not lacking in Massachusetts, Illinois, Michigan, and other states.

It is over fifty years since the attempt was begun to remedy the evils of special municipal legislation by constitutional provisions prohibiting such legislation. The second constitution of Ohio, adopted in 1851, contained several clauses intended to abolish special legislation on municipal government; other states followed this example, at first slowly, but more rapidly since 1870; and at the present time about

half of the states forbid the legislature to enact special municipal legislation. These provisions have, however, had only a partial success. The method of detailed legislation enumerating municipal officers and powers was so firmly established, that when it proved difficult to pass laws of that nature applying to cities of all sizes, the lawmakers, instead of changing their method of legislation, devised methods of evading the constitutional provisions. The most successful method was the device of classifying cities; as the courts accepted a statute applying to a class of cities as a general law, even if there were only a single city in a class. The smaller cities were then grouped into one class, and a general law applied to them; but each of the larger cities was usually placed in a class by itself; and the régime of special legislation with its evils of confusion, partisanship, and corruption continued, and indeed became worse than ever with the development of cities in size and population.

In Illinois an effective general municipal law was enacted in 1872, which by granting large powers to all cities has been successful in limiting special legislation in that state. But even there some special legislation has been enacted, mainly because the financial powers granted in the general law are not adequate to the needs of the city of Chicago. In Ohio, too, after fifty years of classified legislation, the Supreme Court of the state felt compelled in 1902 to reverse its previous rulings and to declare that statutes for a class of cities which in fact applied only to a single city were contrary to the state constitution. The result was the enactment of a new municipal code applying to all the cities of that state, which, however, still goes so much into detail that it burdens the smaller cities with a too cumbersome machinery. The new municipal code of Indiana reduces the number of classes of cities in that state to five. And Virginia has a general municipal law, supplemented, however, by some special legislation. In some other states the smaller cities are organized under a general law.

New York State in 1894 adopted another method, in the attempt to reduce the evils of legislative interference in municipal affairs. The revised constitution of that year itself establishes three classes of cities, and provides that any bill applying to less than all the cities in one of these classes must be submitted to the city concerned, and if disapproved by the mayor or the mayor and council must be repassed by the legislature and signed by the governor before it can become a law. These provisions have secured a greater amount of publicity to special legislation and have prevented the enactment of some bills rushed through the legislature without careful consideration. In the case of bills passed toward the end of the session, the mayor's disapproval is also effective until the next session of the legislature. But in many cases the mayor's disapproval has served only to delay the enactment; and partisan or corrupt influences have secured the passage of measures over the local disapproval.

At the session of the Michigan legislature in 1903 a method of procedure was adopted in reference to bills affecting the city of Detroit, which secured the same advantage of publicity. At the request of the Common Council of Detroit, no Detroit bill was placed on its third reading, until after a public hearing on the measure in the city. Such hearings were held regularly on Saturday mornings during the session, being attended by the local members of the legislature, a committee of the council, the newspaper reporters, and any one interested in particular bills. This procedure could be established in every state, and it ought not to be a difficult matter to secure it. During the year it was in operation in Michigan, it prevented the enactment of all measures to which there was strong local opposition. It has proved, however, inadequate as a means of securing needed legislation, owing to the difficulty of harmonizing the different factors.

Another method which prevents some of the abuses of legislative interference is found in the constitutions of New York and Kentucky, which provide that all local officers

must be locally elected. Even this, however, has been evaded by creating special districts with appointive officers for the conduct of functions usually municipal, or by transferring such functions and officers from the city to the county.

Still another method found in several of the states west of the Mississippi River, is that of allowing cities to frame their own charters through a local convention analogous to a state constitutional convention. A constitutional provision authorizing this was first adopted in Missouri in 1875 for cities of over 100,000 population, and this was early applied in the city of St. Louis and later in Kansas City. In 1879 California adopted a similar constitutional provision to that of Missouri, which now applies to any city of over 3500 population; and sixteen cities in that state are operating under charters framed in this way. The same plan was adopted in the constitution of Washington in 1889 for cities of over 20,000 population, in Minnesota by constitutional amendment in 1898; and in Colorado in 1902 for every city of over 2000 population. A similar procedure was followed by the legislature of Oregon for the city of Portland in 1901, and a constitutional amendment authorizing all cities in that state to enact and amend their municipal charters was adopted in 1906. The same plan is adopted in the program of the National Municipal League for cities of over 25,000 population.

This system of "home-rule" charters secures to the cities a large element of freedom from legislative interference. But the experience of St. Louis, where police, excise, and election administration has been placed in the hands of state appointed officials, on the ground that these are state and not municipal interests, shows that it may not altogether abolish it. On the other hand, if these matters are also excluded from legislative action, there is a serious danger that municipal autonomy may be carried so far as to impair the sovereignty of the state, as has been urged by Governor Gage, of California. It should also be noted that this system tends to increase the confusion and complexity of the law on municipal govern-

ment. In practice, too, there has sometimes been a long delay in securing the adoption of a charter under this process. The first charter submitted for Denver was rejected, and a second was framed and adopted with too little consideration. In Minneapolis, four proposed charters have failed of ratification, and the old discredited system continues in operation.

These considerations, and the frequent misrule and corruption in municipal government, make clear that the complete independence of the city from the state is not a satisfactory remedy for legislative interference. And while restrictions on special legislation and local charter conventions for the larger cities are steps in the right direction, the limitation on legislative control which they involve must be supplemented by the fuller development of other methods of control, which will be free from the evils that have accompanied the excessive dependence on the legislature. What these methods should be may be suggested by an examination of other forms of control already in existence.

JUDICIAL CONTROL

To a considerable extent municipal officials are subject to the control of the judicial authorities. Suits may be brought against municipal corporations to enforce contract rights, and to some extent for damages due to negligence on the part of the agents of the municipality. Suits for damages may also be brought against municipal officials for acts performed without warrant of law. Municipal officials are also subject to criminal prosecution, not only for purely private acts, but also for misconduct in connection with their official duties. In addition to these judicial remedies to redress wrongful acts, the courts also exercise some preventive control over the acts of officials through the issue of writs of *mandamus*, injunction, *certiorari*, *habeas corpus*, *quo warranto*, and the like by which they enforce statutory provisions governing the powers and duties of these officials.

There is little or no opposition to this judicial control, and almost the only criticism made of it is that it is not always adequate to meet the situation. Criminal prosecutions depend for their success on the action of local prosecuting officers, local juries, and local judges, who may have close political relations with the officials under trial; but recent events in different parts of the country speak well for the working of the local machinery of criminal justice. Other difficulties arise from the precautions of our judicial system in favor of persons accused of crime, which add to the difficulties of conviction, and often secure acquittal or a new trial on a technical appeal to a higher court. And in the exercise of control through special writs, judges are extremely careful not to interfere with the discretionary powers of administrative officials, even when these may have been clearly abused. Evidently there is need for some further development of state control. Something may perhaps be done in strengthening the judicial powers in this direction; but something of a different nature must be devised to exercise the supervision heretofore so badly attempted through the detailed legislative control, whose abandonment has been urged.

ADMINISTRATIVE CONTROL

It remains to examine the supervision exercised by executive and administrative officers of the central state governments. Fifty years ago or less no such supervision existed over municipal officials, nor was there any effective administrative supervision even of local officials, such as sheriffs and prosecuting attorneys, who were clearly and directly subordinate agents of the state governments. In England from the time of the Normans to the Tudors the important local officers had been both appointed by the Crown and closely supervised in their actions by the Privy Council. But the internal conflicts of the seventeenth century resulted in breaking up the machinery of administrative control, although the principal

local officials continued to be appointed by the central government. This system was brought over to the American colonies; but here it was completely decentralized by substituting local election for central appointment, while the régime of no administrative supervision was continued.

Compared with conditions in continental Europe or with those in Great Britain at the present time, or even with our own national administration, central administrative control of local officials in the American states is still very limited; and this is particularly so in the case of municipal officials. Nevertheless, there has been some development in this direction from the conditions during the first half of the nineteenth century; and an understanding of this development and the present situation may serve to indicate some features of our future policy. In this examination attention will be given to administrative supervision not only over municipal officials, but over all local officials established and authorized by the states.

Such supervision first appeared and has been furthest developed in connection with educational administration. Here decentralization was carried to the extreme in the petty school district; but over the local school authorities there is now in all of the states a superintendent of public instruction, a board of education, or other central authority. The powers of those state educational officials vary to some extent; but in most states they have control over the distribution of state school funds, direct the county supervision of schools, exercise control over the qualifications and training of teachers, and receive reports from all local school officers. In some states their powers are more extensive, most of all in New York, where the commissioner of education exercises supervision over elementary, secondary, and higher education; while everywhere the state officials wield a large advisory influence beyond their compulsory powers.

Another field of state administrative supervision of local officials is that of matters affecting the public health. Most

of the states have a state board of health, which act as bureaus of information and advice to local health officers; and in certain cases of delinquency can compel the local officers to take action.

In a similar way local charitable and correctional institutions are, in some of the larger states, brought under the inspection of state boards; which exercise an important advisory influence over both local authorities and the legislature, and in some cases may require the local officials to remedy serious defects or to introduce improvements.

Some steps have also been taken in establishing administrative supervision over local assessing officers. Most of the states now have state boards of equalization, which revise the total assessed valuation of local districts, so as to apportion the state property tax more equitably. In a number of states, certain property formerly assessed by local officers is now assessed by a state authority. And in a few states, notably Wisconsin and Indiana, state tax commissioners are given effective powers of supervision over local assessing officers in assessing property even for local taxation.

A fairly uniform line of development has been followed in connection with such state officials. When first established they are only authorized to collect information and make recommendations. Then this authority is made more effective by empowering them to require reports and by enlarging their powers and means of inspection. This is followed by some negative or preventive control, by the power to establish regulations, and in some cases by authority to use compulsory processes or remove delinquent local officials.

It is generally recognized that the supervision of such state authorities as have been noted has worked for the improvement of public administration in the fields under their control. Even where they have only informational and advisory functions, something has been accomplished; and more has been done where their powers and means are larger. They have had two distinct advantages over the legislatures

and legislative committees. In the first place, by specialization of functions and longer service they become to some extent at least experts in the particular subject; in the second place, partisan influences have been to a large extent excluded, and the control exercised has not been abused for partisan ends.

Would not a further development of such administrative supervision in municipal matters be advisable? Does not the existence of so many associations of municipal officials, for the purpose of collecting and comparing information about their work, show that in this field as in others, while "power may be decentralized, knowledge to be most useful must be centralized"?[1] The collection and publication of municipal information can be more effectively done by an official state authority than by purely voluntary action; and the recommendations of such a central state bureau, based on adequate and accurate data, would serve to solve many of the difficulties of municipal administration.

Besides the work of information and advice, there are some branches of municipal government where further state administrative supervision would operate to the advantage both of the cities and of the state as a whole. In the field of municipal finances the task of securing satisfactory data can only be accomplished on the basis of scientific and uniform method of keeping accounts in all of the cities. In most American cities municipal accounts and financial reports are still unintelligible to the ordinary citizen; and even where an understandable system is adopted in a particular city it is likely to be of little use in making comparisons with other cities using other systems. It is only on the basis of a uniform system that accurate and comparable information can be secured; and this can be secured only through a general law enforced by state officials. Some progress has been made in this direction in a few states. Wyoming for a number of years has had an examiner of public accounts, exercising powers

[1] J. S. Mill, *Representative Government.*

over the financial accounts and reports of local officials similar to those in most states exercised over the accounts of banking and insurance companies. More recently Massachusetts and New York have enacted statutes providing for uniform financial reports from cities; while within a few years Ohio and Iowa have enacted effective laws for uniform municipal accounting under the direction of the state auditor. Similar measures are being discussed in other states; and should be encouraged.

Another field where there is special need for state administrative supervision is that of the police. The courts have repeatedly recognized that in the control over the police, municipal officials are acting not as local authorities, but as agents of the state. And this view has often been made the excuse for vesting the police administration of some cities completely in state appointed authorities. This special treatment of particular cities cannot be defended on any general principle; but the judicial view of the state's authority and the interests of the state as a whole in an effective and honest police administration do warrant a general system of supervision in this field. This is not introducing any novel idea into our system of government, nor does it require any elaborate system of new officials to put it into effect. All that is necessary is to energize one of the oldest factors in our system of local government. Make it the specific duty of the county sheriffs, the responsible peace officers, to inspect the local police within their jurisdiction, and to report periodically to the governor of the state; and give to the governors in all states a power, now partially given in some,[1] to remove delinquent sheriffs or other local police officers.

To summarize: The demand for municipal home rule should be made more specific and more definite. It must be made clear that what is wanted is, not a revolution involving the complete separation of the cities from the state, but a

[1] New York, Michigan, Wisconsin.

larger freedom in matters of local concern from the restrictions of detailed municipal legislation, while retaining the control of the judiciary and asking for the assistance and supervision of state officers in securing the highest and the best municipal administration in the world.

III

THE RELATION OF CIVIL SERVICE REFORM TO MUNICIPAL ADMINISTRATION[1]

The problems of municipal administration present a manifold and complex variety of topics. Some are political, such as the regulation of nomination and election methods. Some, dealing with the machinery of local organization and the relations of the city to the State government, are administrative. Others involve questions of economic policy as to the proper scope of municipal activity. While still others embrace in themselves a wide variety of problems in engineering, sanitary science, and other technical subjects.

It is the purpose of this paper to consider only one aspect of the administrative problems, the application of the principles of civil service reform in the organization of municipal government. These principles hardly need to be enumerated here. But they may be briefly summarized as the selection of public officials and employees on the basis of their ability and fitness for their public duties, rather than as rewards or opportunities for private or party service; and the maintenance of the public service on the basis of honesty and the highest efficiency.

That any discussion or argument in support of these principles is necessary is of itself evidence of a strange misconception of the purposes of municipal government. And it is surely enough to establish the fundamental principles to point to the laws creating public positions and prescribing their duties. These at least assume that the public servants are provided to perform public functions.[2] And the hardiest

[1] An address delivered at the Annual Meeting of the National Civil Service Reform League, Milwaukee, Wis., Dec. 15, 1905.

[2] The standard treatise on the law of public officers states that it is the duty of the governor to see that fit and competent officials are appointed by him. — Mechem, *Public Officers*, Sec. 590. And the same principle must apply also to municipal appointments.

spoils politicians have not yet ventured to place their principle "To the victors belong the spoils" openly on the statute book.

Nevertheless, it is only too clear, that the plain intent of the law is frequently and systematically evaded in most of our large cities. Appointments are made of persons who have little or no competence for their positions, as rewards for past or future political services. And to make room for such appointments experienced officials and employees are removed. As a result the public service is notoriously inefficient and at times almost demoralized. The inherent dishonesty to the community in such appointments makes it an easy step to more flagrant neglect of duty and corruption of the worst sort. While the whole system tends to debauch and corrupt the electorate by offering places for votes.

Looking simply at its direct effect on municipal administration, a brief analysis will show the importance of efficient and expert officials. Municipal administration is already a complicated series of technical services. To maintain order and security a police force must be maintained, under semi-military discipline, requiring qualifications of physical strength, courage, and honesty for any effective work. To prevent destruction by fire, there must be a fire department, whose members should have the highest physical skill and technical knowledge of the intricate apparatus used. To safeguard the health of the community there must be a department with expert sanitarians, chemists, and bacteriologists. To provide the essential conveniences of city life there must be civil engineers to lay out streets and construct pavements and sewers, hydraulic engineers to manage water works, and sanitary engineers to solve the problems of garbage and sewage disposal. To lay out and care for the public parks there must be landscape architects and gardeners. To administer public charity wisely and not wastefully requires trained students of practical philanthropy; and in public hospitals a corps of physicians and trained nurses. To carry out the policy of

public education there must be not only competent elementary teachers, but in the high schools those with the highest specialized education, and over all efficient educational administrators. To keep track of the finances in these various fields of expenditure demands a force of expert accountants; and to equitably assess taxes there should be an equally expert body of assessors. While to deal with the many legal questions which arise, every large city must employ a number of attorneys, specially versed in questions of municipal law.

Our cities do not have to wait for municipal street railways to be face to face with most serious problems of technical administration. Even now the corps of municipal officials and employees represents every main division of industrial and professional life. Lawyers, teachers, accountants, engineers of almost every sort, besides executive administrators, are essential to carry out the accepted functions of municipal government.

Positions such as these cannot safely be filled on any such basis as political service. Each field is a special profession requiring years of training; and those who are most competent have too many opportunities in private business to devote much time to political campaigning; while they are also likely to hesitate about accepting a municipal position with the uncertain tenure of a political appointment. Moreover, the municipal service for most of these professions is of itself a specialized branch, where the highest degree of efficiency can only be secured by continued practice. A city attorney who serves only for a few years cannot be so competent in the law on municipal questions as a corporation lawyer who devotes his life to corporation law is on that subject. And a civil engineer who serves for a while as a city officer and then in railroad building is not likely to be either the most competent city engineer or the most competent railroad engineer. What is needed is a class of municipal specialists in law, accounting, engineering, and other fields of action. And these can only be secured under a system

of selection which excludes political motives and insures a tenure based only on efficiency and competence.

Conditions in this regard are different from those in earlier periods. It has sometimes seemed to me that there was a certain harmony between the principle of rotation in office and conditions which prevailed in this country during the first half of the nineteenth century. While the country was being settled there was a constant movement of population from place to place and frequent changes of occupation. Short terms of office and frequent changes were then in accord with the restless customs and practices of the people in their private business. And it might have been argued that an officeholder who wished to hold an office for many years doubtless lacked the ability to take advantage of opportunities for bettering his situation.

But these conditions are no longer in force. At the present time the jack-of-all-trades is almost certainly so because he lacks the ability to become master of one. The successful man in private business is the specialist who devotes his life to one purpose. And what is true of the individual in private life is true also for those who hold positions in the municipal or other public service. The largest results will come by division of labor and concentration of effort. The best public servants will be those who give the longest time to the public service; and that city or State will get the best results which looks for the most capable men and keeps them in its service so as to secure the advantage of their increasing experience.

Some steps have been taken to apply the principles laid down to the municipal service. Systems of civil service examinations have been established in a number of cities applying to most of the subordinate positions. Appointments to these positions are based on the results of open competitive examinations and probationary service; with the result that these places are to a large extent taken "out of politics." In some other cities the police and fire depart-

ments are more or less protected against political appointments. And more generally school-teachers are selected with comparatively little reference to political influence.

Into the details of these systems it is not necessary to go here. They have placed a smaller or larger part of the municipal employees on a sound administrative footing; and although the law is sometimes evaded by hostile officials, the results have been a great improvement in the standard of municipal work. In other cities efforts towards the same end are being made. And the extensions of these systems as rapidly and as far as possible is one of the most important municipal reforms at the present time.

But what has been accomplished in most of these cases applies mainly to the subordinate posts in the municipal service. These are by far the largest in number. But the important positions, and above all the officers as distinguished from the employees of our cities, are still chosen largely or mainly for political reasons. And until these too are chosen solely for ability, competence, and honesty, no satisfactory municipal administration can be secured.

Political appointments to the higher posts affect the character of municipal work in two ways. Such officials are likely to seek to evade whatever regulations are established for the subordinate service so as to reward their political supporters; and in this way they prove a constant obstacle in the application of the merit system so far as introduced. But of even more importance is the fact that it is in the case of the higher officials that incompetence and inexperience proves most costly to the city. Some gain is made when the clerical and routine work is well done. But much more is lost if serious blunders are made in the main plans, or in the direction of their execution.

Incompetent city engineers may easily double the necessary cost of an important scheme of public improvement. City comptrollers have generally had so little knowledge of accounting that it is almost impossible for any one to under-

stand their financial reports. City attorneys who know more politics than law are likely to recommend useless litigation and in other cases to surrender the legal rights of the city. And city clerks who are changed every few years cannot perform one of their main functions as a source of information on the previous actions of the municipal government.

How can these principles of civil service reform be applied to these higher municipal officials? The methods employed in selecting employees for subordinate positions will hardly be in every detail the most effective for these more important posts. Something more is needed than a test of their technical knowledge. What is wanted are those who know best how to apply their knowledge in a constructive manner, and those who have the peculiar form of ability known as executive or business capacity. Moreover, for these posts the test of brief probationary appointments cannot well be applied. For those best fitted for such places will be already engaged in similar work, and are not likely to abandon a permanent position for a probationary appointment in the public service.

These difficulties require some changes in methods. But such changes of detail are by no means impossible or inconsistent with the main principles of the merit system. The important point is to find the methods best adapted for various classes of offices.

One of the first steps that must be taken in many cities is to take these higher administrative posts out of the class of elective offices. Popular election necessarily introduces political factors into the choice of officers, and for officers who have political functions to perform popular election is essential in a democratic government. But city clerks, city attorneys, city comptrollers, commissioners of public works, and city engineers have no political functions to perform. Their work not only has no relation to national politics; it has no relation to municipal politics. Their duties are strictly administrative and call for the same qualifications whether a city votes for or against municipal owner-

ship, and whether it votes for or against a "wide open" saloon policy. And whatever other method is employed, it is clear that popular election is not the best method to test technical and administrative ability. Moreover, by removing such officers from the elective list, the attention of the voters will be concentrated on the personal merits of the candidates for the political offices, and better results may be hoped for the latter under such conditions.

But appointments, whether by mayor or council, will be made by political officials; and, so far as discretion is left to them, there is still the danger that political motives will be a controlling factor. To reduce this danger, another step, which is still within the purposes of this Association, is to eliminate the official recognition of national parties in municipal elections. I am not at all confident that it is possible by law to prevent the national party organizations from taking an active part in local campaigns. But at least the law should not recognize them officially, and should require each candidate for municipal office to appear on the ballot simply as an individual. This will not eliminate politics, or even national politics, from municipal elections. But it will tend to reduce these factors to some extent.

In the next place, appointments to the higher positions should be for an indefinite term. The power of removal must be retained for such offices, as a means of control over incompetent officials; and this will make it possible for removals to be made for political reasons. But to create a vacancy by removal is at least somewhat more difficult than to find one by the expiration of a definite term. And the law at least will stand for the principle that the competent officials are to be retained so long as they perform their duties satisfactorily. This rule has been established in the new Indiana municipal code. It also applies to most of the heads of departments in New York City; and is probably responsible for the retention of one commissioner appointed by Mayor Low in the succeeding administration.

These various provisions, it is believed, will do something toward reducing political influences in filling the higher offices. But they can hardly be expected to secure their disappearance and the selection of these officers mainly from considerations of ability and experience. For that purpose, some provision must be made for a systematic investigation of the qualifications of various applicants, so as to determine who is best fitted for the place.

Such an investigation should, however, be somewhat different from the examinations for subordinate places. It should test not only technical knowledge, but also practical experience and constructive ability. Such tests can be applied. They are now used in many cases by the United States Civil Service Commission, for technical and professional positions in the national administration. They are used to a large extent in the system for regulating admission to the higher branches of the Paris municipal service. In the latter case, the more important part of the test for candidates is a detailed report on a special topic within the field of his work. The same idea is recognized in our universities in conferring the degree of doctor of philosophy, where the thesis showing the candidate's personal research and constructive ability, is of at least equal importance with the general examination. In the same way, candidates for the higher municipal offices could be asked to submit statements of their practical experience and some examples of their constructive work.

Moreover, in order that practical experience may be given its full advantage, the competition for these higher municipal posts should not be limited to residents of the city, but should be thrown open to any one. Already this rule is largely recognized in the selection of school superintendents, and it is generally felt that these are the most capable and efficient of our higher municipal officials. In England, vacancies in such positions as town clerk and borough engineer are advertised and applications are made from all over the country.

In Germany, it has even happened that a mayor has been chosen in Berlin on the basis of his record in a smaller city. By making these higher positions open to all candidates, the large cities can get the benefit of experience and ability proven in actual service.

Another feature of the regulations for the higher municipal service in Paris might well be adopted for the higher offices in this country. This is an examination in the system of public administration. Very many of our public officials — or indeed of the best educated citizens — have no clear idea of even the main principles of our system of local government. Yet they must act in accordance with the laws establishing the government; and in their ignorance often make serious mistakes which lead to protracted litigation. A definite knowledge of our system of administration on the part of public officials would save our cities much trouble and expense.

By such methods a merit system can be applied to the higher posts, as well as the subordinate places, in the municipal service. And these reforms are among the most important needed in municipal administration at the present time. Without them no city can successfully perform the functions it is now undertaking. And without them there can be no safe extension of municipal activities into new fields.

Nor does the merit system involve any departure from the fundamental principles of American government. On the contrary, it is the most direct method of putting them into effect. As one writer has well said: —

"This system is democratic, for it gives every citizen an equal opportunity to participate in the public service according to his fitness. It is economical, because it brings into office competent persons who work for their wages and are not required to spend half the city's time 'hustling' for votes or organizing political clubs. It is scientific because, through permanence of official tenure, it develops specialists in every department of city administration." [1]

[1] D. F. Wilcox, *The American City*, p. 300.

IV

MUNICIPAL CORPORATIONS IN THE COLONIES[1]

American municipal government has its historical origin in the chartered boroughs or municipal corporations established in several of the English colonies during the seventeenth and first half of the eighteenth centuries. The hundred and thirty years since the end of the colonial period has wrought an enormous development in the scale of municipal activities, has seen the addition of many new municipal functions, and has been accompanied by many changes in municipal organization. But the institutional history from the colonial corporations to the cities of to-day is continuous, and the influence of the former on the latter is clearly visible. An account of the organization and activities of these colonial boroughs should therefore have the same interest to the student of municipal government, that the town meeting has to the student of rural institutions. It forms in fact a necessary introduction to any history of municipal development in the United States.

A complete explanation of the ultimate origin of the colonial borough[2] — and hence of the American city — would re-

[1] Reprinted from *Municipal Affairs*, II, 341 (September, 1898). It may be noted that this original publication antedated by several years the article on "Municipal Corporations" by Professor Henry Wade Rogers, in the Yale bicentenary volume on *Two Centuries' Growth of American Law*, which article contains some striking resemblances to this paper both in subject-matter and foot-note references.

[2] The name "borough" is used as a generic term for all of the colonial municipal corporations; although, as will be noticed, some of them (in fact all the most important of them) were called cities from the first. The name "borough" is preferred, because from the point of view of the student of institutions they were English boroughs created in the English colonies. The name "city" has no institutional connotation in connection with these corporations; none of them had the characteristic feature

quire a history of the development of the English borough. The general outline of this is, however, familiar to students of English history; and at any rate it is not possible to give here more than the briefest outline of the English borough as it existed in the seventeenth century. The typical constitution, general as early as the reign of Henry VII, is described by Bishop Stubbs as a "close corporation of a mayor, alderman, and council with precisely defined organization and numbers — not indeed uniform, but of the same general conformation — possessing a new character denoted in the name of 'corporation' in its legal sense." [1] In each borough there was also a number of freemen in whom were vested the right of voting for members of Parliament, and who had certain exclusive trading privileges and exemptions from tolls and market dues — privileges which in some instances were of no little pecuniary importance. The powers and functions of the corporations varied widely in the different communities. But in general the local matters in charge of the borough officials were not of vast importance. The church-wardens, overseers of the poor, and overseers of highways had the same powers in the parishes within a borough as in rural parishes. The problems of street paving, street lighting, drainage, and water supply had not at this time been forced on the attention of the people through density of population. In the time of Charles II, there was no town in England outside London with a population of over 30,000, and only four provincial towns contained so many as 10,000 inhabitants.[2] The management of local police, the judicial administration, the direction of markets, and the charge of the ancient town property sum up the local

of the English city — a cathedral church, as the residence of a bishop — and the use of the name "borough" will serve to emphasize the fact that the colonial institution had a much closer resemblance to its English prototype than to the American institution which a century of evolution has developed.

[1] *Constitutional History of England*, III, 577.

[2] Macaulay, *History of England*, I, 261.

interests under the control of the borough governments even in the larger towns. In many of the small towns which had been created boroughs simply for the purpose of controlling Parliament, the corporation had no local duties whatever, the election of members to Parliament constituting their sole function.

DISTRIBUTION OF COLONIAL BOROUGHS [1]

The earliest mention of boroughs in American history is in connection with the first Virginia Assembly. The members of this assembly were called "burgesses," and the districts which they represented were called "boroughs." Jamestown was a borough, so also were Henrico and Bermuda Hundred; in all, by the summer of 1619, there were eleven boroughs in the colony of Virginia entitled to send members to the colonial assembly.[2] These boroughs, however, were in no way municipal corporations; they were not even local government organizations; they were election districts for members to the assembly, and nothing more. The use of the name "borough" indicates how completely subordinate the local functions of most English boroughs had become in comparison with its position as a parliamentary district. The name "burgess" remained the title of members of the

[1] LIST OF COLONIAL BOROUGHS

Agamenticus, Me. (now York, Me.),	chartered 1641.	Perth Amboy, N.J.,	chartered 1718.
Kittery, Me.,	chartered 1647.	Bristol, Penn.,	chartered 1720.
New York, N.Y.,	chartered 1686.	Williamsburg, Va.,	chartered 1722.
Albany, N.Y.,	chartered 1686.	N. Brunswick, N.J.,	chartered 1730.
Germantown, Penn.,	chartered 1687.	Burlington, N.J.,	chartered 1733.
Philadelphia, Penn.,	chartered 1691.	Norfolk, Va.,	chartered 1736.
Chester, Penn.,	chartered 1701.	Richmond, Va.,	chartered 1742.
Westchester, N.Y.,	chartered 170?*	Elizabeth, N.J.,	chartered 1740.
Bath, N.C.,	chartered 1705.	Lancaster, Penn.,	chartered 1742.
Annapolis, Md.,	chartered 1708.	Trenton, N.J.,	chartered 1746.

* The Colonial Laws of New York show that Westchester was a town as late as 1700, but was a borough by 1705.

[2] Stith, *History of Virginia*, pp. 160–161.

Virginia Assembly even after the representation was based on the county, and the lower house of the Virginia legislature was called the "House of Burgesses" until the Revolution.

Governor Winthrop of Massachusetts, in his *Journal*, mentions as one reason why the province of Maine was not admitted to the Confederation of the United Colonies of New England, that "They had lately made Acomenticus (a poor village) a corporation, and had made a tailor their mayor." [1] This borough of Acomenticus — or Agamenticus — is the first instance of the establishment of the English municipal corporation in America. The first settlement had been made at Agamenticus by Sir Fernando Gorges in 1624, and by 1630 the place had a population of about one hundred and fifty.[2] The grant to Gorges had authorized him to incorporate boroughs, and on April 10, 1641, he issued a charter on the English model.[3] In less than a year he issued another charter, erecting the borough of Agamenticus into a city by the name of "Georgeana," [4] and the mayor, recorder and alderman were duly selected for the new city.[5] In 1647 Gorges incorporated the village of Kittery as a borough,[6] and a decided movement toward the founding of boroughs in this colony at least would seem on first sight to have been inaugurated. In fact, however, these boroughs were little more than paper corporations. The charters of Gorges were almost ignored by the actual settlers, who made arrangements for their local government to suit themselves.[7] And in 1652, on the union of Maine with Massachusetts, the charters lost even their legal standing. The boroughs were organized under the Massachusetts town system, and the name

[1] John Winthrop, *Journal*, II, 121.

[2] W. D. Williamson, *History of Maine*, I, 267.

[3] "Charter" in Hazard, *Historical Collections*, I, 470.

[4] *Ibid.*, 480.

[5] G. A. Emery, *History of Georgeana and York*, gives a list of the first city officers.

[6] W. D. Williamson, *History of Maine*, I, 346.

[7] Emery, *History of Georgeana and York*, p. 41.

of Agamenticus was changed once more, this time to York, which name it has retained ever since.[1] York was one of the two principal towns of Maine during the colonial period. Had it remained a borough, its development must have been of great value to this study. As it is, the charters of Agamenticus and Georgeana are of interest mainly as curiosities.

The Corporation of New York — the first borough with an active existence — dates from June 12, 1665, when a proclamation issued by Governor Nicols declared that "the inhabitants of New York . . . are and shall be for ever accounted, nominated and established as one Body, Politique and Corporate."[2] The municipal history of New Amsterdam, and the long struggle between the inhabitants and the governors sent over by the Dutch West India Company are of interest to the local historian, but have little bearing on the borough government of New York. It may be noted, however, that in 1653 the inhabitants on Manhattan Island secured the forms of government of a Dutch city;[3] and that in 1658 the acknowledgment of the right of the retiring officers to name a double list of nominees, from whom the governor was required to select the city officials for the following year, established a limited degree of local independence. The fact that New Amsterdam had the governmental organization of a Dutch city undoubtedly had its weight in the immediate establishment of New York as a corporation; but in other respects the influence of Dutch institutions on the municipal development of New York seems to have been but slight.

Although created a corporation in 1665, New York did not at this time receive a charter. The mayor, aldermen, and sheriff were appointed from year to year by the governor of the province, and they exercised such powers as seemed advisable to the authorities. Many of the municipal usages

[1] W. D. Williamson, *History of Maine*, I, 346.

[2] "Proclamation," in *Documentary History of New York*, I, 390.

[3] *Documentary History of New York*, I, 387.

were allowed to remain uncertain, and much power over the concerns of the city remained in the hands of the governor. Governor Andros, for example, took a personal interest and exercised a personal supervision of municipal affairs, and did much to beautify the city.[1]

The need was felt for establishing the municipal government on a firmer basis, and when, in 1683, Governor Dongan arrived in the colony, the mayor and aldermen presented a petition for a charter, confirming their "ancient customs, privileges, and immunities," with certain additional officers, and providing that the aldermen should be elected by the inhabitants instead of appointed by the governor.[2] Dongan agreed to allow the wishes of the petitioners to go into effect at once, but declined to issue a charter until he heard from the Duke of York. In 1686 the mayor and recorder submitted a draft of the desired charter to the governor, and this was allowed April 27, 1686, was duly signed by the governor, and sealed with the old provincial seal sent out in 1669. This charter, based partly on existing customs, some of which were affected by the peculiar conditions of a colony, but in the main similar to the charters of English boroughs, has continued to be the basis of the municipal laws, rights, privileges, public property, and franchises of the city. That it was called a city in the charter instead of a borough was probably because it had been called a city when under the Dutch, and had, under its new name, continued to be called a city after the English conquest.

In 1730 New York received another charter from Governor Montgomerie. The Dongan charter, although not issued until over a year after the Duke of York had become King of England, had been sealed with the ducal seal instead of the royal seal sent over after the death of Charles II. It was feared that this invalidated the Dongan charter,[3] and

[1] *Memorial History of New York*, I, 397.

[2] *Documents relating to the Colonial History of New York*, III, 337.

[3] See letters of Governors Bellomont and Hunter in *Documents relating to the Colonial History of New York*, IV, 812; V, 369.

thoroughly to establish the municipal government of New York on a legal basis the new charter was issued in 1730, having been sent to England to receive the King's seal.[1] The Montgomerie charter made some important additions to the powers of the corporation of New York. It remained in force until 1836, except during the period of the British occupation of the city from 1776 to 1784. It was confirmed by the New York state constitution of 1777, but was modified by state legislation after the Revolution.

Three months after granting the charter to New York, Governor Dongan issued a charter of incorporation for the city of Albany. The settlement at the head of navigation on the Hudson River had existed, under various names, since the first appearance of the Dutch West India Company in North America. While Stuyvesant was governor of New Netherlands, a local organization had been provided for this trading post,[2] and when the English took possession in 1664 they did not disturb this, merely changing the name of the place to Albany. In 1686 the settlement had grown so large[3] that further provisions for local government were necessary. The issue of the charter to New York pointed out the form of government for which to apply, and Peter Schuyler and Robert Livingston were commissioned to go to New York to procure a charter.[4] The charter procured was somewhat more detailed than the New York charter, and contained a few different provisions. In the main, however, it was a copy of the earlier instrument, and under it the city of Albany was governed until long after the Revolution, except for two years during the war.[5]

The first charter of Philadelphia may have dated earlier

[1] *Memorial History of New York*, II, 190.

[2] Munsell, *Annals of Albany*, I, 189.

[3] In 1689 the population of the county of Albany was 2016. *Documentary History of New York*, I, 690. Probably half of this at least was in the town of Albany.

[4] J. Munsell, *Annals of Albany*, II, 88.

[5] J. Munsell, *Collections on Albany*, I, 275.

than the Dongan charters to New York and Albany. The location for the centre of trade and the political capital of the new colony of Pennsylvania had been selected in 1683, and in the same year the streets were laid out in the well-known checkerboard style. On the 26th day of the fifth month, 1684, a committee of the Provincial Council was appointed to draw up a charter creating the Borough of Philadelphia.[1] There is no record of the action of the committee, but the city charter of 1691 recites that the town of Philadelphia had been previously erected into a borough. No account remains of the government under the borough charter or under the charter of 1691; and it seems probable that after 1692 there was no local organization in existence until in 1701 a new city charter was granted.[2] This was substantially a revival of the charter of ten years before, and under it the government of Philadelphia was conducted until 1776.

Four other boroughs were incorporated in Pennsylvania during the colonial period. The first of these, Germantown, procured its charter from Penn in 1689; and in 1691 the new organization went into effect. The German settlers, however, cared little for politics, and it was with difficulty that the corporation maintained its existence. At last, in 1707, they failed to find officers enough to serve, and thus forfeited their charter. The town of Bristol, eighteen miles above Philadelphia, on the Delaware, was established in 1697. By the year 1720, the inhabitants thought it to their advantage to be incorporated, and a number of them petitioned the governor of the province, Sir William Keith, for a borough charter.[3] The petition was favorably considered, and a charter was drafted and approved by the colonial board, July 19, 1720. The sanction of the Crown was received with

[1] Allinson and Penrose, *Philadelphia*, p. 4.

[2] The existence of any charter prior to 1701 was for a long time considered a myth, but in 1887 the charter of 1691 was discovered, and that it went into operation proved. *Pennsylvania Magazine*, XV, 345.

[3] W. P. Holcomb, *Pennsylvania Boroughs*, pp. 29, 30.

the necessary letters patent on November 14. The two other Pennsylvania boroughs of colonial times were Chester and Lancaster, whose charters are dated respectively in 1701 and 1742. The charters for these four smaller boroughs provided a simpler form of government than that established in New York, Albany, and Philadelphia. Their influence on the later development of local government institutions in the United States has been as the foundation of the system of "borough" government for the villages and smaller towns of Pennsylvania, a most important factor in the local government of that state.

In 1705 the city of Bath, N.C., was incorporated, but this never became more than a mere hamlet.[1] The borough of Westchester in New York was also incorporated about this time, but did not become a place of much prominence. A more important case is that of Annapolis, which received its charter from Governor John Seymour, of Maryland, on August 16, 1708.[2] In 1696 certain persons in the town had been created by act of the assembly, a body corporate and politic under the name of "Commissioners and trustees for the port and town of Annapolis," with power to hold courts and make by-laws. Governor Seymour proposed a charter as early as 1704, but no measures being taken by the assembly, at length he conferred the charter by virtue of the prerogative of his office.[3]

In Virginia the first attempt to introduce the borough as a local government institution was by the Act of 1705,[4] which provided for the establishment of certain towns as free burghs with merchant gilds, benchers of the gild hall, and other features of the English mercantile gilds. The attempt was not successful in the colony, and it was also

[1] Moore, *History of North Carolina.*

[2] John Fiske, in his *Civil Government in the U. S.*, calls Annapolis the third incorporation in America, overlooking Albany, Germantown, Chester, Westchester, and Bath, as well as the two in Maine.

[3] D. Ridgely, *Annals of Annapolis*, pp. 89, 110.

[4] Hening, *Statutes of Virginia*, III, 404.

opposed in England on the ground that the establishment of towns tended to the encouragement of manufactures.[1] In 1710 Governor Spotswood, acting under instructions from the Crown, issued a proclamation repealing the Act. It was not until 1722 that a charter of incorporation was granted in Virginia, when Williamsburg, the new capital of the colony, was incorporated. In 1736 the town of Norfolk received a borough charter from Governor William Gooch. Norfolk had been first settled under the influence of the act for cohabitation and encouragement of trade and manufacture, passed in 1680.[2] In spite of the suspension of the act, the town continued to grow, and in 1736 the population had so increased that the inhabitants petitioned for a charter,[3] which when granted remained the basis of its local government until the middle of the nineteenth century. Richmond was also incorporated in 1742.

Five incorporating charters were granted in the colony of New Jersey, to the "cities" of Perth Amboy (1718), New Brunswick (1730), and Burlington (1733), and the "boroughs" of Elizabeth (1740), and Trenton (1746).[4] One of the objects aimed at in the incorporation of Perth Amboy was the promotion of the town as a commercial centre in rivalry with New York. The charter states that it is incorporated because "it is best situated for a place of trade and as a harbor for shipping preferable to those in the provinces adjoining."[5] The development of a great commercial port also played its part in the incorporation of New Brunswick, which was made a city, because it stood "at the head of a fine navigable river, and being the most convenient place for shipping of the produce lying on the back thereof."[6]

[1] E. Ingle, *Virginia Local Institutions*, in Johns Hopkins University Studies, III, 210.

[2] Hening, *Statutes of Virginia*, II, 471.

[3] Forrest, *History of Norfolk*, p. 49.

[4] A. Scott in *N. J. Hist. Soc. Proc.*, IX, 151.

[5] *Ibid.*, p. 153.

[6] New Brunswick charter; quoted by A. Scott in *N. J. Hist. Soc. Proc.*, IX, 153.

A comparison of the charters issued to the "cities" of Perth Amboy and New Brunswick with the charter granted to the "borough" of Elizabeth shows clearly that the so-called cities were in reality the same institution as the borough. The three charters are practically identical in the organization provided, and in the allotment and distribution of powers. The two West Jersey charters (Burlington and Trenton) possess independent characteristics. They have many single features in common with the Philadelphia charters, but have also many distinctive features, each peculiar to itself. The charter of Trenton after being in operation for three years and three months was surrendered (April 9, 1750) and the town form of government resumed.

These constitute the entire number of municipal charters granted during the colonial period. It will be noticed that with the omission of the paper boroughs, all of the corporations were established in the five central colonies, New York, New Jersey, Pennsylvania, Maryland, and Virginia. Moreover, most of the boroughs were within the limits of a comparatively small section. Nine of the fourteen active boroughs lay in the stretch of country from Westchester, N.Y., across New Jersey to Chester, Penn. — a distance of one hundred miles. Albany, N.Y., and Lancaster, Penn., were not very far from the extremities of this area, leaving only Williamsburg, Richmond, and Norfolk, in Virginia, and Annapolis, in Maryland, as distinctly detached instances. This concentration of boroughs within this limited area was perhaps due to the influence of neighborhood example. It is also significant that most of the boroughs were in those colonies where the influence of the governors and the English home government was strongest; while Winthrop's comment on the incorporation of Agamenticus, the suppression of the Maine charters by Massachusetts, and the absence of incorporations in the New England colonies, indicate a settled opposition there to the borough system. The town meeting system gave a greater degree of local independence

than any form of charter issued during the colonial period, and so long as no town had grown too large for this system there was no special reason why charters of incorporation should be sought in these colonies.

The period of borough formation in the American colonies was during the sixty years from the incorporation of New York (1686) to the charter of Trenton, N.J. (1746).[1] Why it was that in spite of the continued growth of the country no new charters were issued after 1746 is not altogether clear; but, as the charters were grants from the governors and not from the legislature, it is doubtless the case that the growing opposition in the colonies to the mother country and to the representatives of the English government had its part in causing the movement to cease.

The advantages of incorporation were, however, recognized; and immediately after the Revolution there appeared a considerable stream of municipal charters. Charleston, S.C., was incorporated as a city in 1783; in 1784 Newport was temporarily incorporated and Connecticut created five cities;[2] in 1786 New Jersey after a rest of forty years renewed its activity in this direction; in 1787 Baltimore was incorporated; and before the end of the century there were two additional corporations in New York State.[3] By 1790 Boston alone of the centres of population remained without having adopted this method of government.[4] These new charters

[1] The two Maine boroughs, chartered in 1641 and 1647, had no permanent existence, and were so completely unrelated to the later boroughs, that they must be considered as sporadic cases and not as belonging to any definite movement.

[2] New Haven, Hartford, Middletown, New London, and Norwich.

[3] Hudson and Schenectady.

[4] Boston retained its town meeting until 1822, when it received a city charter — the first in Massachusetts. The Massachusetts towns were in some respects corporate bodies from early colonial times (cf. Hutchinson's *Hist. Mass. Bay*, pp.1, 175), and in 1694 they were expressly authorized to sue and be sued. In 1785 they were formally incorporated. The town meeting is, however, essentially a rural organization, not adapted to urban conditions.

were issued by the state legislatures instead of by the governors, and the democratic tendency was shown in the absence of any close corporations. In all other respects, however, these state charters were based closely on the charters and government of the colonial boroughs, and thus form the connecting link from the colonial institutions to the nineteenth century American city.

STATUS OF CITIZENS

The fundamental character of the borough governments, as of all government, is determined by the relation of the people to the governmental organization. This subject falls into three subdivisions. The existence in the colonial boroughs, as in the English boroughs, of a class of freemen makes necessary some discussion of their special privileges. Following this, the questions of the franchise, and the nature of election methods, are considered.

The Freemen. — The Dongan charter gave to the mayor, recorder, and aldermen of New York the privilege of making free citizens under their common seal, and the Montgomerie charter reaffirmed this provision. In the Philadelphia charter, the power of admitting freemen was vested in the whole governing body. The other borough charters had similar provisions for bestowing the freedom of the corporation on residents. As a condition precedent to securing the freedom of the city in New York, persons must be natural-born subjects of the King of Great Britain, or else have been naturalized by act of the assembly or by letters of denization from the lieutenant-governor.

The Albany and Elizabeth charters contained a similar provision, but in Philadelphia any free denizen of the province, twenty-one years of age, a resident of the city, possessing a freehold estate therein, or a resident for two years having personal property to the value of fifty pounds, could be admitted. Women as well as men were eligible for admission

to the freedom of the city. The fee which could be charged for admission was in most cases limited by the charter. Thus in New York and Elizabeth, N.J., the maximum fee was five pounds; in Albany a merchant trader could be required to pay three pounds twelve shillings, but a craftsman only half that amount. In practice the Albany council fixed the fee for natives of Albany at the nominal sum of two shillings. In Philadelphia, there was no legal limitation on the amount of the fee, and in practice it varied considerably. The records show one case in which over three pounds was paid and another where the fee was but a little over one pound.

None but freemen of the borough could practice any "art, trade, mystery, or occupation" within the borough, except during the great fairs. In Norfolk, Va., the freemen had an advantage even during the fairs, as they were exempt from one-half the tolls charged at such times. The monopoly of trade must have been a privilege of some importance in the early days. Albany had a monopoly of all trading with the Indians to the north and west of the city, which must have been an important advantage to the freemen of that place. New York had a monopoly of bolting flour from 1684 to the passage, in Governor Fletcher's administration, of the Bolting Act, which gave liberty to any one in the province to bolt flour. In the later years of the colonial period these special privileges of freemen were of but slight pecuniary value, and they do not seem ever to have had the importance which they had in England. Perhaps one reason for this was the readiness with which the corporations bestowed the freedom on those who were actually residents of the borough. The nominal fee which the Albany council charged indicates their willingness to extend the privilege as far as possible. The New York corporation admitted 810 freemen between 1683 and 1740.[1] The number still living in 1740 must have been materially less than 810, and as the population of New York at this time was approaching

[1] *Memorial History of New York*, I, 204.

12,000,[1] it is evident that here at least all the householders were not freemen; but the restriction of this privilege was nowhere so strict or subject to such abuses as in England.

Except in those boroughs where the government was a close corporation, all freemen were voters at the municipal elections, and in boroughs which chose representatives to the colonial legislature, all freemen (except in Philadelphia) were likewise electors at the elections for members of the legislature. But these privileges were not usually confined to freemen, and can thus be more thoroughly considered in the next section.

The Suffrage. — Considering the methods of borough government in England two centuries ago, it is a matter for surprise that so few of the boroughs established on this side of the Atlantic were made close corporations. In Philadelphia, Annapolis, and Norfolk, the borough officials were chosen by coöptation; that is, vacancies in the governing board were filled by the remaining members. But in all the other colonial boroughs there was a participation of the people in the choice of the local officers. The records show no reason for this difference in the charters granted to English boroughs and those granted to the new settlements in America, and it is especially difficult to understand why a popular election should have been allowed in New York and Albany by the Dongan charters, when it is remembered that these charters were issued just after the attack on the London charter in 1683, and after Jeffrey's circuit of England in which he made the borough charters "fall down like the walls of Jericho." Of course the American boroughs had no representation in the English Parliament, and the interest of the Crown to control Parliament was not brought into play. The lack of this inducement may have been sufficient to cause the different policy in the American borough charters.

Except in the close corporations, the municipal suffrage extended to all the freemen and also to freeholders. The

[1] Population 1737, 10,664, *Documentary History of New York*, I, 370.

Dongan charter to New York had stated, rather vaguely, that the aldermen, assistants, and constables should be chosen by the "majority of voices of the inhabitants of each ward"; but in the Montgomerie charter, the suffrage was more clearly defined as belonging to "the freemen of the city, being inhabitants and freeholders of each respective ward." In 1771, the assembly of the province passed an act conferring the franchise on £40 freeholders as well as on the freemen.[1] The freeholder must have been in possession of his freehold for at least one month before election day; and the freemen must have held their freedom for at least three months, and have actually resided in the ward one month before election day. This same statute laid down the principle of "one man, one vote" for New York municipal elections. Before its passage, freeholders owning property on the East side of Broadway which lay partly in the West ward and partly in the North ward had been accustomed to vote in both wards. Under the act of 1771 they could vote only in the West ward.

The Albany charter of 1686 was as vague as the New York charter of the same year, in defining the qualifications for municipal elections, and they do not seem to have been clearly defined until 1773. In that year as a result of a contested aldermanic election, the common council adopted certain principles,[2] founded, it was said, on existing customs. These regulations show the existence of a very extended suffrage. The general rule was that "every person of the age of twenty-one years, born under the British Dominions and who has resided above six weeks in the city of Albany, has a right to vote in the ward where he resides." In the following year an ordinance was passed regulating elections, which provided that not only natural-born subjects of the Crown of Great Britain, but also subjects by an act of denization who had resided in the city at least forty days and

[1] *Colonial Laws of New York*, ch. 1492.

[2] J. Munsell, *Collections on the History of Albany*, I, 254.

had obtained the freedom of the city were entitled to vote,[1] and that *all* freeholders had a vote. No person under twenty-one years of age, no alien, no servant or apprentice during the time of servitude, and no prisoner or debtor in jail could have a legal vote; the votes of persons who were influenced by bribes were declared null and void. The readiness of the Albany council to admit freemen, and the admission of all freeholders without regard to the value of their property, must have made a more popular electorate in Albany than in New York.

The charters of the New Jersey boroughs provide that the "freeholders and freemen" should elect the aldermen and councilmen, while the two West Jersey charters also make special mention of householders as electors.[2] Lancaster is the only one of the Pennsylvania boroughs whose charter clearly expressed the qualifications of an elector. The suffrage was by it conferred on inhabitants, householders within the borough, who had resided there for a year preceding the date of the election, and who had hired a house and ground of the yearly value of five pounds sterling.[3]

From the variety in the suffrage qualifications shown by these special cases, it is evident that no definite statement can be made giving a universal rule for the franchise in the colonial boroughs. In general, it may be said that most of the boroughs had popular elections, that the electorate included a large proportion of the residents, and everywhere all of the well-to-do classes, but that universal manhood suffrage was as yet non-existent.

The close corporations continued until the Revolution. The government under the Philadelphia charter ceased on the capture of the city by the British, and it was not until 1789 that a new charter was granted by the state legislature, and this provided for a popular election of the municipal

[1] Munsell, *Collections on Albany*, I, 266.

[2] A. Scott in *N. J. Hist. Soc. Proc.*, 2d series, IX, 158. Charter of Elizabeth, in N. Murray, *Notes on Elizabeth.*

[3] C. F. Bishop, *History of Elections in the American Colonies*, p. 225.

officers. The Norfolk corporation continued as a self-elected body until in 1787 the Virginia legislature passed an act [1] providing for the election of the borough officers by the freeholders and inhabitants of the borough qualified to vote for burgesses to the assembly. The preamble to this act sets forth that "the former method of electing common councilmen for the borough of Norfolk as fixed by the charter is judged impolitic and unconstitutional."

The privilege of special representation of the boroughs in the colonial legislatures was strictly analogous to the representation of the English boroughs in Parliament. Philadelphia, Annapolis, Williamsburg, Norfolk, Burlington, Perth Amboy, and Elizabeth had such special representation; but the other boroughs were represented only as they formed a part of the county or other electoral districts. The suffrage for the election of representatives to the assemblies had, however, none of the abuses of the borough franchise in England. Those boroughs which had a popular election for local officers had practically the same suffrage for the general colonial elections. Even in the close corporations, the suffrage for the election of representatives was on a popular basis. In Philadelphia, the citizens of the town voted both for representatives of the city and for the county members to the provincial assembly.[2] In Annapolis, the corporation, and all persons inhabiting the city having an estate of £20 sterling, were entitled to vote at the election of two delegates to the colonial assembly.[3] The Norfolk representative in the Virginia House of Burgesses was elected by the members of the corporation, all the freeholders of the borough owning half a lot of land with a house, all residents with a visible estate worth £50, and all residents having served five years to any trade within the borough.[4]

[1] Ch. 72. Hening, *Statutes of Virginia*, XII, 609.

[2] Allinson and Penrose, *Philadelphia*, p. 47.

[3] "Charter," in E. S. Riley, *The Ancient City*.

[4] "Charter," in Edward Ingle, *Virginia Local Institutions*, Johns Hopkins University Studies, III.

Elections. — The annual municipal elections in New York and Albany were fixed by the charter to occur on the feast of St. Michael the Archangel, September 29. Each ward constituted an election district, the aldermen acted as election officers, and a plurality of votes elected. Voting seems to have been *viva voce*, and there is one instance recorded of voting by proxy. At the New York City election in 1689, Captain Leysler appeared at the polls, and on the vote for alderman, said: "I vote for my son Walters, my son Jacob votes for his brother Walters, and my son Walters votes for himself; that's three, put them down." [1] This voting by proxy seems, however, to have been an irregular proceeding, not sanctioned by the customs of the times.

The records of the Albany Council mention a special election in 1706, at which the polls were to be open at 3 P.M.; and a year later, at another special election, they were to be open from one o'clock until sunset.[2] From the evidence submitted at the trial of a contested election case in 1773, we learn that by that time the polls were open from nine o'clock in the morning until between four and five o'clock in the afternoon,[3] and the council held that the returning officers could not be compelled to record a vote after the closing of the polls at five o'clock. The testimony of several witnesses showed the prevalence of bribery at this election. From five to ten pounds was said to have been the usual price for a vote, but in two cases it appeared that forty pounds were paid.[4] An interesting detail of Albany elections at variance with the present American custom is shown by a resolution of the common council in 1740. This declared that persons whose trade or occupation was in one ward, and their residence

[1] "A Modest and Impartial Narrative of Grievances," in *Documents relating to the Colonial History of New York*, III, 674.

[2] "City Records," in J. Munsell, *Annals of Albany*, V, 143, 176.

[3] C. F. Bishop, *Colonial Elections*, p. 233.

[4] *Ibid.*, p. 234.

in another, should vote and be eligible for election from the ward where their trade or occupation was located.[1]

The New York statute of 1771,[2] already referred to as regulating the suffrage, also laid down certain rules for the conduct of the municipal elections in New York City. The corporation was authorized to appoint returning officers for each ward, and to fix the polling places. Every elector was required to declare publicly whether he voted by virtue of his freedom or his freehold.

The statutes contain no specific provisions concerning the manner of conducting elections in the other boroughs. The charter usually named the day on which officers should be chosen, but otherwise the election machinery was fixed by each corporation for itself.

ORGANIZATION

The grant of a borough charter in all cases provided for the creation of a governing body, which should have the rights and privileges of a corporation. The rights inhering in all corporations were in most of the charters specifically mentioned. These were: (1) perpetual succession; (2) to be persons in law capable of receiving, holding, and disposing of lands, rents, chattels, etc.; (3) to be qualified to sue and to be subject to suit in the courts, and (4) to have a common seal. The grant of these corporate powers was of course the regular provision of the English charters, and was necessary to give the government a legal status.

The regular form of organization provided for the colonial, as for the English, boroughs, was that of a mayor, a recorder, a small number of aldermen, and an equal or larger number of councilmen or assistants; and the official title of the corporation was generally, "The Mayor, Alderman, and Commonalty of ——." The four small Pennsylvania boroughs had a different and simpler organization: there were in each,

[1] "City Records," November, 1740, in J. Munsell, *Annals of Albany*, X, 93.

[2] *Colonial Laws of New York*, ch. 1492.

two burgesses (one of whom was called the chief burgess), and from four to six assistants. The borough officers of Trenton, during the three years of the existence of the corporation, were a chief burgess, a recorder, and several burgesses.[1]

The Mayor. — In the small boroughs the chief burgess was chosen by popular vote, but in no case was a mayor regularly selected in this way. In the close corporations he was elected from the existing aldermen by the corporation; and in Elizabeth he was chosen by the mayor, aldermen, and common councilmen. In the other boroughs where the aldermen and councilmen were elected by the inhabitants, the mayor was regularly appointed by the governor of the province. During the Leysler troubles in the province of New York, mayors were elected in the city of New York (in 1688 and 1689) and in the city of Albany (in 1689); but the former method of appointment was restored in 1690. In New York and Albany a former alderman was frequently appointed.

The term of office of the mayor was in all the boroughs one year;[2] but in practice reappointments were frequent. The later mayors of New York and Albany generally held the position continuously for ten years. The mayor presided at all meetings of the aldermen and of the common council, no meeting being legal without his presence. But he had no veto power over the acts of the council, and in Philadelphia he did not even have a vote in the council.[3] He also had charge of the execution of the laws and ordinances of the council. The Elizabeth charter provides that the mayor shall have charge of the borough "in as full and ample manner as is usual and customary for other mayors to have in like corporations in our realm of England."[4]

[1] A. Scott, in *N. J. Hist. Soc. Proc.*, IX, 154.

[2] Howe, *Collections on Virginia* (p. 394), states that Samuel Boush was chosen mayor of Norfolk "until a vacancy occurred by his death or resignation"; but the charter of Norfolk provided for an annual election on St. John the Baptist's Day.

[3] Allinson and Penrose, *Philadelphia*, p. 11.

[4] "Charter," in Murray, *Notes on Elizabeth*, p. 36.

In New York and Albany the mayor, by the charters, had full control over the licensing of tavern keepers, and sellers of wine, cider, etc. A law of the New York provincial assembly, passed in 1713,[1] named the mayor and aldermen conjointly as the licensing authority. Previous action had asserted the power of the legislature to supplement the charters; but this statute, in direct violation of the charters, does not seem to have been enforced. The Montgomerie charter of New York reasserted the authority of the mayor as the grantor of licenses. In Albany the non-compliance with the statute is shown distinctly by the records of a long and interesting dispute between an ex-mayor and the council over the question whether the license fees were a perquisite of the mayor's office or should go to the city treasury. As the ex-mayor had possession of the funds, the council in the end agreed to compromise the matter by a payment into the city treasury of about one-third the amount of the fees.[2]

The mayor frequently held, *ex-officio*, minor offices in the boroughs. In New York and Albany he was clerk of the market; in Albany he was also to act as coroner, and in New York as water bailiff. In Philadelphia he acted as treasurer and as inspector of bread bakeries.[3] While the mayor had no power of appointment, these combinations of several offices in his own person served to centre the administration to a considerable degree in his hands. His influence in the management of municipal matters was further increased by the fact that he was usually a man of considerable experience in the affairs of the corporation and that in practice he held office a considerable number of years.

The Recorder was the member of the borough government supposed to know most about legal matters. But only in Norfolk was he required to be a person "learned in law";

[1] *Colonial Laws of New York*, ch. 263, Oct. 23, 1713.

[2] *City Records*, in J. Munsell, *Collections on Albany*, I, 142 ff.

[3] "Wharton School of Political Science," *City Government of Philadelphia*, p. 17.

and there he was allowed to appoint a deputy, for whom the qualification does not seem to have been necessary. In fact, during the colonial period, the recorder of Norfolk was invariably a non-resident. The Albany charter required the recorder (and also the town clerk) "to be a person of good capacity and understanding," a qualification not demanded in the case of mayor, aldermen, or assistants.

The recorder was chosen in the same way as the mayor; in the close corporations by the corporation, and in the other boroughs by appointment of the governors.[1] In Trenton, however, he was chosen by the common council.[2] The presence of the recorder was required to make a quorum of the borough court. His distinctive functions in colonial times are nowhere clearly indicated. Probably his main duties were drafting of papers in legal form and advising the mayor and aldermen in the discharge of their judicial functions.

The Aldermen. — The number of aldermen was everywhere quite small. In New York there were at first but five, but after 1679 there were six, and the Montgomerie charter (1730) increased this to seven. Philadelphia had six aldermen under the charter of 1691, but the charter of 1701 provided for eight aldermen. Albany, Annapolis, and Williamsburg had each six aldermen; Norfolk had eight; while strangely enough the largest number was provided for the ephemeral borough of Agamenticus, which, when created a city, was empowered to elect twelve aldermen.[3]

In the close corporations the aldermen were chosen by the corporation, and in Norfolk only councilmen were eligible. In Perth Amboy they were chosen by the common council, as were the burgesses in Trenton. In the other boroughs they were elected by popular vote under the same franchise as for the election of common councilmen. New York and

[1] This was the case also in Elizabeth, where, as has been seen, the mayor was chosen by the common council.

[2] A. Scott, *N. J. Hist. Soc. Proc.*, IX, 155.

[3] "Charter," in Hazard, *Historical Collections*, p. 470.

Albany alone seem to have elected by districts; in the former, there was one alderman for each ward, and in the latter, two aldermen for each of the three wards. In the close corporations, and also in Trenton, the term of office for aldermen was for life; elsewhere, except in Elizabeth, a one-year tenure prevailed; in Elizabeth, N.J., the term was three years.

The aldermen in conjunction with the mayor, recorder, and assistants or councilmen formed the common council, which sat as one body. Aldermen, however, had additional powers, as justices of the peace, members of the borough court, and in some cases members of the county court. In Philadelphia, the mayor and aldermen had most of the appointing power; and in Norfolk after 1752 they were the licensing authority for the borough.[1]

The Councilmen. — The number of councilmen was generally larger than the number of aldermen, but New York and Albany had the same number of each class. Annapolis had ten councilmen, Philadelphia had twelve; while Williamsburg, Norfolk, and Agamenticus, in accordance with the old English custom, had twice the number of aldermen in the second class, giving them respectively twelve, sixteen, and twenty-four councilmen.

The councilmen were chosen in the close corporations, not by the whole corporation, but by the mayor, recorder, and aldermen, who were limited to the inhabitants of the borough. The Norfolk charter required councilmen to be freeholders; but a statute of the Virginia assembly passed in 1752 declared twelve months' residence a sufficient qualification.[2] Except in the close corporations, the councilmen, or assistants, were chosen by popular election under the franchise already described. The tenure was, as for aldermen, generally a single year; but in Elizabeth three years, and in Trenton and also in the close corporations for life. The Philadelphia

[1] Hening, *Statutes of Virginia*, VI, 263.
[2] *Ibid.*

charter of 1691 had provided for annual election of councilmen, but life tenure was introduced by the charter of 1701. In Perth Amboy the assistants were not chosen until it was known who were to be the aldermen for the next year,[1] thus making it possible for defeated candidates for aldermen to be afterward elected as councilmen.

In none of the colonial boroughs were the councilmen a distinct body. They were members of the common council, as were also the mayor, recorder, and aldermen; but the councilmen alone could not form a meeting of the common council — the presence of a certain number of aldermen with the mayor was necessary for a quorum. The special functions and title of the aldermen made the separation of the governing authorities into two bodies an easy transition, but throughout the colonial period there was no bicameral system in municipal government.

Other Charter Officials. — Besides the members of the corporations, the charters of the various colonial boroughs provided for a few of the more important administrative officers. There was always a town clerk, usually appointed by royal commission through the governors of the provinces. The Elizabeth charter, however, in this as in other respects, gave larger powers to the residents of the borough, who chose their own town clerk. The tenure of office for the town clerk was not determined by the charters, and the position seems to have been generally regarded as a permanent post. The Albany charter required the lieutenant-governor to appoint a person of "good capacity and understanding," the only instance in which any qualifications are laid down for the office. The town clerk kept the official records of the corporation, and also acted as clerk of the borough court. In Burlington, N.J., the county clerk of the peace was authorized to act as clerk for the city.[2]

Another official whom all of the boroughs must have found

[1] W. A. Whitehead, *Early History of Perth Amboy* (1856), p. 52.

[2] A. Scott, in *N. J. Hist. Soc. Proc.*, IX, 155.

necessary, but who is mentioned in but three of the charters, is the treasurer, or chamberlain, as he is sometimes styled. In New York and Albany, this officer was chosen annually by the common council; and in Philadelphia the mayor performed the duties of the office. Elsewhere the office was left to be created and regulated by each corporation for itself.

A few of the more important boroughs in England had been constituted as counties with a separate sheriff, and thus entirely separated from the jurisdiction of the sheriff of the shire in which they were geographically located. In this country, New York and Albany were the only boroughs which had this distinctive feature. The Philadelphia charter provided that the sheriff of the county should act as sheriff of the city, but elsewhere there is no mention of the office.

Fines for Refusal to accept Office. — An interesting feature in some of the borough charters is the imposition of penalties for refusal to accept office. Such fines were authorized by the charters of New York, Philadelphia, Albany, Burlington, and Trenton, and for some offices by the charters of the East Jersey boroughs.[1] The amount of the fines varied considerably; the highest authorized was in the Albany charter for refusing to accept the position of mayor, in which case a fine of twenty pounds could be imposed. Five and ten pounds were the most usual sums, and in Philadelphia a refusal to act as councilman could be met with a fine of not over four pounds.

In Philadelphia fines were often paid in preference to serving.[2] The Albany city records show but one case in that borough, when in 1703 Abram Cuyler was fined five pounds for refusing to serve as assistant. The following day, on petition of Mr. Cuyler, the fine was reduced to three pounds, and this he agreed to pay.[3]

[1] Overseers of the Poor and Constables. See A. Scott, in *N. J. Hist. Soc. Proc.*, IX, 158; W. A. Whitehead, *Early History of Perth Amboy*, p. 52.

[2] "Wharton School of Political Science," *City Government of Philadelphia*, p. 17.

[3] *City Records*, in J. Munsell, *Annals of Albany*, IV, 244.

Wards. — The division of some of the boroughs into wards for election and administrative purposes was, like other features of the charters, a transfer of English methods. New York and Albany were divided into wards by their first charters, the former into seven wards, the latter into three. Philadelphia was not marked off into wards until 1704.[1] The second charter of Perth Amboy (1753) apparently divided Perth from South Amboy, thus making two wards in the city; and the second charter of New Brunswick divided that city into two wards.[2] The Elizabeth charter does not establish any ward lines directly, but authorizes the mayor, aldermen, and common council to divide the borough into wards.[3]

In view of the more or less frequency with which ward lines are changed in modern American cities, it is worth noticing that the lines established by the New York and Albany charters remained unchanged throughout the colonial period, although during the ninety years from the charters to the Revolution the population of New York had increased from less than 4000 to over 20,000 and Albany had grown from little more than a hamlet to a town of 3500 inhabitants.

Town Meetings. — No discussion of the governmental organization of the New Jersey boroughs would be complete without taking note of the continued existence alongside the borough government of the town meeting. The town system had been transplanted from New England to New Jersey, and had taken root before the creation of the boroughs; and in fact all of the New Jersey boroughs had boundaries coterminous with those of the townships.[4] In Elizabeth, the town meeting continued to act after the creation of the borough as if there were no organized government. The entries in the Town Book from 1720 to 1788 show that the

[1] Allinson and Penrose, *Philadelphia*, 37.
[2] A. Scott, in *N. J. Hist. Soc. Proc.*, IX, 170.
[3] See "Charter," in Murray, *Notes*, p. 43.
[4] A. Scott, in *N. J. Hist. Soc. Proc.*, IX, 169.

town meeting voted the levy of taxes, and town officers collected them.[1] The Burlington Town Book records town meetings from 1693 through the next century. The city charter itself was the work of the town meeting, and after the new government went into operation the town meetings, even the annual March meeting for the election of officers, were held. The town meeting appears to have confined its jurisdiction in most cases to the original town property and to the voting of taxes; while the city officers fulfilled the special functions and powers conferred by the charter.[2] Even in New Brunswick, where the town organization was but six years old when the charter was issued, the town meeting was not wholly supplanted; and as late as 1793 the city authorities passed an ordinance providing for the assessment and collection of a tax levied at a town meeting previously held.[3]

In the charters of the small Pennsylvania boroughs, there were provisions for assembling town meetings for the passage of by-laws and ordinances. If, however, we may judge from the example of Bristol, the town meeting was usually nothing but the meeting of the town council and borough officers. Popular assemblies were called only occasionally when an important tax was to be laid or a charter amended.[4]

JUDICIAL AND LEGISLATIVE FUNCTIONS

Judicial. — The colonial borough like its English prototype was more of a judicial than an administrative organization. Those functions of municipal government which are preëminent to-day — the construction and management of public works, and the control and direction of large forces of administrative employees — had not yet developed to any large extent; and one finds that in the borough government the judicial functions were the prominent features.

[1] A Scott, in *N. J. Hist. Soc. Proc.*, IX, 166. [2] *Ibid.*, pp. 168, 170.
[3] *Ibid.*, p. 167. [4] W. P. Holcomb, *Pennsylvania Boroughs*, p. 36.

The judicial powers of the boroughs were vested in the mayor, recorder, and aldermen. Each of these, in the first place, was during the term of his office a justice of the peace; and as such had jurisdiction over petty civil suits (not involving over forty shillings), and could hear and commit persons charged with criminal offences. In addition to this, the mayor, recorder, and aldermen of each borough, sitting together, formed a local court which held stated sessions for the trial of civil and criminal cases. These courts went under different names, and their jurisdiction was not in all cases coextensive, but in general they resembled each other.

The mayor's court of New York met once a fortnight before the charter of 1730;[1] after that on Tuesday of each week. The Albany court met once a fortnight. The Williamsburg and Norfolk courts of Hustings[2] and the Amboy city court[3] held a term once a month. The Elizabeth court of record held four sessions a year, on the first Tuesday in March, June, September, and December. In all cases the presence of the mayor, recorder, and a specified number (usually about one-half) of the aldermen was necessary to a quorum.

The jurisdiction of the New York and Albany courts included all civil causes, real, personal, or mixed; and their decision was final in all cases involving not over twenty pounds. The New York court could also try cases of petty larceny, riots, trespass, and such like. The Philadelphia court had full jurisdiction over all felonies and misdemeanors, and also had authority to cause the removal of nuisances and encroachments on the streets.[4] The Williamsburg and Norfolk courts of Hustings had jurisdiction over all actions personal and mixed, involving not over twenty pounds. This limitation was, however, removed from the Williamsburg

[1] "Dongan's Report to the Committee of Trade" (1687), in *Documentary History of New York*, I, 96.

[2] "Norfolk Charter," Hening's *Statutes of Virginia*, IV, 130.

[3] W. A. Whitehead, *Early History of Perth Amboy*, p. 52.

[4] Allinson and Penrose, *Philadelphia*, pp. 14, 49.

court in 1736,[1] and from the Norfolk court in 1765;[2] and the jurisdiction of these courts was thus made equal to that of the county courts.

Besides their duties in the borough courts, the mayor, recorder, and aldermen were usually members of the county courts of quarter-sessions; and in New York and Elizabeth they comprised the whole membership of the county courts. In Philadelphia only the mayor and recorder were admitted to the county courts. In the Albany county court one of the city members of the court was presiding officer. The jurisdiction of these courts was similar to those of the courts of quarter-sessions in England, and is set forth at length in the charter to Elizabeth.[3]

Legislative. — The charters uniformly gave to the common council of each borough, authority to make, ordain, and establish such laws and ordinances as should "seem to be good, useful, or necessary for the good rule and government of the body corporate,"[4] and to alter and repeal the same. But such ordinances or by-laws must not be repugnant to the king's prerogative, the laws of England, or the laws of the general assembly of the colony; while further restrictions were added in many of the charters.

Thus, in New York and Albany the ordinances expired at the end of a year, unless they had been confirmed by the lieutenant-governor and council. The Dongan charter to New York City had set the limit at three months. In Perth Amboy and New Brunswick the ordinances of the common councils were binding for only six months, unless within six weeks after their passage they were approved by the governor and council.[5] The practical effect of these provisions was to compel the councils to go through the form of reënacting the body of ordinances every year or six months, as the case

[1] Hening, *Statutes of Virginia*, IV, 542.
[2] *Ibid.*, VIII, 153.
[3] In N. Murray, *Notes on Elizabeth*, p. 38.
[4] New York Charter of 1730.
[5] A. Scott, in *N. J. Hist. Soc. Proc.*, IX, 156.

might be. This seems to have answered all purposes, and there are no indications of any attempt being made to secure the approval of the higher authorities. The later New Jersey charters seem to have been based on the principle that the common councils could be trusted, for this restrictive clause is omitted, thus relieving them of the necessity of periodically reënacting the body of local by-laws.

The character of the ordinances passed in the various boroughs was much the same. In all, the most pressing question seems to have been to prevent cattle and other animals from roaming at large on the streets. Regulating the cleaning of the streets, and later, their pavement, is another important subject. Ordinances providing for the observation of the Lord's Day, prohibiting fast driving, regulating the prices of bread and meat, regulations for avoiding danger from fire, rules for the public markets, and for preventing tumultuous gatherings of negroes and slaves, are found in most of the boroughs.

At the same time, the special conditions of individual boroughs led to the passage of many ordinances peculiar to each. Thus in Albany the defence of the city against Indian attacks and the regulation of the Indian trade were constant subjects of municipal legislation; and in Philadelphia an ordinance to prevent actors from performing plays [1] was duly enacted.

In regard to the regulation of the prices of food, some of the assizes established by the Albany council may be of interest. On December 7, 1706, it was resolved by the common council,

"that ye following assisse be made of bread, Vizt. that one pound neet "weight of fine flower Bread shall be sold for Six stuyvens or $1\frac{5}{12}$d. and "eight and a half pound like weight bread Bake as ye meel comes from "ye mill for 9d. and Eight pound like weight Bread made of ye course "flowr for 9d. or four pound for four pence half penny." [2]

The penalty for a violation of this ordinance was six shillings.

In 1757 the following prices of meat were established:—

[1] Allinson and Penrose, *Philadelphia*, p. 51.

[2] "City Records," in J. Munsell, *Annals of Albany*, V, 143.

"Meat 4d. a pound.
Head and Pluck of Calf, one shilling a pound.
" " " of Sheep, 9d. a pound.
" " " of Lamb, 6d. a pound." [1]

These prices were changed from time to time by ordinance; and they seem to have in fact determined the market price, for in 1770 the butchers of the city presented a petition for an alteration in prices, which, however, the council declined to change.[2]

BOROUGH ADMINISTRATION

In the colonial boroughs the administrative duties of the municipal authorities did not so completely subordinate their judicial and legislative powers as in the city of to-day. Nevertheless their administrative functions were considerable, especially in the management of markets, the repair and cleansing of streets, and in some boroughs in maintaining municipal wharves and ferries. Some branches of municipal activity, as in the case of the distribution of poor relief, were generally controlled by other officials than those connected with the borough government. Others, such as the police and fire departments, waterworks and sewerage systems, had not, even by the end of the colonial period, reached the stage of systematic organization; but the beginnings and early steps in these lines are of no little interest.

It is worth noting that most of the administrative functions were revenue producing undertakings such as would fall within the controversial field of municipal ownership at the present time,—as markets, docks, wharves, and water supply. And it is only in the latter part of the colonial period that we find significant beginnings in those branches of municipal administration—such as police, fire protection, and street improvements—supported by taxation, which are the most important and universal in our day.

Markets and Fairs. — The common council of each borough

[1] "City Records," in J. Munsell, *Collections on Albany*, I, 108.
[2] *Ibid.*, I, 217.

was empowered by its charter to establish a market, to be held on certain days of each week; and also to hold annual or semiannual fairs. The number of market days in each week varied from one to three, according to the needs of the town. In Bristol, markets were held every Thursday;[1] in Albany and Philadelphia, twice a week (Wednesday and Saturday);[2] in New York and Norfolk, three times a week (Tuesday, Thursday, and Saturday). Market houses were built by the corporation, generally in the centre of the streets; and the rentals of the stalls formed a substantial source of revenue to the government. New York had two market-houses before 1686,[3] and five more were built before the Montgomerie charter was issued.[4] In Albany there were three market-houses, one in each ward.[5]

At the markets only freemen of the borough could sell goods; but the fairs were open to all comers, though in Norfolk the freemen of that borough were exempt from one-half of the tolls. At these fairs, law and order were in a measure suspended, and toward the end of the colonial period there was on that account great opposition to them, especially in Pennsylvania. On November 10, 1773, the council of Bristol borough resolved that the fair was useless on account of the large number of stores, and that "the debauchery, idleness, and drunkenness, consequent on the meeting of the lowest class of people together, is a real evil and calls for redress."[6] In Philadelphia there was also a demand for the suppression of the fairs as nuisances.[7] But the borough councils could not abolish a chartered institution, and even the provincial assembly doubted its powers to change the charters, and did not abolish fairs until 1796.

[1] W. P. Holcomb, *Pennsylvania Boroughs*, p. 40.
[2] "Albany Charter," Allinson and Penrose, *Philadelphia*.
[3] Preamble to Dongan's Charter.
[4] Kent, *Charter of New York*, p. 25.
[5] "City Records," in J. Munsell, *Annals of Albany*.
[6] W. P. Holcomb, *Pennsylvania Boroughs*, p. 41.
[7] Allinson and Penrose, *Philadelphia*, p. 49.

Ferries. — The New York City authorities had established a ferry to Long Island before the corporation had been confirmed by Dongan's charter,[1] and the power to maintain this was conferred by that charter. In 1708, on the petition of the corporation a special charter was granted,[2] conferring the exclusive privilege of maintaining the public ferry to Long Island, and of establishing and maintaining such additional ferries as they should think fit. This charter also granted to the corporation of New York all the vacant land between high- and low-water marks on Long Island from Wallabout to Red Hook, to enable them to provide suitable accommodation on that side of the river for the ferryboats. For these privileges the corporation was to pay a yearly rent of five shillings to the collector and receiver-general at New York. The charter of 1730 confirmed these ferry rights to the corporation, and two years later the provincial assembly passed a law reaffirming the monopoly of ferries to Long Island, and at the same time regulating rates of ferriage.[3]

Albany also had municipal ferries, which like those of New York were let out to private persons. The common council established the rates of fare, and there is no record of any interference by the provincial assembly with the management of the Albany ferries. The corporation of Philadelphia established ferries; but ferry privileges were also granted to individuals by the provincial assemblies. As the number of ferries increased in importance with the expansion of the city, the control of them became a frequent source of contention between the provincial government, the corporation, and individuals; but the corporation never succeeded in obtaining a monopoly grant of power over ferries.[4]

Between Bristol, Penn., and Burlington, N.J., there was a ferry which was a matter of frequent consideration by the

[1] Preamble to Charter of 1686.
[2] J. Kent, *Charter of the City of New York*, p. 26.
[3] Ch. 593, *Colonial Laws of New York*, October 14, 1732.
[4] Allinson and Penrose, *Philadelphia*, p. 48.

Bristol authorities. As in Albany the council would lease the ferry and fix the rate of tolls. When, however, the time came for the ferryman to pay his rent he usually represented that his tolls were too light to pay the sum agreed on, and the council was always merciful enough to let him off with paying half.[1]

Docks and Wharves. — The New York, Albany, and Philadelphia corporations were authorized to build public docks and wharves. The Montgomerie charter to New York granted the corporation for this purpose the soil under the waters of the Hudson and East rivers for four hundred feet below low-water mark on Manhattan Island from Bestaver's Kill on the Hudson River to Corlear's Hook on the East River. Such docks and wharves were let out, in the same fashion as the ferries, to private individuals, who collected wharfage from vessels using the docks. The rental of the New York docks was £30 in 1710, £73 in 1740, and £620 in 1766 — figures which illustrate the development of New York commerce as well as of the city dock system.

At Albany the wharves were, of course, much less important than those at New York. Before 1766 they seem to have been almost neglected by the city authorities; but in that year three new docks were ordered to be built, another was determined on two years later, and in 1774 an addition to the North dock was voted by the council. The rental of the docks at Albany was determined by public auction, and in the twenty years after 1766 varied from £55 to £103.[2]

Streets and Roads. — New York was the only borough where the corporation had the power to lay out new streets through private property, and even here their authority was limited. In the Dongan charter it was expressly provided that the consent of the owner must be obtained; but by statute in 1691 [3] the corporation was empowered to take

[1] W. P. Holcomb, *Pennsylvania Boroughs*, pp. 38, 39.
[2] "City Records," in Munsell, *Collections on Albany*, I.
[3] *Colonial Laws of New York*, ch. 18.

possession under certain conditions, without the consent of the owner. The law specifically asserted that no authority was given "to break through any ground fenced or enclosed, or to take away any person's house or habitation." The city government could, however, use open and vacant land on payment of damages as assessed by a jury. Even this restricted authority in the matter of opening new streets does not seem to have been within the scope of any other borough corporation.

The borough governments had more power on the subject of paving and cleaning the streets. As early as March 12, 1694–5, the Albany council required each householder "to make or cause to be made eight feet ground before his own house fronting on ye street paved with stones." [1] And again on December 3, 1717, an ordinance was passed requiring owners and tenants of houses fronting on the streets to "repair and pave ye same each half y^{e} breadth of y^{e} s^{d} streets." [2] Similar ordinances were passed from time to time. The paving was of cobblestones, laid from the sides of the street out, leaving the centre unpaved as an open watercourse or gutter.

The New York council required the property owners on the principal streets to pave the streets in this manner.[3] In Philadelphia many of the inhabitants about 1718 voluntarily paved in front of their premises; and in 1736 an ordinance was passed requiring this under penalty of having it done at their expense by the corporation.[4] It is not, however, until the very end of the colonial period that any systematic attempts at paving were entered on. A Pennsylvania act of 1762 provided for the election of six road commissioners, who, in coöperation with the mayor, recorder, and aldermen, should direct the management of the streets, could contract for work and materials, and in coöperation with the assessors

[1] "City Records," in J. Munsell, *Annals of Albany*, II, 136.
[2] *Ibid.*, VI, 73.
[3] *Memorial History of New York*, II, 165.
[4] Allinson and Penrose, *Philadelphia*, p. 30.

could levy taxes for street purposes[1]. Two years later the New York assembly passed an act[2] authorizing the corporation of New York City to appoint commissioners to regulate and keep in repair the highways and other public roads, and to raise by a general tax such sums as should be necessary. In 1775 a special tax of £200 was authorized, for street purposes.[3] Just how far action was taken under these statutes is not clear; but in Philadelphia there does not seem to have been any radical improvement, and "the streets continued to be ill-managed even for those provincial days."[4]

Keeping the streets free from rubbish and obstructions was one of the important tasks of the borough authorities. The usual method was to pass an ordinance requiring each householder to keep clear the street in front of his premises, and in some instances it was found necessary to pass a special ordinance naming a particular street which was to be cleared.

Open drains were constructed to carry off surplus water and refuse; and the New York corporation early constructed what was called a "common sewer" through the great dock.[5] The only other indication of anything approaching a sewerage system is that the Philadelphia road commissioners, provided for in the Act of 1768, were to have charge of the building and repair of drains and sewers.[6] Such sewers as were constructed could only have been for the removal of surface water and street refuse; and no complete sewerage system for carrying of fœcal matter was constructed until after the colonial period.

Water Supply. — Throughout the colonial period the water supply of the boroughs was from pumps and springs. New York and Albany from the earliest records had munici-

[1] Allinson and Penrose, *Philadelphia*, p. 32.

[2] *Colonial Laws of New York*, ch. 1268, October 20, 1764.

[3] *Ibid.*, ch. 1698.

[4] Allinson and Penrose, *Philadelphia*, p. 34.

[5] In 1717 a special tax of £500 was authorized for extending the sewer farther into the river. *Colonial Laws*, ch. 327.

[6] Allinson and Penrose, *Philadelphia*, p. 31.

pal pumps, the building and repair of which were frequent subjects of discussion in the council meetings. By a statute of 1753 [1] the common council of New York was required to appoint overseers of wells and pumps, whose duty it was to keep the public wells and pumps in good order. In Philadelphia the town pumps were originally erected and owned by private persons, but their great importance led to various ordinances for their regulation. Thus in 1713 the common council ordered that before a pump should be driven the location should be viewed by the mayor, recorder, and three aldermen. This ordinance also authorized the owners of pumps to charge rent for their use by neighbors. In 1756 the general control of pumps in Philadelphia was placed in the hands of wardens, who were given power to sink new wells, to purchase private pumps, and to assess such householders as used the public pumps.[2]

In 1774 the Albany council undertook the establishment of what may be called a waterworks plant. A contract was made for laying water-pipes from the springs to the pumps, a distance of 766 feet, and for building cisterns at the springs. We have here, though in a decidedly primitive style, the prototypes of the three main elements in a system of water supply, — a reservoir, an aqueduct, and a pumping station.

Fire-engines. — It was not until well into the eighteenth century that any of the colonial boroughs had secured for itself a fire-engine. Previous to that time the only method of extinguishing fires was by means of buckets of water, and in several boroughs householders were required to keep on hand a specified number of leathern buckets to be used whenever a fire should break out. In 1718 the corporation of Philadelphia bought an engine for fifty pounds.[3] Twelve years later the need of additional protection against fire was felt, and three new engines were ordered, as well as 200

[1] *Colonial Laws of New York*, ch. 941, December 12, 1753.
[2] Allinson and Penrose, *Philadelphia*, p. 37.
[3] *Ibid.*, p. 41.

leather buckets, 20 ladders, and 25 hooks. In the same year (1730) the city of New York was authorized to purchase two fire-engines;[1] and in February, 1731–2, the Albany council directed that an order be given for a "water engine of Richard Newsham, engineer, of the fifth sort, with six-foot sucking Pipe with a leathern Pipe of forty foot, including brass screws."[2] In 1764 the Burlington council ordered a fire-engine, which, like the others, had to be brought over from England.

The possession of fire-engines necessitated certain expenses for housing them and keeping them in repair; but other than this there were no steps in the direction of establishing a paid fire department. The New York volunteer fire companies were first organized by a statute of 1737.[3] This provided for a force of 42 men, who were exempt from military and jury duty. The number of members was increased by subsequent acts, until by 1773 it numbered 140.[4]

Police. — The systematic patrol of the streets in the interest of peace and order is a feature of municipal government that had not been thought of in the organization of the colonial boroughs. As in England, each borough had its high constable and under constables, but their duties were confined to the execution of the orders of the court, and there seems to have been nothing corresponding to our modern police system. New York had a military watch during the first French war, and again in 1741, during the

[1] *Colonial Laws of New York*, ch. 550 (1730).

[2] "City Records," in Munsell, *Annals of Albany*, X, 19.

The Albany Council ordered a second fire-engine in 1740, and a third in 1762. The bill for this last presents some curious features. The Council in making their order in March had specified that the engine should cost fifty-five pounds; but the bill as presented was as follows:—

Cost of the Engine in London £68 13*s.* 8*d.* at 95% advance .	£134–1–0
Freight from London to New York	19–4–0
Interest on note for £104–10	5–4–6
	£158–9–6

—"City Records," in Munsell, *Collections on Albany*, I, 141.

[3] *Colonial Laws of New York*, ch. 670 (1737).

[4] *Ibid.*, ch. 1198 (1762); ch. 1367 (1768); ch. 1579 (1773).

excitement connected with the Negro riots.[1] Albany, which was exposed to Indian attacks, maintained a military night watch at the stockade during the second French war (from 1699 to 1713), which was revived again from 1745–1748.[2] When the New York military watch was given up in 1697, it was replaced by four bellmen, or watchmen, the forerunners of the modern policeman. Their duties were to go through the town at night ringing a bell to call the time and state of the weather, and to inform the constable of any disorder or fires. In 1700 the provincial council of Pennsylvania appointed a watchman for Philadelphia, and in 1713 Albany established the office of bellman.[3]

In Philadelphia, beginning in 1704, an attempt was made to establish a night watch, to be filled by the citizens in turn; but it was found difficult to get each one to do his share, and the watch seems to have been irregular and inefficient. In New York when the military watch established in 1741 was withdrawn, it was replaced by a force of twelve night watchmen.[4] This continued only during 1742, and was followed by the system of obligatory and unpaid citizen service. The establishment of a considerable force of paid watchmen was begun at Philadelphia in 1750; the charge of the force was, however, not given to the corporation, but to six elected wardens.[5] Eleven years later the New York corporation was authorized to levy a tax of £1800 for providing street lamps and paying night watchmen,[6] and a force of watchmen was definitely established. In 1763 and 1764 the two Virginia boroughs were authorized to levy taxes for the same purposes.[7] In Albany the authority to levy the necessary

[1] *Colonial Laws of New York*, ch. 708 (1741).

[2] "City Records," in Munsell, *Annals of Albany*, VI, 289; *Colonial Laws of New York*, chs. 808, 826, 857.

[3] After 1723 there were two bellmen in Albany; in 1731 the number was increased to four, but in 1734 reduced to the former number of two.

[4] *Colonial Laws of New York*, ch. 711 (1741).

[5] Allinson and Penrose, *Philadelphia*, p. 36.

[6] *Colonial Laws of New York*, ch. 1164 (1761).

[7] Hening, *Statutes of Virginia*, VII, 654, ch. 9; VIII, 21, ch. 8.

tax having been procured,[1] the council in 1770 appointed an overseer and twenty-one watchmen.[2] The next year, however, twenty street lamps were purchased, and the number of watchmen was reduced to six, two to be on duty every third night.[3] This action strikingly emphasizes the relation between street lighting and police patrol, indicated also by the conjunction of the two functions in the legislative acts authorizing taxation for these purposes.

Two great functions of municipal government of to-day — the administration of charities and of public schools — were almost entirely without the scope of the borough governments. In Philadelphia the overseers of the poor were appointed by the mayor, recorder, and aldermen; but elsewhere they were separately elected, and everywhere their accounts and functions were separate from the borough corporations. Education was not yet considered a public function, and in none of the boroughs does there seem to have been any public schools. It is hardly necessary to add that public parks and public libraries were also unknown.

On the other hand, two important officials of these early days have disappeared. The town crier has his vocation taken by the daily newspaper; and change of public sentiment has done away with the public whipper, an official who, in Albany, at least, was always a negro slave of immense size.

FINANCES

The financial operations of the colonial boroughs, as may be surmised from the limited field of their operations, were conducted on no very extended scale. The single fact that direct taxation, though toward the end of the colonial period it was used in some boroughs to a considerable extent, was nowhere the main source of revenue, will indicate how limited was the scope of their activities. The principal revenues until the last two decades before the Revolution were derived

[1] *Colonial Laws of New York*, ch. 1426.

[2] "City Records," in J. Munsell, *Collections on Albany*, I, 210, 211, January, 1770.

[3] *Ibid.*, I, 226 (1771).

from fines, fees, licenses, and rents from borough property, while lotteries and public subscriptions were not infrequently resorted to for extraordinary expenses or to pay off an accumulated debt. Fines were received mainly through the courts from persons found guilty of violations of ordinances or colonial laws; but they were also imposed for non-attendance at the meetings of the common council, and for refusal to accept office. Fees for the grant of the freedom of the city at times yielded considerable revenue in some boroughs; but in Albany the fees were so low that this source could never have yielded any large amount to the treasury of that city.

The rents from borough property were the largest steady source of income. All of the boroughs had markets, the tolls and rental from which were considerable for the times; and those boroughs which owned wharves and ferries made them their main sources of revenue. New York and Albany also derived considerable revenue from the corporation lands, the former city having large grants on Manhattan Island, and the latter having early purchased from the Indians certain large tracts at Schaghticoke. Not much of these lands was sold during the colonial period;[1] but a good deal was leased, especially by the Albany council, thus providing a steady annual source of income.

The following table showing the receipts of the New York corporation from these sources for certain years will illustrate their relative importance at the different dates: —

RECEIPTS OF NEW YORK CITY[2]

	1710	1740	1766
	£	£	£
Markets	180	310	440
Ferry	30	73	660
Docks	52	260	620
Licenses	10	15	428
Freedoms	7		
Fines	15	89	
Leases and Rents	£294	£747	£2148

[1] Cf. Black, *Municipal Ownership of Land on Manhattan Island.*

[2] From statements in Valentine's *Manual* for 1859, pp. 505–509.

The charters of the colonial boroughs, like those granted to English towns, did not give any authority to the corporation to levy direct taxes. But the colonial legislature early adopted the policy of altering and amending the powers conferred by the charters; and by authorizing in these amending acts the levy of direct taxes for special purposes, they paved the way for the present system of municipal revenue, in which direct taxation plays the most important part.

The first direct tax for municipal purposes based upon a formal assessment of the value of the property of the individual was levied by the New York corporation in 1676. This and a similar tax in the following year was to pay off the debt incurred in rebuilding the great dock. During the next decade direct taxation was again resorted to on three or four occasions, chiefly to reduce the debt.[1] In 1691 the city of New York was authorized by act of the new colonial assembly "to impose any reasonable tax upon all Houses within the said city, in proportion to the benefit they shall receive thereby" for the expenses of constructing sewers, vaults, and street pavements. By this the system of special assessments for "betterments" was firmly established in New York finances. A law of 1699 [2] authorized the corporation of New York to levy a tax annually for three years; and in 1701 [3] both New York and Albany were authorized to levy a tax of not over £300 a year for the payment of representatives in the colonial assembly, bellmen, and other necessary expenses. In Albany an annual tax was levied regularly from this until 1716, and again after 1724, when another statute authorizing a tax of not over £60 a year was passed for Albany alone.[4] New York levied the tax of £300 for several years after 1701; in 1704 the amount was reduced

[1] Durand, *Finances of New York City*, p. 20.
[2] *Colonial Laws of New York*, ch. 82.
[3] *Ibid.*, ch. 96.
[4] *Ibid.*, ch. 454.

to £200, and shortly afterward the other income of the city proved sufficient and taxation as a regular source of revenue ceased. But on several occasions during the next forty years taxes were levied under special acts of the legislature, usually to meet some extraordinary expenditure or to pay off accumulated debts.[1]

About the middle of the century direct taxation became a regular source of a considerable part of the revenue of New York City. In 1753 a yearly tax for the purpose of maintaining the town pumps and wells was authorized,[2] but the amount of the levy was limited to £120, which was increased in 1764 to £200.[3] In 1761 another tax of £1800 was authorized to provide street lights and maintain a force of night watchmen,[4] and this tax with some variation in the amount from year to year became a permanent annual tax. Special tax laws for Albany were passed in 1761 and 1762. Beginning with 1769 the Albany council levied an annual tax of £250, apparently without legislative sanction. In 1774 the New York City law of 1761 was duplicated for Albany with the maximum placed at £160, and after that the Albany levy was kept within this limit.[5]

The legislatures of Pennsylvania and Virginia were equally willing to grant this power of taxation to the chartered corporations within their borders. In 1712 the city of Philadelphia was authorized to levy a tax of not over twopence in the pound to pay the necessary expenses of the government.[6] Fifty years later the limit was raised to threepence in the pound.[7] In 1733 the Bristol council levied a tax of

[1] The most important of these special acts are ch. 178 (1708); ch. 327 (1717); ch. 550 (1730); ch. 669 (1737); ch. 711 (1741).

[2] *Colonial Laws of New York*, ch. 941 (1753).

[3] *Ibid.*, ch. 1259 (1764).

[4] *Ibid.*, ch. 1161 (1761); cf. also ch. 1261 (1764); ch. 1365 (1768); ch. 4 (1774); ch. 7 (1775).

[5] *Ibid.*, ch. 7 (1774); ch. 8 (1775); "City Records," in Munsell, *Collections on Albany*, I, 200–270.

[6] *Laws of Pennsylvania*, ch. 176 (1712).

[7] Allinson and Penrose, *Philadelphia*, p. 33.

twopence in the pound on all estates, and six shillings a head for single men.[1]

In 1744 the Williamsburg authorities were given power to levy a tax for the purpose of building a prison, and similar powers were conferred on the close corporation of Norfolk in 1752.[2] Norfolk was the first of the three Virginia boroughs to receive the more extended grant to levy a tax from time to time for the expense of a night watch and for public lighting.[3] This was in 1763; and the year following a still larger sweep of power was given to the Williamsburg government,[4] which was authorized to lay taxes to defray the expenses of building a court house, a market-house, a prison, and contagious diseases hospitals; for purchasing fire-engines and paying the wages of firemen; for sinking public wells and placing pumps; for night watchmen, and for keeping in order the streets and lanes of the city. In none of these Virginia statutes was there any limit on the amount of tax which might be levied.

Thus by the close of the colonial period all the more important of the municipal corporations had received an important addition to their charter powers in the authority to levy taxes. As yet this power was granted only for specific purposes and usually with a limitation on the amount of tax; but it is evident from the readiness with which the colonial legislatures changed the details of the laws that the local corporations were not seriously hampered by these restrictions. If a larger tax was wanted, or one for a new purpose, the necessary authority could readily be secured at the first session of the assembly.

The assessment and collection of taxes was managed by each borough for itself, and in consequence we find no uniform system. In Williamsburg, the council made the assess-

[1] W. P. Holcomb, *Pennsylvania Boroughs*, p. 39.
[2] Hening, *Statutes of Virginia*, V, ch. 27; VI, 264.
[3] *Ibid.*, VII, 654; ch. 9 (1763).
[4] *Ibid.*, VIII, 21; ch. 8 (1764).

ment itself, and appointed collectors.[1] In Philadelphia by the Act of 1712 six assessors were to be chosen annually by the voters of the city, and these assessors, in conjunction with the mayor, recorder, and aldermen, formed the board of assessment, and appointed tax collectors. The Albany charter made both assessors and collectors elective offices;[2] but the city records for 1707 note that the justices of the peace, pursuant to act of the assembly, appointed an assessor for the first ward; and after that year assessors and collectors were no longer chosen at the annual municipal elections. In New York there were no special assessors and collectors for city taxes. The rating and assessment were made by the vestrymen, and the church wardens acted as collectors,[3] these duties being imposed on them because they already performed the same work in connection with the tax for poor relief.

The records of borough receipts and expenditures which are available indicate the absence of any well-regulated financial system during most of the colonial period. The total annual expenditure of New York in the years from 1710 to 1727 varied from £187 to £575;[4] in Albany, between 1754 and 1764, it varied from £20 to £473. These variations were due mainly to the lack of funds in the corporation treasuries for several years, after which money would be raised by a lottery or a specially authorized tax to pay off the accumulated debt. In New York, however, we find a steady progression in the size of the budget after the third decade of the eighteenth century, and especially after 1760. In 1740 the total receipts were £747; in 1750 they were £2101; in 1766, £6573; in 1768, £9278; and in 1769, £10,395. Here, then, and probably also in Philadelphia, municipal

[1] Hening, *Statutes of Virginia*, VIII, ch. 21 (1764).

[2] J. Munsell, *Annals of Albany*, II, 90; IV, 144; V, 159.

[3] Cf. *Colonial Laws of New York*, ch. 1642 (1774).

[4] Valentine's *Manual* for 1859, p. 506. The average amount for these years is about £335.

finance was becoming of some comparative importance toward the end of the period we are considering. But in the other boroughs, and even in these two most important places before 1750, the *per capita* expenditure was far below that of present-day American municipalities of the same population. The low rate in the colonial boroughs was, no doubt, made almost necessary by the poverty of the towns and their inhabitants; but it is also to be ascribed in part to the limited scope of municipal action as compared with that of to-day.

V

THE MUNICIPAL CRISIS IN OHIO[1]

On June 26, 1902, the Supreme Court of Ohio rendered three decisions which precipitated a crisis in municipal affairs in that state. For, by these decisions, the court virtually overruled a long line of precedents, and laid down a principle under which scarcely a city in the state possessed a constitutional government. In consequence, the legislature was summoned in extraordinary session to enact a new municipal code for all the cities and villages in the state.

The situation was unparalleled, even in American history; and the task before the general assembly was, doubtless, the most important single act of municipal legislation that has come before an American legislature. An examination of the steps leading to this situation, and of the measures taken to solve the difficulties, should be of interest and significance.

To understand the situation in 1902, it is necessary to begin with certain clauses in the second constitution of Ohio, adopted in 1851. Under the first constitution, there had been no restrictions on special legislation, and the misuse of its power by the legislature led to the adoption in the new instrument of three different provisions affecting municipal government: —

Art. II, Sec. 26. "All laws of a general nature shall have a uniform operation throughout the state."

Art. XIII, Sec. 1. "The legislature shall pass no special act conferring corporate powers."

Art. XIII, Sec. 6. "The general assembly shall provide for the organization of cities and incorporated villages by general laws, and restrict their power of taxation, assessment, borrowing money, contracting debts, and loaning their credit, so as to prevent the abuse of such power."

[1] Reprinted from the *Michigan Law Review*, I, 352 (February, 1903).

In accordance with these provisions, the general assembly in 1852 enacted a general municipal corporations act, — the first of its kind in the United States, — which repealed all of the special charters then in force. This act, however, divided such corporations into four classes: cities of the first class, with over 20,000 population; cities of the second class, with from 5000 to 20,000 population; incorporated villages; and villages incorporated for special purposes. The idea of classifying municipal corporations had been suggested in the constitutional convention; and it was understood that laws applying to a class of cities met the constitutional requirements. Moreover, if the scheme of classification first adopted had continued in force, there could have been little or no special legislation for particular cities. It is true that when the law of 1852 was enacted, Cincinnati was the only city in the first class; but during the following year Cleveland came into this class, and other cities would soon have further increased the number.

Almost at once, however, the general classification was amended by acts applying to cities within certain population limits other than those of the general law. By this means before 1860 special laws had been passed for Cincinnati and Cleveland, and after that date for many other cities and villages, which were thus each placed indirectly in a separate class for certain purposes. In 1878 a new municipal code was adopted with an intricate system of classification, which remained in force until overthrown by the recent decision of the Supreme Court. Cities of the first class were divided into three grades, with provision for a fourth grade. Cities of the second class were divided into four grades. Villages were divided into two classes. Under this scheme each of the five chief cities was in a grade by itself. But further refinements of classification followed. Grades in the second class were subdivided, until eleven cities had been isolated, each into a grade by itself; while still further specialization was introduced by passing acts with particular population

formulas which applied usually to only a single city. Moreover, hundreds of acts[1] have been passed conferring powers on particular municipal corporations *by name.*

Most of this municipal legislation went into effect without any attempt to test its constitutionality, but when cases were brought before the courts, all but the most flagrant cases were upheld. In 1868, the Supreme Court decided that an act conferring powers upon cities of the first class, with less than 100,000 population at the last federal census, had a uniform operation throughout the state, although there was but one city in the class.[2] Other acts were held to be constitutional on other points, without considering the clauses here under discussion.[3] By this process the way was paved for the broad declaration, that "under the power to organize cities and villages, the general assembly is authorized to classify municipal corporations, and an act relating to any such class may be one of a general nature."[4] On the other hand, statutes naming particular cities were held to be unconstitutional,[5] as was also an act applying to "cities of the second class having a population of over 31,000 *at the last federal census,*" on the ground that Columbus was the only city to which the law could ever apply.[6]

At length, in the case of State *v.* Pugh,[7] the Supreme Court defined its views more fully in these words: —

"It is not to be urged against legislation, general in form, concerning cities of a designated class or grade, that but one city in the state is within the particular classification at the time of the enactment. Nor is it fatal to the act in question that the belief or intent of the

[1] There were 1202 from 1876 to 1892. Wilcox, *Municipal Government in Michigan and Ohio,* p. 79.

[2] Welker *v.* Potter, 18 Ohio St. 85.

[3] Walker *v.* Cincinnati, 21 Ohio St. 14.

[4] McGill *v.* State, 34 Ohio St. 270. See also State *v.* Brewster, 39 Ohio St. 653.

[5] State *v.* Cincinnati, 20 Ohio St. 18; State *v.* Cincinnati; 23 Ohio St. 445.

[6] State *v.* Mitchell, 31 Ohio St. 592.

[7] 43 Ohio St. 98.

individual members of the general assembly who voted for the act was, that it should apply only to a particular city. . . . If any other city may in the future, by virtue of its increase in population, and the action of its municipal authorities, ripen into a city of the same class and grade, it is still a law of a general nature, and is not invalid, even if it confer corporate powers. On the other hand, if it is clear that no other city in the state can in the future come within its operation without doing violence to the manifest object and purpose of its enactment, and to the clear legislative intent, it is a local and special act, however strongly the form it is made to assume may suggest its general character."

From this time, the constitutionality of the intricate system of classification was considered to be settled; and it was only necessary for the framers of municipal measures to be careful in wording their bills so that they were general in form, and legally capable of adoption by other cities than those for which they were primarily intended. It is true the question continued to be raised at times; and on some occasions the Supreme Court expressed its doubts whether the scheme of classification was originally constitutional, but it felt constrained to decide in accordance with the previous cases, under the doctrine of *stare decisis*.[1]

Meanwhile, in the guise of laws dealing with classes and grades of municipalities, the government of Ohio cities was regulated in the main by statutes applying only to single cities. For the most part, these statutes were passed at the wish of the local members, who were assumed to represent the wishes of the local communities. But this method of legislation not only introduced all sorts of local idiosyncrasies in municipal government, destroying every semblance of a general system, but it also opened the way for partisan measures which dislocated the local machinery of government for the sake of temporary political advantage, without making progress in the direction of a satisfactory municipal organization.

At the regular session of the general assembly in the spring

[1] State *v.* Wall, 47 Ohio St. 499, 500.

of 1902 there were passed several measures making important changes in the government of Cleveland and Toledo, in the usual form of acts applying to grades of cities. One bill transferred the control of the Cleveland parks from the municipal authorities to a county board, and another, authorizing any county auditor to apply for the appointment by the state board of appraisers of a board of tax review to supersede the local body, was obviously intended for application only in Cleveland. These measures were passed by the Republican majority in opposition to the expressed wishes both of the municipal authorities and the members of the legislature from Cuyahoga County. For Toledo, the locally elected police board was to be replaced by a bi-partisan commission, appointed by the governor of the state; while an elective board of administration was also created to take over the functions of several previously existing boards. These changes were proposed and supported by the Toledo members of the legislature, and the latter had the advantage of concentrating the control of municipal public works under a single authority; but the police bill was vigorously opposed by the mayor and both measures were thought to be intended to weaken his political influence.

These measures served to strengthen the growing opposition to the notorious evasion of the constitution which made them possible; and in the case of the Toledo police bill the opposition resulted in a suit at law, which reopened the legal question and led to the startling decision of the Supreme Court. The elected police commissioners of Toledo refused to surrender to the new commissioners appointed by the governor. Application was then made for a writ of mandamus to compel the delivery of books and papers to the state board. About the same time two other cases came before the Supreme Court on the same issue, — that certain acts conferring corporate powers on municipal authorities were special acts, in violation of the constitution. One was an application for an injunction to prevent the trustees of the Cincinnati hos-

pital from issuing bonds authorized by an act specifying the particular institution by name. The other was a *quo warranto* proceeding, brought by the attorney-general against the directors of the principal municipal departments in Cleveland for judgments of ouster, — this suit involving the constitutionality of an act of 1891 establishing the so-called "federal system" in Cleveland.

The unanimous decision of the court in these cases was that corporate powers were conferred; and, in contradiction to the former rulings, it was held that the statutes applying to single cities were special acts, although in form applying to all cities of a given class. The argument was presented most fully in the Toledo case (State *ex rel.* Kniseley *v.* Jones [1]); and is of special importance in contrast with the doctrine laid down in the former case of State *v.* Pugh. Says Judge Shauck, who wrote the opinion in all of these cases: —

"That there has long been classification of the municipalities of the state is true. It is also true that while most of the acts conferring corporate powers upon separate municipalities by a classified description, instead of by name, have been passed without contest as to their validity, such classification was reluctantly held by this court to be permissible. But attention to the original classification and to the doctrine upon which it was sustained, must lead to the conclusion that the doctrine does not sustain the classification involved in the present case. . . . The judicial doctrine of classification was that all the cities having the same characteristic of a substantial equality of population should have the same corporate power, although another class might be formed upon a substantial difference in population. The classification now provided affords no reason for the belief that it is based upon such substantial difference in population as the judicial doctrine contemplated. . . .

"In view of the trivial differences in population, and of the nature of the powers conferred, it appears . . . that the present classification cannot be regarded as based upon differences in population, or upon any other real or supposed differences in local requirements. Its real basis is found in the differing views or interests of those who promote legislation for the different municipalities of the state. . . . The body of legislation relating to this subject shows the legislative intent to

[1] State *v.* Jones, 66 Ohio St. 453.

substitute isolation for classification, so that all the municipalities of the state which are large enough to attract attention shall be denied the protection intended to be afforded by this section of the constitution. . . .

"Since we cannot admit that legislative power is in its nature illimitable, we must conclude that this provision of the paramount law annuls the acts relating to Cleveland and Toledo if they confer corporate power."

It is not necessary here to follow the argument on the question of conferring corporate power. This was shown to the satisfaction of the court, and judgment rendered accordingly.

The decision in the Toledo and Cincinnati cases simply declared void new statutes, and left the previous laws in force. But in the Cleveland case, to have authorized immediate execution of the judgment would have overturned a system of ten years' standing, and left the city with no executive officials. The court therefore suspended execution in order to "give to those discharging the duties of the other departments of the government of the state an opportunity to take such action as to them may seem best, in view of the condition which the execution of our judgment will create."

The action which the judgment of the court made imperative was nothing less than the enactment of a new municipal code for all the cities and villages in the state. For, not only could the Cleveland situation be remedied in no other way, but the principle laid down by the court announced the whole body of municipal legislation as unconstitutional. Accordingly the governor summoned the general assembly to meet in extraordinary session on August 25, to enact the necessary legislation.

While the decision of the Supreme Court was both startling, and on the whole unexpected, it cannot be said that the legislature was altogether unprepared for the situation. For years the obvious evasion of the constitutional provisions had been recognized, both by laymen and lawyers, and serious efforts had been made to secure a general municipal code.

In 1898 there had been created by the legislature a com-

mission of two lawyers, differing in their party allegiance, who were authorized to draft a bill. After two years of labor, this commission presented an elaborate measure, known generally as the Pugh-Kibler code, from the names of the members of the commission. This bill abolished the classification of cities, and established a council of seven members as the legislative body in each city. It separated legislative from the administrative functions, and organized the administrative authorities on the same principles as govern the federal administration, which had already been applied to some extent in Cleveland and Columbus. Under this scheme each municipal department was placed under the control of a single official or director, appointed by the mayor. The bill further provided for a comprehensive application of the merit system in the appointment of all subordinate officers and employees, and for the abolition of the party column in ballots for municipal elections.

This bill was introduced in the general assembly in 1900, and with some amendments again in 1902. But, although endorsed by the state bar association, it failed to receive adequate consideration. It must be confessed that there was little popular demand for the radical changes in organization proposed; but the more potent obstacle seems to have been the provisions for a stringent merit system and for non-partisan elections, which were naturally not favored by the politicians who profited by the existing methods. There was little active debate on the merits of the bill, but by the policy of neglect nothing effective was accomplished. Nevertheless, a well-considered bill had been prepared and given some attention, and it might have been expected that the principles of this measure would have received serious consideration when the question was forced on the legislature at its special session.

In the interval before the general assembly came together, the governor took the lead in framing a bill which became the text for discussions in the legislature. This activity of

the governor in framing legislation marks a striking exception to the theory of the separation of legislative and executive powers, and a notable departure from the older American practice, the more significant because in Ohio the governor did not then possess the veto power.

The governor consulted with a number of Republican members of the legislature from different cities in the state, but this included no representation from either Cleveland or Columbus, while the most active part in framing the governor's bill was taken by legislators and city officials from Cincinnati. The result was a bill framed to a large extent on the existing organization in Cincinnati, an organization which had been the outcome of heterogeneous piecemeal legislation, and had never been considered elsewhere as a model, or even as a consistent system of municipal government.

One feature of the Cincinnati government, which it was understood the governor wished to extend, was early abandoned, but only to reappear under another form in the code finally adopted. This was the control of the police by a bi-partisan board appointed by the governor. Instead, a bi-partisan board of public safety, appointed by the mayor, was provided to have control of the police and fire-departments. Each city was also to have an elected board of public service, to have charge of public works, health, charitable institutions, and libraries. Other officers were to be appointed by the mayor, except the treasurer and auditor. The council was to have a small proportion of its members elected on a general ticket. All of the city officials, except members of the board of public safety, were to have three-year terms, and to be chosen at the triennial spring election. This scheme of organization was to be established in every city in the state, and every municipal corporation of over 5000 population was to be a city.

When the general assembly met, the governor's bill was promptly introduced in both houses. The Senate proceeded to consider it in committee of the whole, and after a very

cursory discussion passed the bill with a few minor amendments, on September 30. The House, however, showed a more thorough appreciation of its duties, and gave more serious consideration to the measure. A committee of twenty-two members was appointed, which held public sessions for more than two weeks, at which city officials and others interested presented their opinions; after which the committee framed a bill of its own differing in important respects from that of the governor.

The most important changes to be noted were the substitution of single directors, to be elected by popular vote, in place of the boards of public safety and of public service, and provisions for the application of the merit system in the selection of the members of the police and fire departments. Other bills had also been introduced: one providing for the "federal system" of organization, as in the Pugh-Kibler code; and another, supported by the state chamber of commerce, authorized each city to frame its own charter in a local convention. The latter measure was said to conflict with the constitutional provision requiring the legislature to provide for the organization of municipalities. The "federal system" did not find favor with the majority, mainly on account of political conditions. The two cities where some features of this plan were in operation (Cleveland and Columbus) had elected Democratic mayors; and although leading Cleveland Republicans upheld the system, there was apparently an undercurrent of feeling that in some way its general adoption might strengthen the Democratic party. More specifically the Republican leaders were believed to be anxious to weaken the political influence of the mayor of Cleveland, who had become the leader of the Democrats throughout the state. This injection of state and national politics prevented any fair consideration of the "federal plan" on its merits as a system of municipal government.

On October 7, the bill of the House committee, amended somewhat in the House, was passed by that body. Owing

to the important differences between the bills as passed by the Senate and House, a conference committee was appointed. Here for two weeks the proposed code was further discussed; and, contrary to the usual custom of conference committees, the sessions were for the most part public, in the sense that newspaper representatives were present and the proceedings and conclusions were published from day to day. The proceedings showed an astonishing lack of consistency on the part of the conference committee. The House bill was taken as the foundation of their work, but this was freely amended and reamended. Votes taken on a particular section were often reconsidered; and some sections were completely recast, not only once, but several times, on entirely distinct lines. Rumors of outside influences at work were freely circulated; and in particular a United States senator and the Republican "boss" of Cincinnati were alleged to have dictated the final form of the measure. Finally the conference committee made its report, and on October 22, the code became law. The final vote in the Senate, 21 to 12, was strictly on party lines. In the House, three Democrats voted for the bill, and the vote stood 65 to 34. The opposition of the Democrats prevented the enactment of new provisions for municipal courts, as under the Ohio constitution legislation establishing judicial courts requires the affirmative vote of two-thirds of the members of each house.

As adopted, the municipal code contains most of the features of the governor's bill, but with some serious alterations and considerable additions. The council in each city will be a single house, the number of members varying with the population, elected partly by wards and partly on general ticket. The elective officers consist of a mayor, president of the council, treasurer, auditor, solicitor, and a board of public service of three or five members. All of these are chosen for two-year terms, except the auditor, whose tenure is for three years.[1]

[1] The auditor's term has since been changed to two years and all the elective officers are chosen at the same time.

Other officers provided for by the code are to be appointed by the mayor, but subject to varying restrictions. The board of public safety of two or four members must be bipartisan, and the mayor's nominations must be confirmed by two-thirds of the council, failing which the governor of the state is to make the appointments. This board is to make contracts and rules for the police and fire departments; and is also to act as a merit commission to examine candidates and prepare eligible lists for positions in these departments. From these lists of eligibles, the mayor is to make appointments and promotions. The board of health is to be appointed by the mayor with the confirmation of the council. A sinking fund and tax commission of four members and a library board of six members are to be appointed by the mayor. The mayor will have a limited veto power, which may be overridden by a two-thirds vote of the council. The board of public service will have complete charge of all public works and municipal improvements, including the power to make contracts, to determine its own subordinates, fix their salaries and make appointments, subject only to the council's power to limit appropriations.

This scheme of organization, which went into effect in April, 1903, applied uniformly to all the seventy-two cities of over 5000 population. The organization of villages was left very much as under the former law.

A critical examination of the code enacted reveals some features to be commended as improvements over the preceding conditions in Ohio, but also shows many points of weakness; and on the whole the code fails to establish a satisfactory permanent system of municipal government.

The changes for the better may be first noted. Of these, the most important is clearly the advantage of a uniform general system over the complicated variety of statutory provisions enacted under the former schemes of classification. The law of municipal corporations in Ohio is now distinctly simpler and more intelligible; the principal municipal

officers and their functions will be the same in each city; and the bulk of municipal legislation has been greatly reduced. While the general powers conferred on cities do not authorize any experiments, every city in the state may now exercise all the powers which have been assumed in any city. Thus municipal lighting plants and municipal universities are within the scope of any city without further legislative action. In the organization provided, the plan for electing some members of the municipal councils at large offers an opportunity for strengthening that branch of the municipal government. Defective as is the board system established, it is also true that the board of public service does in some cities absorb the functions of several existing boards, and thus to some extent simplifies the municipal organization. And the limited provision for the application of the merit system, ineffective as it seems likely to prove, is at least a slight concession to the demand for a more stable municipal service free from the influence of the spoils system.

But when these improvements have been noted, there remains a much longer list of indefensible features and neglected opportunities. The broadest charge made against the code is that it does not grant an adequate measure of home rule; but this charge is too indefinite, and must be made more specific and discriminating. Extreme advocates of municipal independence will probably urge that the whole question of municipal organization should be left for each city to determine for itself; and that in place of a list of enumerated powers each city should have unlimited authority to undertake any function it pleases. But apart from the question of policy, certain legal facts stood in the way of any such proposals. On the one point, there were and are strong grounds for believing that the mandatory provisions of the Ohio constitution requiring the legislature to provide for the organization of municipalities prohibits any delegation of organizing powers to the cities. On the other point, stands a long line of judicial decisions limiting municipal

powers to those expressly granted by statute. Under these circumstances, if a wisely devised scheme of organization had been provided, with an ample list of specified powers and the selection of officers left to each city, the code would have met all reasonable requirements for municipal home rule.

But these conditions are, in fact, far from being fulfilled. The specific powers granted are not adequate to modern conditions. In particular, there is no authority under which a city can assume the ownership and operation of street railways or other undertakings requiring the use of the public streets; for, without advocating municipal ownership as a general rule, it may safely be said that each city should have the *power*, under suitable restrictions, to determine such questions for itself. The rule for local selection of officers meets with a serious exception in the provisions in reference to the board of safety, which were obviously adopted for distinctly partisan purposes. When the mayor's nominations for this board are not confirmed by a two-thirds vote of the council, the governor is to make the appointments. Apparently, the sole purpose of this provision is to give a Republican governor the power of appointing these boards in Democratic cities; as it is believed that the Republicans will have at least one-third of the members of the councils in these cities, and thus be able to prevent confirmation of the mayor's nominations. A device of this kind cannot be defended, and is sufficient in itself to warrant severe criticism of the code. And this attitude is taken with a full admission of the fact that police affairs are not only of local, but also of general, interest, justifying state supervision. But that supervision should be extended to all localities on a uniform basis, and in accordance with the principles followed in the state supervision of local school and health authorities.

When the scheme of municipal organization provided in the code is examined in detail, it can be seen at once that little or nothing has been adopted from recent discussions or from recent legislation in other states dealing with this

problem. The list of elective officers is too numerous to permit the voters, especially in a large city, to learn the qualifications of the various candidates; and the result will inevitably be the continuation of party tickets and party voting. The number of elective officers also prevents the concentration of responsibility for the municipal administration as a whole. The diffusion of responsibility is more thorough by the complicated system of boards for the various branches of administration, while there is a complete absence of any method for securing the harmonious coöperation of the various departmental officers. It will be noted that there is not even a uniform system of boards established, but the different boards represent almost every conceivable method of board organization. The board of public safety, in particular, is a strange creation. Combining as it does the power to make contracts and to act as a merit commission, it is almost certain that the latter function will be subordinated to the former, and it is very doubtful if the provisions for a merit system of appointments will be effectively executed. Moreover, these provisions apply only to the police and fire departments; and all other branches of the municipal service are left entirely free to the continuation of the spoils system.

Two motives seem to have played the leading part in bringing about these results. On the one hand, the political powers in Cincinnati wished to preserve the machinery in operation in that city as much as possible, since they knew how it worked and how it could be controlled. On the other hand, the alleged desire to weaken the political influence of the mayor of Cleveland roused opposition to any suggestions in the direction of concentrating power and responsibility in the hands of the mayor.

VI

MUNICIPAL CODES IN THE MIDDLE WEST[1]

In every country the organization and powers of municipal corporations have at first been regulated by special laws or charters for each community. But in the course of time the tendency has been to establish a general and more or less uniform system within each organized government. Thus in ancient history the early self-constituted city governments in the Italian peninsula were reorganized after the extension of the Roman dominion, about the time of Sulla, and the main features of this municipal system were later extended throughout the Roman Empire. After the breakdown of that empire, special charters again appeared throughout western Europe. But since the end of the eighteenth century these have been replaced in practically all the European countries by general municipal codes. France led the way in this movement, at the time of the Revolution. Prussia followed this example in 1808 and England in 1835. Other countries have one after another adopted the same method of procedure.

Special charters and special acts of the legislatures were the only methods of organizing municipal government in the United States until the middle of the nineteenth century. In 1851 the second constitution of the state of Ohio began the attempt to secure general laws by prohibiting special legislation. Other states adopted similar provisions in their constitutions, at first slowly, but more rapidly since 1870. And now most of the states attempt in one way or another to prohibit or restrict special legislation on municipal government. A few, however, such as Massachusetts and Michigan,

[1] Reprinted from the *Political Science Quarterly*, XXI, 434 (September, 1906).

have no constitutional restrictions, and special charters are still openly and freely enacted.

But even in most of the states where special legislation is prohibited there have been no comprehensive systems of municipal organization established. By the device of classification, laws general in form have been enacted, which, in fact, applied only to single cities. Until within a few years such laws have been generally accepted as complying with the constitutional provisions. As a result, there is nothing approaching uniformity or system in the government of cities in most of the states. And for the country as a whole the diversities have been so numerous and so far-reaching that any attempt to describe the typical American municipal organization has been impossible.

A few states, however, are now exceptions to this rule. Three of these are the neighboring states of Illinois, Ohio, and Indiana, forming a compact group in the central part of the country. The Illinois law was enacted in 1872, and was probably the first effective municipal code in the United States. Ohio and Indiana have also had nominal codes for a long time; but the schemes of classification were so highly developed as to prevent any general system of organization. But within a few years both of these states have enacted new municipal codes establishing a general plan. This recent legislation suggests a comparative study of the codes of the three states. While these states agree in the method of dealing with the problem, and while the systems adopted have some features in common, illustrating present tendencies throughout the United States, there are also many and wide divergencies which show the absence of any consensus of opinion on this question among American legislators.

ILLINOIS

The Illinois Cities and Villages Act is said to have been drafted by the late Judge M. F. Tuley, of Chicago. At the time of its enactment it was undoubtedly the best and most

successful measure on the subject of municipal government that had been adopted in the United States. It has been amended from time to time, but its main features have been unaltered. And while it has proven inadequate to meet some of the conditions that have since developed, it still contains much that is worthy of study by the legislators of other states.

A comparatively simple and elastic plan of municipal organization is provided by this act. In every city there must be elected a city council, a mayor, a city clerk, a city attorney, and a city treasurer. Other officers may be created by the city council as needed.

Members of the council are elected by wards, two from each ward, for a term of two years, one alderman from each ward retiring each year. Their number varies from six to seventy, according to the size of the city. The powers of the council include a long list of enumerated subjects of police regulation, such as is usual in city charters; the power of making appropriations and a limited power of taxation; and the unusual power to create municipal offices. The latter power requires a two-thirds vote of all the members of the council, and offices so created may be abolished only by a similar vote at the end of a fiscal year. This restriction and the provisions by which the council cannot itself make appointments to offices has prevented any abuse of the power to create offices. The control over appropriations is also an important power actively exercised by the council, in the large cities mainly through the finance committee. These two special powers make the councils of Illinois cities much more important factors in the municipal organization than in other American cities.

But the mayor also has important powers. He is elected for two years,[1] presides over the city council, has the usual limited veto power, and has large authority over the ap-

[1] By a special law passed under the recent constitutional amendment the mayor of Chicago is now elected for four years.

pointment and control of the city officers. His appointments to office must be confirmed by the council, but usually this confirmation has been given without question, and in Chicago, at least generally, without even reference to a committee. His control over the appointed officers is further established by his large power of removal. This is not entirely unlimited, as he is required to file the reasons for removal with the council, and if he fails to do so, or if the council by a two-thirds vote disapproves of the removal, the officer is reinstated. But these restrictions are not likely to be effective except in the case of a gross abuse of the removal power; and in fact the mayor has a very substantial control over the city officers, and can be held responsible for the conduct of the administrative branch of the city government.

Popular election of the city clerk, city attorney, and city treasurer shows the influence of the earlier movement for the election of all city officers. At the time the Illinois law was enacted, this was a smaller number of elective officers than was common in most American cities. But at present the trend of intelligent opinion on municipal organization would favor making at least the clerk and attorney appointive in the interest of administrative efficiency. In fact, Chicago and perhaps other cities have established the appointive office of corporation counsel, and the office of city attorney has become of little importance.

The most serious weakness of the Illinois law is the narrow limit placed on the power of taxation, which has prevented the city governments from developing their activity to meet the needs of increased population. This has, in turn, promoted the tendency to create by additional legislation special authorities independent of the city governments to undertake certain local works, which might better have been intrusted to the city corporation. Thus, not only boards of education, but library boards, park boards, and the sanitary trustees in Cook County are separate corporations, adding greatly to

the complexity of local government, tending to confuse the voters with a multiplicity of elective officers and reducing the effective responsibility to the community of these special officials.

Chicago has suffered most from the limitation on financial powers and the multiplication of authorities. With forty times the population of any other city in the state, the metropolitan community has had to meet problems that have not begun to arise in the smaller cities. The unsatisfactory local situation, with the difficulty of securing adequate changes in the general law, has led to the adoption of a constitutional amendment authorizing special legislation for Chicago, subject to approval by a referendum vote.[1]

Doubtless some special provisions are almost necessary for a city so vastly different as is Chicago from the others in the state. But many of the difficulties affect the smaller places only in a less degree; and many of the changes to be made ought to be made in the general law. And it is to be regretted that the ability of Illinois legislators has so far declined and they seem unable to perfect and adapt to modern conditions the excellent law that was passed over thirty years ago.

OHIO

The second constitution of Ohio, adopted in 1851, made the first attempt in the United States to prohibit special legislation for cities and to require the establishment of a general system of municipal organization. But by the device of classifying cities on the basis of population, all the larger cities in the state had many peculiar factors in their municipal government, established by laws which, in fact, applied only to single cities. And for over fifty years the Supreme Court of the state accepted laws of this kind, general

[1] A new charter for Chicago, framed by a local commission, was passed, with some amendments, at the last session of the legislature, only to be defeated at the referendum vote in September, 1907.

in form, but special in their application, as complying with the constitutional provisions.[1]

In 1902, however, the Supreme Court practically reversed its former attitude and held that the whole body of legislation on municipal government disclosed the legislative intent to substitute isolation for classification. Certain acts brought before the court were declared unconstitutional, and the opinion showed that most of the legislation on cities would be held unconstitutional if brought before it.[2] This situation led to a special session of the state legislature, which enacted a new municipal code for all the cities and villages in Ohio. In framing the original draft of the bill, Governor Bushnell took an active part; and in the work of the conference committee to decide conflicts between the two houses, the final determination was said to have been due in large measure to the influence of a United States senator and the leader of the then dominant political organization in Cincinnati.

The Ohio code is much more detailed than the Illinois law.[3] It provides a numerous and complicated list of elective offices, burdensome to the small cities, and with a lack of effective organization and clearly defined responsibility.

Cities are defined as municipal corporations of over 5000 population, and the same organization is applied to all the seventy-two cities in the state. The city council consists of a single chamber, the number of members varying with the population. The larger number of members are elected by wards, each electing one councilman; but a small number are also elected on a general ticket for the whole city. The powers of the council are restricted to those of a legislative character; and it is expressly provided that it shall perform no administrative duties and exercise no appointing power, except in regard to its own organization and in confirming nominations to certain positions named in the act. The

[1] State *v.* Pugh, 43 Ohio St. 98.
[2] State *v.* Jones, 66 Ohio St. 453.
[3] Wade H. Ellis, *The Municipal Code of Ohio.*

powers granted include authority to enact police ordinances, to vote appropriations and taxes, to determine the number of members on certain municipal boards, and to fix the salaries and bonds of the statutory municipal officers. But there is no power to create municipal officers similar to that in the Illinois law; and even the establishment of minor positions is given to the executive officers. It may by a two-thirds vote remove officers after a trial on definite charges.

The mayor is elected for a term of two years. He has a limited veto power and a very restricted power over the selection of officials. Most of the important officers are elective; but the mayor nominates, subject to the confirmation of the council, members of the boards of public safety and health, and appoints the members of the tax commission and the library board. It is made his duty to have a general supervision over all departments and city officers; but he has no power of removal or any other effective means of control over their actions. The narrow range of his authority is further indicated by the provision which vests executive power, not in the mayor, but in the list of elective and appointed executive officers.

Other elective officers are the treasurer, auditor, solicitor, and the board of public service, all elected for two years. The board of public service is the most significant of these. It consists of three or five members; and has charge of streets, sewers, and other public improvements, of municipal water and lighting plants, parks, markets, cemeteries, and of all charitable and correctional institutions.

Of the appointed officers, the board of public safety is provided for in a very peculiar way. This is a bi-partisan board of two or four members, having supervision over the police and fire departments. Its members are appointed on the nomination of the mayor subject to the confirmation of *two-thirds* of the council, and failing this confirmation, appointments are made by the governor of the state. This method was apparently adopted for political purposes, and

under it the boards of public safety in about a dozen cities have been appointed by the governor.

The board of tax commissioners is also a bi-partisan body, consisting of four members appointed by the mayor, serving without compensation. To this board are referred the tax levies ordered by the council to cover its appropriations, and if it disapproves any item of the appropriation, the tax levy must be reduced, unless the action of the board is overruled by a three-fourths vote of all the members of the council. The board also acts as a sinking-fund commission.

By establishing a general system of municipal organization and uniform powers, this code makes the law of municipal corporations in Ohio much simpler and more intelligible than formerly. The volume of legislation on municipal government is greatly reduced, and litigation to determine the meaning or constitutionality of disputed points is also lessened, since a decision for one city determines the point for all. The scope of municipal activities has not been enlarged, but every city may, without further legislative action, exercise all the powers that have been granted to any one.

In the organization of the council the plan of electing some members at large offers an opportunity for strengthening that branch of the municipal government. But the system of artificial and changeable wards is also retained, with its opportunities for gerrymandering. The board of public service absorbs the functions formerly given in many cities to a number of boards, and thus simplifies to some extent the municipal organization.[1] But it may be questioned whether in the large cities this has not placed in one department too many unrelated services. The provisions authorizing the merit system in the police and fire departments are

[1] The board of public service bears a slight resemblance to some features of the "commission plan" recently authorized in Texas, Kansas, and Iowa, in concentrating administrative powers in the hands of a small board. But in Ohio, the mayor and council still remain with some powers; and, in contrast with the Iowa law, the boards in Ohio cities are elected on party tickets, with free scope for patronage appointments.

at least a slight concession to the demand for eliminating spoils politics from the municipal service.

But in other respects this code is open to serious criticism. The number of municipal officers required in all cities is too cumbersome for many of the small cities, and the city council might well have been given authority to create offices as needed, as in the Illinois law. The number of elective officers is too large to permit the voters to learn the qualifications of the various candidates, and this tends to reduce popular control and increase the influence of party organizations. The variety in the methods of filling various offices prevents the concentration of responsibility, and in particular the authority of the mayor is inadequate. No provision is made for the merit system for the larger proportion of municipal employees, who are placed under the control of the board of public service.

Since this code was adopted, there have been two sessions of the Ohio legislature. At each of these some minor amendments have been passed. The most important is the change in the date of municipal elections from April to November in the odd years. By changing the date of state elections in the future to the even years, municipal elections will be kept distinct from state and national elections; and with that provision there is perhaps some advantage in having all elections come in the fall. During the session of 1906 an effort was made to make some more important changes in the system of organization, especially by increasing the powers of the mayor. But nothing was accomplished.

INDIANA

In 1905 a general revision of the Indiana municipal law was enacted by the legislature of that state. There was little public discussion, and apparently no partisan motives affected the measure. The code as enacted simplifies somewhat the system of organization, and applies to all but the smallest places the centralized plan of mayoralty control which had been previously established in the larger cities.

One of the most important changes was the abolition of spring city elections and the extension of the terms of city officers from two to four years. The terms of officers which would have expired in the spring of 1905 were continued until the following January; and, beginning in 1905, an election will be held for city officers in November of every fourth year. While spring elections are abolished, municipal elections are not combined with state and national elections, but, as in Ohio, come in an intervening year. Another provision making all elective officers ineligible for two terms in succession will, however, hinder the development of a continuous policy and seems entirely uncalled for, at least in the case of the members of the councils and the city clerk.

Municipal corporations are divided into two main classes: incorporated towns and cities. Any community may by popular vote be incorporated as a town; any community with more than 2500 population may become a city; and both cities and towns may be dissolved by popular vote.

A very simple system of organization is provided for the incorporated towns. Provision is made for the election of a board of trustees of three to seven members, one for each ward, but all elected at large; also for the election of a clerk and treasurer, or one person to act in both capacities. The trustees shall elect one of their number as president, shall appoint a marshal, who may also act as street commissioner and chief of the fire force, and shall have general charge of municipal matters in the town.

Cities are divided into five classes on the basis of population at the latest United States census, but the systems of government for the different classes are along similar lines. The first class includes cities over 100,000 population, of which Indianapolis is the only instance. The second class includes cities from 45,000 to 100,000, of which at present there are two — Evansville and Fort Wayne. The third class, from 20,000 to 45,000, has five cities — Terre Haute, South Bend, Muncie, New Albany, and Anderson.

The fourth class, from 10,000 to 20,000, has eleven cities; and the fifth class, those under 10,000, includes about fifty cities.

Variations in organization provided in the act are, however, less frequent than the number of classes. The arrangements for the first two classes are practically identical; and also those for the third and fourth classes. There seems no substantial reason why there should have been more than three classes established.

Every city elects a council, a mayor, and a city clerk. A city judge is also to be elected, except in cities of the fifth class, where the mayor acts in that capacity. A city treasurer is elected, except in cities of the first three classes, which are county seats, where the county treasurer acts as city treasurer.

The council consists of one member from each ward, and from two to six members elected at large, the number of members at large to be half as many as the number elected by wards. Boundaries of wards may be changed once in six years by a two-thirds vote of all members of the council. The powers of the council include authority to establish police regulations in a long list of enumerated cases. New features in this list are the power to exclude saloons from the residence portions of cities, the power to regulate the height of buildings, and the power to regulate railroad traffic within the city limits. The council can also levy taxes, vote loans up to two per cent of the taxable value of property, and manage the finances. But it is provided that if a council fails to fix the tax levy and make appropriations before the first Monday of October, the levy and appropriations for the preceding year shall be continued and renewed for the current year. In cities of the fifth class council committees may exercise executive functions.

The mayor is given important and far-reaching powers. He has the absolute power of appointing the heads of all departments in cities of the first four classes, and most of the executive officers in cities of the fifth class. These

officers will not hold for any specified term, but any of them may be removed by the mayor, who is required to give notice to the officer and to state in a message to the council the reason for removal. This arrangement clearly makes the mayor responsible for the conduct of the executive departments, but at the same time encourages permanence of tenure in the management of these departments by requiring the mayor to state publicly his reasons for exercising the power of removal. This system is moreover not introduced on purely theoretical grounds, but has already proven its practical advantages in a number of the larger Indiana cities.

Monthly meetings of the mayor and heads of departments are provided for, and this "cabinet" is authorized to adopt rules and regulations for the administration of the departments, including rules "which shall prescribe a common and systematic method of ascertaining the comparative fitness of applicants for office, position, and promotion, and of selecting, appointing, and promoting those found to be best fitted."

The mayor has also the usual limited veto power, including the right to veto items of appropriation bills, the power to recommend measures to the council and to call special sessions of that body. In cities of the third, fourth, and fifth classes he presides over the council; he can also appoint special examiners to investigate the accounts of any department or officer at any time.

Executive officers and departments are regulated in considerable detail by the act, with variations for the different classes of cities. But in the main a uniform method is followed.

In cities of the fifth class there is a marshal, chief of fire force, street commissioner, and board of health and charities appointed by the mayor, and a city attorney appointed by the council. Other executive functions are performed in these cities by council committees.

In the cities of the first four classes there are from five to eight departments. All cities in these classes have depart-

ments of finance, law, public works, assessment and collection, and public health and charities. A department of public safety, controlling the police and fire force, is provided for cities of the first and second class, and is optional for cities of the third class. The variation seems to be due to the provision in the former law for state police boards in cities from 10,000 to 35,000 population. A special department of public parks is also provided for cities of the first two classes. By a peculiar arrangement cities of the second class are allowed to establish a special department of waterworks, which in other cities comes under the department of public works.

The departments of finance, law, and assessment and collection are placed in charge of single officials — the comptroller, city attorney, and the elected treasurer. The assessment of property for taxation is, however, not regulated by the municipal code, but by a general law on the subject for the whole state. Where a city establishes a sinking fund, there is provided a sinking-fund commission, consisting of the comptroller and two other members appointed by the mayor — in this case the terms of the latter two members expiring at different times.

The other departments are in charge of boards, consisting of three members each, except for the park boards, which have four members. In all cases not more than two members of each board may belong to the same political party.

Salaries are regulated for the various classes of cities with too much detail. In some cases maximum salaries are specified; in others a minimum and maximum. But there is little discretion left to the councils; and with the growth of cities it is certain that there will be frequent amendments to the law in this respect. Of the boards, that for public works is allowed the largest remuneration; the board of public safety has a distinctly smaller rate; the board of health has a maximum of one hundred dollars for each member, while the park board must serve without compensation.

If municipal departments must be regulated by statute, the Indiana plan of varying the system with a reasonable classification of cities is much better than the hard and fast provisions for all cities in the Ohio law. But in this respect the Illinois act, which permits the city councils to establish offices and regulate salaries, is better than either of the other laws.

Municipal ownership is authorized for waterworks, gas-works, electric light works, and heating and power plants, after a referendum vote. But the debt limit of two per cent of the taxable value is likely to prevent most cities from undertaking all these functions.

All franchises previously granted are legalized; and authority is given to grant new franchises, with no statutory restriction as to the term of the grant, while contracts for a supply of light, water, or heat for city purposes may be made for periods of twenty-five years. In these respects the new law shows a distinct reactionary movement in the interest of private corporations. Formerly franchises were limited to periods of ten and thirty-four years, according to the kind, and contracts for light were limited to ten years.

No simple verdict can be given on the act as a whole. The relaxation of the restrictions on franchise corporations is likely to prove a serious evil. The prohibition on the reëlection of members of the council will promote unnecessary changes in public policy. The opportunity to introduce other improvements has been neglected, and the act is far from perfect in respect to the arrangement of its various parts.

On the other hand, so far as concerns the organization of the municipal government, the measure is a decided advance on previous conditions in Indiana and a still greater improvement on existing conditions in other states. It is of no little advantage to have the law on this subject reduced to simpler and more systematic terms. This should reduce the amount of litigation in the courts and make the municipal system one that can be generally understood by the people. The

centralization of executive powers and responsibility in the mayor should clarify the situation for the voters on election day, and the opportunity given by the law for the establishment of the merit system in the municipal service is at least a step in the right direction.

VII

AMERICAN MUNICIPAL COUNCILS[1]

Considering the amount of published discussion on municipal government in the United States, it is somewhat surprising that there should be a lack of definite information concerning the primary facts of municipal organization. Most of the literature, however, which deals with the structure of municipal government is devoted to advocacy of proposed changes; and references to existing conditions are either confessedly limited to a few cities, or are vague statements, often erroneous because made without the detailed investigation which must be the foundation of any safe generalization. Yet it would seem that the task of securing a satisfactory system of municipal organization would be aided by a comprehensive examination of existing methods; and that it would be worth while for students of this problem to understand with some degree of exactness what are the leading practices and prevailing tendencies of the time.

It is in this belief, and as a first step in this direction, that this paper has been prepared. Much of the information has been secured by a series of inquiries addressed to the cities which, according to the census of 1900, have a population of more than 25,000. The facts thus collected have been supplemented by other data from various sources. The study deals for the most part with the structural organization of municipal councils. Some remarks are added in reference to the general character of the powers conferred on these bodies; but there is no attempt to analyze the minutely enumerated "powers" — which are in fact rather limitations — which form so large a part of most municipal charters.

[1] Reprinted from the *Political Science Quarterly*, XIX, 234 (June, 1904).

ORGANIZATION

Number of Chambers.—In the early days American city councils were always single bodies, like the town councils in England after which they were modelled. During the nineteenth century the bicameral system was introduced in many cities, sometimes in imitation of the bicameral state legislatures and the national Congress, but in Massachusetts as a development from the town-meeting government. At one time or another most of the large cities have had a bicameral council; and, while many of them have returned to the single-house system, two councils are still found in Philadelphia, St. Louis, Boston, Baltimore, Buffalo, and Pittsburg — one-half of the cities with over 300,000 population. Apart from the large cities, the bicameral system is now almost confined to New England, Pennsylvania, Virginia, and Kentucky; but there are a few other sporadic cases, as in St. Paul, Atlanta, Wheeling, Mobile, and Chattanooga. In the United States as a whole, about one-third of the cities of over 25,000 population have the bicameral system. In the smaller cities the proportion is less: in 1892, out of 376 cities with over 8000 inhabitants, only 82 had a bicameral council. The single-chamber council, which has always been the more prevalent form,[1] is found, among the large cities, in New York, Chicago, Cleveland, Cincinnati, San Francisco, New Orleans, Detroit, and Milwaukee.

In some cities which have nominally only a single council there is another body, which, although ostensibly only an executive authority, has some resemblance to a second branch of the council. Such bodies are the boards of estimates in New York City and in the four cities of the second class in New York State, and the boards of public service in Ohio cities.

Number of Members.— In this respect there is naturally

[1] Mr. Bryce's statement (*American Commonwealth*, ch. 50) that the bicameral system is the more common must have been based on limited investigation, confined to the larger cities of the Eastern states.

a wide difference between large and small cities; but there is seldom any definite relation between the size of a city and the size of its council. For the most part the councils are smaller than in European cities. Philadelphia, with 41 members in the select council and 149 in the common council, has by far the largest membership. Next to this come Boston with 88 members in two councils, New York with 79 members, and Chicago with 70, in a single chamber. There are few other cities with more than forty members, and by far the larger number have less than thirty. In New England cities the councils are usually larger in proportion to the population than in other parts of the country. Some cities have strikingly small councils. San Francisco has only eighteen members, New Orleans only seventeen, and the cities of Iowa from six to ten. In Memphis the council consists of the board of fire and police commissioners and the board of public works, meeting as one body of eleven members. In Galveston the powers of a council are exercised by a board of four commissioners.[1]

Term of Service. — The term of service in municipal councils varies from one to four years in different cities; but the prevailing period is clearly two years. In New England annual elections for the whole membership of the council are still almost universal. Elsewhere biennial terms are to be found with few exceptions; but in many places one-half of the members are chosen each alternate year, so that there is a municipal election every year. The most important instances of longer terms may be noted. In Philadelphia, while the members of the common council serve for two years, those in the select council are chosen for three years. So, too, in St. Louis and Buffalo, while the larger chambers of the councils have a two-year term, the members of the smaller chambers are elected for four years. A three-year

[1] As first established, two commissioners were appointed by the Governor and two elected. All are now elected. Similar arrangements have been established in Houston, and laws have been passed in Kansas and Iowa (1907) authorizing a like plan.

term is also found in Mobile for both branches of the council; and a four-year term in Memphis, Evansville, Charleston, Birmingham, Sacramento, and La Crosse.

These short terms for members of city councils are not offset by any strong tendency to continuous reëlection; and, as a result of the almost complete changes which take place, generally within two years, there is little opportunity for members of the councils to acquire experience in municipal affairs. Specific information about the length of service is difficult to obtain; but the following data for a few cities will illustrate the general statement. From 1836 to 1900 there had been in Newark, N.J., a total of 569 aldermen. Of these, 342, about 60 per cent, had held the position for two years or less; 49 had served for three years, and 117 for four years. Only 61, or a little over ten per cent, had served for more than four years; and 40 of these had only one or two years additional. Of the remaining 21, 17 were aldermen from seven to ten years; and the four holding records for longest service held the positions for 13, 14, 16, and 22 years respectively.[1] The St. Louis house of delegates for 1899–1901 had among its 28 members but eight who had served in the previous house, and only two who had a longer term of service. One of these two, however, had been a member of the house for 14 years.[2] The Cincinnati board of legislation in 1900, out of 31 members, had four who were also on the board in 1895. The Cleveland council of 1901–02 had not a single member who was on the council in 1895.

The Chicago council in recent years shows a larger proportion of reëlections. Of the 35 members whose terms expired in the spring of 1902, 22 (nearly two-thirds) were reëlected. Seven had served for six years, four for eight years, and one member has been in the council for 14 years. At the council election in Detroit in 1901, seven of the 17 members chosen were reëlected.

[1] Compiled from Common Council Manual for Newark, 1900, pp. 148–155.

[2] Municipal Code of St. Louis, 1900, pp. 1011–1026.

Mode of Election. — Members are for the most part chosen by wards or districts. This system is almost universal for single-chambered councils and for the larger house in bicameral councils. Most often each district chooses one or two members. The number of cities having one member from each district and the number having two are nearly the same; but in the large cities the one-member district is more general, this plan being followed in New York, St. Louis, Baltimore, Buffalo, Cleveland, and Cincinnati, while the two-member plan is followed in Chicago and Detroit. Boston and many other New England cities have three members from each ward; while a few cities in New England and Pennsylvania (Philadelphia, Pittsburg, and Allegheny) have a variable number — presumably in proportion to the population of the various districts.

It has often been urged that this district system constitutes one of the main factors in the election of inferior and dishonest members of municipal councils. It is contended that at best it lends itself to the election of members who will pay more attention to the needs of their districts than to the larger interests of the city as a whole; and that the concentration of the worst elements of the city's population in some wards makes inevitable the election of a number of very objectionable members. Moreover the ward lines seldom mark off any natural divisions of the city, with a developed local sentiment and opinion; and the making and changing of ward boundaries lends itself to artificial gerrymandering for partisan purposes. Even without deliberate gerrymandering, it is quite possible, under the district system, for a minority of the voters to elect a majority of the council; or for a comparatively small majority to elect practically the whole council.

In rapidly growing cities other difficulties are introduced. The increase in population is not spread uniformly over the whole city, but is concentrated in certain districts, while at the same time there is a decrease of residents in the busi-

ness sections; and it is thus almost impossible, if the prevailing system of equal representation in each ward is maintained, to adhere even approximately to the theory of representation in proportion to population. The subjoined table demonstrates this inequality for a number of the larger cities;[1] and similar if less striking figures might be given for the smaller cities. It is, moreover, of special significance that, in the largest cities at least, the districts with relatively small and decreasing population, which thus have an excessive representation in the councils, are often districts where the worst elements of the population are to be found. If the districts were of equal area, the congestion in the slum districts would give the opposite effect; but the small area of the slum wards, and the tendency of population there to decrease as the business sections develop, bring about this over-representation of such wards. Thus in New York the Battery district is the smallest; and in Chicago, before the recent re-districting, the first ward was one of the smallest.

Some exceptions to the prevailing system of district representation should be noted. Where the single-chamber council exists, the most general of these exceptions is the election,

[1] MUNICIPAL WARD AND DISTRICT POPULATIONS, 1900.

	Most Populous District.	Least Populous District.	Average District Population.	No. Districts	No. 20% over Average.	No. 20% under Average.
New York*. . . .	122,395	25,959	60,000	35	10	14
Chicago	106,124	11,795	49,000	35	10	17
Philadelphia . . .	65,372	6,953	32,000	41	14	17
Boston	32,566	12,840	22,000	25	5	3
St. Louis	27,998	12,212	20,000	28	5	3
Baltimore	24,117	19,201	21,000	24	0	0
Cleveland	60,504	17,679	34,700	11	4	4
Buffalo	29,414	6,488	14,000	25	6	13
San Francisco . . .	27,836	12,797	19,000	18	4	2
Cincinnati	15,995	3,763	10,000	31	11	6
Pittsburg	22,669	660	8,500	38	12	20
New Orleans . . .	31,663	4,484	17,000	17	6	5
Detroit	28,281	9,313	17,000	17	2	3
Milwaukee	21,903	5,418	13,500	21	8	6

* Manhattan and Bronx.

in addition to the ward representatives, of a small number of members from the city at large. This plan is followed regularly in Indiana and Iowa, has been adopted in the new Ohio code, and is found in a few other sporadic cases.[1] In a few cases all of the members are elected at large, as in the board of supervisors which takes the place of the council in San Francisco, and the boards which act as the council in Memphis.[2] More frequently, the smaller body in a bicameral council is elected from the whole city instead of by wards; indeed, for these bodies the general ticket system is almost as common as the district system. This general ticket system is followed in St. Louis, Buffalo, Louisville, St. Paul, and commonly in Massachusetts and Kentucky. But in Boston the aldermen have been chosen by districts; and in the Pennsylvania cities select councils are elected by wards, each ward having one member in these bodies, irrespective of population, while in the common councils the representation of wards is apportioned on the basis of population.

Minority Representation. — Under a general ticket system of voting, one party is almost certain to elect all of the members chosen at one election, and a large minority of voters — or even a majority, if the election is decided by a plurality — may have no representation in the council. To obviate such a result, various schemes of voting have been devised; and several of them have been put in operation, but only in a few places, and usually to be abandoned after a few years. In New York City an elected board of ten governors for the almshouse was established in 1849, two to be chosen each year. Each voter had but one vote, and the two candidates who received the largest number of votes were elected. In 1857 a board of supervisors for New York County was established to be chosen on a similar plan. Each voter could vote for but six of the twelve members to be chosen; the six can-

[1] San Antonio, Dallas, and Montgomery.

[2] Also the boards of commissioners under the recent Texas, Kansas, and Iowa laws.

didates receiving the largest vote were declared elected, and the six candidates next in the order of their vote were to be appointed by the board. These methods gave the principal minority party equal representation with the party casting the largest vote.

A slightly different method was followed for the New York board of education in 1869, when there were seven elected members and five appointed from the candidates next in number of votes to those elected. From 1873 to 1882 a similar system of minority representation was in operation in New York City for the election of the municipal council. Six aldermen were chosen at large, but no elector could vote for more than four; the remainder were elected in five districts, each choosing three members, but no elector could vote for more than two.[1] Some time after these experiments had been abandoned in New York, the same principle of limited voting was applied in Boston, in 1893, for the board of aldermen — the smaller branch of the city council. The twelve aldermen were elected at large; but no elector could vote for more than seven. After a few years this arrangement was abandoned, but a somewhat similar plan went into operation in the fall of 1903. A slightly different plan, which secures much the same results, has been used for the election of the board of sanitary trustees in Chicago. Each voter had nine votes — the same number as the number of members on the board — and these votes might be given one to each of nine candidates, or they might be distributed among not less than five candidates.

These plans of limited voting insure a certain kind of

[1] *Political Science Quarterly*, XIV, 691. Under this system not only were a considerable number of Republican members elected, but the different factions of the Democratic party were also represented. The change to the single-member system was made without discussion or popular demand, and there seems reason to think that it was made in the interest of uniting the Democratic factions under one control. It is perhaps significant that within two years after the system of minority representation was abandoned a board of aldermen was elected which became notorious for the bribery of its members.

minority representation; and some of the earlier plans gave a larger representation to minorities than they could justly claim on the principle of majority rule. But all of these devices are open to serious objections. On the one hand, the courts have held, in some states, that where an elector is not permitted to vote for the full number of persons to be elected, he is deprived of his constitutional rights. On the other hand, these plans have been criticised from the point of view of public policy. Resting as they do on the assumption that the voters are permanently divided into two organized parties, they tend to promote the conduct and control of municipal elections by the national party organizations. This reduces the influence of independent voters. Even where such voters hold the balance of power, they can control the election only of one or two members; and in most cases a nomination by either of the principal parties has proved to be almost equivalent to an election.

Other plans of minority and proportional representation have been proposed and discussed; but none except those described above have as yet been put in operation in municipal elections in this country. Among the plans proposed is that of cumulative voting, which has been employed with considerable satisfaction in Illinois since 1870, for electing members of the state House of Representatives.[1]

Compensation. — Some financial compensation or salary is paid to members of municipal councils in nearly all of the large cities, and in the majority of the smaller cities. The largest salary, $2000 a year, is paid to the New York aldermen. The members of the Chicago council and of the Boston board of aldermen have each $1500. The annual stipend is $1200 in San Francisco, Detroit, and Los Angeles; and $1000 in Baltimore, Buffalo, and Denver. In other cities

[1] Cumulative voting has been held to be unconstitutional in Michigan (84 Michigan, 228); and probably in most states an amendment to the state constitution would be necessary before it could be legally established.

the amount is usually between $200 and $400, or, in smaller places, from $2 to $5 per meeting. Even in the St. Louis assembly and in the Boston common council the members receive only $300 a year. Where the compensation is a fixed amount per meeting the payment is often dependent upon attendance; and in other cases there is a reduction in salary or a fine imposed for absence. In some cases the president of the council receives a larger salary than the other members; and in New York City this official is paid $5000 a year.

In many cities, however, the older rule of no salaries to members of municipal councils is still followed. This is almost the universal rule in New England (except in Boston) and in Pennsylvania; it obtains frequently in New Jersey and in the Southern states, and occasionally in other states.[1] The largest cities where no salaries are paid are Philadelphia, Pittsburg, Newark, Jersey City, and Louisville.

Standing of Councillors. — The inferior business standing and character of persons elected to large American city councils has been a frequent subject of remark, but there have been few attempts to study this point in detail. In 1895 Mayor Matthews, of Boston, collected some definite facts on this point for the city of Boston. He presented statistics showing that, during the first fifty years after the creation of the city government in 1822, from 85 to 95 per cent of the members of the council were owners of property assessed for taxation; but that after 1875 the proportion had rapidly declined, and in 1895 less than 30 per cent of the council members were property owners. Not only had the percentage of property owners declined, but the total assessed value of property owned by council members, which had been $986,400 in 1822, and $2,300,400 in 1875, had fallen to $372,000 in 1894. Mr. Matthews' statistics are reproduced in the following table: —

[1] In the states of the Middle West the only instance among cities of over 25,000 appears to be Oshkosh, Wis.

PROPERTY INTERESTS OF MEMBERS OF THE BOSTON CITY COUNCIL[1]

BOARD OF ALDERMEN

YEAR.	NO. OF MEMBERS	NO. ASSESSED	PER CENT OF MEMBERS ASSESSED	AMOUNTS ASSESSED TO MEMBERS	TOTAL ASSESSED VALUATION OF CITY	PERCENTAGE OF TOTAL VALUATION ASSESSED TO MEMBERS
1822	8	8	100.00	$146,100	$42,140,200	.00347
1830	8	8	100.00	99,400	59,586,000	.00167
1840	8	8	100.00	168,800	94,581,600	.00178
1850	8	8	100.00	261,800	180,000,500	.00145
1860	12	12	100.00	622,900	276,861,000	.00225
1870	12	12	100.00	476,200	584,089,400	.00081
1875	12	12	100.00	769,600	793,961,895	.00097
1880	13	11	84.61	197,900	639,462,495	.00031
1885	12	7	58.33	457,900	685,579,072	.00067
1890	12	8	66.66	206,200	822,041,800	.00025
1895	12	9	75.00	105,500	928,109,042	.00013
			COMMON COUNCIL			
1822	48	45	93.75	840,300	42,140,200	.01994
1830	49	38	77.55	228,300	59,586,000	.00383
1840	48	40	83.33	204,400	94,581,600	.00216
1850	48	36	75.00	225,850	180,000,500	.00125
1860	48	41	85.41	1,116,400	276,861,000	.00403
1870	64	56	87.50	1,050,900	584,089,400	.00180
1875	74	61	82.43	1,530,800	793,961,895	.00192
1880	75	42	56.00	667,000	639,462,495	.00143
1885	72	29	40.55	290,300	685,579,072	.00042
1890	73	20	27.39	315,700	822,041,800	.00038
1895	75	16	20.33	266,500	928,109,042	.00029

Meetings. — Regular meetings of councils in large American cities are usually held on a fixed evening in each week; in less important cities, including, however, such places as Milwaukee and Toledo, once a fortnight; and in the smaller cities often not more than once a month. In small cities and also in some important cities, as Chicago, Providence, and Grand Rapids, the mayor presides; but in most large cities there is usually a president of the council, sometimes chosen by the council, sometimes elected as a councilman for the whole city.

Committees. — As in Congress and the state legislatures, much of the effective work of municipal councils is performed

[1] N. Matthews, *City Government of Boston*, p. 171.

by standing committees. In most large cities there are from fifteen to twenty-five regular committees, appointed for different branches of municipal administration. Some cities with bicameral councils provide for joint committees of the two chambers, and in this way reduce the chances for a deadlock. The number of committees and the subjects referred to each vary from time to time in each city.[1] These committees have normally from three to seven members. They hold meetings at irregular intervals, according to the business before them. In small cities they have often direct supervision over the technical agents and the employees of the city in their respective branches of administration; and often, while special administrative officers or boards have been created for some department in a given city, other departments remain under the immediate control of council committees.

POWERS

It would serve little purpose to examine the host of detailed powers granted to city councils under the system of special legislation, enumerated powers, and strict construction which prevails in all of the states. But a few remarks may be made about each of the two primary divisions, into which these powers may be classified: the control over administrative officers, and the power of enacting ordinances.

Control over Administration.—While both Congress and the state legislatures have and exercise large powers in the creation of administrative offices, municipal councils in most states have very limited powers in this direction. The general situation on this point has been well summarized by Judge Dillon:—

[1] Detroit has at present the following list: Ways and means, claims and accounts, judiciary, franchises, grade separation, streets, fire limits, house of correction, public buildings, sewers, taxes, street openings, printing, markets, public lighting, parks and boulevards, ordinances, pounds, health, licenses, city hospitals, liquor bonds, rules, charter and city legislation, and bridges.

The charter or constitution of the corporation usually provides with care as to all the principal officers, such as mayor, aldermen, marshal, clerk, treasurer, and the like, and prescribes their general duties. This leaves but little necessity or room for the exercise of any implied power to create other offices and appoint other officers. It is supposed, however, when not in contravention of the charter, that municipal corporations may to a limited extent have as incidental to express powers the right to create certain minor offices of a ministerial or executive nature. Thus, if power be conferred to provide for the health of the inhabitants, this would give the corporation the right to pass ordinances to secure this end, and the execution of such ordinance might be committed to a health officer, although no such officer be specifically named in the organic act, if this course would not conflict with any of its provisions. But the power to create offices even of this character would be limited to such as the nature of the duties devolved by charter or statute on the corporation naturally and reasonably require.[1]

The general law governing municipal corporations in Illinois gives the city councils in that state a much larger field for the creation of local offices than is usually possessed. This statute provides only for a city council, mayor, clerk, attorney, and treasurer, and then authorizes the council by a two-thirds vote to establish such other offices as it deems necessary and to discontinue any of these offices by a like vote. In the words of the statute: —

The city council may in its discretion, from time to time, by ordinance passed by a vote of two-thirds of all the aldermen elected, provide for the election by the legal voters of the city or the appointment by the mayor with the approval of the city council of a city collector, a city marshal, a city superintendent of streets, a corporation counsel, a city comptroller, or any or either of them, and *such other officers* as may by said council be deemed necessary or expedient. The city council may by a like vote, by ordinance or resolution, to take effect at the end of their fiscal year, discontinue any office so created and devolve the duties thereof on any other officer.[2]

In many cities the councils retain a considerable power of appointment to municipal offices. The position of city clerk

[1] Dillon, *Municipal Corporations*, § 207.

[2] Revised Statutes of Illinois, 1899, ch. 24, § 73.

is more frequently filled by council appointment than in any other way.[1] Less frequently the councils elect to other offices, and sometimes fill all important positions. This large appointing power is found in Minneapolis, Providence, generally in New England (except Boston and Connecticut cities), and Pennsylvania (except the four largest cities), and in some smaller cities, as St. Joseph, Birmingham, Montgomery, and Fort Worth. More often, however, offices other than that of city clerk are filled by election, or by the nomination of the mayor, subject to confirmation of the council. In some cities this power of the council to confirm is used by individual members of the council to dictate nominations; but in other cities, as in Chicago and Cleveland, the mayor's nominations are regularly confirmed. In a number of larger cities, even the power of confirmation has been taken away; but this development might more properly be noted in a study of the powers of the mayor.

The council has nearly always the right to receive reports from the various municipal departments, and to investigate the work of the departments by means of its committees. The control exercised in this way is made effective by the power of the council over the finances, and especially by its authority over appropriations. It has often happened, however, that this power has been used, not to limit, but to increase the expenditures, and in such a way as to help the aldermen's political prospects rather than for the best interests of the city. In consequence of this, in some important cities the financial powers of the councils have been very materially limited. In the principal cities of New York State the councils cannot increase the appropriations above the sums placed in the budget by the board of estimates — a device similar to that followed voluntarily by the British House of Commons. In Chicago, on the other hand, the

[1] The council does not select this officer in Chicago, St. Louis, San Francisco, Detroit, or Indianapolis, nor generally in the cities of Illinois, Indiana, Michigan, Wisconsin, Kentucky, and Missouri.

finance committee of the city council has a large influence in determining the appropriations.

Ordinance Power.— Judicial decisions have laid down certain general principles which govern and limit the ordinance power of municipal councils. Municipal ordinances must be reasonable and lawful; they must not be oppressive in character; they must be impartial, fair, and general in their application; and they must be consistent with the public policy of the state as declared in general legislation.

The output of city ordinances generally varies with the size of the city; and in the large cities the enormous total is far beyond the power of any individual to comprehend. The New York ordinances make a comparatively small volume of 250 pages; but this is because so much that elsewhere is done by council ordinance is done for New York by legislative enactments and is found in the city charter, while many ordinances are established by the police, health, and other administrative departments. The Chicago ordinances are in two thick volumes of 1000 pages each; those of St. Louis cover more than 500 large pages of fine print; small cities usually have all their ordinances in a pamphlet of perhaps not more than 100 pages.

In most cases this mass of municipal law is printed without any attempt at systematic classification. A frequent method is to arrange the ordinances by subjects, in alphabetical order. The city of Nashville, however, commendably publishes its ordinances according to a definite system which groups together those covering related subjects. The first part presents the ordinances relating to the election and appointment of municipal officers. The second part gives the ordinances governing the duties of the various municipal departments. The third part has the police regulations affecting the general public, in two divisions: one containing the ordinances to secure order, decency, and good morals; the other, the ordinances for public convenience and safety. The fourth part includes the ordinances on financial affairs, including the

permanent tax laws, the annual budget, and ordinances providing for bond issues. The fifth part gives the municipal and ward boundaries. In an appendix are collected the grants and franchises to railroads, lighting plants, telegraph and telephone companies, and other special privileges.

STATISTICS

Tabulated statistics are presented below, showing the organization of the municipal councils in nearly all the American cities which, according to the census of 1900, had a population of 25,000 or more.

STATISTICS OF AMERICAN CITY COUNCILS, 1903

	Single or Larger House				Smaller House			
	No. of Members	How chosen [1]	Term	Salary [2]	No. of Members	How chosen [1]	Term	Salary
New York	79	73+6	2	$2000				
Chicago	70	2×35	2	1500				
Philadelphia	149	n×41	2	none	41	1×41	3	none
St. Louis	28	1×28	2	300	13	A.L.	4	$300
Boston	75	3×25	1	300	13	A.L.	2	1500
Baltimore	24	1×24	2	1000	8		2	1000
Cleveland	33	27+6	2	600				
Buffalo	25	1×25	2	1000	9	A.L.	4	1000
San Francisco	18	A.L.	2	1200				
Cincinnati	32	26+6	2	1200				
New Orleans	17	1×17	4	240				
Pittsburg	51	n×38	2	none	38	1×38	4	none
Detroit	34	2×17	2	1200				
Milwaukee	46	2×23	2	400				
Washington [3]								
Newark	30	2×15	2					
Jersey City	25	2×12	2	none				
Louisville	24	2×12	2		12	A.L.	2	
Minneapolis	26	2×13	4	500				
Providence [4]	40	4×10	1	300	10	×	1	500
Indianapolis	21	15+6	5	150				
Kansas City	14	1×14	2	300	14	A.L.	4	300
St. Paul	11	1×11	2	100	9	A.L.	2	100
Rochester	20	1×20	2					
Denver	16	1×16	2	1000				
Toledo	16	13+3	2					
Allegheny	40	n×15	2	none	15		4	none
Columbus, O.	15	12+3	2	442				
Worcester	24	3×8	1	none	9		2	none
Syracuse	19	1×19	2	200				
New Haven	45	3×15	2		30		2	

STATISTICS OF AMERICAN CITY COUNCILS — (*Continued*)

	Single or Larger House				Smaller House			
	No. of Members	How chosen [1]	Term	Salary [2]	No. of Members	How chosen [1]	Term	Salary [2]
Paterson	22	×8	2	$400				
Fall River	27	18+9	2					
St. Joseph	15	2×7	2	200	9		2	$200
Omaha	9		3	900				
Los Angeles	9	1×9	2	1200				
Memphis [5]	11	A.L.	4	120				
Scranton		×21	4					
Lowell	27	3×9	1	none	9	A.L.	1	none
Albany	19	1×19	2	500				
Cambridge	22	2×11	1		11	A.L.	1	
Portland, Or.	11	1×11	2	none				
Atlanta	14	2×7	2	300	7	1×7	3	300
Grand Rapids	24	2×12	2	350				
Dayton	13	10+3	2	350				
Richmond	35	n×6	2		21		2	
Nashville	20	1×20	2	5[6]				
Seattle	13	9+4	3–4	900				
Hartford	40	4×10	1	none	20	×	2	none
Reading	16	1×16	2	none				
Wilmington, Del.	13		2	240				
Camden, N.J.	25	2×12	2					
Trenton, N.J.	28	2×14	2					
Bridgeport, Conn.	24	1×24	2	none				
Lynn, Mass.	25	n×7	1		11	A.L.	1	300
Oakland, Cal.	11	?	2	480				
Lawrence, Mass.	18	3×6	1	none	6	1×6	1	none
New Bedford, Mass.	24	4×6	1	none	6		1	100
Des Moines, Ia.	9	7+2	2	250				
Springfield, Mass.	18	n×8	2		8		2	
Somerville, Mass.	14	2×7	1	none	7		1	none
Troy, N.Y.	17	1×17	2					
Hoboken, N.J.	10	2×5	2	400				
Evansville, Ind.	11	7+4	4	150				
Manchester, N.H.	30	3×10	2	none	10	×	2	3[6]
Utica, N.Y.	15	1×15	2	300				
Peoria, Ill.	14	2×7	2	3[6]				
Charleston, S.C.	24	12+12	4					
Savannah, Ga.	12	A.L.	2	none				
Salt Lake City	15	3×5	2	420				
San Antonio, Tex.	12	8+4	2	5[6]				
Duluth, Minn.	16	2×8	2	300				
Erie, Pa.	12	2×6						
Elizabeth, N.J.	24	2×12	2	1				
Wilkesbarre, Pa.	16	1×16	2					
Kansas City, Kan.								
Harrisburg, Pa.			2	none				
Portland, Me.	27	3×9	1		9	×	1	
Yonkers, N.Y.	14	2×7		500				
Norfolk, Va.								

STATISTICS OF AMERICAN CITY COUNCILS—(*Continued*)

	Single or Larger House				Smaller House			
	No. of Members	How chosen (1)	Term	Salary (2)	No. of Members	How chosen (1)	Term	Salary (2)
Waterbury, Conn.	15	3×5	2	none				
Holyoke, Mass.	21	7+14						
Fort Wayne, Ind.	20	2×10	2	$150				
Youngstown, O.	10	7+3	2	150				
Houston, Tex.	12	A.L.		5(6)				
Covington, Ky.								
Akron, O.	10	7+3						
Dallas, Tex.	12	8+4	2	120				
Saginaw, Mich.	20	1×20	2	2(6)				
Lancaster, Pa.	27	3×9	1		?			
Lincoln, Neb.		×7	2	300				
Brockton, Mass.	21	3×7	1		7	1×7	1	
Binghamton, N.Y.	13	1×13	2	300				
Augusta, Ga.	15	3×5	3	150				
Pawtucket, R.I.[4]	18	n×5	1	100	6	5+1	1	$150
Altoona, Pa.								
Wheeling, W. Va.	28	n×8	2	none	16	2×8	4	none
Mobile, Ala.	8	1×8	3	none	7	A.L.	3	none
Birmingham, Ala.	18	2×9	4	none				
Little Rock, Ark.	16	2×8	2	120				
Springfield, O.	9	6+3						
Galveston, Tex.	4	A.L.	2	500				
Tacoma, Wash.	16	2×8	2	300				
Haverhill, Mass.	14	2×7	1	none	7		1	none
Spokane, Wash.								
Terre Haute, Ind.	9	6+3	2	150				
Dubuque, Ia.	7	5+2	2	300				
Quincy, Ill.	14	2×7	2	156				
South Bend, Ind.	10	7+3	2	150				
Salem, Mass.	24	4×6	1	none				
Johnstown, Pa.	21	1×21	2		21	1×21	4	
Elmira, N.Y.	24	2×12	2	100				
Allentown, Pa.	22	2×11						
Davenport, Ia.	8	6+2	2	300				
McKeesport, Pa.	22	2×11	2	none	11	1×11	2	none
Springfield, Ill.	14	2×7	2	156				
Chelsea, Mass.	15	5×10	1–2					
Chester, Pa.	22	2×11	2	none				
York, Pa.								
Malden, Mass.	21	3×7	1		7	1×7	1	
Topeka, Kan.		×6	2	200				
Newton, Mass.	21	14×7	1–2					
Sioux City, Ia.	10	8×2	2	200				
Bayonne, N.J.	11	10+1	2					
Knoxville, Tenn.		×11						
Chattanooga, Tenn.	12	A.L.	2	100	8	1×8	2	75
Schenectady, N.Y.	22		2	75				
Fitchburg, Mass.	18	3×6	1		6		1	
Superior, Wis.	20	2×10	2	300				

STATISTICS OF AMERICAN CITY COUNCILS — (*Continued*)

	Single or Larger House				Smaller House			
	No. of members	How chosen [1]	Term	Salary [2]	No. of members	How chosen [1]	Term	Salary [2]
Rockford, Ill.	14	2×7	2	$3[6]				
Taunton, Mass.	24	3×8	1	none	8	1×8	1	none
Canton, O.	9	6+3	2	?				
Butte, Mont.	16	2×8	2	300				
Montgomery, Ala.	15	12+3	2					
Auburn, N.Y.	10	1×10	2	none				
East St. Louis, Ill.	14	2×7	2	3[6]				
Joliet, Ill.	14	2×7	2	3[6]				
Sacramento, Cal.	9	1×9	4	250				
Racine, Wis.	14	2×7	2	none				
LaCrosse, Wis.	10	1×20	4	none				
Williamsport, Pa.	26	2×13	2		13		4	
Jacksonville, Fla.	18	2×9	2	2[6]				
Newcastle, Pa.	14	2×7			7			
Newport, Ky.	12		2	3[6]	5	A.L.	2	$3[6]
Oshkosh, Wis.	26	2×13	2	none				
Woonsocket, R.I.	15	3×5	1	100	5	1×5	1	150
Pueblo, Colo.	8	1×8	2	390				
Atlantic City, N.J.								
Passaic, N.J.	13		3					
Bay City, Mich.	22	2×11	2	2[6]				
Fort Worth, Tex.	9	1×9	2	96				
Lexington, Ky.	12		2	3[6]	8	A.L.	2	3[6]
Gloucester, Mass.	24	3×8	1	none	8	1×8	1	none
South Omaha, Neb.	6		2	600				
New Britain, Conn.	24		2	none	6	A.L.	2	none
Council Bluffs, Ia.	8	6+2	2	250				
Cedar Rapids, Ia.	10	8+2	2	100				
Easton, Pa.	24	2×12	2		12	1×12	4	
Jackson, Mich.	16	2×8	2	75				

[1] The multiplication sign (×) indicates election by wards or districts, the first figure showing the number of members from each district (n indicating a variable number), and the second figure showing the number of districts.

The plus sign (+) indicates election partly by districts and partly at large. The figure given first shows the number of members elected by wards; the second figure shows the number elected at large.

A. L. indicates election at large, on a general ticket for the whole city without ward or district members.

[2] Annual salary is given except where otherwise noted.

[3] No city council.

[4] A small property qualification is required of electors for the city council.

[5] Members of two administrative boards act jointly as the city council.

[6] Per meeting.

VIII

RECENT LEGISLATION ON MUNICIPAL FUNCTIONS IN THE UNITED STATES[1]

During the past few years there has been much agitation in the United States in favor of the extension of municipal functions. This has had particular reference to undertakings which have hitherto been operated by private corporations acting under special franchises for the use of the public streets. There has been a corresponding amount of discussion in opposition to such proposals, which has been strengthened by the criticism in Great Britain of what in that country has been called municipal trading. It is not the purpose of this article to consider the arguments on either side of this prolonged debate; but it is intended simply to present a brief record of recent legislation, showing the development of municipal activities in our own country.

It is no easy matter to bring together even the most important facts for such an account. The legislation on the subject is not only voluminous, but most of it applies to particular cities, and much of it deals with petty details,[2] which make it difficult to realize the general tendencies.

Within the period to be covered, however, there have been a few municipal laws of a general nature, which stand out in

[1] Rewritten from articles in the Annals of the American Academy of Social and Political Science, March, 1905, and the New York State Library Reviews of State Legislation.

[2] Thus in 1904 there were 66 special city laws for particular cities in New York State, 43 in Massachusetts, 40 in Louisiana, 25 in Maryland, and even 10 in Virginia where a comprehensive general law had been enacted the previous year. Of the New York laws no less than 21 applied to New York City, including acts for such trivial matters as a change in the salaries of chaplains in the fire department, and creating the office of chief lineman for the police telegraph service.

marked contrast to the prevailing system of special legislation. The most important of these is the municipal code of Ohio, enacted in 1902, to correct a situation brought about by decisions of the Supreme Court of that state. These decisions had declared unconstitutional a great mass of legislation passed during the preceding fifty years, to circumvent the constitutional requirement of general uniform legislation. This new code gives to every municipality in the state the same authority, and thus has extended to all every power previously exercised by any one. In 1903 the Virginia assembly passed a law reënacting and amending the statutes in reference to cities and towns, to meet the conditions of the new state constitution; and in the same year a New Jersey act was passed for the government of all cities which adopt it. In 1905 a new municipal code was enacted in Indiana.

The general tendency of these and other measures is in the direction of increasing the functions of municipalities in the United States, but at the same time to do so by continuing the policy of specific enumerated grants of power and minute legislative control over the cities. There is no evidence of any change to the policy of the countries of continental Europe, where cities have general authority to undertake any functions affecting the interests of the city, subject only to the specific restrictions and regulations imposed by the central administration. Along with this increase in the active operations of cities may be noted a tendency to restrict the discretion of city councils in granting franchises conferring special privileges in the public streets.

PUBLIC SAFETY

Turning to an examination of more specific functions, we may note first the situation in the field of public safety, or the measures for protecting life, liberty, and property. Here the most striking changes have been, not in the direction of extending municipal activities, but in the assumption by the

states of functions formerly left to local communities. This has been done in two ways: by the establishment of small bodies of state police, for service throughout the state; and by giving the management of municipal police to state-appointed boards.

Apparently the first action in reference to a distinctively state police was taken by Massachusetts in 1865, when a small force of state constables was established mainly for the enforcement of the law prohibiting the liquor traffic. On the repeal of the prohibition law in 1875 the state police was continued as a detective force to aid in the suppression of disorder and the enforcement of criminal laws, and its functions have since been extended to include the inspection of factories. More recently the office of fire marshal, for the investigation of fires, has been incorporated with the state police.[1] Rhode Island in 1886 established a chief of state police with powers of direction over the sheriffs and local police, in connection with the enforcement of the prohibition law then reënacted in that state.[2] But this office lasted only a few years. Another brief experiment with state police was made by New Jersey from 1891 to 1894.

Soon after the establishment of the system of state liquor dispensaries, South Carolina (in 1896) established a force of state constables to aid in the enforcement of liquor laws.[3] A statute of 1903 further regulates the organization of this force. The governor appoints the chief state constable, who receives a salary of $1500 a year, and this officer appoints seven assistant chief constables and other state constables to assist him in his work. Connecticut has also organized a body of state police (in 1903) similar to that in Massachusetts, specially for the enforcement of the laws relating to intoxi-

[1] R. H. Whitten, *Public Administration in Massachusetts*, ch. 6. (Columbia University Studies, Vol. VIII.)

[2] C. M. L. Sites, *Centralized Administration of Liquor Laws*, p. 72. (Columbia University Studies, Vol. X.)

[3] *Ibid.*, pp. 73, 118.

cating liquors and gaming, and taking over the functions of the state fire marshal. There is provided a superintendent of police at $3000 a year, an assistant superintendent, and from five to ten police officers, all selected by a board of five unpaid commissioners, who in turn are to be chosen biennially by the judges of the Superior Court.

In 1905 a similar force of state police was organized in Pennsylvania, for use primarily in the mining regions. It to some extent takes the place of the coal and iron police formerly employed by the mining corporations, but also serves to save the state the frequent use of the state militia to suppress disorders in time of extensive strikes. It consists of a superintendent and four companies aggregating 230 men, appointed after a physical and mental examination.

Of a somewhat different nature are the bodies of mounted rangers established in less settled regions for the suppression of violent disorder and the protection of the Mexican frontier. The Texas rangers, organized in 1901, may consist of four companies, each composed of twenty-two men, the captains and the quartermaster in command of the whole force being appointed by the governor of the state. In Arizona the rangers as reorganized in 1903 consist of twenty-six men mustered into service by the governor of the territory. Both in Texas and Arizona the governors strongly commend the work of these rangers; and in 1905 a company of mounted police was established for similar purposes in the territory of New Mexico.

State-appointed police boards for particular cities have been established for some time in a considerable number of cities. New York had such a board from 1857 to 1870; and during that period similar boards were established for large cities in other states. Then came a period when most of the state boards were abolished. But since 1885 there has been a revival of this system; and it is in existence in St. Louis, Boston, Baltimore, San Francisco, Kansas City, Mo., Fall River, St. Joseph, Birmingham, Manchester, N.H.,

and eleven Indiana cities.[1] Still more recently state police boards were provided for Newport and Providence, R.I., but these have since been put in process of extinction. The new Ohio code contains a provision under which boards of public safety are appointed by the governor of the state when the mayor's nominations are not confirmed by *two-thirds* of the council; and in a number of cities the governor has been called on to act under this provision. In 1905 state police boards were provided for the New Hampshire cities of Keene and Berlin. In Indiana, however, a statute of 1901 to place the police and fire departments of Fort Wayne, Terre Haute, and South Bend under state boards of public safety has been declared unconstitutional. The police of Cincinnati and Denver have within the past few years been transferred from the control of state boards to locally appointed authorities.

In 1906 the state police board for Boston was replaced by a single commissioner and an excise board; but both of these authorities are appointed by the governor and council.

A good deal of legislation has also been enacted in regard to local boards of police and fire commissioners. Special mention may be made of a Louisiana Act of 1904 reorganizing the police administration of New Orleans. And in 1907, a special act has greatly increased the authority of the police commissioner of New York City over the subordinate police officers in that city.

One of the most important developments of municipal activity in the field of public safety has been the work of the new tenement house department in the city of New York established in 1902. This department took over the powers over tenement houses formerly exercised by the departments of health, fire, and police, and has important additional powers under the statutes providing for the new department. It conducts an elaborate system of inspections of old buildings,

[1] Terre Haute, South Bend, Anderson, Elkhart, Richmond, Huntington, Jeffersonville, La Fayette, Logansport, Muncie, and New Albany.

and requires repairs and improvements so as to render them sanitary, safe, and habitable. It also supervises the construction of new buildings, and makes systematic inspections to see that there are no violations of the provisions of the law to secure stability of structure, protection from fire, and adequate sanitary conditions. But the requirements of the law still permit a much greater degree of compact building in New York than in the largest cities of Europe. In Germany, dwelling houses even in the business sections must have at least one-third of the area of building lots left as courtyards, and in residence sections at least a half.[1] In New York only one-fourth of the lot area must be left unbuilt.

PUBLIC WORKS

Steady advance is being made by American cities in providing street paving, street cleaning, garbage disposal, sewer systems, parks, and similar public improvements. This development, however, is rather the extension of established fields of municipal action than the inauguration of a new policy. But it is significant of the niggardly methods in legislative grants of municipal powers that even for these functions, clearly accepted as within the proper scope of municipal work, a great deal of additional legislation must be passed every year authorizing the necessary undertakings and modifying the methods of procedure and assessment. In regard to street paving, a novel feature has been the establishment of municipal asphalt plants in Detroit and some other cities, to repair and resurface asphalt pavements by direct labor instead of making contracts for this class of work. In a number of cities direct municipal labor may now be employed in place of contracts for a large variety of public improvements. Some street cleaning is now done in most American cities; and with comparatively few exceptions by a force of municipal employees. The latest returns on this subject are shown in the following table:[2]—

[1] C. Hugo, *Deutsche Stadtverwaltung*, pp. 429, 430.

[2] *Engineering News*, XLVIII, 422.

Groups of Cities	Number of Places	Number Reporting Street Cleaning	Municipal Employees	Contract	Both
Over 30,000 pop'n . .	135	132	115	9	7
10,000–30,000 . . .	304	291	272	13	4
5,000–10,000 . . .	465	435	386	30	9
3,000– 5,000 . . .	620	16	466	31	5
	1524	874	1239	83	25

Probably the most extensive scheme of municipal engineering works in recent years have been those connected with the reconstruction of Baltimore after the disastrous fire of February, 1904. A series of special acts in 1904 established a special commission to prepare and execute plans for street improvements, public squares, and market-places, the enlargement of the harbors and wharves; and authorized loans aggregating $19,000,000 for street improvements, sewerage, and parks. In 1906 an additional loan of $5,000,000 for street improvements was authorized. In New Orleans, also, an extensive system of underground sewers has at last been constructed, and important additions to the public wharves and warehouses have been undertaken.

Many smaller cities are introducing public sewers; and the general situation in regard to sewerage systems is indicated in the following table:[1]—

Groups of Cities	Number of Places	Number with Sewers	Public Works	Private Companies
Over 30,000	135	131	131	
10,000–30,000	303	277	269	8
5,000–10,000	463	364	346	15
3,000– 5,000	623	324	299	19
	1524	1096	1045	42

[1] Municipal Year Book, 1902.

Two undertakings of special importance for the final disposal of sewage should also be noted. In 1900 the Chicago drainage canal was opened, much to the improvement of the Chicago River; and since then there has been a steady progress in the work of connecting other parts of the sewer network in the drainage district with the canal. In 1902 a state commission was established in New Jersey to construct trunk outfall sewers to carry the drainage from the cities of the densely populated Passaic Valley, and a year later the issue of $9,000,000 in fifty-year bonds was authorized for this work.

Other works for the improvement of sanitary conditions are water purification plants. The most important new works of this kind are those under way in Philadelphia and Pittsburg.

Any important addition to the park systems of American cities seems to require additional legislation, and numerous acts in regard to parks are passed every year. Among the more important may be noted a series of Illinois acts, in 1905, intended for the city of Chicago, which granted additional bonding and taxing power for park purposes, in order to provide new small parks and an outer belt of parks. An act of 1906 authorized the city of New York to establish a seaside park in or near the city, where municipal hospitals may be erected. The Rhode Island legislature has established a metropolitan park commission for Providence and the surrounding cities and towns.

MUNICIPAL OWNERSHIP

Attempts to extend municipal activity into the disputed field of "public utilities" meet with varying degrees of success with respect to different classes of undertakings. New municipal waterworks are frequently authorized and established. In 1904 no less than thirty acts were passed for the construction or extension of such works in particular cities. Memphis is the most important city to change recently from a private to a municipal plant. Extensive new water-

supply systems have been authorized for New York City and Cincinnati. Municipal electric lighting plants have also been increasing in number and importance. Municipal street railways are still only in the stage of discussion and agitation.

Recent investigations make possible a definite record of the status of municipal undertakings of these kinds. In reference to waterworks, the following table shows the situation in 1902:[1]—

Groups of Cities	Total Number of Water-Works	Number of Municipal Works	Per Cent Municipal
Over 30,000 population	135	95	70.4
10,000–30,000 population	302	152	50
5,000–10,000 population	458	234	50.1
3,000–5,000 population	580	318	50.5
New England States	226	143	63.2
Middle States	335	140	41.7
North Central States	372	243	65.3
Northwestern States	150	86	57.3
South Atlantic States	107	64	59.8
South Central States	91	36	39.5
Southwestern States	124	55	43.5
Pacific States	70	32	45.7
United States	1475	799	54.2

A more exhaustive investigation, including the smaller towns, made in 1898 by the United States Department of Labor, showed a total of 1787 municipal waterworks, and 1539 under private control. It should be noted, however, that the higher proportion of municipal works among the large cities increases the significance of municipal works as a whole. In 1898 the total investment in municipal plants was nearly double that in private works.[2]

From the census report on central electric light and power

[1] Municipal Year Book, 1902, pp. xxix, xxxi.

[2] Report of the Commissioner of Labor, 1899, p. 12.

stations, the following data have been compiled showing the number and distribution of municipal plants in 1902:[1] —

Groups of Cities	Total Number Electric Stations	Number Municipal	Per Cent Municipal
New England States	314	35	11.1
Middle States	641	79	12.3
North Central States	1112	341	30.7
Northwestern States	511	145	28.4
South Atlantic States	209	64	30.6
South Central States	205	64	31.2
Southwestern States	381	62	16.3
Pacific States	251	25	10
United States	3624	815	22.5

As municipal electric light works are found mostly in small cities, these figures exaggerate the importance of municipal lighting. Measured by horse power and output in kilowatts, the municipal plants furnish about 8 per cent or 9 per cent of the electric lighting and about 20 per cent of the public street lighting. In the states where municipal plants are most frequent the proportion is naturally much higher, the maximum for any state being found in Michigan, where municipal plants furnish about 30 per cent of the total electric lighting and nearly two-thirds of the public street lighting.

Municipal gas-works are still very infrequent in the United States. In 1902 there were only twenty, as compared with 961 cities with private gas-works; while the municipal works are in small cities, and their total output is less than one per cent of the illuminating gas produced.[2]

While there is now no street railway operated by a municipal government in this country, Boston and New York have extensive municipal underground roads, which are leased for a term of years to operating companies. To the original Boston subway, completed some years ago, there has been added a tunnel under the harbor to East Boston, and a new

[1] Census Bulletin, Nov. 5, 1903.

[2] Census Bulletin, No. 123.

subway under Washington Street; while additional lines are to be built to Cambridge and other places in the metropolitan district. A much larger undertaking has been the New York subway. The first lines contracted for, sixteen miles in length and costing $35,000,000, were opened to service in October, 1904; a second line under the East River to Brooklyn is practically completed; and many additional lines have been planned.

In addition to the special legislation authorizing particular municipal undertakings of this kind for individual cities, there has been enacted within the past few years a number of statutes conferring broader and more general authority on cities. The new Ohio municipal code authorizes municipal waterworks and electric lighting plants in every city in that state; and the law governing bond issues confers financial powers sufficient to make the grant effective. A Missouri act of 1903, applying to cities of less than 30,000 population, is the broadest in the scope of powers conferred. This authorizes such municipalities to undertake any public utility, and specifies not only waterworks and light, heat, and power plants, but also telephones and street railways. Such undertakings will be under the control of a board of public works consisting of four members appointed by the mayor and council, not more than two of the same political party. This act is, however, not likely to extend very largely the scope of municipal action, as there is no provision for financing these undertakings either by the issue of bonds or in any other way. A Kansas act of the same year authorizes, in cities under 15,000 population, municipal waterworks, and gas, oil, and electric plants, to secure which bonds may be issued on a vote of the electors, up to the general debt limit of 15 per cent of the assessed value of the property. The general municipal act for larger Kansas cities only provides for municipal water and lighting plants at some time in the future, but Atchison and Leavenworth have received special authority to establish municipal waterworks.

A California act of 1903, amending the powers of cities under 3000 population, adds authority to establish and manage waterworks, wharves, street railways, telephone and telegraph lines, and lighting and heating plants; but like the Missouri act, this fails to give adequate financial powers. Under the new general municipal law in Virginia, cities are authorized to provide waterworks; and bonds issued with the approval of the voters for this or other revenue-producing undertakings are not included within the debt limit so long as the revenue is sufficient to pay the cost of maintenance, interest on bonds and insurance, and to provide a sinking-fund.

Perhaps the most significant statute of recent years providing for an extension of municipal administration in this direction is an Illinois act of 1903, authorizing the cities in that state to own and operate street railways. This act is of special importance because, in addition to the formal grant of authority, there is a careful attempt to provide a satisfactory method of meeting the serious financial difficulties involved in this new departure, so that the grant of power might be effective and adequate whenever it is considered advisable to make use of the authority.

This act applies to all cities in the state of Illinois, but before any of the powers conferred can be exercised, the act must first be adopted as a whole by popular referendum in the city concerned, while additional referendum votes must be taken in reference to various special features of the law. The authority given is "to construct, acquire, purchase, maintain, and operate street railways within the corporate limits," and franchises granted before this power is acted on may contain a reservation of the right on the part of the city to take over the plant at some future time. Two methods are provided for securing funds for purchasing or constructing municipal railways. General city bonds may be issued, provided the proposition is submitted to popular vote and approved by two-thirds of those voting, but the debt limit

is almost certain to prevent this method from being adopted. The other alternative — and this is the most striking feature of the act — is to issue street railway certificates, secured by a mortgage on the railway, giving the mortgagee in case of foreclosure the right to maintain and operate the road for a period of not over twenty years. An ordinance providing for such certificates must, however, be submitted to popular vote and be approved by a majority of those voting on the question. It was expected that such certificates would not be considered by the courts as part of the city debt limited by the state constitution. When a city has secured a street railway, it may operate it under direct municipal management only if that policy is approved at a popular referendum by three-fifths of those voting. Or the city may lease the road for a period of not over twenty years, but any ordinance authorizing a lease for more than five years must be submitted to a referendum vote on the petition of 10 per cent of the voters.

Under this law the city of Chicago in 1906 voted for a municipal street railway system; but the proposition for municipal operation failed to receive the necessary three-fifths vote. A year later a new agreement with the railway companies was approved by popular vote; and soon afterwards the Supreme Court of Illinois held that money borrowed on the proposed street railway certificates must be considered part of the city debt, the total of which is closely limited by the state constitution. Under these conditions municipal street railways are not likely to be established under this act.[1]

Under the new Indiana municipal code of 1905 municipal waterworks, gas-works and electric light, heat and power plants may be established, after a referendum vote in each case. But the low debt limit of two per cent of the assessed valuation will prevent any extensive exercise of such powers. In 1906 several acts were passed by the New Jersey legisla-

[1] Cf. Essay XII.

ture authorizing, in general terms, municipal water, light, heat, and power plants. The borrowing power for light, heat, and power plants is closely limited, but greater freedom is granted with reference to waterworks.

The financial provisions of the Illinois street railway law of 1903 are being copied to some extent in other states. A Missouri law of 1905, authorizing municipal waterworks in cities with a population of 3000 to 30,000, provided that the funds should be raised by mortgage certificates on the plant. And an Iowa act of 1906 authorizes mortgage bonds on municipal water plants. This method of financing municipal enterprises seems to offer a safe means for making experiments in new fields, without removing the limitations on the general municipal debt. But in view of the recent decision of the Illinois Supreme Court, it is rather doubtful whether it can be generally employed without amending the state constitutions.

In the new Oklahoma constitution it is provided that "every municipal corporation . . . shall have the right to engage in any business or enterprise which may be engaged in by a person, firm or corporation by virtue of a franchise from said corporation." But this sweeping grant will need to be supplemented by adequate financial power to become effective.

FRANCHISES AND PUBLIC CONTROL

Since 1900 a number of states have established general conditions for franchises dealing with municipal services, and authorized municipal regulation of private companies operating such services. A California law of 1901 provides that sales of franchises must be advertised, and that the city must receive at least two per cent of the gross receipts after five years. A South Carolina statute of 1902 authorizes the grant of franchises for light and water-supply, for a term of not over thirty years, on a two-thirds vote of the city council, confirmed by a majority vote of the electors. The new Ohio code provides that street railroad franchises may

be granted, for not more than twenty-five years, only after three weeks' notice, to those who offer the lowest rates of fare and have secured the consent of property owners representing the greater part of the route.

In the new Virginia constitution it is provided that franchises for the use of the public streets shall not be granted without the consent of the municipal authorities, nor for a term of more than thirty years; and that they may contain provisions for public purchase at the expiration of the term. These constitutional requirements have been supplemented by an act of 1903 regulating the granting of franchises, which was afterward incorporated with some additions in the new general municipal act. It is now provided that the streets and public property of cities and towns shall not be alienated except by a vote of three-fourths of the council, and streets may not be used for street railways, water systems, gas-pipes, telephones, and similar purposes, except with the consent of the municipal authorities. Franchises must be limited to not more than thirty years; and elaborate provisions are established to insure publicity and competitive bidding. Advertisements inviting bids must be published for four weeks; bids must be opened and read in public session of the council; if the highest bid is not accepted, the franchise ordinance must state the reasons for preferring a lower bid, and no amendments may be made in the terms of the grant without public advertisement for ten days. The courts are given authority to enforce by mandamus the terms of the grant. Such a franchise grant may provide that at its expiration the plant as well as the property in the streets may revert to the city either without compensation or on a fair valuation of the property, but without including any value for the franchise. The city may then sell or lease the property, or, *if authorized by law,* may maintain and operate it.[1]

[1] The special franchise law of 1903 was repealed in 1904; but this probably does not affect the practically identical provisions in the general municipal corporations act, which was passed after the franchise law.

The Kansas act of 1903 for cities over 15,000 population limits the term of franchises to not more than thirty years, but contains none of the provisions for publicity such as are contained in the Virginia act. It does, however, authorize the councils of such cities to prescribe reasonable rates for water, electricity, gas, telephones, or other commodity furnished by virtue of a franchise, the question of the reasonableness of the rate fixed being subject to review by the district judges. Waterworks may be purchased by a city ten years after a grant has been made, but in the case of gas or electric works or street railways the city may acquire only on the termination of a *future* grant, and when it secures possession can only lease the plant or make a contract for operation. Provisions are made for appraising the value of the plant in case of purchase. By another act cities of less than 15,000 population may grant franchises for only twenty years, and the mayor and council may make contracts and fix rates to private consumers.

Some other acts may also be briefly noted. A Minnesota act of 1903 authorizes city councils to contract for water-supply for a term not over thirty years, and for lighting for a term not over fifteen years, if there is no municipal plant. No further conditions are imposed. Wisconsin and Montana provided in the same year for a referendum on franchises: in the first-named state on the petition of twenty per cent of the voters; in the second-named, the approval of the *resident freeholders* is an essential requirement. In New York City the power of granting franchises was transferred, in 1905, from the council to the board of estimate and apportionment. A new charter to the city of Grand Rapids, Mich., in 1905, contains elaborate regulations in regard to the grant of franchises. A New Jersey law of 1906 provides that franchises in the streets and public places must require a petition and public notice; and grants by councils are limited to twenty years, but on a referendum, franchises for forty years may be granted.

On the other hand, in the new Indiana municipal code, restrictions in the granting of franchises are much relaxed. Formerly franchises were limited to 10 and 34 years according to the purpose, and contracts for street lighting were limited to 10 years. By the new code, not only are all franchises previously granted made legal, but new franchises may be granted with no limit as to the term or other conditions; while contracts for a supply of light, water, or heat for city purposes may be made for as long a period as 25 years. Kansas and Colorado acts of the same year (1905) regulating the granting of franchises in these states also provide very inadequate protection to the public interests.

Measures providing a more continuous system of public control over private franchise corporations have been enacted in several states. A New York act of 1905 established a state gas and electricity commission, similar to that previously existing in Massachusetts, with large powers over both public and private plants, including supervision of accounts, control of capitalization, and regulation of rates. In 1907 this commission and the state railroad commission were abolished; and two new commissions were established, one for the metropolitan district and one for the remainder of the state, each exercising control over all public utility corporations. Both commissions are appointed by the governor, but the expenses of the board for the metropolitan district are to be met by the local authorities. In Wisconsin, by statute of 1907, the railroad commission has been given full powers of supervision and control over all public utilities.

In New York and Massachusetts the state legislatures have in 1906 directly regulated the price of gas in the largest cities. For the two principal boroughs of New York City the price of gas was fixed at 80 cents per thousand feet; but the application of this rate has been restrained, pending proceedings in the courts. In Boston and surrounding cities and towns a sliding scale has been established, similar to that in force in London for many years. At the standard

price of 90 cents per thousand feet, dividends are limited to 7 per cent on the capital stock, — the amount of which has also been controlled by previous legislation. For each one cent reduction in the price of gas, dividends may be increased one fifth of one per cent. If the price is maintained so high that large profits accumulate, these are to be distributed to the local treasuries. After ten years the standard price may be altered by the state gas and electric commission.

Local authorities have also been given larger powers of control, especially in some of the southwestern states. Thus in Arkansas, by act of 1903, city councils have been given power to fix reasonable rates for water, gas, and electricity, on complaint and after examination. A Missouri act of the same year gave to cities under 30,000 population the same authority, with the addition of telephones. A Mississippi act of 1904 authorized municipal control of water and lighting rates. And two Texas acts of 1905 require all street railway, lighting, water, and sewer companies to make annual reports to the Secretary of State, and provide for the regulation of rates charged by such public utility corporations on complaint of city councils before the district courts.

In the agreement concluded lately between the city of Chicago and the street railway companies there are unusual powers of control reserved by the municipal authorities, — so that the agreement may be said to establish a joint partnership between the city and the companies. Definite arrangements are made for the purchase of the plant by the city, or its transfer to other companies at a fixed price for the existing property and the actual cost of improvements. New construction is to be performed under the direct supervision of a board of engineers representing both the city and the companies. Elaborate provisions are made in regard to the service, providing for new routes, transfers, and extensions. And the profits, after paying five per cent on the value of the property, are to be divided between the city and the companies in the ratio of 55 to 45. Under the new

Oklahoma constitution, no exclusive franchises are allowed; and all franchises must be limited to twenty-five years, must be approved by popular vote, and are subject to the control and regulation of the state and its subordinate subdivisions.

With such restrictions in franchises and public regulation, it is clear that, even if municipal operation of such services does not become common, a larger degree of public control over the private companies is at least being established. There is perhaps some need for distinguishing between the relative importance of different conditions. Those requiring previous public notice and local consent are clearly to be commended at all times. The limitation of franchise terms to between twenty or thirty years is an essential condition if other means of control are lacking. But if a city reserves the right to revise the payments to the city at short intervals, to regulate rates and conditions of service, and to purchase the plant for the value of the tangible property, there is less need for limiting closely the duration of the franchise; and for certain works involving vast amounts of fixed capital a longer period than thirty years may be necessary.

IX

PUBLIC WORKS ADMINISTRATION IN AMERICAN CITIES [1]

Public works administration in the cities of the United States presents the most confusing variety of methods. For particular branches of work there are boards and single commissioners, often both systems existing in the same city. These officers are most frequently appointed by the mayor with the consent of the city council; but there are many exceptional cases where appointments are made sometimes by the mayor alone, sometimes by the governor of the state, occasionally by judges, and in some cities some officials are chosen directly by popular vote. In many cities there is some attempt made to coördinate and organize the work of several of the most closely related branches of public improvements, but it is seldom that this organization is complete, and in many cases each branch of work is conducted independently of all the others.

It may be of service to note the leading features of public works administration in some of the leading cities. This showing will at least emphasize the existing confusion. It should demonstrate the need for a more systematic management. And it may suggest some definite scheme of organization.

Under the New York charter of 1897 there was provided a board of public improvements consisting of a president, six commissioners for various public works' departments, and, as ex officio members, the mayor, corporation counsel, the comptroller, and the presidents of the five boroughs. The president of the board and the six department commis-

[1] Revised from Municipal Engineering, XXII, 212 (April, 1902).

sioners were each appointed by the mayor, as was also the corporation counsel; while the mayor, comptroller, and borough presidents were chosen by popular vote. The board controlled the general plan for public works, while the execution of these plans and the maintenance of existing work was under the management of the different commissioners for water supply, for highways, for street cleaning, for sewers, for bridges, and for public buildings, lighting, and supplies. Entirely independent of these departments and the board of public improvements were a number of other departments engaged in municipal works. The parks were placed under the control of three commissioners, each having jurisdiction of the parks in one section of the city; the docks and ferries were placed under a board of three members; and the construction of the new East River bridge was placed in charge of a special board — all of these officials being appointed by the mayor. In addition, the construction of new water-supply works and the rapid transit subway were under permanent boards appointed by state authority.

The amended charter which went into effect in 1902 made some important changes in this system. The board of public improvements has been abolished, and its powers assigned partly to the board of estimate and apportionment, partly to the various officers charged with special departments. The five elected borough presidents are given control over the highways, sewers, and public buildings in their respective boroughs, and they have established and appointed in each borough a commissioner of public works, subordinate to whom are a superintendent of highways, a superintendent of sewers, a superintendent of public buildings, and a superintendent of incumbrances, while in the borough of Manhattan there will also be a superintendent of baths. The commissioners of street cleaning and bridges remain as before, with jurisdiction over the entire city, the latter absorbing the powers of the new East River bridge commission; and the commissioner of water-supply has added to his depart-

ment the supervision of gas and electric companies. The three park commissioners have been formed into a board with powers of general regulation, but each commissioner is still assigned to a definite section of the city for his special control. A single dock commissioner has been substituted for the dock and ferry board. All of these officials, except those subordinate to the borough presidents, are appointed by the mayor, and all are salaried officers. The permanent state aqueduct and rapid transit boards continue in existence.

Chicago has had since 1861 an organization of the coördinate services of water-supply, sewers, parks, streets, river and harbor and public buildings, at first under an elected board, changed in 1867 to an appointive board, and in 1876 changed again to a single commissioner of public works appointed by the mayor. As now organized, there are six bureaus in the department, the heads of which are appointed by the commissioner of public works. The city engineer has charge of bridges and viaducts, the harbor improvements, and the waterworks; the superintendent of streets attends to paving and scavenging; the water bureau to the collection of revenue for the use of water; and the remaining bureaus to the sewerage system, special assessments, maps and plats, and track elevation. But independent of the department of public works, and indeed independent of the city corporation, are the board of trustees for the sanitary district, elected by popular vote, and the three park boards, two appointed by the governor of the state, and one by the judges of the circuit court.

Philadelphia has organized most of the municipal public works into a single department. At the head of this department is the director of public works, appointed by the mayor subject to confirmation by the select council, who receives a salary of $10,000 a year, and holds office for four years, or until his successor is appointed, unless removed for cause. Within this department there are seven bureaus: highways, lighting, street cleaning, surveys, water, gas and city ice

boats. The chiefs of these bureaus, with one exception, are appointed by the director of public works, subject to confirmation by the select council. The chief inspector of gas meters, however, is appointed by the mayor. The salaries of these bureau chiefs vary widely. The highest is the chief engineer of surveys, who receives $8000 a year; the chief of the water bureau, $6000; the chief inspector of gas meters has $5000; the chief of the highways bureau, $4000; the chief of the street-cleaning bureau, $2500; the chief of the bureau of lighting, $2000, and the superintendent of the city ice boats, $1650. Each bureau is managed directly by its own chief, under the supervision of the director of public works. But there is provided a board of highway supervisors, composed of the bureau chiefs concerned in works which cause breaks in the street surface, to systematize that work so as to prevent unnecessary openings and reduce expenses.

There are, however, two other administrative bureaus engaged in public works which are very largely independent of the department and officials just mentioned. One of these is the park board, composed of ten unpaid members appointed by the judges of the court of common pleas, and six ex-officio members, as follows: the mayor, the presidents of the select and common councils, and the chiefs of the water bureau, the survey bureau, and the bureau of city property. The other is the harbor board, composed of the chief of the bureau of surveys and six members appointed by the presidents of the select and common councils.

In Boston the public works of the city are, to a large extent, organized under a single department; but there are some independent bureaus, while the various boards for the works of interest to the larger metropolitan community increase the element of disorganization. The city superintendent of streets has control over paving, bridges, ferries, street cleaning, and sewers, with subordinate bureaus for each class of work. But the water commissioner is an independent

official, as are also the board of street openings, the park board, and the rapid transit board, which has charge of the construction of subways and tunnels. The last-named board is, moreover, appointed by the state governor. For the more extensive metropolitan works, there have been three boards, each appointed by the governor; in 1901 the water and sewerage boards were consolidated, but the metropolitan park board is still an entirely separate authority.

Baltimore has a board of public improvements, with general control over all public works except the parks, which are under the control of a board of five unsalaried members. The board of public improvements is composed of the city engineer, the inspector of buildings, and the presidents of the water and harbor boards, who are all salaried officials. In addition to their salaried presidents the water and harbor boards have each four unpaid members.

All of the branches of municipal public works in St. Louis have been organized into a definite system, although on somewhat different lines from the partial organization in Philadelphia. There is here a board of public improvements, consisting of a president elected by popular vote, and five commissioners appointed by the mayor, each of whom is assigned to a special division corresponding to the bureaus in the Philadelphia organization. Thus there is a street commissioner, controlling the construction, repair, and cleaning of streets, a sewer commissioner, a water commissioner, a harbor and wharf commissioner, and a park commissioner. Provision is also made for a gas commissioner, if the city should at any time own and operate municipal gas works. The board prepares plans for construction works for submission to the municipal assembly, and enters into contracts for the works to be undertaken. The president presides at the meetings of the board, and has supervision over the various commissioners. He receives a salary of $5000 a year. The salaries of the commissioners range from $4500 to $3000 each.

The administrative arrangements in Cincinnati also bring under one general control all the public works, except the construction of a new system of waterworks. This authority is the board of public service, composed of five elected members, none of whom, however, have charge of any particular services, as do the members of the St. Louis board. Under this board are the chief engineer (with divisions in this department for highways, bridges, sewers, sidewalks, and street repairs), the waterworks engineer, the superintendent of parks, and the city electrician, and also two departments not often combined with public works, the health department and the city hospital. The construction of the new system of waterworks is under the management of an independent board of five trustees. In other Ohio cities there are similar elective boards of public service.

We may now turn to a considerable group of cities where there is a complete organization on a distinctly similar plan. This group consists of the cities of the second class in New York and Pennsylvania: Pittsburg, Allegheny, Rochester, Syracuse, Albany, Troy, and Scranton. In each of these cities there is at the head of the whole field of municipal public works a single official, known in the New York cities as the commissioner of public works, and in the other cities as the director of public works. In each case, too, this official is appointed by the mayor of the city. The jurisdiction of this officer extends in all of these cities over the streets, sewers, bridges, wharves, parks, waterworks, and public buildings of the city. The subordinate bureaus in this general department of public works naturally show variations of detail in the different cities, but all are characterized by the system of single officials at the head of each bureau. In the four New York cities there is a city engineer appointed by the mayor, and a superintendent of waterworks and a superintendent of parks, appointed by the commissioner of public works. In Pittsburg there are eight bureaus; engineering and construction, surveys, highways, and sewers, city prop-

erty, water-supply, water rents, public lighting, and parks. Similar concentrated departments of public works under a single salaried director existed for a number of years in Cleveland and Columbus; but these were replaced by boards of public service under the Ohio municipal code of 1902.

Buffalo and Milwaukee are typical cities representing another system of administration. In each of these cities there is a salaried board of public works and a park board of unsalaried members. In Buffalo the board of public works consists of one elected and two appointed members, each receiving a salary of $5000, under which are bureaus of engineering, waterworks, streets, and building. In this case the members of the board act only collectively, and the chiefs of the subordinate bureaus are selected by the board. The harbor master is independent of the board of public works, and the park board consists of the mayor and fifteen unpaid members. The Milwaukee board of public works consists of three members, each of whom has a salary of $4000, one of whom is the city engineer. Subordinate to this board are the superintendent of bridges, the superintendent of sewers, the waterworks, and the harbor master. The park board has five unpaid members appointed by the mayor.

Newark and Providence have each a board of public works with powers similar to those in Buffalo, while the Providence park board and Essex County park commission control the parks of these cities.

San Francisco and Indianapolis have each similar sets of officials — a board of public works and a park board. But as the waterworks in these cities are owned by private companies, the functions of the board of public works do not include that service. St. Paul has a salaried board of public works and an unpaid park board with functions similar to those authorities in San Francisco; and in addition there is a board of five water commissioners, the president of which receives a salary of $1000 a year, and the other members $100 each.

Until the spring of 1901 the Detroit system resembled that of St. Paul, with the addition of another board for the municipal electric light plant. But in May of that year single commissioners were provided in place of two of the boards. The commissioner of public works has control over the streets, sewers, wharves, bridges, and public buildings. The parks are also under a single salaried commissioner. There is also a water board and a lighting commission with five and six members, none of whom receive salaries. These four authorities remain entirely independent, with no organization for official coöperation.

Other cities can generally be classed with some of the systems already described, and as it would serve little purpose to take them up in detail, a few examples will indicate the methods in less important cities. Seattle resembles St. Louis, with a board of public works composed of three bureau chiefs, covering all branches. Grand Rapids has a board of public works with similar functions to those in Buffalo and Milwaukee. Reading, like St. Paul, has three boards for public works, water-supply, and parks. Worcester and Cambridge have water and park boards, with single commissioners for other departments of public works.

Amid all this variety and confusion, it may yet be noticed that the tendency toward system and order is strongly in one direction. The only considerable group of important cities with substantially similar methods includes most of those cities which have accomplished a complete organization of the different branches of public works into a harmonious system. This is the group of New York and Pennsylvania cities, with a system of single-headed bureaus under the general control of a single director of public works appointed by the mayor of the city. The other complete systems of organization are those of St. Louis and Ohio cities, the one grouping the bureau chiefs into a general board of public improvements, the other establishing a board outside of the bureau chiefs, which takes the place of the single direc-

tor. But these board systems diffuse responsibility and impose hindrances to prompt action, while the advantages of coöperative action between various bureaus can be at least as well secured through reports and recommendations to a common superior as through the consultations of bureau chiefs. It is indeed difficult to see wherein the arguments for a single head are any less strong in considering the central management of public works than they are in reference to the subordinate bureaus or to the mayor as the head of the entire municipal administration.

As to the control over the particular branches of public work, the strongest objection to the universal application of the single-commissioner system will come from those who believe in the unpaid boards, especially those which control the public parks. The reply must be that the management of public parks, like that of street paving or sewer construction, is essentially a technical service, that those who accept gratuitous positions cannot have any adequate special training; that they are never expected to devote their whole time, even while in office, to their official duties; and that they cannot be held to strict account for their performance. The execution of details must be left to subordinates, and the supervision of these details can be better secured by the constant attention of a single official than by the occasional meetings of men engaged in other occupations. Where non-technical advice given from purely philanthropic motives can be of service, it can be better secured by means of an advisory board not burdened with any details of management.

The system of bi-partisan boards adopted sometimes as a method of securing non-partisan administration, shows a curious confusion of two fundamentally different ideas; and the inevitable result of such a system is to make it impossible to locate responsibility for the administration.

X

REVENUE SYSTEMS OF AMERICAN AND FOREIGN CITIES [1]

THE purpose of this report is to give a bird's-eye view of the local finances of the leading cities of America and Europe. To this end, five European cities — namely, London, Paris, Berlin, Vienna, and Glasgow — have been selected; also the five largest cities of the United States—New York, Chicago, Philadelphia, St. Louis, and Boston; and also the Canadian type represented in Toronto. A series of tables has been prepared to show, in a comparative way, the receipts, expenditures, and debt of all these cities. A number of comparisons have been made with a view of bringing out more distinctly the salient features of the local systems of finance. There follows a description of the revenue systems of these municipalities, designed to make more clear the different local plans.

As a basis for comparison, there is first presented a series of tables on revenue, expenditure, and debt. Table I gives the ordinary revenue of New York, Philadelphia, St. Louis, and Boston for the year 1903, and of Chicago for 1904. Revenues are classified, following the census scheme, as "general," under which head is included taxes, licenses, and state grants; and "commercial," under which is included revenue from municipal industries, public-service privileges, departmental receipts, and special assessments. Table II gives similar figures for London, Paris, Berlin, Vienna, and Glasgow. Table III gives the "ordinary" expenses (for maintenance

[1] By Chas. E. Merriam and John A. Fairlie. Reprinted from Report on the Municipal Revenues of Chicago, to the City Club of Chicago, 1906.

and operation) of the five leading American cities. These expenditures are classified under ten main heads: "General Administration," "Public Health and Safety," "Charities and Corrections," "Streets," "Education," "Recreation," "Miscellaneous General," "Interest," "Loans Repaid," and "Municipal Industries." Under several of these main headings subdivisions have been made. Table IV gives the "extraordinary" expenses of the five largest cities of the United States. These expenditures correspond roughly to capital outlay by a private corporation. Tables V and VI give similar figures regarding ordinary and extraordinary expenditures for the European cities. Table VII presents a comparison between the debts and assets of the five American cities discussed. Table VIII gives the debt of foreign cities. Table IX gives the total tax rate, tax rate for local purposes, local tax per capita, revenue per capita, debt per capita, valuation per capita, area, street mileage, and population of the five largest American cities.

It should be noted that under "Chicago" are included the revenues and expenditures of all the taxing bodies lying wholly within the limits of the city, and a proportionate share of the county and sanitary district. As 95 per cent of the valuation of the sanitary district lies within the city, 95 per cent of its expenses and revenues are included under "Chicago," and on the same basis 92 per cent of the expenses and revenues of Cook County are included.

TABLE I

ORDINARY REVENUES OF AMERICAN CITIES[1]

	NEW YORK	CHICAGO	PHILADELPHIA	ST. LOUIS	BOSTON
Taxes . . .	$76,296,721	$21,469,607	$18,415,082	$9,456,773	$18,439,775
Licenses, forfeitures, fines	7,469,152	4,513,915	2,103,234	1,669,949	1,229,351
State grants .	1,306,225	306,840	910,987	202,251	12,100
Miscellaneous	275,722	231,098	155,551	59,901	179,520
General . .	$85,347,820	$26,521,460	$21,584,854	$11,388,871	$19,860,746

[1] This does not include in any case receipts from loans or other extraordinary revenues.

TABLE I. — *Continued*

ORDINARY REVENUES OF AMERICAN CITIES

	NEW YORK	CHICAGO	PHILADELPHIA	ST. LOUIS	BOSTON
Municipal industries . .	$13,036,497	$5,072,666	$6,073,029	$2,173,037	$3,121,485
Public - service privileges	712,410	513,763	113,574	266,439	83,466
Departmental receipts . .	1,110,684	2,015,401	1,127,123	518,622	586,655
Special assessments .	6,935,531	4,298,684	710,077	3,261,143	413,740
Commercial	$21,785,122	$11,900,514	$8,023,803	$6,219,241	$4,205,346
Total . .	$107,132,942	$38,421,974	$29,618,657	$17,608,112	$24,066,092
Per capita —					
General . .	$22.97	$13.73	$15.78	$18.60	$33.40
Commercial	5.86	6.15	5.87	10.16	7.07
Total . .	$28.83	$19.88	$21.65	$28.76	$40.47

TABLE II

ORDINARY REVENUES OF EUROPEAN CITIES

	LONDON, 1902–3	PARIS, 1902	BERLIN, 1901–2	VIENNA, 1902	GLASGOW, 1901–2
Direct taxes .	$69,175,000	$20,592,000	$15,190,000[1]	$11,874,000	$7,064,000
Indirect taxes, licenses, fines . .	1,025,000	21,901,000	757,000	2,960,000	176,000
State grants .	11,781,000	4,374,000	6,477,000	4,560,000	1,960,000
Miscellaneous	2,206,000	520,000	54,000	180,000	
General . .	$84,187,000	$47,387,000	$22,478,000	$19,574,000	$9,200,000
Municipal industries .	$8,503,000	$9,363,000	$11,782,000	$10,089,000	$9,830,000
Public-service privileges	398,000	6,713,000	1,160,000	231,000	
Departmental receipts .	2,597,000	4,820,000	4,760,000		885,000
Special assessments .	1,947,000		1,758,000	3,216,000	90,000
Commercial	$13,445,000	$20,896,000	$19,460,000	$13,536,000	$10,805,000
Total . .	$97,632,000	$68,283,000	$41,938,000	$33,110,000	$20,005,000
Population .	4,560,000	2,659,000	1,888,326	1,674,957	912,000
Per capita —					
General .	$18.44	$17.82	$11.90	$11.65	$10.90
Commercial	2.97	7.86	10.30	8.75	11.85
Total . .	$21.41	$25.68	$22.20	$20.40	$22.75

[1] Sec. III, p. 206.

TABLE III

ORDINARY EXPENDITURES OF AMERICAN CITIES

	NEW YORK	CHICAGO	PHILADELPHIA	ST. LOUIS	BOSTON
General administration	$6,840,552	$2,353,933	$2,101,161	$780,282	$1,320,522
Courts	$3,434,213	$860,352	$564,566	$407,689	$717,137
Police	12,581,332	4,014,713	3,208,910	1,614,091	1,849,213
Fire	5,850,807	1,920,244	1,225,807	862,429	1,314,509
Health	1,271,652	191,220	346,215	146,270	188,183
Public health and safety	$25,524,584	$7,162,282	$5,918,828	$3,187,812	$4,409,590
Charities and corrections	$6,277,065	$1,600,574	$1,300,051	$661,079	$1,844,670
Street-cleaning and refuse-disposal	$6,148,087	$1,205,197	$1,207,338	$814,564	$1,047,094
Street-lighting	1,644,417	349,237	1,357,327	504,238	776,562
Sewers	778,391	412,142	120,492	139,610	334,156
Miscellaneous streets	2,976,440	405,432	1,126,468	746,723	1,179,402
Streets and sewers	$11,493,216	$2,785,002	$3,811,629	$2,205,135	$3,255,505
Schools	$21,804,610	$8,419,127	$4,242,710	$2,015,299	$3,588,212
Libraries	1,118,705	178,666	279,344	67,755	280,166
Education	$22,923,375	$8,597,793	$4,522,054	$2,083,054	$3,868,378
Recreation	$1,514,644	$665,403	$561,308	$160,280	$645,009
Miscellaneous general	$51,520	$91,128	$43,250	$15,903	$741,672
Total general	$74,624,956	$23,256,115	$18,258,543	$9,093,645	$15,085,346
Interest	$12,289,489	$1,563,713	$1,683,709	$945,008	$3,390,142
Loans repaid	12,511,634	3,314,810	3,071,300	191,090	5,219,574
Municipal industries	6,069,537	2,073,955	2,035,831	897,019	1,446,760
Total ordinary	$105,505,616	$30,208,693	$25,049,383	$11,126,762	$25,141,812
Extraordinary	64,422,050	12,075,545	13,369,332	5,364,123	8,827,482
Grand total	$169,927,666	$42,284,238	$38,418,715	$16,490,885	$33,969,294
Per capita—					
General	$20.08	12.03	13.35	14.52	25.37
Total ordinary	28.39	15.63	18.03	18.17	42.45

TABLE IV

EXTRAORDINARY EXPENDITURES (OUTLAYS) OF AMERICAN CITIES

	NEW YORK	CHICAGO	PHILADELPHIA	ST. LOUIS	BOSTON
General administration	$1,212,787	$736,333	$8,158	$62,746	$66,746
Public safety	1,108,373	27,991	617,465	158,767	23,004
Charities and correction	670,270	537,028	181,511	207,704	559,808
Streets and sewers	19,649,546	4,898,948	4,797,330	3,577,433	5,317,103
Education	7,432,903	1,544,770	1,044,486	855,639	1,476,415
Recreation	7,146,274	3,015,936	592,418	7,354	250,076
General	$37,220,153	$10,776,727	$7,241,368	$4,869,643	$7,693,152
Municipal industries	27,201,897	1,297,918	6,127,964	494,480	1,158,643
Total	$64,422,050	$12,075,545	$13,369,332	$5,364,123	$8,827,482

TABLE V

ORDINARY EXPENDITURES OF EUROPEAN CITIES

	LONDON 1902-3	PARIS 1902	BERLIN 1901-2	VIENNA 1902	GLASGOW 1901-2
General administration	$5,239,000	$771,000	$3,055,000	$2,992,000	$153,000
Courts	$1,147,000	$620,000	$1,780,000	$1,300,000	$200,000
Police	8,764,000	6,821,000	5,397,000	2,075,000	765,000
Fire department	1,038,000	706,000	503,000	263,000	114,000
Health dep't	760,000	268,000	135,000	39,000	294,000
Public health and safety	$11,709,000	$8,415,000	$7,815,000	$3,677,000	$1,373,000
Charities	$20,862,000	$10,988,000	$4,955,000	$2,920,000	$1,578,000
Correction	1,990,000	442,000	300,000	300,000	200,000
Charities and correction	$21,852,000	$11,430,000	$5,255,000	$3,220,000	$1,778,000
Miscel. streets	$10,097,000	$4,145,000	$384,000	$1,738,000	$346,000
Street cleaning and refuse-disposal	1,775,000	2,350,000	999,000	758,000	692,000
Street lighting	1,980,000	1,785,000	85,000	122,000	528,000
Sewers	2,156,000	1,343,000	1,288,000	422,000	136,000
Streets and sewers	$16,008,000	$9,623,000	$2,756,000	$3,040,000	$1,702,000

TABLE V — (*Continued*)

	London 1902-3	Paris 1902	Berlin 1901-2	Vienna 1902	Glasgow 1901-2
Schools . . .	$13,713,000	$7,127,000	$7,078,000	$5,942,000	$1,960,000
Libraries, etc.	697,000	633,000	48,000	41,000	32,000
Education .	$14,410,000	$7,760,000	$7,126,000	$5,983,000	$1,992,000
Parks. . . .	$1,266,000	$600,000	$456,000	$504,000	$235,000
Baths, etc. . .	780,000		94,000	72,000	91,000
Recreation .	$2,046,000	$600,000	$550,000	$576,000	$326,000
Miscel. general	$2,446,000	$1,785,000	$227,000	$676,000	$525,000
Total general	$73,710,000	$45,385,000	$26,784,000	$20,164,000	$7,850,000
Interest . . .	$10,142,000	$16,000,000	$2,614,000	$3,197,000	$2,412,000
Loans repaid .	6,821,000	6,475,000	1,710,000	1,400,000	1,571,000
Municipal industries . .	4,646,000	2,120,000	7,560,000	4,553,000	7,422,000
Total ordinary	$95,319,000	$69,980,000	$38,668,000	$29,314,000	$19,255,000
Extraordinary	39,071,000	10,630,000	10,897,000	28,912,000	6,496,000
Grand total	$134,390,000	$80,610,000	$49,565,000	$58,226,000	$25,751,000
Per capita —					
General . .	$16.17	$17.08	$14.24	$12.24	$8.61
Total ordinary	20.47	26.31	20.35	17.24	21.11

ORDINARY EXPENDITURES, MUNICIPAL INDUSTRIES

Real estate and buildings.	$216,000	$53,000	$67,000	$80,000	$389,000
Waterworks .		1,360,000	688,000	325,000	314,000
Gas-works . .			5,526,000	2,424,000	3,492,000
Electric lighting	704,000			267,000	312,000
Markets and abattoirs.	623,000	360,000	1,204,000	956,000	148,000
Cemeteries . .	325,000	347,000	12,000	157,000	1,000
Street railways	1,990,000				2,713,000
				Ins.	Tel.
Docks and harbors . .	788,000		63,000	344,000	53,000
Municipal property and industries .	$4,646,000	$2,120,000	$7,560,000	$4,553,000	$7,422,000

TABLE VI

EXTRAORDINARY EXPENDITURES OF EUROPEAN CITIES

	LONDON	PARIS	BERLIN	VIENNA	GLASGOW
General administration .	$294,000	$23,000	$1,597,000	$778,000	$281,000
Public health and safety . .	427,000	323,000		43,000	100,000
Charities and correction	6,690,000	378,000		468,000	457,000
Streets and sewers . .	18,100,000	1,929,000	4,406,000	1,491,000	1,127,000
Education . .	3,454,000	639,000	1,280,000	305,000	411,700
Recreation . .	1,070,000	150,000		108,000	200,400
Municipal industries . .	8,600,000	6,023,000	3,614,000	25,124,000	3,701,000
Miscellaneous .	436,000	1,165,000		595,000	219,000
Total . . .	$39,071,000	$10,630,000	$10,897,000	$28,912,000	$6,496,000

TABLE VII

DEBTS AND ASSETS OF AMERICAN CITIES

	NEW YORK	CHICAGO	PHILADELPHIA	ST. LOUIS	BOSTON
Total Debt	$532,977,235	$51,204,532	$58,383,532	$24,077,474	$120,152,106
Total less sinking-fund assets	381,687,512	49,901,932	50,654,640	22,579,917	92,096,663
Per capita	$102.68	$25.82	$37.04	$36.86	$154.88
Assets . .					
Salable and productive .	$129,632,268	$63,453,496	$110,109,530	$21,408,347	$20,613,219
Salable and unproductive	394,456,470	163,789,120	88,345,156	20,764,580	91,176,775
Total .	$524,088,738	$227,242,616	$198,554,686	$42,172,927	$111,789,994

TABLE VIII

DEBT OF FOREIGN CITIES

	LONDON	PARIS	BERLIN	VIENNA	GLASGOW
Debt . .	$335,492,000	$459,530,000	$59,230,000	$97,399,000	$78,620,000
Per capita	$73.57	$172.82	$31.36	$58.02	$86.20

TABLE IX

	Tax Rate for all Purposes	Tax Rate for Local Purposes	Local Tax per Capita	Total Local Revenue per Capita	Debt per Capita
Boston	$7.40	$7.40 [1]	$30.78	$40.47	$154.88
New York	7.06 to 7.48	6.995 to 7.415	20.53	28.83	102.68
St. Louis	10.95	10.10	15.44	28.76	36.86
Philadelphia	7.50 [2]	7.50	13.46	21.65	37.04
Chicago	5.75 to 6.59	5.20 to 6.04	11.11	19.88	25.82

	Valuation per Capita	Area, Acres	Streets, Miles	Population
Boston	$2,054.68	27,532	500	594,618
New York	1,461.84	209,218	2,589	3,716,139
St. Louis	724.92	39,276	1,004	612,279
Philadelphia	978.17	81,833	1,661	1,367,716
Chicago	1,097.80	114,932	4,235	1,932,315

[1] A payment of $900,000 for state taxes is made from this.
[2] 7.50 on real estate; 2.20 on personalty-extensive corporation taxes. Down to 1904 the rate was 9.25. All tax-rates are estimated on the basis of a one-fifth valuation, as in Chicago.

Section I. General Comparisons

Comparing the revenues of American cities, it appears that the per capita income of Chicago is smaller than that of any other great city, American or European. On the Philadelphia basis its revenue would be about $3,000,000 greater than at present; on the New York or St. Louis basis, about $18,000,000 larger; on the Boston basis, about double the amount now received. In "commercial revenue" Chicago compares favorably with the other great cities, but in "general revenue" the deficiency is most clearly evident. Chicago's $13.73 per capita of general revenue is far behind the $33.40 of Boston, the $22.97 of New York, the $18.60 of St. Louis, and is considerably below the $15.78 of Philadelphia. A closer analysis of the situation shows that Chicago's greatest weakness lies in the tax revenue per capita. In licenses,

fines, and forfeitures, Chicago, with a per capita income of $2.24, stands second to St. Louis, with $2.55; while Boston obtains $1.93, New York $1.73, and Philadelphia $1.56, respectively. In this respect, then, the revenue of Chicago compares favorably with that of other American cities. In revenue from taxes, however, Chicago lags far behind the others of its group. Boston raises $30.78 per capita by taxes; New York, $20.53; St. Louis, $15.44; Philadelphia, $13.46; while Chicago contributes only $11.11. On the Philadelphia basis, Chicago's revenue from taxes for local purposes would be $4,000,000 greater than at present; estimated on the St. Louis basis, its revenue would be about $8,000,000 larger; on the New York basis, its revenue would be increased about $18,000,000; and, finally, on the Boston basis the local revenue from taxes would be increased almost three times. So far as per capita figures go, it appears that the weakest spot in the local revenue system of Chicago is the small amount of taxes paid for local purposes.

Comparing the revenue of Chicago with that of European cities, it is found that the local income is below that of any city considered, without exception. The revenue of Paris is about $5 per capita greater; that of London, Berlin, and Glasgow, about $2 greater. On the Paris basis, its revenue would be about $10,000,000 larger than at present; on the basis of the other cities in question, about $3,000,000 more than is now received. Such comparisons are unfair, however, since they disregard the difference in the purchasing power of money in European and American cities. Forty million dollars will go farther in Berlin than in Chicago, not only because of the method of administration, but because of the different level of prices prevailing. If the incomes of Chicago and Berlin were exactly equal in dollars, the purchasing power of the Berlin income would be greater, and our revenues would in effect be considerably smaller than theirs.

It is a fair conclusion, then, that the revenues of Chicago, including not only the city, but all other local taxing bodies,

are lower than those of any other of the ten largest cities of Europe and America. Consequently, unless all records for efficiency and economy in the expenditure of money are broken, our local government must inevitably suffer in comparison with that of other great metropolitan communities. A decentralized, unsystematic, and irresponsible system of local finances, operated under a bipartisan system, increases the already great difficulties with which we must contend.

A comparison of expenditures quickly reveals the points where Chicago suffers most from lack of sufficient revenue. Thus the police expenditure per capita in Chicago amounts to only $2.08, as against $2.35 for Philadelphia, $2.64 for St. Louis, $3.11 for Boston, and $3.39 for New York. For street cleaning, Chicago expends 62 cents per capita, as against 89 cents for Philadelphia, $1.33 for St. Louis, $1.69 for New York, and $1.78 for Boston. In such matters as police protection and street cleaning the great area of Chicago makes the discrepancy far larger than these figures indicate. Again, for purposes of public health, Chicago contributes 10 cents per capita, while the expense in other cities of its size ranges from 24 to 32 cents. In many other items the scantiness of revenue is evident. But the scope of this investigation does not cover the matter of expenditure, and consequently no extended analysis of such facts will be made here. Examination of the tables presented will show many interesting facts regarding the objects of local expenditure in this country and abroad.[1]

Section II. Revenues of American Cities

In order to make clearer the revenue systems in the United States, a description is now given of the revenue machinery and revenues of New York, Philadelphia, St. Louis, and Boston. The revenues of each of these cities are analyzed,

[1] See Census Bulletin 20, Statistics of Cities, 1902–1903, for comparative statistics and a variety of questions.

with special attention to their characteristic features, and in addition to this, the general scheme of revenue administration is outlined. The underlying purpose is to show where and how the local revenue system of Chicago deviates from that of other great cities of the United States.

NEW YORK CITY

New York City includes within its limits four counties — New York, Queens, Kings, and Richmond. The finances of these counties are included, however, in those of the city, the various receipts of the counties being turned over to the city, and appropriations for county expenses being made by the city. Thus, although the county officers are not appointed by, or responsible to, the city government, and the unity of the local government is to this extent interfered with, the financial unity is fairly complete. The city is further divided into five boroughs,—Manhattan, Brooklyn, Queens, the Bronx, and Richmond,—and a variety of local functions, notably those concerning local improvements, are vested in these authorities. Financial authority is, however, retained in the hands of the city as a whole, and, except for the interference of the state legislature, fiscal power in New York is pretty well centralized. One central authority regulates receipts and disbursements for the entire community. This power is placed in the board of estimate and apportionment, a body composed of the mayor, the comptroller, and the president of the board of aldermen, each having three votes, and the presidents of the five boroughs with seven votes all together.

The revenue machinery of New York City is made up of a considerable variety of administrative authorities. There is, in the first place, an elective comptroller, in whose hands is placed the direction of the fiscal policy of the city. Under this office are five bureaus, which are concerned with (1) the collection of revenue from interest on bonds and mortgages, and the rents of city property; (2) the collection of taxes;

(3) assessments and arrears; there is also (4) an auditing bureau; and (5) the city chamberlain, or treasurer. None of the officers in these bureaus is elected except the comptroller. In addition to these, there are the commissioners of the sinking fund, a body composed of the mayor, the comptroller, the chamberlain, the president of the board of aldermen, and the chairman of the finance committee; and also two commissioners of accounts, in charge of the city's accounting system.

The assessment of taxes is conducted by the department of taxes and assessments, a board of five members appointed by the mayor; and the revision of assessments is in the hands of the comptroller, the corporation counsel, and the president of the department of taxes and assessments, who constitute a board of review. The collection of taxes is carried on by the office of the receiver of taxes. Furthermore, there is a board of assessors (three at $3000), whose function is to spread such special assessments as have been approved. There is, in addition to these, a commissioner of taxes (an appointive officer), who has nothing to do with taxes at all, but does have jurisdiction over the licensing and regulation of employment offices. Saloon licenses are collected by the state excise commissioner, through his deputies and assistants.

Taking up the principal items of revenue, we may say that taxes are levied and collected by city officers, with the exception of the franchise tax assessed by the state board; special assessments are spread by the board of assessors, and collected by the department of assessments and arrears; the receipts from municipal industries, of which the most important are water and docks, are collected by these departments respectively; licenses (except saloon licenses, which are collected by the state) are collected partly by the bureau of licenses, and in small part by the mayor's office. Street-railway and other public-service privilege revenues generally are under the supervision of the bureau of franchises,

but collected by the collector of city revenue. The collector of city revenue is also responsible for the collection of rentals on city property. All officers receiving money must make a daily return to the office of the city chamberlain, with the exception of the county fee officers, who make a monthly accounting.

It should not be inferred from this catalogue of revenue officers that there is a lack of necessary centralization in New York City. There are, it is true, a number of state officers overlapping to some extent the local, but, as far as local officers are concerned, there is no such difficulty. The city of New York, and the four counties of New York, Kings, Queens, and Richmond, are coterminous and consolidated. They have one central financial body, the board of estimate and apportionment; one budget covers the expenses of all; they have one treasurer: agencies of the city are found in the various boroughs for purposes of collecting taxes and various licenses; but the financial authority is centralized. All money received passes through the hands of the city chamberlain, and all expenditures pass through the board of estimate and apportionment. Only a few fee officers still survive as an exception to this.

A notable feature of the New York system is the attention given to the auditing of revenue and expense. In addition to the regular corps of auditors, consisting of one hundred men, there is a department of investigation in the office of the comptroller. This is made up of sixteen men, eight of whom are selected for their ability as investigators, and eight constitute the clerical force. The principal duty of these officers is the audit of claims against the city, but they are available, and are used for the purpose of making special inquiries and examinations under the direction of the comptroller. Thousands of dollars are saved annually through the activity of this department. In addition to this force in the comptroller's office, there are under the mayor two commissioners of accounts, one of whom must be a certified

accountant. The work of these commissioners is to examine city receipts and disbursements every three months, and also to make special reports from time to time on the accounts and methods of the various departments of the city government. About eighty men are employed in this office.

The aggregate ordinary revenue of New York City is about $107,000,000. Of this sum the largest items are taxes, $76,000,000; municipal industries, $13,000,000; licenses, $7,500,000; special assessments, $7,000,000; and departmental receipts, a little over $1,000,000.

Taxes are raised on a valuation of $4,751,532,106, real estate, and $680,866,092, personal property, or a total of $5,432,398,198. The real-estate valuation includes the franchise values of special privilege corporations, which are assessed by the state and returned to the city. These franchises were valued at $235,000,000 in 1903, and in 1904 at $251,000,000. Of this latter amount $190,000,000 is found in Manhattan borough alone. A decided gain in the valuation of real estate has been made in recent years, notably under the administration of Seth Low. The assessment of real estate was raised from $2,932,000,000 in 1899 to $4,751,000,000 in 1903. In valuing real estate, the assessments of land and improvements are placed in separate columns, and the assessments published yearly in convenient sections. The local tax on real and personal property is supplemented by a series of state taxes on corporations.

In addition to the taxes mentioned, the law of 1902 provides for the assessment and taxation of bank shares. The value of each share is ascertained by adding the capital stock, surplus, and undivided profits, and dividing the result by the number of shares outstanding. The tax of 1 per cent levied on this valuation is collected by the banks and returned to the receiver of taxes. In 1903 the assessed valuation of such shares amounts to $266,692,116, on which a tax of $2,666,000 was collected.

The tax-rate in New York City ranges from $1.41367 per

$100 in Manhattan and the Bronx to $1.49675 in Richmond. Since the valuation of real estate has advanced, the tax-rate has fallen from $2.4804, the rate in 1899. Practically all of the tax goes to the locality, as the rate for state purposes is only thirteen one-hundredths of a mill.

From municipal industries a revenue of about $13,000,000 is derived. Of this the waterworks return about $9,000,000, the city docks about $3,000,000, city markets and other property about $1,000,000. Interest on public deposits amounts to $264,000 (1904). This is reckoned at the rate of 2 per cent on daily deposits. The average daily balance runs from two to ten millions. The law provides that public deposits in any given bank shall not exceed one-half of the capital stock and surplus of the institution, and a list of the depositaries, with the amount of interest paid by each, is published annually. There are 156 depositaries of city and county funds (114 banks and 42 trust companies), and 29 depositaries for court and trust funds, making a total of 185 official depositaries.

About $7,000,000 is paid in the form of special assessments. These improvements are initiated in a local improvement district, approved by the board of estimate and apportionment, and then spread by the board of assessors. Assessments are not levied for repairing or renewal, but such expense is borne by the city.

The license revenue of New York City is about $7,500,000. Of this the saloons pay about $6,000,000, which is one-half of the total license paid by them. The balance goes to the state. The rate varies from $750 in boroughs of 50,000 to 500,000, to $1200 in boroughs of from 500,000 to 1,500,000, and is collected under the supervision of a special state officer, the excise commissioner. The next largest item is that of fines and forfeitures, from which $1,000,000 is obtained. Other important items are receipts from pawnbrokers, about $100,000; from theatrical and concert licenses, about $60,000; from sidewalk stands, about $25,000.

Departmental receipts (about $1,000,000) are derived from a variety of miscellaneous sources. Of these, one of the most important is the court fees of the various counties. These are turned in to the city treasury monthly by the respective court officers. It is to be observed that a considerable body of trust funds is also in the hands of the treasurer, and that the interest on these funds goes to the city. As custodian of these court funds, the chamberlain holds about $4,500,000, on which net earnings amount to $133,000.

Public-service privileges are credited with $700,000 annual returns. This does not include, however, the revenue from the special franchises assessed and taxed as real estate. From street railways about $400,000 is obtained. This is based on a license of from $20 to $50 per car for some lines, and for others on a percentage of the gross receipts ranging from one-third of 1 per cent to 8 per cent, but which in most cases is from 3 to 5 per cent.[1] Incidental revenue is derived from pipe lines, tunnel and vault space, and bay-windows. From gas and electric lighting companies the returns are inconsiderable. The principal contribution is made by the East River Gas Co., which pays $20,000, or 3 per cent of its gross receipts.

By way of state grants the city receives about $1,300,000. This is a grant in aid of schools and libraries, but it is partly offset by the city's payment to the state for schools, in the form of general state tax.

The debt of New York aggregates $532,997,235. From this must be deducted sinking-fund assets, leaving the amount at $381,687,512. Estimated per capita, this is a burden of $102.68. If the assets of the city are figured in, however, the debt is reversed to a balance in favor of New York. The salable assets amount to $524,000,000, so that the city is really in a prosperous condition.

The assembly of 1905 provided for two new classes of taxes,

[1] See Comptroller's Report for 1902, p. 303.

which are now in the experimental stage. These are a tax on mortgages and a tax on stock transfers. The mortgage tax is levied at a rate of five mills per dollar. It is collected by the state, and one-half of the proceeds is returned to the locality. The stock-transfer law of 1905 prescribes a tax on stock transfers. This is imposed on "all sales, or agreements to sell, or memoranda of sales or deliveries or transfers of shares and certificates of stock in any domestic or foreign association, company, or corporation." On such transfers a tax of two cents per $100 is placed. Taxes so collected are paid into the state treasury, and the locality has no share in the revenue raised.

The conspicuous features in the revenue system of New York are, then, the consolidation of local financial power in the hands of the board of estimate and apportionment, the taxation of franchises as real estate, the large revenue from municipal industries, and the heavy payments by saloons. The mortgage tax and the stock-transfer tax introduce new elements into the system. The careful provision for the auditing and inspection of revenues and expenditures is a feature of the New York system not to be overlooked.[1]

PHILADELPHIA

In Philadelphia the limits of city and county are coterminous, and the governments are practically merged into a consolidated county-city. There is consequently a unified management of local finances, without division of authority over receipts and disbursements. The principal financial authorities of Philadelphia are the comptroller, elected for a term of three years; the treasurer, elected for the same term; and the receiver of taxes, similarly chosen. Of these officers, the comptroller is most important in directing the financial policy of the city. He has general supervision over

[1] See *Annotated Charter of New York* (second edition); E. Dana Durand, *The Finances of New York City*. The Comptroller's Annual Report contains a very detailed analysis of New York revenues.

the finances of the city, while the work of auditing is also conducted in his department. More than any other officer, he has the power to direct the fiscal policy of the city.

The principal items in the revenue of Philadelphia are, in round numbers: —

Taxes	$18,415,000
Municipal industries	6,073,000
Licenses	2,103,000
Departmental receipts	1,127,000
State grants	910,000
Special assessments	710,000
Public-service privileges	113,000

Taxes are levied on real property, which amounts to $910,000,000, and $427,000,000 of personalty. On real property three rates are levied: a "city rate" of $1.50, a "suburban rate" of $1, and a "farm rate" of $0.75. The "farm rate" applies to land used for agricultural purposes; the "suburban rate," to property partially equipped with sewer and water connections, and urban improvements; and the full rate, to fully improved property. Practically all of the valuation is based on the "city" property, however. On personal property there is a rate of 40 cents per $100, of which one-fourth goes to the state. Taxes are assessed in advance of the fiscal year for which the levy is made. Thus the 1905 tax is assessed in 1904, the lists are revised, the tax levy made, and the budget voted before the beginning of the fiscal year 1905. The tax is collected during the current fiscal year, the bulk of it being paid in the month of August, as the penalty begins September 1. Except for the 40 cents per $100 on personal property, the state receives no general tax from local property. An elaborate system of corporation taxes and miscellaneous licenses obviates the necessity of any considerable local taxation for state purposes.

A special form of tax in Philadelphia is the mercantile license tax. This is based on the whole volume of business transacted annually by dealers in merchandise. Retailers are required to pay a license fee of $1 per $1000 on the whole

volume of business transacted annually; wholesalers pay at the rate of 50 cents per $1000; exchanges and boards of trade, at the rate of 25 cents per $1000. Returns are made by dealers to a board of mercantile appraisers appointed by the state auditor and the city treasurer. Dealers may be required to appear in person, and to produce books and papers necessary to show the amount of business transacted. The returns made are not published, nor are they open to public inspection. From this source about $190,000 is paid to the state by retail merchants, and $160,000 by wholesale dealers, a total of about $350,000. Under this system there is of course no tax on the goods or wares of the dealers so licensed. The city does not share in the returns from this form of license.[1]

From licenses Philadelphia derives a revenue of about $2,000,000. The principal item in this amount is the saloon license of $1,800,000. The rate is fixed at $1,103.75, of which the state receives $100. The sum of $105,000 is obtained from street-car licenses of $50 a car and $100 for cars crossing a bridge. In 1904 there were 225 "bridge" cars, and 1945 ordinary cars.[2] In addition to this, a number of charges are made in the shape of paving requirements and taxes on dividends. Other items of license revenue are comparatively small, but a considerable amount is paid directly to the state for miscellaneous licenses, such as those required of bottlers, brokers, auctioneers, etc.[3]

The revenue from municipal industries in Philadelphia is about $6,000,000. The most important of the items that make up this total is the $3,500,000 paid by the water depart-

[1] There is also a poll-tax in Philadelphia, from which about $25,000 is obtained annually. The law has required the payment of the poll-tax as a qualification for suffrage.

[2] See F. W. Speirs, "The Street Railway System of Philadelphia," *Johns Hopkins University Studies*, 15th Series, Nos. III, IV, V (1897).

[3] Philadelphia County paid to the state (1903) for bottlers, $110,000; brewers, $83,000; wholesale liquor-dealers, $180,000; bankers, $16,000; eating-houses, $20,000.

ment. Other important items are the rent of wharves and landings, from which about $50,000 is realized, and the rent of city real estate, amounting to about $16,000. Another large sum is the amount obtained from interest on public deposits. This reached a total of $281,491 in 1903. Interest is paid at the rate of 2 per cent on daily deposits, which in Philadelphia are very large. The average balance carried by the city in the seventy-nine banks and trust companies used as depositories is about $20,000,000. The law provides that the deposits placed in any one institution shall not exceed 25 per cent of its capital stock and surplus. A list of depositaries, seventy-nine in number, with the balances in each and the amount of interest paid by each, is printed in the comptroller's annual report of 1903 (pp. 28 and 46). Another very considerable source of revenue in Philadelphia is the lease of the gas-works. The United Gas Improvement Co. pays into the city treasury 10 per cent on all collections for the sale of gas. This amounted, in 1903, to $636,000,[1] and has doubled within the last four years.

Receipts from the various city departments amount to $1,127,000. A great part of this comes from the county officers: for example, the recorder of deeds pays in $145,000; the registrar of wills, $106,000; the sheriff, $50,000; the prothonotary, $60,000. Institutions for the insane pay $125,000; building inspection, $45,000; boiler inspection, $26,000.

State grants in Philadelphia are placed at $910,000. Of this practically all is designed for school purposes, as is the case in other cities where such grants are made. This amount is apportioned on the basis of the "exact number of taxable citizens" in the respective school districts of the state.[2]

Special assessments in Philadelphia amount to only $700,-

[1] 1898, $193,000; 1899, $340,000; 1900, $375,000; 1901, $416,000; 1902, $476,000.

[2] There is also a state tax of 2 per cent on gross premiums of foreign fire insurance companies, of which one-half is paid to the several cities and boroughs as a fund for disabled firemen.

000, as compared with $4,000,000 for Chicago and $7,000,000 for New York. This is due to the fact that a large amount of repaving and repairing of streets is done by the city itself. In 1904 the appropriation for the bureau of highways was $3,270,000, of which practically all was applied to repairs of streets. The returns from what would elsewhere be termed special assessments appear as charges under various departments. Under the bureau of surveys a charge is made for paving, sewers, curbing, etc. These charges are assessed by the surveyor, and are collected by the contractor instead of by the city.

Public-service privileges, as reported by the Census Bulletin ($113,000), are smaller in Philadelphia than in any city of its size. This sum is made up by the payments made to the city on the part of the street railways. The rate is fixed at 6 per cent of all dividends paid by the company above 6 per cent, or in some cases at 6 per cent on all dividends, according to the terms of the various charters. In addition to this payment and to the car license already noted, there are considerable contributions made by the street railway companies for the purpose of paving and repairing streets. All but one of the companies are obliged to keep in repair and good order all streets occupied by their tracks. Furthermore, there is a general state tax of one-half of 1 per cent on capital stock, and of eight-tenths of 1 per cent on gross receipts. In 1897 Mr. Speirs estimated these various contributions as follows:—

Paving and repairing	$450,000
Dividends	92,000
Car license	97,000
Total	$639,000
Tax on capital stock	$432,844
Tax on gross receipts	91,391
Grand total	$1,163,235

This does not include taxes on real estate or interest on investment in pavements. Under this heading might be included

the large payments made by the gas company to the city, but this has been already discussed in the consideration of municipal industries.

The collection of these items of revenue is centralized in the receiver of taxes. Practically all moneys are paid in to him, including taxes, real and personal, and water rents. The payment by the gas company is made to the treasurer, and also the saloon licenses. Court fees are paid to the various court officers and later deposited with the treasurer.

The auditing of accounts is conducted in the office of the comptroller, under the direction of the chief auditor. In the examination and verification of revenues alone there are twenty men employed, and another twenty are engaged in the work of auditing the expenditures. Of those occupied on the revenues, seven work on taxes, four on water collections, three on gas company payments, and five are classed as miscellaneous. This makes possible a careful examination of the various sources of city income, with a view to determining whether all accounts due are collected and turned into the treasury, and the stopping-up of any leaks in the sources of supply.

The debt of Philadelphia amounts to $58,000,000, or, subtracting the sinking-fund assets, $50,654,640. This gives a burden of debt per capita of $36.86. As an offset to this there are, however, assets of importance to be taken into consideration. These assets reach a total of $200,000,000, including such items as waterworks ($59,000,000), gas-works ($27,000,000), City Hall ($27,000,000), parks (about $30,000,000), and public trust funds ($21,000,000). In the presence of such assets as these, the debt of the city appears to be inconsiderable.

Among the important features of the Pennsylvania system are the practical elimination of the general property tax as a source of state revenue. The only state rate now levied is the 40 cents on personal property, of which only one-fourth is retained by the state. The state, in return for this, levies

extensive corporation taxes, which fall heavily on Philadelphia, and receives further support from the mercantile-license system and from other miscellaneous licenses. Another important feature is the method of assessment of taxes in advance of the fiscal year, thus making possible the collection of taxes during the current fiscal year. Another interesting aspect of the Philadelphia situation is the small revenue realized from special assessments. Finally, the consolidation of city and county, with the accompanying unity of financial administration, ought not to be ignored. This concentration of power makes possible a centralized control of all receipts and disbursements, locating power and responsibility at a point that is not only ascertainable, but eminent and conspicuous.[1]

ST. LOUIS

The corporate authorities of St. Louis have jurisdiction over practically the entire field of local revenues and expenditures. The county proper of St. Louis covers only the territory lying outside of the city. The school board, an elective body of twelve members, is, however, an independent financial agent, and the public library board is separated from the city financially. The principal financial authorities of the city — a comptroller, an auditor, a treasurer, a collector, and a president of the board of assessors — are elected by the people for a term of four years. The mayor, the comptroller, and the treasurer also constitute a fund commission.

Of these officers, the chief is the comptroller, who is most active in the direction of the fiscal policy of the city. He has general supervision of the finances of the city, and is entitled to a seat in either branch of the municipal assembly, and to the right to speak, but not to vote. The auditor is practically the chief accountant, and the treasurer has merely the custody of the city funds.

[1] See a *Digest of Laws and Ordinances Concerning Philadelphia*, 1905.

The principal items in the revenue of St. Louis are as follows:—

Taxes	$9,456,773
Licenses	1,669,946
State grants	202,251
Municipal industries	2,173,037
Public-service privileges	266,439
Departmental receipts	518,622
Special assessments	3,261,143
Total, including miscellaneous	$17,608,112

The principal item in the revenues of St. Louis, as in the other cities considered, is the general property tax, while special features of this system are the parts played by the state board of equalization and the merchants' and manufacturers' license and tax. The local assessment is in the hands of the president of the board of assessors, an elective officer, and deputy assessors appointed by the mayor. As in Philadelphia, the system of assessment in advance is employed. Thus assessment for 1905 taxes was begun June 1, 1904, and completed by the next January. The assessments are then passed upon by the board of equalization, consisting of the president of the board of assessors and four appointees of the circuit court, who must complete their work by the fourth Monday in May. In addition to this local assessment, the state board of equalization assesses railway property, including street railways, and returns the amounts to the city on the basis of main line mileage.

Collections are made by the city collector, the bulk of the tax coming in during the first week of September and the last week in December. A rebate at the rate of 8 per cent from the date of payment to December 31 following is made on all bills paid before October 1. School and library taxes are collected by the city in the general collection.

The assessed valuation of St. Louis for 1903–4 was:—

Real estate	$337,592,210
Personal	78,232,310
By state board	28,041,042
Total	$443,865,562

On this the rate of taxation was 2.19, distributed in this way:—

		Chicago Basis
State	0.17	0.85
Public schools	0.55	2.75
City	1.43	7.15
Public library	0.04	0.20
	2.19	10.95

A striking feature of the St. Louis system is the merchants' and manufacturers' special tax and license. The law specifies that:—

Each merchant, mercantile firm, or corporation is required to furnish the License Collector a statement of the value of the largest amount of all goods, wares, and merchandise which he may have had in his possession or under his control at any time, between the first Monday of March and the first Monday of June in each year.

Each and every person defined to be a manufacturer shall furnish to the License Collector a statement of the value of the greatest aggregate amount of raw materials, merchandise, and finished products (to be listed separately) which he had on hand on any one day between the first Monday of March and the first Monday of June in each year, as well as all tools, machinery, and appliances used in conducting his business or owned by him, on the first day of June in each year.

Each merchant or manufacturer shall furnish a statement of the aggregate amount of all sales made during the year next preceding the first Monday of June, of the then current year, verified by the affidavit of the merchant, manufacturer, or officer of the corporation making it.

On the merchandise and manufacturers' material a tax of 92 cents per $100 is levied (regular tax-rate 2.19), while on the gross sales a city license of $1 per $1000 is required. Thus a merchant having a stock of the value of $10,000 and sales of $50,000 will pay on the stock a tax of 92 cents, or $92, and on sales a license fee of $1 per $1000, or $50; a total of $142, tax and license. Sworn returns of stock and sales are made to the collector, who has the right to examine the books in order to test the accuracy of the returns. The

lists are not published, but are open to inspection by the public. $564,000 was realized from this source in 1904.

Licenses in St. Louis aggregate about $1,700,000 ($1,669,946). With the exception of the saloon licenses, they are collected by the license commissioner, an officer appointed by the mayor. The commissioner employs on the collection of these miscellaneous revenues alone a force of twenty-eight men, fourteen of whom operate in the field. The saloon license in St. Louis is $600 a year, and $100 of this amount goes to the state. Payments are made semiannually. About $1,300,000 ($1,264,975.68) was realized from this source during the year 1904.

Other important sources of income from licenses are: —

Vehicles	$74,831.50
Peddlers	26,596.70
Insurance companies, commission merchants, restaurants, dogs, aggregate each about	18,000.00

Hotels are taxed from $2.50 up; restaurants, $10 to $100; intelligence offices, $300; banks, $100 each.

From municipal industries the city derives a revenue of about $2,000,000 ($2,173,037). Water rates contribute almost all of this amount, but there are minor receipts from wharfage and wharf rents, markets, and institutional industries.

The deposit of public funds with banks is in charge of the mayor, comptroller, and treasurer, who select a bank or banks offering the highest rate of interest. A deposit of $500,000 is permitted in a single bank, with a possibility of a supplementary deposit of $500,000 additional. There are now ten depositaries, and interest is paid at the rate of 2.30 and 2.23 on daily balances. About $230,000, including $25,000 interest on school funds, is realized from this source. The average deposit on hand is about $7,000,000.

These revenues, with the exception of certain school funds, are collected by the city. The greater part of the work is performed by the city collector, but licenses are collected by the license commissioner, water rates by the water department,

and some other items are collected by miscellaneous authorities. Deposits are made daily with the city treasurer, with some exceptions, notably the court fees.

Receipts from public-service privileges in St. Louis were, in 1903, $266,439. The street-railway companies pay to the city from 2½ to 5 per cent of their gross earnings, and the amount reaches about $125,000. Telephone franchises, on the same basis, bring in about $75,000; and from electric companies about the same amount is paid in. Street cars are licensed at the rate of $25 a year. In accordance with the law of 1901, a franchise tax is levied on all special-privilege corporations; but, except in the case of the gas company, not much is obtained in this way, owing to the fact that local charges are deducted from the amount of the franchise tax.

Departmental receipts amount to $518,622. Under this are included such items as building permits ($20,792), boiler and elevator inspection ($17,723), and fees of the various court offices, of which latter $58,000 is returned for the recording of deeds, and about $50,000 from the courts of record.

From special assessments $3,261,143 was collected in 1903. They originate with the board of public improvements, and must be approved by the municipal assembly. Taxes are spread in proportion to area and frontage, one-fourth of the cost being assessed on the frontage basis and three-fourths on the area. The special assessments are not collected by the city, but by the contractors themselves.[1]

Among the important and suggestive features of the St. Louis revenue system are the plan of advance assessment, the special-privilege franchise tax, the merchants' and manufacturers' tax and license, and the general tendency toward the universal business or "privilege tax."[2]

[1] In St. Louis special districts for street sprinkling are created and specially taxed. The sum of $178,018.27 was thus collected in 1904–5.

[2] See *The Charter of the City of St. Louis;* the *Revised Ordinances;* Frederick N. Judson, *Taxation in Missouri:* Comptroller's Report, 1904–5; Report of the Board of Education; Report of the Missouri Tax Commission of 1903.

BOSTON

The local government of Boston differs from that in New York, Philadelphia, and St. Louis in having a number of local authorities instead of a consolidated municipal government. Moreover, the various authorities differ markedly from those in Chicago; and the nearest analogy to the existing arrangements are those which existed for London before the establishment of the county council.

In one important respect consolidation of authorities has gone farther than in Chicago. Although Suffolk County comprises a small city and two smaller towns in addition to the city of Boston, there are no separate county financial authorities, and the county budget is included in the financial statements for the city. But there are a number of special boards outside of the city government charged with important branches of local administration. Two of these — the police board and the rapid transit commission — exercise jurisdiction only within the city; and their accounts are reported in the city financial statements. Two others, however, deal with a large territory outside of the city, known as the metropolitan district. These are the metropolitan sewer and water board, and the metropolitan park commission, whose members are appointed by the governor and council of Massachusetts, and derive their authority directly from the state legislature.

This metropolitan district — which differs slightly for each of the two boards — includes Boston and more than a dozen cities and towns in the immediate neighborhood, which are largely suburban regions of the one urban community. But for local sentiment and administrative difficulties, the whole district might be included within the city of Boston, which would then have a population of 1,100,000.

One result of the continuance of separate governments is to make per capita statements of Boston finances a good deal larger than if the whole metropolitan community were

included, as the heavy expenses within the business district are distributed only over the population within the city limits. Thus the total ordinary receipts for the city of Boston for 1903 were $40.47 per capita. But if the receipts for the eight other larger cities in the metropolitan district are added, the aggregate is $32.84 per capita. If the smaller cities and towns were included, the rate would be somewhat lower than this. But the results would still leave the per capita receipts and expenditures for Boston larger than for any other city.

For the most accurate analysis and comparison with other cities, the finances of all of the cities and towns in the metropolitan district should be combined. But the data for the smaller places are not available; and it has seemed inadvisable to present figures which were neither for the city of Boston nor for the entire metropolitan district. Thus the statements given in the tables are those for the city of Boston, with its proportion of the transactions of the metropolitan boards.

Boston's share of the ordinary revenues and expenditures of the metropolitan boards is practically included in the accounts of the city. The ordinary revenues of these boards are received from assessments levied on the different cities and towns; and the amounts show in Boston's reports as included in the tax revenue, and as paid out to the metropolitan boards. The census bulletin, however, includes all of these payments under miscellaneous general expenses; whereas they should be distributed as maintenance charges for the different purposes, and as interest and sinking-fund payments. This change has accordingly been made from the census arrangement in the tabular statements.

On the other hand, the debt statements of the city of Boston do not show its share of the debt incurred for the metropolitan undertakings. The latter is nominally a state debt; but in fact it will be paid only by the communities within the metropolitan district. Accordingly, Boston's proportion of this debt has been calculated on the basis of its

share of the interest and sinking-fund payments; and this has been included in the statement of debt in the tables.

As in the other American cities, the larger part of the city's revenue is derived from the general property tax. This is levied by an ordinance passing both branches of the city council with the approval of the mayor. Department estimates of proposed expenditure are compiled by the city auditor and revised by the mayor; but the effective work of determining the amount of the budget and the necessary tax levy is done by the board of aldermen, the smaller branch of the city council, which in this respect performs a similar function to the board of estimate and apportionment in New York City. The approval of the budget and tax levy by the common council follows; and the ordinance is finally subject to the veto power of the mayor.

While the per capita tax is high, it is important to note that the tax-rate for Boston is lower than in most large American cities. This is due to the high per capita valuation of property, which is the result of several factors: the per capita wealth of Boston is doubtless higher than in other cities; the assessed valuation is close to the full market value of property; and, as a consequence of the city including only part of the residence districts, the high value of business property is a larger proportion of all property within the city limits.

In addition to the general property tax, a large revenue is derived from special taxes, especially those on street railway, bank, and other corporations. These taxes are levied by the state, and are paid directly to the state by the corporations. But the receipts are distributed to the cities and towns in proportion to the number of shares of stock owned on the miles of railroad track located in each. Thus, in effect, it is a local tax collected by the state for the cities, and not a real subvention from the state to the city. Grants from the state government are, in fact, almost a negligible item in the revenues of Boston.

Revenue from licenses is mainly from the liquor traffic; and the rates for liquor licenses rise higher than in any other city. The minimum rate is $500, but this applies to only a small number of places, while the greater number pay the higher rates of $1100 and $2000. One-fourth of the revenue from these licenses goes to the state; the remaining three-fourths, to the city. As a result of the high license fee and the restrictions on the granting of licenses, there were only 786 liquor saloons in Boston in 1903; yet the revenue to the city was over $1,000,000.

Under receipts from public-service privileges are included certain so-called taxes on public-service corporations. One of these is a gross earnings "tax" on street railways, in lieu of other payments for street repairs; the proceeds of the tax being used for the repairs of streets. Another is a special franchise "tax" on the elevated railway, specified to be in consideration of special privileges granted.

Receipts of municipal industries are larger proportionately in Boston than in other American cities. The waterworks produced $2,349,726 in 1903, or 60 per cent of the water revenue in Chicago, although the population of Boston is less than a third of Chicago's. The municipal markets brought in $110,000; and other industries, $480,000.[1]

TORONTO

For purposes of comparison with American cities, Toronto has been selected. The general scheme of revenue-raising corresponds roughly to our own, but differs in important particulars. The revenue machinery of Toronto consists of the treasurer and two auditors, appointed by the council for an indefinite term, an assessment commissioner, also appointed by the council, together with assessors, valuators, and collectors, who are selected by the commissioner. There is also a court of revision of assessments, composed of three

[1] See Boston Municipal Register; Auditor's Report; Publications of Bureau of Statistics.

members, one appointed by the mayor, one by the council, and the official arbitrator, and the two auditors. Practically financial authority is vested in the two officers, treasurer and commissioner, subject to the direction and control of the council. Although the term of office is indefinite, tenure is practically permanent, as removals are rare. The present city treasurer entered the service of the city in 1873, and has occupied his present position since 1888.

The total revenue of Toronto for the year 1903 was about $4,000,000. Of this by far the largest item was that of taxes, which amounted to $3,133,219. Taxes are derived from a levy of $1.90 per $100 on a valuation of about $138,000,000. There is also an income tax, with exemptions on income from personal earnings to the amount of $400 to $1000. Telegraph and telephone companies are especially taxed on 75 per cent of their gross receipts (in cities of over 100,000 inhabitants).

This year there goes into effect a law providing for what is termed "business assessment"; the essential feature of this system is the use of the rental value of business property as an indication of income or ability to pay. The law provides that—

> Irrespective of any assessment of land under this act, every person occupying or using land in the municipality for the purpose of any business mentioned or described in this section shall be assessed for a sum to be called "business assessment," to be computed by reference to the assessed value of the land so occupied or used by him, as follows:—

Every person carrying on the business of a distiller is assessed for a sum equal to 150 per cent of the said assessed value; brewers at 75 per cent; retail merchants at 25 per cent; solicitors, physicians, etc., at 50 per cent; telegraph, telephone, street-railway companies at 15 per cent. In case the income of an individual so assessed exceeds the assessment, he is liable on the extent to which such income exceeds the amount of business assessment.

Among the interesting features of the taxing system is the

system of rotation in assessment. The work of valuation is begun in March, and carried on ward by ward until the city is covered, in September. A distinction is made, in assessment, between improved and unimproved property, and there is now on foot a movement to exempt improvements up to the value of $700. It is also important to observe that the Toronto assessment is made in advance of the year for which the levy is made. This makes possible the collection of taxes during the current fiscal year as in Philadelphia and St. Louis, and obviates the necessity for borrowing largely in anticipation of incoming taxes.

Liquor licenses amounted (in 1903) to about $32,000, at a rate of $450. Of this the city receives approximately $166, while the balance goes to the Province of Ontario. The administration of this license is in the fact superintended by provincial officers, independently of the city. The number of licenses is fixed at one hundred and fifty hotels and fifty shops, and the policy is to reduce rather than to increase the number. From other licenses about $37,000 is obtained, with the sums obtained on account of milk venders, peddlers, expressmen, and cigarettes, yielding largest returns.

The principal municipal industry is the waterworks, which pays about $400,000 a year. Rentals of city property bring in about $170,000 (including certain rentals charged against police stations and other departments); about $25,000 is obtained from the city markets. The Industrial Exposition in 1903 netted some $31,000.

In public-service privileges the leading item is the revenue obtained from the street-railway companies. In return for a thirty-year franchise the city receives a percentage of the gross receipts on the following scale:—

Up to $1,000,000	8%
From $1,000,000 to $1,500,000	10%
From $1,500,000 to $2,000,000	12%
From $2,000,000 to $3,000,000	15%
Above $3,000,000	20%

In addition to this, the city receives compensation in the shape of mileage at the rate of $800 per single-track mile. The amount realized from street railways was, in 1903, $279,000. In 1904 this was increased to $323,000, and is estimated for 1905 at $345,000.

Special assessments are levied for the ordinary purposes, but in Toronto such taxes may also be made for the purpose of sweeping, lighting, and watering streets, for cutting grass and weeds, and for removal of snow, ice, and dirt. A considerable part of the cost of local improvements is borne by the city. Thus, in 1903, the cost of such improvements was about $665,000, of which $468,000 was paid by the property owners, and the balance by the city.

The indebtedness of the city is about $21,500,000, from which deduction must be made for cash and sinking-fund. This leaves a net debt (December 31, 1903) of $15,316,266. Estimating the population at 200,000 in 1903, the per capita debt is about $75. Of this debt about five and one-half millions have been incurred for the purpose of local improvements.[1]

Section III. Revenues of Foreign Cities[2]

Revenue-raising Bodies in European Cities.—Financial study has been made of five of the principal large cities of

[1] See *Consolidated Municipal Act of* 1903; *Consolidated By-Laws of the City of Toronto*, 1904; City Treasurer's Annual Report; *Municipal Handbook of the City of Toronto; The Assessment Act (Ontario)*, 4 Edw. VII, ch. 23 (1904).

[2] Bibliography.—*British Parliamentary Papers; Annual Local Taxation Returns* (England and Wales), 1902–1903; *Annual Local Taxation Returns* (Scotland, 1901–1902); *Annual Reports of the Accountant for Scotland to the Scotch Education Department*, 1901–1902, 1902–1903; *Revenue and Expenditure* (England, Scotland, and Ireland), 1902–1903; Atkinson, *Local Government in Scotland*, chs. 15–17; *Oesterreichisches Städtebuch*, Vol. X (1904); *Die Gemeinde-Verwaltung der Stadt Wien für das Jahr* 1902; *Statistisches Jahrbuch der Stadt Wien für das Jahr* 1902; *Statistisches Jahrbuch der autonomen Landesverwaltung* (1904); *Oesterreichisches statistisches Handbuch* (1903); *Oesterreichische Statistik*, Vol.

Europe — London, Paris, Berlin, Vienna, and Glasgow. In order to present data covering the same objects of expenditure, it has been necessary to combine, in most cases, the financial accounts of several local authorities and certain items from the accounts of the central governments; and as the accounts and reports of the various countries and cities are on very different plans, this has required a careful rearrangement of the items in the reports so as to group substantially similar facts in a uniform schedule.

London shows the greatest multiplicity in the number of authorities whose accounts must be considered, — more than Chicago. Moreover, no single local authority occupies even the same degree of relative importance that the city corporate has in Chicago. As various authorities have jurisdiction over different areas and population, it is not obvious what district to include; but the most suitable district is that known as the administrative county of London, with a population of 4,560,000.

Within this district the most important single authority is the county council, a popularly elected body. This has control over certain large municipal works, such as the main drainage system, some of the leading thoroughfares, most of the bridges over the river Thames, and the principal parks; and also has charge of the fire brigade, owns and operates street-railway lines, and exercises some specified powers of police and sanitary control.

At the present time the London county council is also

LXX ("Der Oesterreichische Staatshaushalt in 1899 and 1900"). *Compte général des recettes et dépenses de la ville de Paris,* Exercice 1902; *Département de la Seine: Compte des recettes et des dépenses,* Exercice 1902; *Budget de la ville de Paris,* Exercice 1903 (tableaux annexés); *Annuaire statistique de la ville de Paris* (1901); *Compte général de l'administration des finances* (République Française, 1902); *Annuaire statistique de la France* (1903). *Statistisches Jahrbuch der Stadt Berlin,* Vols. XXVII, XXVIII; *Verwaltungsbericht des Magistrats zu Berlin für* 1902; *Verwaltungsbericht der Königlichen Polizei-Präsidium zu Berlin* (1891–1900); *Statistisches Handbuch des Preussischen Staat,* Vol. IV; R. C. Brooks in *Political Science Quarterly,* XX, 665.

the local educational authority; but for the years represented in the financial statements there was a specially elected school board, an independent corporation with its own taxing powers.

Most of the administrative county and a large area beyond is included in the metropolitan police district. The police force and police courts are directly under the control of a commissioner, appointed by the central government; but a large part of the expenses of this force are collected by local taxes or rates. For the purpose of this study only that part of the police district within the administrative county has been included.

Another metropolitan district created is that for the supply of water, which also includes territory beyond the county. This function is now under the control of a water board, composed of representatives of the various locally elected authorities within the district. But at the time represented in this report the water supply for the metropolis was in the hands of a number of private companies, and their accounts are not included.

Another authority in the county of London is the metropolitan asylums board, consisting mainly of representatives from certain locally elected authorities, which has the management of public hospitals, including those for the indigent sick and those for infectious diseases.

Within the administrative county there are twenty-eight metropolitan boroughs, the city of Westminster and the city of London, each with its own elected council and other officials. These control many municipal public works, such as street-paving, lighting, and cleaning, garbage disposal, and local sewers. Many of them have electric-light plants, bath-houses, and public libraries, and some have small parks. The city of London (whose jurisdiction covers only a small part of the county) has a larger range of functions than the metropolitan boroughs, including a police force and several bridges over the Thames.

Also within the administrative county are thirty poor-law unions, each with an elected board of poor-law guardians. These, in connection with the metropolitan asylums board, control the administration of poor-relief.

Finally there is the Thames conservancy board, which has control over navigation and boat landings on the river Thames; but this does not include the docks and warehouses for sea traffic, which are owned by private companies.

In addition to these various authorities, there must be included certain expenses of the imperial government, which correspond to items of local expense in Chicago and other American cities. The entire cost of the judicial and penal administration is borne by the central government; and a number of the public parks and museums in London are owned and maintained as royal parks. Some part of the expense for these must be considered as an additional grant from the central government to local purposes. The apportionment to London of the total expense for these items has had to be made approximately on a somewhat arbitrary basis.

In the case of the continental cities the number of local authorities is less, and the task of forming a consolidated statement is less difficult; but even for these there is usually more than one local budget to be considered. For Paris there are two main divisions in the administration of the city, one under the prefect of the Seine and the other under the prefect of the police. But the accounts of both of these are presented in a single budget and financial report. To these city accounts, however, there must be added a large share of the financial transactions of the department of the Seine. These are for the most part of a local character; and as Paris has two-thirds of the population of the department, they are in large measure part of the local administration assignable to the Paris community.

In addition to these local accounts, there must be included some expenses of the national government, which are analogous to local expenditure in this country. The national grant

toward the support of the Paris police is included in the city budget; but other items in the national budget not appearing there are for the local share of judicial and penal administration, and for the support of various educational and art institutions. These must be added to those in the local accounts to make a fair comparison with other cities; although in some cases only an approximate estimate can be made of the amount assignable to Paris.

In Berlin there is but one local corporation for municipal purposes; and all of the strictly local expenditures are accounted for on one budget. But again, as in Paris, the central state government, besides contributing small grants to the municipal treasury, carries on under its direct control certain important services which in the United States are branches of local administration; and the larger share of the expenses for these comes from the state treasury, without appearing in the municipal budget. These services include the courts and correctional institutions, the police commission (which controls the police force, fire department, and health and inspection services), the public schools, and the principal public parks. For any fair comparison of local finances in Berlin and Chicago, it is therefore necessary to include the expenses of these services in addition to the items in the municipal accounts. The expenses of the Berlin police commission are shown separately in the financial reports of Prussia. But for the other services an apportionment of the total expenditure for the whole country must be made; and here a rough approximation of the amount chargeable to Berlin is all that can be given.

For Vienna the local accounts to be considered are those of the city corporation and those of the province of Lower Austria. The latter, as in the case of the department of the Seine and Paris, carries on functions which are for the most part local in character; and as Vienna has more than half the population of the province, a large share of the items in the provincial accounts are assignable to the city.

So, too, as for the other European cities, there must be taken from the Austrian central government accounts some items for branches of administration undertaken in the United States by the local authorities. This is less important in Vienna than in Paris or Berlin, but some part of the expenses for courts and prisons, and for the royal parks, in Vienna are clearly for the benefit of the city community, and this can be at least roughly apportioned.

To make up the Glasgow statistics has required the consolidation of the reports of a large number of local authorities, though not so many as in London. If the areas of jurisdiction of different authorities were coterminous, it would be necessary to include only the accounts of the city, the parish, and the school board of Glasgow. But as the parish boundaries overlap those of the city, it has been found most convenient to include the data for the city of Glasgow and three small adjacent boroughs, and also those of two parishes and four school boards, covering the same area and population. This district, with a population of 912,000, is all within the Glasgow urban community.

Comparison of Sources of Revenue. — From the revenue statement it appears that the total ordinary revenue per capita for each of these European cities considered is larger than that for Chicago. But this is in part a result of the larger gross revenue from municipal industries, especially in Berlin and Glasgow; and this income is largely offset by the special expenses of these undertakings. For general revenue, which is a better basis of comparison, the per capita for Chicago is also less than that for London or Paris; but larger than for the other three cities. This, however, does not take into consideration the relatively higher purchasing power of money in Europe.

Except in Glasgow, the most important source of revenue is that from taxation. This yields the great bulk of the general revenue, and from 35 to 70 per cent of the total ordinary revenue. The amount of taxes per capita is, like the

general revenue, higher in money for London and Paris than for Chicago; and while less in Berlin, Vienna, and Glasgow, the difference is probably smaller than the difference in the value of property, or in the purchasing power of money. The methods of taxation are, however, very different from those in America, and also show great variety between the various foreign cities. And a brief analysis of the taxing systems will be suggestive in considering changes in methods here.

London and Glasgow have systems of direct local taxes which are very similar to each other; but this British system is very different from that used in other countries. The direct local taxes are wholly independent and distinct from the taxes levied by or for the central government, and the differentiation is so marked that the term "taxes" is not applied to the local contributions, which are known as "rates" in England and "assessments" in Scotland. These local rates and assessments are levied on real estate only, including land and buildings: and the basis of the levy in both countries is, not the capital value of the property, but the annual rental value. Moreover, the local rates are levied largely on the tenants or occupiers, instead of only on the owners, of property. In London, however (and generally in England), it is very often arranged in the leases that the landlord shall pay the occupiers' rates, and the rents are arranged accordingly. This is known as "compounding" the rates. In Glasgow and Scotland there is little or no compounding; but a considerable portion of the assessments are levied directly against the owners.

While there is only one system of valuation and assessment, there are a great number of distinct rates levied for different purposes. Almost every one of the many local authorities levies a separate rate, and in some cases one authority levies several rates. Thus there are separate rates for poor-relief, schools, borough purposes, and sanitary improvements; while in London there is an additional county rate.

A somewhat complicated process is followed in making valuations. There is first determined the "gross estimated rental," based on the yearly rent paid by a tenant who himself pays the tithes and the occupiers' rates. From this deductions are made to cover the average expenses for repairs, insurance, and renewals, and the balance is the "ratable value." In Glasgow, however, the burgh rates are levied on the gross rental. For certain purposes and certain kinds of property rates are levied only on a fraction of the full ratable value. Rates for police and street-lighting are levied on lands only on one-third of the full value; and rates for sanitary and other municipal improvements are based only on one-fourth of the value for agricultural land, railroads, docks, and canals. On the other hand, the assessment is always based on the value of the property for the purpose in use, so that the "franchise value" of railways, gas-works, and the like are included.

In London the primary valuations are made by the councils of the metropolitan boroughs, subject to review by assessment committees and appeal to the courts. There are some provisions for establishing uniform methods throughout the metropolis. Complete revaluations are required by statute every five years, and the deductions from the gross rentals are based on a fixed scale. There are also provisions for equalizing certain rates between the poorer and richer districts.

In the continental cities most of the direct taxes, and sometimes part of the indirect taxes, levied by the local authorities, are in the form of additions to the taxes levied by the central governments. This resembles the method in America of adding the local tax rate to the rate levied by the state governments; but in the European cities the taxes for the central governments are the larger portion of the whole, although the local taxes are also of weight. It is important to keep this condition in mind when comparing the total burden of taxation in American and European cities. In Chicago the

state tax does not amount to one-tenth the local tax, and in other cities the proportion is equally small.

In Paris the direct local taxes are known as *centimes additionels*, because the rate is measured in *centimes* added to the rate for state taxes. There are four separate objects of this direct taxation — lands and buildings, personal property, doors and windows, and business trades.

Indirect taxes still form a slightly larger source of local revenue in Paris than the direct taxes, and are of much more importance in Paris than in other French cities. These indirect taxes, known as *octrois*, are an elaborate series of local customs duties levied on goods entering the city. The larger part of the revenue comes from the duties on wines, beers, and other liquors; meat and other food supplies are also taxed, but bread is admitted free. The administration of these octrois duties at the city gates and railroad stations is very expensive, the total cost amounting to over 10 per cent of the amount collected. There is much complaint about them; but the heavy direct taxes by the state stand in the way of increasing these so as to abolish the octrois.

In Berlin most of the local taxes, and nearly all of the tax revenue, may be classed as direct. The most significant feature is the tax on incomes, levied by the municipality in addition to the state income tax. Although the Prussian government ten years ago abandoned other direct taxes for state revenue, with a view to segregating the state and local sources of revenue, the municipal income tax still furnishes nearly half of the municipal tax income — or about 40 per cent, if the special assessments are included as direct taxes. Next in importance is the tax on real estate, which yields about two-thirds as much as the municipal income tax. This has been levied on the basis of rentals, as in England; but a change to the system of capital market value has recently been adopted, so as to reach the owners of unimproved land. About 15 per cent of the tax revenue comes from business

or trade taxes, which include a small amount from department stores, and still less ($75,000) from retail liquor dealers. Of minor importance are the taxes on real-estate transfers, brewers, and dogs, which may be considered as indirect taxes. The revenue from these all together is less than 5 per cent of the total tax revenue.

Vienna also secures a large part of its tax revenue from additions to the taxes of the central government. But the taxes in force are different from those in Prussia or France. The land tax is insignificant, and the most important direct state taxes used for local revenues are the tax on buildings and the inheritance taxes. In addition to these, the city gets a large revenue (as much as from the other direct taxes combined) from a tax on rents, apparently similar to the British local taxes. Vienna also, like Paris, makes a large use of indirect taxes, which are levied mostly on liquors and meats. A good share of this revenue comes as an addition to the state excises on the same commodities; but some distinctly local consumption taxes are also levied.

A considerable part of the funds for municipal purposes in the European cities comes from the central governments. Part of this is in the form of grants or subventions paid into the treasury of the local authorities, part is in the form of direct support of institutions which in this country are often local in character. In Great Britain most of the amounts shown are payments to local authorities, and the largest part of these are the proceeds of certain local taxation licenses, inheritance taxes, and probate duties levied and collected by the central government, but paid over in whole or in part to the local authorities. The most important of these are excise duties on liquors and certain inheritance taxes. The proceeds from these taxes are fixed in amount, and do not increase from year to year. There are also, however, some grants from other funds in the national treasury to local authorities, mostly for schools; while some expenses for national courts, prisons, parks, and museums, analogous to

American local expenditure, have also been included as equivalent to additional grants from the central government.

In the continental countries most of the revenue for local purposes from the central governments are expended under its immediate control. The largest amounts are for the police of the various cities; but other items partly assignable to the localities are those for courts, prisons, secondary schools, art and other museums, and parks. There are also some grants or subventions to the local treasuries for elementary schools, and occasionally in small amounts for other purposes.

Revenue from public-service franchises are most striking in the case of Paris. This is due to the small extent of municipal ownership there, as compared with Berlin, Vienna, and Glasgow. The gas company alone pays the city of Paris over $3,000,000 a year.

Municipal-service income for the continental cities includes some revenue more or less analogous to special assessments in the United States. But the different methods employed and the different purposes make it impossible to separate exactly the amounts corresponding to special assessments. Most of the revenue included under special assessments for Berlin is from a rental tax for the maintenance of sewage works.

Revenue from municipal property and industries varies necessarily with the extent of municipalization. In proportion to population, Glasgow stands first, Berlin and Vienna second, with Paris and London farther behind. Glasgow has municipal tramways, gas-works, electric lighting, water-works, markets, and telephones; and more than half of the total revenue is derived from these sources. Vienna owns all of these industries, except telephones, but has not operated the street railways. It also has municipal abattoirs and cemeteries. Berlin has municipal water- and gas-works, markets, and abattoirs. Paris has only municipal water-works, markets, abattoirs, and cemeteries. London has,

in part, municipal electric lighting, cemeteries, markets, and street railways; while the waterworks have come under public control since the year covered by this report.

The revenue from these municipal industries is, for the most part, offset by the special expenses; but in most of these cities there seems to be an appreciable net revenue, which balances the smaller receipts from public privileges in the other cities as compared with Paris.

The extraordinary revenues necessary vary largely from year to year. For the period covered in the tables Vienna made a large loan of $28,000,000, mainly for the purchase of the street-railway system; and London borrowed large amounts for street improvements.

Comparison of Expenditures. — From the statement of expenditures it is seen, not only that the total ordinary expenses of these European cities are larger per capita than those of all the public authorities in Chicago, but also that, except in the case of Glasgow, the total general expenses (deducting the expenses of municipal industries) are larger per capita than for Chicago. When, besides the actual difference in money spent, there is considered the higher rates of wages, salaries, and prices generally in this country, it becomes evident that Chicago cannot expect to attain the standard of municipal service furnished by the European cities without a substantial increase in the expenditure for municipal purposes.

Examining the various items of expenditure, there are seen to be wide variation in some lines between the different European cities; and in some branches Chicago spends more proportionately; notably for the fire department and public parks. On the other hand, for certain objects the expenditure of Chicago is unusually low. In the case of public charities, this is probably due to the smaller need for assistance in this country. But, in view of the inadequate protection afforded by the police force in Chicago, it is significant to note the much larger expenditure in London, Paris, and

Berlin. So, too, the expenditure for maintenance and care of streets and sewers is markedly more in most of these cities than in Chicago. The apparent exception in the case of street-lighting expenditure for Berlin and Vienna is due to the fact that the municipal lighting plants in these cities do not keep an account for public lighting, as is the case in Glasgow. And while the expenditure for street and sewer construction in Chicago seems large, most of this is on the drainage canal, and the outlay for street-paving work is comparatively small.

The expenses for courts assigned to Berlin and Vienna is much higher than for the other European or the American cities. But there is also a large revenue received by the courts in Berlin and Vienna, which meets a large share of the expense. It seems probable that the public accounts in connection with the German and Austrian courts include many items which in Great Britain, France, and the United States are often settled privately with no public record. For example, the financial reports of American courts show no record of fees paid to referees or masters in chancery, or of trust funds held by the court officials; while it is likely that, with more exact methods of accounting in Germany and Austria, the corresponding financial transactions are included in the official books of account.

XI

MUNICIPAL ELECTRIC LIGHTING IN DETROIT[1]

THE Detroit municipal electric lighting plant was inaugurated in 1895 and has now been in operation for more than a decade. Except Chicago, it is the largest municipal plant in this country; and the results of ten years' experience under a municipal system as compared with the previous system of contract lighting should be of wide interest and value.

A brief historical sketch of electric lighting in Detroit under both private and municipal management will serve to introduce the discussion on the comparative results of the two systems. Electric lighting was first introduced in Detroit in 1882; the following year an experimental contract was made by the city for lighting two of the principal streets; and in 1884 the contract for the entire public lighting of the city was awarded to the electric light company. Three hundred arc lamps of 2000 candle power each were employed; but in place of single lamps at frequent intervals, these were grouped in seventy-two towers from 100 to 250 feet in height. For these the city paid at the rate of $240 for each arc lamp. Yearly contracts were made with the same company for each of the next five years, the number of arc lamps increasing steadily to 719 in 1890, and the cost per lamp falling by stages to $191 in the same year. In 1890 another company underbid the first company, and a three years' contract was made with the new concern at approximately $130 a lamp. The number of lamps was increased at once to over one thou-

[1] Revised from an article in *Municipal Affairs*, IV, 606 (September, 1900). Data brought down to 1905.

sand, and by 1894 there were 1279 arc lamps in use in the public streets. A large number of single lamps were now used in addition to the tower groups.

In the spring of 1893 proposals for a new contract for public lighting were invited. The only bid received was from the company then lighting the city, which submitted a schedule of rates varying from $155.73 per lamp for a one-year contract, to $124.10 for a three-year contract, and $102.20 for a ten-year contract. The project for a municipal lighting plant was already under serious consideration; and on the recommendation of the comptroller, the proposal was rejected by the common council on March 14. Afterwards the public lighting commission made arrangements with the company to continue its lights pending the introduction of the municipal plant at a sum which averaged about $132 per arc lamp.[1]

Agitation for municipal lighting had been begun as early as January, 1890, by Mayor H. S. Pingree in his first message to the common council. In each of his subsequent annual messages in 1891, 1892, and 1893, the mayor again urged the building of a municipal plant, and presented data and arguments in support of this project. In 1893 a bill authorizing the city to establish municipal lighting was introduced in the

[1] STATISTICS OF PUBLIC LIGHTING IN DETROIT BY PRIVATE COMPANIES

Year ending June 30	No. of Lamps	Amount Paid	Cost per Lamp
1884	24	$ 3,649.53	$152.07
1885	300	71,982.00	239.94
1886	382	91,570.97	239.71
1887	565	115,490.26	204.41
1888	608	117,370.18	193.04
1889	702	128,068.78	182.42
1890	719	137,937.30	191.84
1891	1031	133,716.55	129.69
1892	1168	152,282.70	130.38
1893	1279	164,830.91	128.87
1894	1279	169,360.35	132.41
1895		153,004.36	
1896		28,796.41	

state legislature, which was passed and became law March 18. April 3, under the provisions of the act, the question was submitted to the electors of the city, who voted 15,282 to 1245 in favor of a municipal plant. A public-lighting commission of six members was at once appointed, and bonds to the amount of $600,000 authorized, and in time sold, to defray the cost of erecting the new plant. A convenient site on the river front was selected for the central station, a neat but not extravagant building constructed, and the necessary equipment of machinery installed. An underground (conduit) system of distribution was built for the district within a half mile of the city hall, and beyond that the system of overhead wires was continued.

April 1, 1895, the commission began operating that portion of the new system in the district covered by the underground conduits. Extensions of the service were made rapidly during the following months, and by October the entire public lighting was furnished by the municipal plant. There was at that time 1470 arc lamps, mainly employed in street lighting, and 2456 incandescent lamps in the different municipal buildings. The system has continued to extend until on June 30, 1905, there were 3005 arc lamps and 14,696 incandescent lamps in the municipal system of lighting. Some arc lamps are still grouped on towers, but the greater number are now distributed in single locations.

As a basis for comparison and discussion, the following tables showing the cost of lighting are presented from the reports of the public lighting commission. They include in the cost not only the operating expenses of the plant, but charges for interest on the investment, for annual depreciation of the plant, and for municipal taxes which would be collected were the plant owned by a private corporation. The items for operating expenses and interest on the investment present no difficult problems. The charge for lost taxes is estimated by charging the regular rate of taxation for city, county, and state purposes on a valuation assessed

on the same basis as other similar plants in the city; the assessed value of the municipal plant being about one-half of the net investment. The charge for depreciation is made on the net investment at the rate of three per cent, plus the cost of discarded machinery. The amounts charged for these two items seem to be reasonably adequate.

In some respects the figures given below vary from the statements in the reports of the commission. For the first two years, no attempt was made to include the items outside of operating expenses necessary to calculate the annual cost of the plant; and in 1897 the commission argued that the only item of depreciation that should be considered was on the cost of the boilers, as the rest of the plant was maintained in perfect condition by expenditures for repairs. But in the later reports the items of interest, depreciation, and lost taxes have been considered as shown; and the corresponding data for 1896 and 1897 have been compiled by the writer on the same basis as the figures of the commission for subsequent years.

Again in their later reports, after estimating the cost in the same form and with almost precisely the same results as in the table below, the commission presents a supplementary statement of items amounting to $10,000 which would reduce still further the total cost. At least some of these items might in fairness be deducted. The work of the commission has absorbed the former municipal supervision over private lighting companies, and their expenses thus include a certain amount chargeable to the general expenses of the city. The department also collects various sums of money for rentals and sale of old materials, which reduce the net expenses, but are not deducted from the total operating expenses. These items, however, have not been deducted in this paper, because they are not given for the years before 1900, and it seems better to present all the figures on the same basis. The effect of this is equivalent to increasing the allowance for depreciation.

FINANCIAL RESULTS OF THE DETROIT MUNICIPAL LIGHTING PLANT

Year ending June 30	1896 9 Months	1897	1898	1899	1900	1901	1902	1903	1904	1905
Capital expenditure										
Total outlay	$640,130.85	$729,222.73	$790,145.73	$813,803.47	$828,088.00	$851,654	$932,232	$970,224	$1034,128	$1,125,651
Less depreciation allowances		714,843.76	750,000.00	751,157.74	742,907.56	721,861	778,365	787,053	824,021	872,726
Annual Cost										
Operating expenses	$82,803.36	$110,141.38	$99,713.18	$96,665.03	$90,087.73	$99,094	$99,087	$120,408	$123,094	$121,380
Interest at 4%	18,203.92	28,593.75	30,000.00	30,046.28	29,716.28	28,824	28,874	31,134	31,482	32,960
Depreciation at 3%	14,402.94	21,445.30	22,500.00	22,534.71	22,287.22	22,325	24,073	29,304	26,937	42,818
Lost Taxes	4,800.00	7,981.43	8,368.00	7,828.00	7,013.06	6,358	8,262	8,024	7,450	8,705
Total	$120,210.22	$168,161.86	$160,581.18	$157,074.02	$149,104.28	$156,603	$160,297	$188,871	$188,963	$205,865
No. of arc lamps	1,483	1,564	1,744	1,868	1,963	2,035	2,133	2,386	2,497	2,818
No. of inc. lamps	2,456	3,064	3,901	4,911	6,679	6,948	11,780	14,183	14,871	14,696
Kilowatt Hours										
Arc lamps	2,108,680	2,716,628	2,975,019	3,182,293	3,327,453	3,475,389	3,672,255	4,284,576	4,399,291	4,780,397
Inc. lamps	177,548	263,784	306,596	357,274	461,597	497,961	651,594	984,820	1,000,814	1,104,144
Distribution of Cost										
Arc lamps	$109,984.36	$153,174.14	$145,573.58	$141,256.00	$130,939.95	$136,977	$136,140	$153,572	$153,942	$167,237
Inc. lamps	10,235.86	14,987.68	15,007.60	15,818.02	18,164.33	19,676	21,156	35,299	35,020	38,627
Cost per arc lamp	$74.16(9ms.)	$100.50	$83.46	$75.62	$66.81	$67.31	$63.82	$64.36	$61.65	$59.34
Cost per Kilowatt Hour	$98.88 per yr. $.052	$.055	$.049	$.044	$.040	$.39	$.39	$.36	$.35	$.35

The first and clearest deduction from these figures is that the municipal plant has furnished public lighting to Detroit for a much smaller expenditure than would have been required under any alternative presented in the bid of the private company in 1893. The lowest rate proposed by the private company was $102.20 per arc lamp for a ten-year contract. The municipal plant furnished lights at appreciably less than this figure from the outset; and the cost has fallen steadily until for the past five years it has been less than two-thirds of the minimum price demanded by the company. The direct financial results have thus fully justified the city of Detroit in establishing a municipal system of electric lighting.

If, however, it is urged that the depreciation allowances are not sufficient, it can still be demonstrated beyond question that the first decade of municipal lighting was a financial success for Detroit. In the whole period of ten years there was expended for the plant and improvements $1,112,455, and for operating expenses $1,059,996, — a gross total expenditure of $2,172,451. If it should be assumed that in 1905 the plant was entirely useless and its value wiped out, the total cost of lighting for the decade was $87.63 per arc light per year, as compared with the lowest contract offered in 1895 of $102.20. On this basis the city had saved $460,000 in the ten years.

Moreover, other beneficial results have followed from the new system. The rapid extension in the number of lights may be ascribed to the reduction in cost, which has allowed a smaller total expenditure to provide a large increase in the amount of lighting. But along with the increase in number of lamps, there has gone a noticeable improvement in the quality of the service, as indicated by the great decrease in number of lamps reported out by the police. In 1893–4, under the contract system, the total number of lamp-hours reported out was 86,426; since the municipal works have been in full operation, the largest number of lamp-hours out in one year has been 7465.

It must not be supposed that the conclusions thus far reached offer any basis for a generalization in favor of municipal lighting. The only fact shown is that Detroit has in the ten years secured better and cheaper lighting under its municipal system than could have been secured by a contract made in 1893. May it not be, however, that these results have been gained through improvements in electric lighting since 1893 which are not likely to be duplicated; so that while compared with the alternative of 1893 Detroit has gained, a private company might now offer lower prices than the city is paying. A decisive answer to this query is not easy to find. But it is possible to obtain some light on the subject by comparing the cost of Detroit lighting with the prices charged by private companies for public lighting in other cities. There is an abundant supply of material for making such a comparison in the report of the Commissioner of Labor on Water, Gas, and Electric Lighting Plants published in 1899. The statistics given in this report are for various dates from 1897 to 1899; and the Detroit report for the year ending June 30, 1898, will correspond most nearly to these varying dates.

For the year 1897–8, the cost of the Detroit municipal plant was at the rate of $83.46 for each arc lamp for 3786 hours in the year, or $.049 per kilowatt hour. An examination of the summary tables in the Labor Commissioners' report shows that no group of private companies charged for public lighting less than $.0514 per kilowatt hour; and that, when the hours of service are considered, no group charged so low a price per arc lamp as the cost in Detroit. From the detailed tables showing the statistics for each plant, the following table has been compiled including all the private plants reported which furnished 500 or more arc lamps for public lighting: —

STATISTICS OF PUBLIC LIGHTING BY PRIVATE CORPORATIONS

Plant Number	Number of Public Arc Lamps	Hours of Service	Price per Lamp per Year	Price per Kilowatt Hour[1]	Total Investment in Plant
889	860	4000	$147.93	$.0800	$609,129
893	513	3900	100.00	.0838	473,621
915	916	2216	74.50	.0731	450,000
918	1243	3988	120.34	.0631	664,267
922	984	3988	91.25	.0416	1,752,552
924	538	4000	138.70	.0771	875,335
925	510	4650	146.00	.0654	1,591,801
931	1173	3000	85.00	.0630	800,847
932	626	3960	85.00	.0477	1,170,859
933	1279	4000	91.25	.0507	1,250,000
934	860	3953	104.84	.0479	2,600,000
935	674	3878	75.00	.0569	836,157
936	2500	4000	100.00	.0500	1,975,000
937	927	3888	93.24	.0500	2,107,660
939	800	2685	103.00	.0833	1,341,100
940	958	3966	100.38	.0634	1,845,569
941	1390	4000	127.50	.0708	4,157,354
942	830	4000	116.27	.0781	850,000
943	702	3855	102.70	.0595	1,475,000
944	3647	4000	97.97	.0500	2,040,000
947	652	3210	176.55	.1273	2,773,904
948	2276	3940	127.31	.0630	3,145,541
949	1216	4000	86.09	.0476	2,683,875
951	2072	4000	96.00	.0505	1,961,551

It will be noticed that four of the twenty-four plants furnished lights at lower prices per kilowatt hour than the cost in Detroit for 1898, and that five others furnished lights at prices but slightly in excess; while in the remaining thirteen cases the prices are distinctly higher than the cost in Detroit.

[1] It should be noted that the figures of cost given in Tables 10 and 11 of the Commissioner of Labor's Report for municipal plants cannot be compared with the prices charged by private companies, given in the same tables. The cost for municipal plants does not include estimates for lost taxes or interest (see p. 549 of Report); and in some cases no adequate charge is made for depreciation. The estimated charges for lost taxes and interest are presented in Table 8; and it is difficult to understand why, with this data at hand, the serious error should have been made of leaving it out of consideration in computing the cost per arc light and per kilowatt hour.

Note in above table that the private plants with lowest prices are all plants with much larger investment than the Detroit plant.

These facts indicate that the city of Detroit has secured its public lighting through its municipal plant not only for much less than could have been obtained by contract in 1893, but also on terms which compare favorably with the lowest prices charged by private companies in other cities. It cannot be claimed, however, that the Detroit municipal rate shows any large advantage over the *lowest* private rates, while in one city a private company furnishes public lights at a price one-sixth lower than the Detroit lights cost. It should be remembered that the private companies have an important advantage in supplying electricity to private consumers within the same area as the public lighting, thus securing the economies of manufacture and distribution on a larger scale. If the Detroit municipal plant supplied the private demand, undoubtedly the cost of city lighting would be still further reduced. But viewing the existing situation, the fact of some private rates lower than the Detroit municipal rate must be recognized.

This comparison has been made on the basis of the cost of Detroit lighting for 1898. If the striking reductions in the Detroit figures since that time have been in large measure confined to this city, the cost of lighting has been reduced below the price charged by any private company in the above table, and the success of the municipal plant is strongly emphasized. It is probable, however, that at least some important reductions have been made at the same time in the cost and price of public lighting in other cities; and in the absence of definite data of recent date, for any large number of cities, it is not possible to make accurate deductions as to the comparative significance of the cost of Detroit lighting for recent years. It may be noted, however, that as late as 1902 the city of Buffalo secured a reduction in the price of light to $75 or 20 per cent more than the total estimated cost in Detroit, although the Niagara Falls power should make the cost much less at Buffalo.

The entire responsibility for the management of the Detroit

lighting plant rests with the public lighting commission; and this paper would be incomplete without noting the character and methods of the commission, which have been essential factors in the success of the municipal plant. The commission consists of six members appointed by the mayor of the city with the consent of the council. These serve without salary for six-year terms, one member retiring each year. This organization offers certain advantages. The gradual renewal of the membership serves to insure a continuous tradition and a steady policy in the management, while the absence of salary probably lessens the pressure of professional place hunters for appointments. But it is not everywhere an easy matter to find efficient commissioners for such boards; and the Detroit experiment has been highly favored in securing as members of the commission active business men who have been both able and willing to devote a large amount of time to this work. The character of the members can best be illustrated by the methods adopted.

In the first place, the commissioners take an active personal part in the management. During recent years the work of making purchases and contracts for supplies has been performed directly by committees of the board; and the savings made by this system account in large part for the reduction in operating expenses during these years. In the second place, the other expenditures have been throughout on a conservative and business basis. No expensive buildings have been constructed, and no extravagant salaries are paid. The general superintendent receives $2000 a year, two other officers have $1200 a year, and no others over $1000 a year. Yet the wages of the men are as high as in any business concern, and the eight-hour day is in force. In the third place, the tenure of positions is dependent solely upon efficiency, and a system of promotion in service according to merit and fitness for the work is employed.

In brief, this honorary commission manages the municipal lighting plant precisely as a board of directors would conduct

the affairs of a well-managed private corporation. Directors usually have a large pecuniary interest in the corporations, which explains their active work for its financial success. Unsalaried boards of managers have, however, proven effective in the administration of educational and charitable institutions, both public and private, mainly on account of the philanthropic interest attached to the work. In our national administration, too, the dignity of a position in the President's cabinet secures for the direction of the army, navy, and post-office, men whose services command in the business world many times the salary they receive from the government. A city which finds men willing to perform similar honorary service in the administration of a purely economic function has certainly made long strides toward the realization of municipal ideals.

XII

THE STREET RAILWAY QUESTION IN CHICAGO[1]

On April 2, 1907, the people of Chicago, by a decisive vote, agreed to certain ordinances which mark a turning-point in the street railway history of that city, and provide at least a temporary settlement to a controversy that dates back for more than forty years, and has been actively contested for the past decade. The story of this long-continued struggle is important, not only because Chicago is the second largest city in the country, but also as part of the larger contest that is being carried on, more or less openly, in most of our American cities. And the arrangements in these Chicago ordinances set a new standard in the relations between street railway companies and public authorities that will have an effect throughout the United States.

In relating this story, it will be necessary, in order to understand some of the most recent events, to begin with the earliest street railways in Chicago. But the early history and the first stages of the more active contest will be discussed briefly. The greater part of this paper will deal with the events of the past ten years, and more particularly with the final steps and the terms of the settlement that has been made. The contest has important political aspects; and to some these have seemed more important than the transportation problems. But in this account, while some attention will be given to the political bearings, the emphasis will be laid on the legal, economic, and administrative features.

I

The earliest attempts to furnish cheap local transportation in Chicago, as in other cities, was by means of omni-

[1] Reprinted from the *Quarterly Journal of Economics*, XXI, 371 (May, 1907).

buses operating on regular lines of travel. The first omnibus line of which there is any record was established in 1850, when the city had a population of 28,000, and ran from the business centre to Lincoln Park. Other lines were established in the years following; and by 1855 there were all together ten omnibus lines in operation, covering an aggregate distance of 18¼ miles. At first each line was begun by different managers; but in 1855 the operation of several lines was consolidated under the management of Franklin Parmalee & Co. For a few years more the omnibus traffic continued to develop; but with the opening of street railways it rapidly declined. By 1861 only two omnibus lines were in operation; and by 1865 all had been discontinued.[1] More recently a few new omnibus lines have been established, but these form a negligible factor in the means of passenger transportation in the city of Chicago.

A local student has discovered a newspaper notice of a local grant authorizing the construction of a street railway in Chicago as early as 1854. And there is official record of a council ordinance of 1856, granting a street railway franchise. But no action was taken on either of these; and the latter was forfeited by the failure to secure the required consent of the owners of adjacent property. The first effective ordinance for the construction and operation of street railways in Chicago was passed by the city council, August 16, 1858. As the terms of this ordinance were involved in the recent litigation and settlement, it is of especial importance to understand its contents and significance. It authorized a group of individuals — including Franklin Parmalee, the head of the partnership then operating the principal omnibus lines — to construct railway tracks on certain streets on the south and west of the Chicago River, and to operate cars thereon "with animal power only" for a period of twenty-five years, and until the city should "elect to purchase" the plant and

[1] George B. Goodwin, *Chicago Street Railways*. A manuscript essay in the possession of Professor J. H. Gray, of Northwestern University.

equipment. A maximum fare of five cents was specified; and the grantees were to pay one-third of the cost of grading and paving streets. The council reserved the right to regulate the rate of speed and the time of running cars. Under this ordinance tracks were laid, and the first line opened in April, 1859.

Meanwhile a question had been raised as to the legal authority of the city council to grant such a franchise. To settle these doubts and to incorporate the grantees, a special act of the Illinois legislature was passed on February 16, 1859, incorporating the grantees under the city ordinance as the Chicago City Railway Company, for a period of twenty-five years, and authorizing the construction and operation of street railways upon terms and conditions provided by the common council. Authority was also given to extend the lines to any part of Cook County, by the exercise of the power of eminent domain, or with the assent of the supervisor of any township for laying tracks in the highways. The same powers were granted to another group of individuals as the North Chicago City Railway Company, for the north division of the city and county.

On May 23, 1859, the council passed ordinances granting rights in important streets to both of these companies. The ordinance to the Chicago City Railway Company was, in substance, a reaffirmation of the ordinance of 1858, on the basis of the act of the legislature. The ordinance to the North Chicago City Railway Company for the first time gave that company rights in specified streets, and differed from the ordinance of 1858 in limiting the grant to the term of twenty-five years "and no longer."

On February 21, 1861, the Illinois legislature passed an act which incorporated the Chicago West Division Railway Company, with the same powers as the two previously established companies, but required the consent of the North Chicago Company before the construction of any tracks in the north division, and authorized the new company to

acquire any of the rights of the City Railway Company. In the summer of 1863 the City Railway Company transferred to the West Division Company control over its lines in the west division of the city.

These measures, which form the first stage in the development of the street railway system of Chicago, have been held by the United States Supreme Court to have established clearly the policy of municipal control, and in particular to recognize the right of the city to fix the term during which the streets might be occupied by street railway companies.

> That it was the intention of the legislature to give effect to the right of municipal control in the act under consideration [that of 1859] is shown in its confirmation of terms already fixed by contract between the city and the companies. As to the future, companies were to have no right to the use and occupancy of the streets until they should obtain from the city council authority to that end, under contracts to be agreed upon as to terms and conditions. A more comprehensive plan of securing the city in the control of the use of the streets for railway purposes could hardly be devised.
>
> It thus clearly appears, at least up to the passage of the act of 1865, that legislation upon the subject recognized and enforced the right and authority of the city to fix the term during which the streets might be occupied by street railway companies. The legislature had confirmed the ordinance of the city fixing the term at twenty-five years and until the city should see fit to purchase the property of the railway company. It had required the companies to obtain the authority of the city before using the streets, such use to be upon terms and conditions, and with such rights and privileges as the city had or might thereafter prescribe by contract with the companies.[1]

From time to time the council passed other ordinances authorizing new lines of railway tracks and making minor changes in previous grants. In most cases these ordinances contained a definite time limit. Under them additional lines were built; and by 1865 there were forty miles of street railways in the city.

In that year another act dealing with horse railways in

[1] *Blair* v. *Chicago*, 201 U.S. 400.

Chicago was passed by the legislature, which vitally affected the situation, laid the basis for the extreme claims of the companies in the recent litigation, and more than anything else has been responsible for the long agitation in reference to street railways in that city. This act, passed on February 6, 1865, was amendatory of the previous acts of 1859 and 1861. It clearly extended the corporate lives of the companies to a period of ninety-nine years from the dates of the original acts. It also added, to the section authorizing the construction and operation of railways on the terms provided by the council, the following confused and ambiguous clause: —

> and any and all acts or deeds of transfer of rights, privileges, or franchises, between the corporations in said several acts named, or any two of them, and all contracts, stipulations, licenses, and undertakings, made, entered into, or given; and as made or amended by and between the said common council and any one or more of the said corporations, respecting the location, use or exclusion of railways in or upon the streets or any of them, of said city, shall be deemed and held and continued in force during the life hereof as valid and effectual, to all intents and purposes, as if made a part, and the same are hereby made a part of said several acts.

Before this measure was enacted, it was strongly opposed in the city of Chicago, and a petition, signed by 9000 citizens, was presented against its passage. When the bill reached Governor Oglesby, he refused to sign it, and returned it to the legislature with a vigorous message in opposition. But the plans of the companies had been well laid, and the bill was promptly passed over the governor's veto, by a vote of 18 to 5 in the Senate and 55 to 23 in the House.

Under this act the companies have claimed that their franchises were extended to a period of ninety-nine years from 1859 and 1861. And they asserted this claim, not only in reference to grants made before the passage of the act of 1865, but also in reference to subsequent grants. On the other hand, the city always denied the validity of these claims. But for forty years the matter was not brought into the

courts where the precise effect of the act could receive a judicial interpretation.

However the act of 1865 might be interpreted, the protest against its obvious intent to assert the authority of the legislature in local matters soon led to a return to the earlier policy of local control and short-term franchises. The new constitution of Illinois, adopted in 1870, contained a provision prohibiting the legislature from granting street railway rights in any city, town, or incorporated village without requiring the consent of the local authorities. This policy was continued in the general act of 1872 for the incorporation of cities, which required all street railway franchises granted thereafter to be limited to twenty years. This provision became applicable to Chicago when that city adopted the act in 1875. The same end had been secured by a provision in the Horse and Dummy Act of 1874, also limiting future street railway grants to twenty years. And various franchises were granted from time to time under these acts for the further extension of the Chicago street railways.

Under the provisions of the first ordinances and legislative acts, the grants made in 1858 should have expired, or at least have been terminable in 1883. At that time the questions were extensively discussed, and, if claims had been pressed either by the city or the companies, a determination might have been reached. The Citizens' Association appointed a committee to investigate the matter. Two of the three members reported that the original contract made by the city in 1858 was *ultra vires* and void, and that the companies held their rights under the act of 1865. The third member (George F. Harding) argued that the act of 1859 had confirmed the grants made the year before, and that the act of 1865 simply extended the lives of the corporations, holding that any extension of the franchises provided by the act was void as an impairment of the contract previously made.

In view of these circumstances a temporary compromise was effected. The city council in July, 1883, passed an ordinance extending the term of all existing franchises for twenty years, and providing that neither this grant nor its acceptance by the companies should alter the existing rights, duties, and obligations of either party. By this means the controversy over the ninety-nine-year act was postponed until the expiration of this grant in 1903. In the same year (1883) a new company, the Chicago Passenger Railway Company, had been incorporated and received franchises for twenty years to build and operate additional lines on the west side.

II

Until 1880 the street railways of Chicago had been operated with horses, and the business developed had not been sufficient to attract the attention of large financial promoters. But soon after this date there was introduced, first, cable traction, and later, electric power. These changes of motive power were made without any new grant from the city council or the legislature, although the earlier franchises had been given distinctly for railways to be operated only by animal power. And in connection with the new methods of traction and the reconstruction of the lines there appeared on the scene new managers, new financial interests, and striking methods of speculative financiering.

Cable traction was first established in 1881 on the most important lines of the City Railway Company on the south side. In a few years a large proportion of the lines of this company had been converted to the new system. After 1890 electric power was introduced on many of the lines. In connection with these improvements large issues of stocks and bonds were made from time to time. In 1880 the total capital liabilities had been $1,500,000 in stock. By 1897 there were outstanding $16,600,000 in stock and bonds,

against which the plant and equipment on the books of the company represented an investment of about $11,600,000.[1]

But these transactions appear small in comparison with those for the north and west side lines. Here the original companies were dilatory in taking steps to introduce the new methods, and no active steps were taken until 1886. Beginning in that year, Mr. Charles T. Yerkes, a broker who had recently come to Chicago from Philadelphia, with the assistance of Messrs. Elkins and Widener and other Philadelphia capitalists, secured control of a majority of the stock of the North Chicago and West Division companies. Two new companies were organized which leased the lines of the original companies and also those of the Chicago Passenger Railway. New securities were issued, and physical improvements, reconstruction, and extensions were carried out. As a result, at the end of ten years (in 1897) the total capital liabilities of the north and west side lines had been increased from less than $8,000,000[2] to $58,700,000. The cost value of the plant and equipment at the latter date, according to the books of the companies, was $29,750,000, and this included a large profit to inside construction companies formed by the leading capitalists controlling the companies owning and operating the lines.

Combining the financial operations of all these companies, the total capital liabilities had been increased from $9,500,000 to more than $75,000,000 in 1897, while the book cost of construction had been but little over $40,000,000.[3]

In carrying out his extensive schemes, Mr. Yerkes had deemed it advisable to exercise an active but, so far as possible, a secret influence in political affairs. He became the dominant factor in nominating conventions, and had control over both city and state governments, so far at least as his busi-

[1] "Report of Investigation by the Civic Federation" in *Municipal Affairs*, V, 439.

[2] Even this was much in excess of the cost of construction up to that time.

[3] *Op. cit.*

ness interests were concerned. And the period of his dominance, in the early nineties, marks the deepest degradation of both the city council of Chicago and the state legislature of Illinois. His success up to this point encouraged him to enter on more far-reaching plans. But these very plans served at last to arouse the public opinion of the community and to inaugurate an effective movement for the betterment of political conditions both in city and state.

In 1895 bills were introduced and passed in the legislature to confer new franchise rights more valuable than could be granted by the council. These were, however, blocked by the veto of Governor Altgeld. Two years later, with a more pliant governor in the executive chair, the attempt was renewed. A series of bills known as the Humphrey Bills were introduced, conferring franchises for fifty years with no safeguards for the public interests and no compensation for what were now clearly seen to be privileges of immense financial value. But public sentiment in Chicago was now thoroughly aroused, and was vigorously expressed in a series of public meetings. The protests were carried to the legislature, and were, in part, effective by preventing the passage of the original bills. There was enacted, however, with the approval of the governor, the Allen law, authorizing city councils to grant street railway franchises for fifty-year periods and in other ways strengthening the position of the companies.[1]

A short time before this the city council of Chicago would have readily granted franchises under the Allen law. But in 1896 the Municipal Voters' League had been organized, and had already improved the general character of the council by securing the election of better men. Other members who might have been subject to improper influences knew that their actions were more closely watched than formerly. The attitude of Mayor Carter Harrison, Jr., in opposition to any grant under the Allen law, also aided in preventing

[1] J. H. Gray, *Quarterly Journal of Economics*, October, 1897.

any action. Not only was no grant made, but it was clearly indicated that no further grants would be made until that law was repealed. In the legislative elections of 1898 the vote on the Allen law was made an issue in many districts, and a large number of members who had voted for the law were defeated for renomination or reëlection. And the law was promptly repealed by the legislature of 1899.

At the April municipal election of 1899, following the repeal of the Allen law, Mayor Harrison was reëlected for a second term; and, mainly through the work of the Voters' League, the council had now a clear majority of members that could be trusted to vote against any franchise that did not protect the interests of the community. Under these circumstances, Mr. Yerkes decided to retire. The Chicago Union Traction Company was organized by the Elkins-Widener-Whitney syndicate, which took over Mr. Yerkes's holdings and entered into new leases with the underlying companies to operate both the north and west side lines. This eliminated Mr. Yerkes from the situation, but the process of financial manipulation continued.

At the same time the companies definitely adopted the policy of refusing to make further improvements in the service on the ground that capital could not be secured without additional franchises. The cable lines were now clearly antiquated, the track and rolling stock were allowed to deteriorate, with the obvious purpose of forcing the grant of a new franchise on terms to be dictated by the companies. Later events showed clearly that there was no justification for the plea that improvements could not be made without new grants. For in two of the three divisions of the city the companies, under their original franchises, could not be dispossessed until they were paid full value for their plant and equipment. Moreover, the companies maintained at the same time their claims under the ninety-nine-year act, and on the basis of these claims and the constantly increasing traffic were actively engaged in floating new securities and

piling up the obligations on their rapidly deteriorating equipment. An elaborate investigation, made under the direction of the Civic Federation in 1901, showed that the aggregate capital liabilities of the companies had then a face value of $117,000,000 and a market value of $120,000,000, — an increase of more than $40,000,000 since 1897. At the same time the original cost value of assets was $56,000,000, or but $15,000,000 more than in 1897. Making conservative allowances for depreciation, the market value of the assets was but $45,840,000; and if the inter-company obligations representing no physical property were deducted, the net value of the physical property was only $34,750,000.[1]

III

In the early stages of the contest with Mr. Yerkes and the companies, the energies of public-spirited citizens and the local authorities had been directed to the negative task of defeating the plans of the former for extending and making more secure their control over the local transportation service and the political situation. The development of a constructive policy was a task of even greater difficulty, and one that has taken a good many years to bring to its present outcome. The first step in this direction was the appointment by the council, late in 1897, of a special committee to collect and collate information on the subject of street railways. This committee in March of the following year submitted a detailed report on the franchises, operation, and finances of the various companies, and on the wages of employees and the conditions of employment. It made no specific recommendations;[2] but, nevertheless, this report, known as the Harlan report, from Alderman John Maynard Harlan, the first member of the committee, forms the starting-point for the policy later developed.

[1] M. R. Maltbie, in *Municipal Affairs*, V, 450.

[2] Report of the Special Committee of the City Council of Chicago on Street Railway Franchises and Operations, March 28, 1898.

Another step was taken in December, 1899, when the city council passed resolutions creating a street railway commission, which was in fact a committee of the council to examine the feasibility of municipal ownership of street railways and also the terms and conditions on which new franchises might be granted. This commission, of which Alderman Milton J. Foreman was chairman, submitted its report in December, 1900, known commonly in Chicago as the Sikes report, from Mr. George C. Sikes, the secretary of the commission. This report favored, among other things, the unification of management of all street railways in the city, the prohibition of overcapitalization, publicity in the conduct of the business, and the reservation of broad powers of control by the city in any future franchises. It also urged that the city should secure from the legislature an enabling act authorizing municipal ownership, as a reserve power to place the city in a better position to make terms with private corporations.[1] A bill to carry out these recommendations was submitted with the report, providing for a popular referendum on street railway franchises, authorizing municipal ownership, and — after a referendum vote — municipal operation. The bill was introduced in the legislature in 1901, but was not reported by the committees of either House.

Carrying out one of the recommendations of the commission, the city council in 1901 created a special committee on local transportation. After the election of April, 1901,[2] this committee was made a permanent standing committee; and this committee, with changes in its membership from time to time, has had charge of the subsequent development of the municipal policy. As a result of its first year's work, the committee formulated and submitted to the council an outline of the provisions that should be included in any

[1] Report of the Street Railway Commission to the City Council of Chicago, December, 1900.

[2] At which Mayor Harrison was elected for a third term.

franchise renewal ordinance. This outline specified that such a franchise should be granted for twenty years, with a proviso that the city might purchase at any time after the expiration of the first ten years of the grant. It further provided that the companies should waive absolutely all claims under the ninety-nine-year act. And it reserved to the city council large powers of control, and required the construction of underground trolley lines in the business centre of the city. Nothing definite, however, was accomplished. The companies were not ready to accept these terms. And the city authorities were also willing to wait until the expiration of the twenty-year extension ordinance in 1903.

While the official authorities of the city were thus preparing for a renewal of the franchises, popular sentiment was advancing more rapidly in favor of the policy of municipal ownership. And the strength of this sentiment was clearly shown at a popular referendum in April, 1902. This vote was taken under an Illinois statute of 1901, known as the Public Opinion Law, under which, on petition of 25 per cent of the registered voters, questions of public policy may be submitted to popular vote. These votes have no legal binding effect, but are merely an indication of popular opinion. Before the spring election of 1902 the Referendum League secured the required number of signatures to a petition calling for a vote on the questions of municipal ownership of street railways and lighting plants and the direct nomination of candidates for city officers. At the election the total vote cast for city officers was about 200,000, or a little more than half of the vote cast at the preceding presidential election. The vote on the questions of public policy was about 170,000, and was about seven to one in the affirmative on each of the three propositions. In regard to municipal ownership of street railways the actual vote was 142,826 in favor and 27,998 against.

There has been much difference of opinion as to the significance of this vote. On its face it indicated an overwhelm-

ing popular demand. But it has been pointed out that the vote in favor of municipal ownership represented little more than a third of the total registered voters, and it has also been urged that it simply expressed the general hostility to the traction companies that had been aroused by their poor service and policy of exploitation. However the vote may be interpreted, there can be no question that it gave a renewed impetus to the demand for an act authorizing municipal ownership. To this end efforts were next directed, and in these efforts there were united both those who favored the actual establishment of a municipal system and those who desired the authority as a means of negotiating with the companies.

At the beginning of the legislative session of 1903 the prospects for any legislation opposed by the street railway companies were far from bright. Especially in the organization of the house of representatives, the election of speaker, and the appointment of the committee on transportation, it was indicated that the street railway companies were working in harmony with William C. Lorimer, the boss of the Republican machine in Chicago, and with Governor Yates. Nevertheless, it was decided to make the attempt. An agreement was reached to support a measure drafted by Walter L. Fisher, secretary of the Municipal Voters' League, and introduced by Senator Müller, after whom it was named. This bill was strongly supported, not only by Mayor Harrison and the city council, but also by Graeme Stewart, Republican candidate for mayor in the election campaign of that spring, by John Maynard Harlan, who had been Mr. Stewart's active opponent for the nomination, by the Voters' League and other organizations, and by the newspaper press of Chicago, with the exception of the *Inter-Ocean*, which, it was known, had been purchased by the street railway interests. As a result of this influence, the Müller bill passed the Senate immediately after the municipal election in April;[1] but it seems to

[1] Mayor Harrison was reëlected for a fourth term.

have been clearly the intention to defeat the measure in the House.

The contest culminated in a dramatic situation of the highest intensity. The House committee on transportation, to which the Müller bill was referred, prepared a substitute measure, and a strong effort was made to induce at least some of the Chicago supporters of the Müller bill to accept this substitute.[1] When this offer was refused, the House leaders decided to resort to extreme measures, as it was known that the Democrats in the House would unite with the Independent Republicans in favor of the senate bill. The house committee presented its substitute report, and, in the face of a demand for a roll-call from two-thirds of the members, the speaker put a series of motions, and declared them carried, whereby the substitute bill was recorded as having passed its third reading. Had this result stood, a conference committee would have been necessary; and so near was the end of the session that either the substitute bill or no legislation would have been enacted.

But the party leaders had overreached themselves. When, through fear of personal violence, the speaker declared the House adjourned, and retired in haste to consult with the governor and his friends, ninety-seven of the one hundred and fifty-three members of the House remained in their places, and, forming a temporary organization, agreed that the appropriation bills should not be passed, and no further legislative business should be transacted until the speaker should retrace his actions. The speaker was forced to capitulate, a reconsideration was taken, and the Müller bill was passed. The governor did not venture to refuse his signature.[2]

The Müller law[3] is a general act authorizing any city in

[1] There was no opportunity for a study of this substitute bill, but it was obviously intended to defeat the effective provisions of the Müller bill, and probably contained clauses that would have greatly strengthened the position of the companies.

[2] See *Atlantic Monthly*, January, 1904.

[3] *Session Laws*, 1903, p. 285 (May 18).

the state to own and operate street railways under the conditions prescribed. The act is of special significance, because, in addition to the formal grant of authority, there is a careful attempt to provide a satisfactory method for meeting the serious financial difficulties involved in the policy of municipal ownership, so that the grant of power may be effectively used by any city which considers it advisable to make use of the authority.

Before any of the powers conferred can be exercised, the act must first be adopted by popular referendum in the city concerned, while additional referendum votes must be taken in reference to various special features of the law. The authority given is "to construct, acquire, purchase, maintain, and operate street railways within the corporate limits"; and franchises granted before this power is acted on may contain a reservation of the right on the part of the city to take over the plant at some future time. Two methods are authorized for securing funds for purchasing or constructing municipal railways. General city bonds may be issued, provided the proposition is submitted to popular vote and is approved by two-thirds of those voting; but debt limits are almost certain to prevent this method from being adopted. The other alternative — and this is the most striking feature of the act — is to issue railway certificates, secured by a mortgage on the plant, giving the mortgagee in case of foreclosure the right to maintain and operate the railway for a period of not more than twenty years. Any ordinance providing for such certificates must, however, be submitted to popular vote and be approved by a majority of those voting on the question. It was expected that such certificates would not be considered as part of the city debt, to be included within the debt limit established by the state constitution.

When a city has secured a street railway, it may operate it under direct municipal management only if that policy is also approved at a popular referendum by *three-fifths* of

those voting. In lieu of this the city may lease any municipal railway for a period of not over twenty years. But any ordinance authorizing a lease to a private company for more than five years must be submitted to a popular referendum on the petition of 10 per cent of the voters.

In July, 1903, the twenty years' extension provided by the ordinance of 1883 expired. But as no new agreement had been reached at that time and the city was not yet in a position to act under the Müller law, the various companies remained in possession, and there was no practical change in the situation. Indeed, steps had been taken in the courts which prevented the city from taking any aggressive action to oust the companies. On April 22, 1903, the Guaranty Trust Company of New York brought suit in the United States Circuit Court against the Union Traction Company and other north and west side companies; and, judgment being given and no property found, the roads were placed in the hands of receivers. These companies had been in financial difficulties for some time, as a result of the reckless issue of speculative securities. But it has been alleged that the suit was a collusive action for the purpose of having the claims of the companies under the ninety-nine-year act adjudicated in the United States courts rather than in the courts of Illinois. And, at any rate, this result was secured. On July 18 the receivers appointed by the court began proceedings before the United States Circuit Court to determine the rights of the companies under the acts of 1859, 1861, and 1865.

At the April election in 1904 the Müller law was adopted by the city of Chicago by a vote of 153,000 to 30,000. At the same time two questions of public policy bearing on the traction situation were submitted, with the following result: —

1. Shall the city council upon the adoption of the Müller law proceed without delay to acquire the *ownership* of the street railways under the powers conferred by the Müller law?

Yes, 121,957; no, 50,807.

2. Shall the city council instead of granting any franchises proceed at once under the city's police power and other existing laws to license the street railway companies until municipal ownership can be secured, and compel them to give satisfactory service?

Yes, 120,863; no, 48,200.

It should be noted that, while both questions carried by a vote of more than two to one, the vote in favor of municipal ownership showed a falling off from the first vote in 1902, while the vote on the other side had increased.

Meanwhile the local transportation committee has continued negotiations with the City Railway Company, and in August, 1904, reported a tentative ordinance in regard to the lines of that company on the south side of the city. According to this measure the claims of the company under the ninety-nine-year act were to be commuted by allowing them to continue in possession for thirteen years, after which all their grants were to expire. Provisions were made for the immediate reconstruction of the lines, for extensions, and for improvements in service, including transfers from the lines of one company to another and some through routes. The city was to receive 5 per cent of the gross receipts as compensation for the use of the streets, in addition to all regular taxes on the property and franchises.

While this proposed ordinance was being discussed in the council, Judge Grosscup, of the United States Circuit Court, gave his decision in the cases concerning the north and west side lines, substantially upholding the claims of the companies that all grants made before 1875 were valid until 1958. An appeal was at once taken to the United States Supreme Court. But the preliminary decision made the City Railway Company less disposed to accept the compromise in the tentative ordinance. At the same time the popular agitation in favor of municipal ownership was steadily increasing. And, as a result, the winter of 1904–05 passed with no definite advance toward a settlement of the situation.

IV

In the municipal campaign of 1905 the street railway question was even more prominent than in previous elections, and was, in fact, the one dominant issue. The Republicans nominated for mayor John M. Harlan, formerly an opponent of the bosses of the old party machine and a leader in the council in the earlier stages of the contest with the companies. At the outset of the campaign he seemed to favor the adoption of the tentative ordinance, as a step toward effective ultimate municipal ownership at the end of the thirteen years. But before the end of the campaign he had spoken more definitely in favor of earlier action. The Democrats, abandoning the more conservative policy followed by Mayor Harrison in harmony with the Republican council, nominated for mayor Judge E. F. Dunne on a platform calling for immediate municipal ownership and operation. This, it was promised, could be inaugurated by using the lines where the franchises had clearly expired; and, in the case of franchises which might be held valid, either by condemnation proceedings or by building new lines parallel to those covered by unexpired franchises.

As the outcome, Judge Dunne was elected by a majority of 20,000. At the same time three more public policy votes were taken, which again indicated on their face the strong popular sentiment against any continuation of the franchise policy. These were as follows: —

1. Shall the city council pass the tentative ordinance? Yes, 64,391; no, 150,785.

2. Shall the city council pass any ordinance granting a franchise to the City Railway Company?

Yes, 60,020; no, 151,974.

3. Shall the city council pass any ordinance granting a franchise to any street railroad company?

Yes, 59,013; no, 152,135.

It soon became clear that there would be little active coöperation between Mayor Dunne and the city council.

The council had a Republican majority; but this was not of especial significance, as a number of Republican members favored the mayor's policy. On the other hand, a number of Democratic members were not in favor of immediate municipal ownership and operation. Nevertheless, the council recognized the result of the election by reorganizing the local transportation committee. Alderman Foreman was retired as chairman, and in his place Alderman Charles Werno was selected, a Democrat and a supporter of the mayor's policy. Several plans of procedure were proposed by the mayor; but action on these was defeated or postponed, either in the committee or in the council.[1] In the latter part of the year, negotiations were again renewed with the representatives of the companies; and a second tentative ordinance was prepared and reported to the council. But this ordinance did not prove satisfactory even to many of those opposed to the policy of immediate municipal ownership. And it was understood that leaders in the Voters' League and the independent newspapers declined to support it.

[1] An interesting episode was that connected with the visit of Mr. Dalrymple, general manager of the municipal tramways of Glasgow, Scotland. Immediately after his election Mr. Dunne cabled to the Lord Provost of Glasgow, requesting the Glasgow authorities to allow their tramway manager to visit Chicago. It was afterward explained that Mr. Dunne had acted on the advice of Mayor Johnson of Cleveland, and that the latter had in mind Mr. Young, the former manager of the Glasgow lines, who by the irony of fate had gone to London to take charge of Mr. Yerkes's new undertakings there. Mr. Dalrymple came to Chicago, saw Mayor Dunne and his friends, but was not brought into communication with the council committee on local transportation. He did, however, meet some of the representatives of the companies, and looked over the situation in Chicago and other American cities. When his report was received, Mayor Dunne declined to make it public on the ground that Mr. Dalrymple had been his personal guest. Eventually, the council secured a copy of this report through the Glasgow Town Council. The first report was brief and rather vague, recommending an agreement with the companies on account of the difficulties of municipalization, among which were mentioned the ninety-nine-year act, the methods of municipal work in the United States, and the detached nature of the expiring franchises. A second report, sent at the special request of Mayor Dunne, discussed methods of administration.

Under these circumstances the council decided to submit to the voters at the election in April, 1906, the question of authorizing an issue of $75,000,000 of street railway certificates, under the provisions of the Müller law, with which to purchase or construct street railways; and also the question of municipal operation. At the same time there was submitted, under the public policy act, a general question whether the city should proceed under the Müller Act in preference to passing franchise ordinances. The result of these votes was as follows: —

	Yes.	No.
(1) On the issue of Müller law certificates . .	110,225	106,859
(2) On municipal operation	121,916	110,323
(3) Public policy question	111,955	108,087

The vote on the first question definitely authorized the issue of street railway certificates under the statute. But it was recognized that there was some doubt whether the courts would recognize the validity of the provisions in the law excluding such certificates from the city debt limit. And this legal question had to be determined before active measures could be taken. The vote on municipal operation, although showing a larger majority in its favor, was not equal to the three-fifths vote required by the Müller law; and that part of the mayor's policy was, for the time at least, defeated. The vote on all of the questions showed a large increase over the previous referendum votes, a notable decline in the vote in favor of municipalization, and an enormous increase of the vote in opposition.

Just before the election the legal situation was clarified by a decision of the United States Supreme Court, in effect overruling the decision of the Circuit Court as to the rights of the companies under the ninety-nine-year act. The Supreme Court decided against some of the arguments presented for the city, denying the jurisdiction of the United States courts and the constitutionality of the act of 1865. But in interpreting that act the court held that, while it clearly

extended the corporate life of the older companies for a period of ninety-nine years, the ambiguous clause on which the claims to an extension of the franchises were based must be interpreted in accordance with the established principle "that one who asserts private rights in public property under grants of the character of those under consideration must, if he would establish them, come prepared to show that they have been conferred in plain terms, for nothing passes by the grant unless it be clearly stated or necessarily implied." As Chief Justice Taney had said in an earlier case, "The rule of construction in cases of this description . . . is this, that any ambiguity in the terms of the grant must operate against the corporation and in favor of the public, and the corporation can claim nothing that is not clearly given by the law." [1]

Applying this principle, it was held that "it cannot be successfully maintained that the act of 1865 contains a clear expression of legislative intention to extend the franchise of these corporations to use the streets of Chicago, without reference to the assent of the city, for the long term of ninety-nine years; and for that time preventing other and different legislation restricting the grant of a practically exclusive right."

A dissenting opinion was filed by Justice Kenna, with whom Justices Brewer and Brown concurred, upholding the claims of the companies on the ground that the clause clearly intended to confer such a grant, and that this interpretation was confirmed by the opposition to the act and the arguments presented in Governor Oglesby's veto message.

In discussing some minor points, the court recognized the distinction in the terms of the earliest grants by the city, on which the companies' rights now rested. While on the north side the earlier grants had all definitely expired, on

[1] Perine *v.* Chesapeake & Canal Co., 9 Howard, 172. Cf. Charles River Bridge *v.* Warren Bridge, 11 Peters, 429; Binghamton Bridge *v.* Binghamton Bridge Co., 3 Wallace, 51, 75; Northwestern Fertilizing Co. *v.* Hyde Park, 97 U.S. 659; Stidell *v.* Grandgean, 111 U.S. 412; Corson Mining Co. *v.* South Carolina, 144 U.S. 550; Knoxville Water Co. *v.* Knoxville, 200 U.S. 22, 34

the south and west sides the franchises continued until the city should purchase the plant and equipment.[1]

As a result of this decision, the position of the city was greatly strengthened as against the companies, which had left merely a few detached pieces of street railway line, built under later franchises, and on the south and west sides the right to compensation for their cars and tracks. At the same time the local election had committed the city to the policy of municipal ownership, but had also blocked any immediate municipal operation. This situation caused both the mayor and the companies to modify their attitude.

On the mayor's side this change was first indicated by the retirement of Mr. Clarence S. Darrow from the position of special legal adviser on street railway matters, and the appointment to that place of Mr. Walter L. Fisher, who had been secretary and later president of the Municipal Voters' League, and had drafted the original Müller bill. This appointment was followed by a bitter and unwarrantable attack on Mr. Fisher by some of the former opponents of the mayor's policy. But it proved to be one of the wisest steps taken by the mayor, and the settlement which has been adopted is due in very large part to Mr. Fisher. On April 27, 1906, Mayor Dunne, doubtless with the advice of his new counsel, addressed a letter to Alderman Werno, chairman of the committee on local transportation, outlining a plan for a prompt settlement, on the following basis: —

(1) An agreement with the companies for the purchase of their property and unexpired rights at a fixed price.

(2) The temporary continued operation of the lines by the companies under a revocable license.

(3) Immediate reconstruction of the system and improvements in the service, the cost to be repaid when the city should take possession.

(4) Profits, above a fair return to the companies upon their present and future investments, to be divided with the city.

[1] *Blair* v. *Chicago*, 201 U.S. 400.

On their part the companies accepted the general principles of this plan. Negotiations were again opened between their representatives and the local transportation committee, with the mayor and his special counsel, Mr. Fisher, in regular attendance. It is of interest, also, to note that one of the prominent legal advisers in these later proceedings has been John M. Harlan, who was appointed by Judge Grosscup in connection with the litigation and receivership of the north and west side lines, as representative of the court.

A basis for agreement having been reached, one of the most important problems was to determine the value of the existing plant and unexpired franchises. For this purpose a special commission of engineering experts was appointed, consisting of Bion J. Arnold, who had been employed by the local transportation committee for several years, Mortimer E. Cooley, dean of the Department of Engineering in the University of Michigan, who had directed an exhaustive investigation of the physical value of the railroads of Michigan a few years before, and A. B. DuPont, the mayor's engineering adviser. In September the companies submitted their estimates, which aggregated $73,555,000. About one-third of this was for franchises, on the assumption that their remaining rights were equivalent to an average of seven years on all the existing lines. But the commission's report, made in December, reduced these figures by more than a third. A comparative summary of the two estimates is given below:—

	Physical Property	Franchises	Total without Paving	Total Including Paving
Chicago City Railway:				
Company's valuation	$20,103,936	$10,332,228		$30,436,164
Commissioners' valuation . .	16,782,147	3,754,363	$20,536,510	22,369,068
Chicago Union Traction Co.:				
Company's valuation	$29,294,471	$13,825,040		$43,119,511
Commissioners' valuation . .	20,853,629	5,262,608	$26,116,237	28,625,714
Both companies:				
Company's valuation	$49,398,407	$24,157,268		$73,555,675
Commissioners' valuation . .	37,635,776	9,016,971	$46,652,747	50,994,782

The commissioners' valuation for physical property was about $10,000,000 more than the valuation determined in an investigation by the Arnold Company in 1902. This was due in part to the increased price of materials on which the estimates were based, and in part to new equipment that had been added since the earlier valuation. In other respects the valuation must be considered as fairly liberal to the companies. The physical property was valued on the basis of the cost of reconstruction at existing prices, less allowances for depreciation. The cable roads on the south and west sides were valued as operating lines (although it was evident the plant must be discarded in the reconstruction work) in recognition of the fact that the companies had a legal right to operate these lines until purchased by the city. On the other hand, the north side lines, where the city was under no legal obligation to purchase at all, were estimated at the value of the equipment in a reconstructed system. Whether the city should repay the companies for street paving was left an open question in the commissioners' report. The franchise values were determined by estimating the unexpired franchises not as detached lines, but as part of the existing systems. And to this were added the estimated profits on all the existing lines for a period of eighteen months, which period, it was estimated, would elapse before the city could take possession of the property by eminent domain or other compulsory proceedings.

In the end the representatives of the companies agreed to accept the round sum of $50,000,000 for the physical property and existing franchise rights. This was practically the commissioners' figures, allowing the companies the greater part of their claim for street paving. A comparison of this amount with the capitalization of the companies ($117,000,000 in 1901) shows to what extent the capital had been inflated on the basis of the claims under the ninety-nine-year act. Indeed, three-fourths of the stock and bonds of the north and west side lines have now no substantial value.

While these valuations were being determined, negotiations proceeded on other points. Arrangements have been made for the reorganization of the companies in the hands of receivers and for the organization of a new company — the Chicago Railways Company — to take over the operation of the north and west side lines and furnish capital for the rehabilitation. The cable roads are to be reconstructed. Subways are to be provided in the business district. Extensions and new equipment are to be furnished. For this purpose it is estimated that $40,000,000 will be needed. It has been provided that this shall be spent under the supervision of a board of engineers, two of them designated by the city. The companies, however, are to be allowed 10 per cent as contractor's profit, and 5 per cent brokerage over the actual cost of construction, if the city should purchase the plant.

Arrangements for the operation of the lines are much more distinctly in the interest of the city and the public than in either of the previous tentative ordinances. The companies are to operate on a license revocable at any time on six months' notice, the city having the right to purchase at the stipulated price of $50,000,000 for the existing plant plus the cost of improvements. All of the lines are to be operated as parts of one system, with a considerable number of through routes and transfers from one district to another. The city is to have a large measure of control over the frequency of service and supervision over the accounts of the company. And the profits, after paying operating expenses, taxes, and 5 per cent on the actual investment, are to be divided, — 55 per cent to the city and 45 per cent to the company. The plan, as a whole, may be called one establishing a joint partnership between the city and companies for the control and operation of the street railways.

By the middle of January, 1907, the agreement between the council committee and the representatives of the companies had been drafted in the form of proposed ordinances

and submitted to the council. Until the previous month it had seemed probable that the arrangements would prove satisfactory to all parties, and the ordinances might be passed promptly. But in the latter part of December some of the more radical advocates of municipal ownership raised objections, apparently fearing that improved service on the part of the companies would satisfy the public, and that the provisions for municipal operation would not be utilized. It is true that this may be the result. But for the friends of municipalization to urge this seems a confession of weakness in their argument that any system of regulation is bound to fail. Mayor Dunne, who had coöperated in the work of drafting the ordinances, suddenly joined this late movement, which took the form of demanding a popular referendum on the proposed ordinances. Once this demand was made, however, it should have been evident that it must be granted; and the attempt of some supporters of the agreement to oppose the movement was clearly a tactical error. Petitions calling for a referendum were signed by 189,000 names; and it was soon acknowledged that this must be provided.

In a tense and dramatic all-night session on February 4–5, 1907, the ordinances came before the council for action. Some minor amendments were accepted by the committee and adopted. A large number of others presented by the opponents were defeated. Many of these would have been to the interest of the city and the public. But the representatives of the company had declined to accept them; and, in the opinion of the majority of the council, they were not of sufficient importance to cause the defeat of the agreement that had been reached. Another contest arose on the precise form in which the referendum should be submitted. It is fair to note that the opponents of the ordinance were all classed among the honest, but not always among the most able, members of the council, and that the few remaining "gray wolves" voted with the majority. Chairman Werno and a majority of the Democratic members of the council

declined to follow the mayor in his latest change of attitude, and supported the ordinances. In the end the council passed the ordinances by a vote of 55 to 14, subject to the result of a referendum at the municipal election in April. Mayor Dunne declined to sign them; but they were repassed over his veto at the next session of the council.

For two months, from the passage of the ordinances by the council until the municipal election, the question as to their ratification or defeat was the all-important issue before the people of Chicago. Around it centred the contest for city officials. The Republicans, nominating for mayor F. A. Busse, recently appointed postmaster of the city, strongly indorsed the ordinances. The Democrats, renominating Mayor Dunne, declared in favor of municipalization through condemnation proceedings. But party lines were not strictly followed; and notably a majority of the Democratic aldermen, while supporting their party candidates, were also in favor of the ordinances. Other questions, which it is not necessary to consider here, also entered to some extent into the campaign for city officers. In the outcome the ordinances were approved by a vote of 165,846 to 132,720; while Mr. Busse and most of the Republican ticket were elected by much smaller pluralities.

On April 18 the Supreme Court of Illinois rendered a decision in the case involving the validity of the Müller law certificates, and held that these certificates must be included as part of the city debt, inasmuch as they were to be guaranteed by a right to operate street railways as well as by the physical property of the roads. This ruling, with the existing limitations on city debt, make it practically impossible for the city to purchase or build a strictly municipal railway without a change in the state constitution; and the provisions in the new agreement for municipal purchase will therefore be inoperative. It will be possible, however, under the agreement, for the city to transfer the rights to other licensee companies, on payment for the value

of the property, with 20 per cent in addition, if transferred to another profit-making company within twenty years.

Since the ratification of the ordinances the Chicago City Railway Company has completed the agreement for the south side lines. But some holders of bonds of the north and west side lines declined to accept the reduced value of their securities and have caused further delay in executing the new arrangements in those parts of the city. The council granted an extension of the time for accepting the ordinances until February 1; and it is expected that arrangements will be completed before that date.

V

In attempting to draw some general conclusions from this contest, which rivals in duration and interest the Trojan War, it is necessary to emphasize some points that are likely to be overlooked, if attention is paid only to the latest stage in the conflict. In the first place, the duration of the controversy is evidence of the tenacity of purpose on the part of the people of Chicago in resisting the efforts of the financial promoters to perpetuate their control. The public policy votes on the earlier tentative ordinances showed that no franchise drawn on the traditional American lines would be acceptable.

In the second place, it will be a mistake to assume that the adoption of these ordinances indicated that the popular demand for municipalization was merely a temporary wave of sentiment, which is now fast receding. The demand for municipalization was indeed aroused by the intolerable service and the hostile attitude of the companies, and, so long as the companies maintained their former position, municipalization seemed to be the only alternative policy. But it must not be overlooked that the actual vote against the ordinances was almost as large as the first vote for municipal ownership in 1902, and larger than either of the subsequent votes in favor of municipalization. The latest vote indicates that the

ordinances have been approved by the action of those who were not willing to vote in former years for municipalization but were also not willing to vote for any of the alternative plans then presented.

In the third place, as stated at the outset, these ordinances set a new standard in the relations between street railway companies and public authorities in this country. They establish on a new basis the old doctrine of public ownership of the streets, and effective public control over any private company which receives special privileges in the public highways. The revocable license is a much more tangible feature than the nominal power of revocation in Massachusetts franchises, as in the Chicago ordinances there are explicit means provided by which the lines can be taken from the companies with whom the present agreement is made. And the division of profits, supplementing the system of public control, makes the city in fact an active partner in the street railway business.

As to the future, the firm believers in and the convinced opponents of municipalization will each have their own predictions. The writer believes that there is a fair promise that, if the companies carry out their part of the agreement and coöperate heartily with the city authorities, there will be no further steps in the direction of municipalization for many years. But if the service is not brought promptly to a satisfactory standard, or if there should be a revival of the policy of speculative finance or political manipulation, the city will not remain entirely at the mercy of the present companies. In that case there may be a trial of the so-called "contract plan," by which the street railways would be transferred to a licensee corporation acting as trustee for the city. Or it is not impossible that the state constitution may be amended to provide an effective means for municipalization.

BIBLIOGRAPHICAL NOTE

There is a voluminous mass of printed material on the Chicago Street Railways, but it is widely scattered, and there is no complete collection in one place. Among primary sources may be mentioned the official records of the Illinois State legislature and the City Council of Chicago, and the judicial reports on the litigated questions. The most important documents have also been reprinted, and in addition there have been scores of pamphlets and articles in periodicals. A list of documents, pamphlets, and longer articles, excluding items in the daily and weekly press, would contain more than a hundred titles, and only the more important among them are given in the following list.

Official Documents:—

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Mayor Edward F. Dunne: Annual Messages, April 11, 1906, and April 15, 1907. Letter to Alderman Charles Werno, April 27, 1906.

Council Committees:—

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Traction Valuation Commission: Report on the Values of the Tangible and Intangible Properties of the Chicago Street Railway Companies, December 10, 1906.

Judicial Reports:

Circuit Court of the United States: Guaranty Trust Co. *v.* Chicago Union Traction Co., etc., 1903 (over 20 vols.).

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Supreme Court of Illinois: Lobdell *et al. v.* City of Chicago (1907).

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List of Franchises, 1837–1896. Chicago, J. F. Higgins, 1896.

Illinois Bureau of Labor Statistics: The Street Railways of Chicago and Other Cities (1897).

Articles in Periodicals:—

Quarterly Journal of Economics, XII, 83 (J. H. Gray).

Municipal Affairs, V, 439–594 (Report of the Civic Federation).

National Conference for Good City Government, 1902 (George C. Sikes).

Atlantic Monthly, XCIII, 109 (E. B. Smith).

American Law Review, XXXIX, 244.

Annals of the American Academy of Social and Political Science, XX, 356; XXVII, 72; XXIX, 385.

International Quarterly, XII, 13 (C. S. Darrow).

Review of Reviews, XXXIII, 549.

Three collections of material of special value should be noted: (1) that of Professor John H. Gray, of Northwestern University (the best single collection), which includes the voluminous record of the Circuit Court proceedings, two large bound volumes of documents and miscellaneous pamphlets, and a manuscript thesis by George B. Goodwin on "The History of the Chicago Street Railways"; (2) that of the John Crerar Library, which includes a bound volume of documents, pamphlets, and newspaper clippings connected with the Humphrey-Allen Bills of 1897, by George E. Hooker, a box of pamphlets, and also other documents separately catalogued; and (3) that of the City Club of Chicago, which includes two boxes of miscellaneous documents and pamphlets. While there is some duplication each of these contains important material not in the others. There are, in addition, a good number of pamphlets and special reports not in any of these collections.

XIII

SOME CONSIDERATIONS ON MUNICIPAL OWNERSHIP OF PUBLIC UTILITIES[1]

In the constantly accelerating public discussion on the question of municipal ownership in this country, the two radically opposing views have been becoming more and more predominant. On one the hand is the propaganda for immediate and universal municipalization, as the next great step in social and political reform. On the other side is the conservative or reactionary attitude that opposes any movement in the direction of collectivism. These extreme views are not only expressed in most of the ephemeral political and newspaper debates, but are well exemplified in two recent books, F. C. Howe's, *The City the Hope of Democracy* and H. R. Meyer's, *Municipal Ownership in Great Britain.*

In spite of their antagonism, both of these views have this in common: they assume that the question is one which can be dogmatically answered either in the affirmative or the negative; that the problems can be settled by a universal rule expressed in a brief formula. There is also the tendency on the part of the supporters of each dogma to assume that the view they adopt has an ethical basis; and their views are therefore expressed in the categorical imperative, with little or no qualifications.

This common feature in the recent discussion is one which is full of serious danger to a wise solution of the situation. A careful study shows rather that there is no such simple answer; that the problem contains many conflicting factors, whether examined in the light of general principles or by the study of detailed facts. And it is only by recognizing these conflicts and difficulties that any satisfactory conclusion can be reached.

[1] An address delivered in Chicago (1905) and Buffalo (1906).

Some confusion might be expected from the vagueness of the term "public utility," which is supposed to include the various undertakings proposed to be brought under municipal management. And in carrying out a policy of municipalization it would become necessary to define more exactly what this phrase embraces. But at the present stage of discussion it is enough to know that it includes such enterprises as waterworks, lighting plants, street railways and telephones, which make use of the public streets, and for which a special franchise must be granted to a private company by some public authority. Practically in the United States at the present time the question is one concerning lighting plants and street railways.

In reference to such undertakings a brief consideration will show that either complete municipalization or uncontrolled private management involves a departure from the older established and generally accepted limits between public and private activity. The radical socialistic and the extreme individualists will each differ from this view on the basis of their general principles. But on the basis of existing methods about which there is little complaint the undertakings proposed to be municipalized involve on the one hand certain public interests similar to those under government management, and at the same time certain methods of management identified with private business.

On the side of public interest, all of the undertakings in mind agree in occupying in a special manner and practically to the exclusion of others the public highways, which are recognized as ordinarily exempt from private ownership by the same common law which established the legal basis of private ownership in other property. And this public interest is clearly recognized by the established procedure which requires a grant from the sovereign authority of the state to establish the special rights of any private company in the streets and roads.

In addition to this, many of these undertakings involve

public interests recognized even within the "police" theory of government. Street lighting, both in its historical development and practical operation, is an important means of maintaining order and public safety. And public control of this is as logical as public control of the police force. Water supply is a fundamental factor in public sanitation and fire protection; and public control for these purposes is justified, on the same basis as other public administration for the protection of the public health or the protection of property.

Other services affect the public interest in ways that are more open to discussion; and raise questions as to the limits of public action for amelioriating the condition of the poorer classes, which need not be examined at this time. But from what has been said, it must be clear that the public interests involved are beyond question. With these public interests it follows that a private company operating such services is to some extent exercising a function recognized as governmental. And if these factors were all that need be considered, a *prima facie* case for municipal administration of such public utilities would seem to have the same basis of public policy as for such services as the police force, or the administration of tax laws, or for the national management of the army and navy.

But there are other considerations to be noted. The most important is that, for a large part of each service the self-interest and ability of individual consumers permit of charges based on consumption without the sacrifice of essential public interests. This results not only in making the conduct of the services approximate closely to private commercial bargain and sale, but also in giving opportunity for the development of business through the peculiar ability brought out almost exclusively under the stress of individual initiative and private competition. Sometimes the management of the large force of employees and the complexity of the technical manufacturing processes subject to new inventions are named as factors in emphasizing the similarity of these services

to private business; but it may be questioned whether these are much, if any, more peculiar to these utilities than to some clearly accepted branches of public administration, such as the military and naval service. But the factors previously noted are sufficient to stamp these services as analogous in important respects to private business. So that municipal undertakings in these respects are clearly entering the field heretofore left to individual enterprise.

It is thus evident from this brief survey of the general principles involved that these public utilities, as a class, have a dual aspect, and that either municipal or private management involves encroachment in the usually recognized domain of the other.

Turning next to the specific services, it may be asked whether these differ among themselves and to what extent, in the relative degree of public and private interests involved? Such differences do exist; and a few points on this aspect of the question may be here noted. In regard to the water supply the public interests are most numerous and most constant. Not only are the streets occupied and is a public supply essential for fire protection, but the supply to the great body of private consumers is a matter of vital interest to the public health of the community; while in most large cities an adequate supply can be secured only by the exercise of the governmental power of eminent domain. On the other hand, the private business aspects, although not lacking, are less important than for other services. Gas and electric light services clearly demonstrate the conflicting forces. For street lighting, the general principle in favor of public administration has the same basis as for public administration of the police force. For light sold to private consumers, municipal administration would seem to set an example for the municipalization of every commodity and service. But a dual service involves an unnecessary duplication of expense in the construction of plants and equipment; and the economical advantages of a single system

for both public and private lighting are too great to be permanently ignored.

In regard to street railways, the use of public streets is more pronounced and significant than for the other services, and if municipal ownership of the tracks without municipal operation were a satisfactory permanent solution, the public interests would point toward that solution as a general principle. But the operation of street railways offers special advantages for exceptional business management; and ownership and operation by the same body seems almost essential; while in most American cities the development of interurban lines adds another difficulty to municipal management.

The telephone service has the least claim of the utilities considered to special public interests, as its use is limited to a part of the population and is not so essential as any of the other services. But even here, the franchise in the public streets and the unmistakable advantages of a single system in each city make necessary some public supervision.

Other factors vitally affecting the question are the moral principles and practices of those controlling these important public services. Here the most obvious and most generally recognized facts are the prevalence of ignorant officials, "spoils politics" and even more flagrant methods of corruption and dishonesty in American municipal administration. There can be no question that these are most deplorable evils in our municipal government and most serious obstacles to any extension of municipal functions. Until the worst abuses are eliminated, and political and personal favor in appointments is reduced to its lowest terms, there can be no successful municipal management of public utilities, or of any public services. Against the grosser forms of corruption there seems to be a general awakening; and there is some ground for hope that these may largely disappear. There is also a growing public sentiment in favor of permanent expert public servants which leads to laws regulating

the civil service on the model of the national system. This method is a vast improvement over the older custom of rotating political favorites; and seems to be the most practicable way of changing our system. But it has defects in operation; and there is need for a further development of public opinion in regard to offices not in the "competitive class," such as generally prevails successfully in regard to our judges.

Opponents of municipal ownership, however, are apt to assume that the dangers of corruption and the spoils system are confined to public administration; and that a system of private ownership entirely obviates these evils. But a régime of dishonesty and low moral standards in public office cannot continue long except through the connivance and even the active assistance of a large part of the business community. Many of the worst cases of municipal corruption have been in connection with the granting of special franchises to private companies; and the wisest political bosses find their largest gains, not in municipal works, but in their "private business" enterprises. Recent disclosures emphasize the danger of overpraising "business methods" in contrast with political standards; but the records of our judicial courts — more numerous and more crowded with cases, mostly civil, than those of other countries — have long been a standing witness to the need of some control over the dealings of business men with each other, in order to secure justice and fair dealing. The most serious aspect of public corruption is that it threatens to destroy the machinery intended to suppress the inevitable private dishonesty. So, too, the "spoils system" can and does exist in full vigor in the public utilities of not a few cities under private management. But the argument now offered that political corruption is due mainly to the franchise corporations, and will disappear under a régime of municipal ownership and operation is far too sweeping, and ignores other sources of municipal mismanagement. The only remedy for these evils in

both municipal and private management is the development of higher standards of public morality.

Whatever light on the question may be shown by these general considerations must be tested and corrected by the practical results of experience. It is not possible, however, to consider in detail in this paper the records of private and municipal undertakings in these fields, even if the facts for a thorough and unbiassed study were available. But some points of criticism may be made on much of the current discussion along this line on both sides of the question; and a few tendencies and specific examples can be noted.

An immense amount of argument based on elaborate statistical studies has been published on the successes and failures of municipal undertakings as compared with those in private hands. One of the gravest defects of this work, so far as concerns American cities, has been the deplorable system of municipal accounts, which make it impossible in most cases to secure any reliable and complete data for a study of municipal undertakings. Usually the bulk of the cost of constructing such works (mostly for water-supply and electric lighting) has been met by bonds issued on the general credit of the city, and paid out of the general funds of the city. The accounts for a particular undertaking usually show little more than the current expenses for maintenance against the annual income. Such accounts easily show a large profit for the municipal undertaking. Nowadays the wisest friends of municipal ownership recognize that to the maintenance expenses there must be made a charge for interest on the cost of construction; but there are other items more elusive, which should also be included. The taxes and franchise payments lost to the city as a result of municipal ownership must be added; and also charges on account of depreciation, which last is the most difficult to make with any degree of accuracy. Some writers, obviously interested in making a case against municipal ownership, insist in adding also a sinking-fund charge; but if the

depreciation allowance is adequate, this is no more necessary than it is for a private corporation to pay off its capital from its earnings.

Accounts of large private corporations are doubtless more accurately kept in most cases than those for municipal finances. But this does not prove of much benefit to the student of this question, since these accounts are usually not accessible to any but those actively connected with the management of the companies. So that on this side public access to these accounts is a necessary prerequisite to any thorough comparison of municipal and private management. Generally, too, the accounts of private corporations do not discriminate between the actual investment in the plant, and the amount of securities issued as capital, while it is well known that the latter is often inflated on the basis of excessive earnings. There is, however, one test of serious private mismanagement — it is likely to result in a business failure. And this has been known to occur even in the case of companies operating public utilities.

Some general tendencies as to the financial results of municipal and private management may, however, be noted. A well-managed private company is very likely to secure more efficiency in the actual work of operation than the best-managed municipal plant. The private company is willing to pay higher wages for superintendence and thus secures a higher grade of ability, and in consequence a stricter control over its employees and a smaller proportion of waste. At the same time it may also make some saving in the individual wages paid to employees, and still more in the aggregate wages.

All of this should enable the private company to furnish a better or a cheaper service than a municipal plant. But the motive for the higher efficiency and greater economy is undoubtedly the desire for larger returns to the stockholders. And in so far as such larger returns are paid, the municipality has a countervailing advantage in the lower rates of interest

at which it borrows funds. The important and difficult question to determine the net result is which of these factors is the more effective in a particular instance. So far as the consumer is concerned, the interest and dividends are as much a part of the cost of production as the expenses of maintenance and operation.

It should be observed that this economic argument applies logically not merely to the disputed public utilities, but also to the accepted municipal services. If private management is on the whole more effective, then it would probably be more economical for a city to make a contract for a term of years with a private company for its police force and fire department, or even for the national government to lease the management of its army and navy to a syndicate of capitalists.

Another method of comparing the results of municipal and private administration is by examining the services rendered to the community. But here, too, many of the comparisons are on an inadequate basis, and the conclusions are largely misleading. The prices charged for gas by the municipal works in Great Britain and Germany have been compared with those charged by private plants in this country, without making any allowance for differences in wages or the cost of raw materials. Street railway fares under the European zone system are compared with the American uniform rate, — municipal ownership advocates citing the lowest zone rate, and the opponents emphasizing the maximum distance that can be travelled for a single fare. The volume of business for particular services is compared, without considering the effect of related services, such as gas and electric lighting, or the relative development of street railway traffic and the local traffic of steam railroads.

But there can be no exact comparison of such incommensurable quantities; while the differences in methods are due very largely to local customs and not to the municipal or private system of management. American cities usually make a uniform charge for water-supply except to the largest

consumers, on much the same line as the uniform street railway fare; while European cities measure their water-supply as they do their street railway service. There would seem to be some connection between the uniform rate and the enormous development of both of those services in American over European cities. But some writers construe similar results in one case as evidence of superior private business management of street railways; and in the other as proof of municipal waste and mismanagement of water-supply. No doubt in both cases the American method is extravagant and practical only in a rich country; while it also permits a wider distribution of social benefits from these public utilities.

A few words may be added, summarizing what can be said at present after comparing the results of municipal and private management in different countries. In the United States the main experience has been with waterworks. In this field most of our large cities have furnished an adequate supply, and the financial reports indicate that the income usually is sufficient to pay not only operating expenses, but interest and other charges. On the other hand, there have been extravagance and corruption in connection with several construction works; some large cities have been grossly negligent in dealing with the sanitary problems; and in one or two cases (notably Cincinnati) the revenue is clearly inadequate to meet the direct charges. As to lighting plants, reference may be made to the notorious failure of the Philadelphia municipal gas plant; and to the equally clear success of Detroit with a municipal plant for public electric lighting as illustrating the absence of any uniform result.

In Great Britain and Germany there has been a much greater development of municipal ownership and operation. And in both countries the financial reports show that these are usually operated without loss (after making due allowances); and in some cases yield a considerable profit to the relief of the tax-payers. Where changes have been made

recently, it seems clear in most cases that the municipality is giving better service than the private company gave in the same community. But these services are very much less developed than in this country under private management; and the *claim* is made that private companies, if encouraged, would surpass the municipalities. In one line, that of building improved dwelling houses for the poorer classes, even the British cities have not succeeded in carrying on the undertakings without a loss; and unless this loss can be fairly charged to the account of public sanitation or charities, this form of municipal ownership cannot in any way be classed as a success.

No discussion of the question of municipal ownership in the United States would be complete without some reference to the practical difficulties and legal obstacles which stand in the way of any sudden change of policy. These difficulties are the existing franchises and the limitations on municipal debts.

Existing franchises cannot be ignored. They must either be purchased at their full value, making it more difficult for a city to improve conditions than if it could start with a free field; or municipal ownership must be postponed until they have expired. When franchises expire at different times, it is difficult to make a complete transfer at one time; and it is advisable that franchises for the same purpose should be granted for such periods as will cause expiration at the same date.

So far as debt limits are concerned, our present system is purely arbitrary, and fails to discriminate between debts for different purposes. A debt incurred for a self-sustaining undertaking does not impose the same burden on the property owners as a debt to be paid from taxation; and there is much to be said in favor of excluding the former from the debt limits. But it is not always certain whether a given undertaking will be self-sustaining; and it would be a grave danger to allow cities unlimited borrowing power for undertakings

which, if unsuccessful, would lay a heavy burden on the tax-payers. It has therefore been suggested that loans for municipal industries shall be secured simply by a mortgage on the proposed plants; and this was the method proposed for the Chicago street railways. Such a plan seems a reasonable method of allowing cities to make the experiment of municipalization. It is a limited sort of municipal ownership; since if the city fails, it cannot maintain the industry at the expense of the tax-payers, but must allow the mortgagees to foreclose and reëstablish private management. But just because it is limited in this way it would compel each city to prove itself capable of good management in order to maintain the municipal system. This power would simply give cities the same authority now possessed by private individuals to limit their liability for each undertaking by forming private corporations; and would place the city in a stronger position in granting franchises.

In conclusion, no simple dogmatic doctrine can be asserted now, establishing a universal policy for American cities on this subject. It is a problem to be settled by each city for itself, very largely on the basis of peculiar local conditions, and probably with different solutions with regard to the various utilities. We may expect municipal waterworks to become more general than at present, and probably there will be a steady increase in municipal lighting plants. But no city should change to a municipal system without a careful study of the local situation.

Since, however, it is a question whose answer depends on local conditions, each city should have the legal authority to determine its own policy subject to such limitations on its financial powers as have been indicated. Where franchises are granted to private corporations, they should be framed with more regard to the public interests than has been the case in most of the earlier franchises in this country. Present tendencies are toward short-term franchises (twenty to twenty-five years) with provisions as to rates and service;

but it may be suggested that with a more continuing public control over rates and service and a clear power on the part of cities to purchase the plants at a fair valuation, the limitation on the duration of the franchise is of less importance. There is also a tendency to exact compensation from franchise companies, although the revenue secured is often less than under a strict system of taxation. One of the most important changes that is necessary is a clear recognition of the distinction between compensation and taxation; and if the companies pay their full share of taxes, there is much to be said in favor of securing lower charges and better service rather than any additional compensation to the city for its franchises. Lastly, under either public or private management, there is one essential need for a complete and uniform system of accounting under public control, so that the actual results may become clearly known.

XIV

COMPARATIVE MUNICIPAL STATISTICS[1]

Any comprehensive study of municipal government and administration must be in large part based on the comparison of conditions in different cities and different countries. And exact comparisons covering a large number of cities almost of necessity tend to be expressed in statistical form. It is, however, a difficult matter to secure the desired information in a sufficiently uniform scheme of classification so as to make possible statistical tabulations that may be easily compared. It is less than forty years since the collection and publication of such data has been undertaken in any country on an extensive scale. And it is less than a decade since any comprehensive effort has been made in the United States. Some account of the more important publications, showing the development in this field, may be of interest and value in calling attention to important sources of material for the study of municipal problems. And some criticism of what is now done may serve to bring about further improvement.

Since the establishment of the English board of poor-law commissioners in 1834, financial statistics for the local English poor-law authorities have been prepared. But it is only since the creation of the local government board in 1871 that reports from all the English local authorities have been collated and published in the annual volume of *Local Taxation Returns*.

These reports cover a good deal more than local taxation. They give, in fact, a comprehensive survey of all the financial

[1] Revised from an article published in the *Quarterly Journal of Economics*, XIII, 343 (April, 1899).

operations of the various local authorities, including revenues of all sorts, expenditures, and loans. The English system of local government, however, still presents a confusing chaos of authorities which complicates the character of the statements. In consequence, the statistics of municipal finance cannot be found in one series of tables. Poor relief and public schools form distinct series of tables, and are entirely excluded from the municipal accounts; while the latter are not presented as a whole, but are sharply divided into borough accounts and urban sanitary district accounts. The county boroughs have still another division, known as the Exchequer contribution accounts. In addition there are in many towns special authorities dealing with specific municipal functions, — burial boards, bath commissioners, library trustees, market commissioners, bridge and ferry trustees, joint boards, — and the accounts of these are also distinctly independent of the municipal accounts.

This situation makes almost impossible the presentation of figures showing the total municipal receipts and expenditures for particular towns; and, in fact, no attempt is made in this direction. But complete details as to receipts and expenditures for all the manifold fields of local governmental activity are presented, in which the ordinary financial operations are carefully distinguished from accounts dealing with loans and investments of capital. The arrangement of the large towns into three groups — county boroughs, municipal boroughs, and urban districts not boroughs — is an important step in the direction of a scientific classification; but within each of these divisions the arrangement is geographical; no per capita figures are given, nor are the financial statistics supplemented by other information concerning the activities of the various authorities.

In addition to the detailed figures for the many local authorities, tables of aggregates for the entire kingdom are appended. These show the total receipts and total expenditures by each class of local authorities, the total receipts by

all authorities from each of the principal sources of revenue, and the total outgo by all authorities for each of the important departments of expenditure. These, again, are differentiated into ordinary operations and those arising out of loan transactions.

Both the French and Italian governments publish annually statements of the finances of communes, and summaries of these, showing totals, appear in the statistical abstracts for these countries. The summary in the French *Annuaire Statistique* gives only the aggregate receipts and expenditures for all the communes in each department, with similar aggregate figures, but no figures for any particular city, as to the amount of *centimes additionels* and the receipts from *octrois*. The summary in the *Annuario Statistico Italiano* gives only aggregates for the entire kingdom; but in addition to the totals of receipts and expenditures, gives itemized aggregates according to a careful classification of receipts and expenditures. Thus the total expenditures for all Italian communes for general administration, for public works, for education, and the like, are given.

The facts for particular Italian cities are to be found in the *Bilanci Comunali*, published by the Ministry of Agriculture, Industry, and Commerce. The first number appeared in 1863, and with few exceptions it has been issued each year since that time, though with some changes in the system of classification. As now presented, there are ninety items of receipts, grouped together under ten main heads, and one hundred and seventy items of expenditure, grouped under eight main heads. The large number of items of expenditure is caused by the triplication of each item under each of the three divisions of obligatory, *facoltative*, and extraordinary expenditures. In accordance with this elaborate scheme, the figures are given for all of the communes in each compartment, and also for the chief town in each province. The latter includes all of the considerable towns in Italy, and there are thus presented for the comparative study of the munici-

pal finances of these towns both detailed statistical data and the totals for the main heads of receipts and expenditures.

The arrangement and grouping of the figures can, however, be criticised. The towns are arranged in alphabetical order by provinces, with the aggregate figures for each province in alternate columns with the figures for the chief towns. Thus adjacent figures in the tables are not at all those likely to be compared, as would be the case were the statistics for the large towns grouped in one separate series of tables, having the towns arranged in the order of their population. Another disadvantage is the absence of any per capita figures or of any statement of municipal indebtedness. It is also clear that the value of the compilation would be much increased were it to include, in addition to finance statistics, the most important facts of municipal equipment and the results accomplished by the various municipal departments. These would make clear how far differences in expenditure in different cities were justified by the different scope of work undertaken.

The question of comparative finance statistics of municipalities formed a subject of discussion at several sessions of the International Congress of Statistics, as a result of which it was determined in 1878 to establish an annual bulletin of the finances of the largest cities of the world. The preparation of this was placed in charge of M. Josef Körösi, director of the Statistical Bureau of Budapest; and the first *Bulletin Annuel des Finances des Grandes Villes*, containing statistics for the year 1877, appeared in 1879. The list of questions for this had been sent to some fifty cities of continental Europe, but complete answers were received from only fourteen. The tables showed for these fourteen cities the total receipts and expenditures, the detail of receipts from principal sources, the detail of expenditures for the most important branches of administration,— as police, street cleaning, education, — the value of municipal property, and the extent of their indebtedness. Figures were given showing both

the total amounts for each city and also per capita. The cities were arranged in the tables in the order of population. The bulletin containing the tables, with explanatory notes, formed a pamphlet of forty pages.

Other issues of the bulletin, on the same general plan, were published annually for eight years, the fifth number including also synoptical tables for the quinquennial period. Twenty-six cities were represented in the second issue; but there was little further increase, the highest number included in any one year being twenty-eight. With the exception of Washington, D.C., and Providence, R.I., which appeared in some of the later bulletins, only cities of continental Europe were represented in the tables. The British towns were intentionally omitted on account of the important differences in their administrative system from that on the Continent.

After the number published in 1889 (containing statistics for the year 1884), the bulletin was discontinued on account of the insurmountable difficulties in the way of securing the data from a sufficient number of cities. No subsequent attempt has yet been made to secure a permanent international comparison of municipal statistics. More successful, however, have been the comparative statistics for cities within particular countries, this success being due in part to the greater influence of governmental over private action, and in part to the larger degree of uniformity in administrative systems among the cities of each particular country.

Much the best collection of municipal statistics is presented in the *Statistisches Jahrbuch Deutscher Städte.* This was first published in 1890, and has been continued at almost yearly intervals since. It is prepared, not by the central government, but through the collaboration of statistical officers in the large cities, under the general editorship of M. Neefe, the director of the statistical bureau of Breslau. The *Jahrbuch* is composed of a large number of chapters, each dealing with a special field of municipal activity. Thus there are chapters on fire protection, street cleaning, street

lighting, parks, charities, waterworks, baths, savings-banks, education, libraries, taxation, and other municipal functions. There are also chapters giving general information about city conditions, such as those on local transportation, trade, shipping, post and telegraph business, population, dwellings, and even the classification of population by occupations and by incomes. The first volume contained seventeen chapters; but additions have been made in each number, so that, although every subject is not treated in each number,[1] the last volume has thirty different chapters.

Each chapter is prepared by one of the collaborating editors, who frames the tabulation schemes and collects the information from the various cities. The tables thus prepared, of which there are several on each subject, contain detailed information on the equipment of the various departments, of the amount of work actually accomplished, and of the financial conditions. Thus in the chapter on waterworks there are tables giving the length of water-mains (distinguishing the supply and the distributing pipes), the number of houses connected and the number not connected with the water-pipes, the total water-supply and its distribution for public services, municipal buildings, and private undertakings. Additional tables show the financial operations of the water-works, — the receipts from different sources, the expenditures for administration, maintenance, additions, interest, and amortization of debt, with net results, distinguishing those for the complete transactions from those for ordinary operation. Everywhere, too, totals are supplemented by per capita and comparative figures. The other chapters present no less complete and interesting information concerning the subjects with which they deal.

[1] Thus the subjects of Markets and Police have each been treated in but a single number. In the case of police this is probably due to the fact that in most of the larger cities the police force is not under the municipal government, but is managed directly by the central government.

The *Statistisches Jahrbuch* deals only with the cities of over fifty thousand population. The earlier volumes arranged the cities in order of population; but in the later numbers this has been changed to an alphabetical arrangement, which necessarily separates from each other the figures which are most likely to be compared. The single criticism which can be made on the work is the absence of any summary tables of receipts and expenditure. It is, of course, true that totals of this kind are based on such different conditions in the various cities as to be unsafe for general comparisons; but it would be of advantage to indicate the total receipts and expenditures for the sake of completeness in the information for each city and for use in comparing development from year to year.

The *Oesterreichisches Städtebuch* (prepared by the Austrian Statistical Central Commission) presents just such a series of summary financial tables for fifty of the largest cities in the Austrian monarchy, arranging the cities in order of population. These summary tables, moreover, include not only statistics for the single year, but tables are given for each year of the preceding decade, thus making possible a rapid comparison of the development of municipal finances within that period.

In all other respects, however, the *Oesterreichisches Städtebuch* is distinctly inferior to the *Statistisches Jahrbuch Deutscher Städte.* Although the detailed figures deal only with twenty-two cities compared with fifty-five in the German work, it forms a much larger volume (700 pages as against 388); but there are no real comparisons of the various lines of municipal action. In place of chapters on the various municipal functions there are sections on each of the cities, each section being subdivided into various divisions. If the information for each city was complete, this method of arrangement would make the volume of little more use than a series of municipal documents for each city bound together in one volume. The student of comparisons must search

through the volume for the facts of interest to him, and prepare his own tables from such figures as he may find. Further, the report for each city by no means gives such complete and detailed information as to all the various municipal functions as do the chapters in the German year-book. Population details (including the movement of population), educational statistics, figures of food consumption, and summary financial statements are given for each city at length. In a few cases some other matters are included, such as poor relief and public lighting; but these are exceptional, and there is no attempt to make the information for any city cover all the undertakings of the municipality.

The Bureau of Industries under the Ontario Department of Agriculture publishes annually a report on municipal statistics for the Province of Ontario. This gives the statistics of assessment and taxation (showing also per capita taxation), of receipts and expenditures, and of assets and liabilities. The municipalities are classified as counties, townships, towns, villages, and cities; and figures are given both for the separate municipalities and aggregates for each class. The classification of receipts and expenditures is not well adapted for comparative purposes. Several departments are often combined in one item, — such as waterworks and fire protection, — a system which makes impossible a comparison of either of the factors thus united. Receipts from loans and payments for construction work are given separately in the tables; but they are included in the single set of totals for each municipality, so that it is not possible to compare the total ordinary expenditure of different cities.

Despite the defects pointed out in these foreign publications, it must not be forgotten that in all of these cases the task had been attacked with an appreciation of its importance before any serious efforts in this direction had been made in the United States. The first attempts at any comparative statement of municipal statistics in this country were in connection with the later decennial censuses. Begin-

ning in 1870, some statistics of taxation and debt were compiled; and in 1880 and 1890 the data on these points were extended, and further items were collected under the head of social statistics of cities. But these were not only inadequate on account of the long ten-year intervals, but were also so defective in substance, classification, and arrangement as to have little real value.[1]

An important step in advance was taken in 1898 when Congress authorized the Commissioner of Labor to collect and publish annually statistics of cities of over 30,000 population. At first a compilation was attempted from the printed reports of various cities; but owing to the lack of uniformity in the reports published, and in many cases to the lack of reports, this method was soon found to be impracticable. The work was then undertaken by special agents of the Department of Labor in accordance with a special schedule of inquiries. The results of the first investigation were published in the bulletin of the Department of Labor for September, 1899; and similar reports were published in each subsequent year up to and including 1902. These reports furnished much fuller statistical data in regard to the activities of American cities and their financial operations than had been available before. But the scope of the investigations was still limited, while the variations in the accounting methods of different cities added further difficulties in the preparation of the financial statements and also made the accuracy of the results in some cases open to question.

Meantime the act providing for the twelfth census had authorized inquiries which covered much the same class of data as that presented in the reports of the Department of Labor. And after the organization of the new Executive Department of Commerce and Labor, comprising among its bureaus both the Census Office and the former Department

[1] Cf. a criticism by Professor H. B. Gardiner, *Municipal Statistics in the Twelfth Census*, in Publications of the American Economic Association, XII.

of Labor, the secretary of the new department transferred the work on statistics of cities to the Bureau of the Census. This bureau published in 1905 its first report on the Statistics of Cities of over 25,000 population for the years 1902 and 1903. Later a similar report for the year 1903, covering cities from 8000 to 25,000 population, was issued. Other reports on the larger cities for the years 1904 and 1905 followed; and it is expected that this will be an annual publication.

These reports of the Census Bureau have conformed in their general scope to the previous reports of the Department of Labor, including data on the following subjects: population, area, police, fire departments, public schools, public libraries, municipal water, gas and electric light plants, streets, street lighting, street railways, public parks, building permits, liquor saloons, food and sanitary inspection, removal of garbage, almshouses and orphan asylums, marriages and divorces, deaths, and public finance. But the later investigations have gone more into detail, and especially in the financial statements a new classification and schedule of items has been prepared.

By means of these reports it is now possible to make statistical comparisons of conditions in different American cities such as were entirely impossible a few years ago. And the facts disclosed naturally direct attention to the different conditions, especially as between cities of approximately the same population. This, however, is not the place to discuss the results in detail. But some criticism may be offered on the methods followed with a view toward the betterment of the results.

One defect in the reports is the absence of any data in regard to the organization of municipal government. With so much variety in methods of organization as exists in this country, it would be of interest to be able to find a definite statement of conditions in different cities. And this information could be secured with less difficulty than much of what is ascertained and published.

The statistics of municipal finance have been the most difficult part of these reports, owing to the utter lack of system in the accounting methods of cities and the absence of anything approaching uniformity. On this account the special agents of the Census Bureau must in many cases go over the financial accounts in detail, and sometimes go back to the bills and vouchers to prepare the data. One result of their work has been to draw attention to the importance of uniform methods of accounting and to bring about considerable improvements in the methods employed. But until there is a nearer approach to uniformity of method, there must remain some doubt as to the accuracy of the financial statements compiled for these reports.[1]

[1] Under the Uniform Accounting Law of 1902, an annual report on the finances of Ohio cities is published by the Auditor of State.

XV

MUNICIPAL ACTIVITIES IN GREAT BRITAIN

MUNICIPAL OWNERSHIP IN SCOTLAND

So much has been published in the United States about the municipal enterprises of Glasgow, that it may seem useless to offer anything more. But it is of some service to present some of the latest results of such undertakings, and to correct some of the misleading statements that are made about them.

It may not be generally known that Glasgow is not an exceptional community in its own country in the scope of its municipal activities. In fact that city has simply taken the lead and carried out on a larger scale a movement that is very general throughout Scotland, and is much more marked than the same movement in England.

From the latest financial returns to the Scotch Local Government Board (for 1903–04) it appears that 40 per cent of the revenue and expenditure of local authorities in Scotland is for various revenue-producing undertakings. In the aggregate, more than $25,000,000 was spent for such enterprises, as compared to $40,000,000 for all other purposes.

First in financial importance of these commercial undertakings of the Scotch towns are the gas-works. Nearly all the gas-works in Scotland are municipal. Next ranks the docks and harbor works; and third, the street railways, the latter being often under private companies in the smaller towns. Other commercial undertakings are waterworks, electricity works, markets, slaughter-houses, and — in Glasgow alone — there has been a municipal telephone system.

According to the financial reports, all of the above-named

undertakings seem to be conducted on sound commercial principles. The revenue is more than sufficient to meet working expenses and all debt charges. For the year 1903–04, the aggregate surplus revenue was about $425,000.

Besides the strictly commercial enterprises, the Scotch towns carry on other revenue undertakings, where a considerable loss is expected in view of the public benefits derived. Such are the public baths and wash-houses, working-class dwellings, built in connection with street and sanitary improvements, and burial-grounds. These have been undertaken largely in the interest of the public health; and even critics of some of the more recent commercial undertakings do not find fault with the deficit of $500,000 (for 1903–04) in these sanitary enterprises.

THE GLASGOW TRAMWAYS AND TELEPHONES

Doubtless the most important single municipal undertaking in Scotland is the Glasgow tramways, which have already attracted so much attention in America. The lines are being steadily extended into districts beyond the city limits, and the traffic continues to increase, while the financial results are highly favorable.

At the end of the last fiscal year (May 31, 1906) there were 160 miles of car lines in operation, nearly three times the amount in the first year of municipal operation (1894–5). The traffic during 1905–06 was 208,000,000 passengers, almost four times as many as in 1894–5. And the average fare paid was slightly under a penny, or two cents.

The number of passengers carried is, however, less than in American cities of the same size. And in comparing fares it is necessary to remember that the distances travelled are on the average much less than in America. But it must also be kept in mind that the longer distance traffic is taken care of very largely by the local train service of the steam railroad companies at exceedingly low fares. The two largest railroad companies have each underground lines

across the city; and each of the three railroad companies have a number of circular loops around the outlying districts with frequent trains. Within most of the suburban residence district weekly tickets are sold, good for any number of rides in either direction, at one shilling and sixpence, or thirty-six cents. And while the tramways are steadily cutting into this railroad traffic, a huge volume of business is still done in this way, for which it is impossible to secure accurate statistics.

In examining the financial results, it is important to emphasize two items of expenditure. The Glasgow tramways department lays and keeps up the street pavement between its tracks; and it is noteworthy that this part of the pavement is frequently better than that maintained by the highways committee. And the tramways department also pays regularly taxes to the various local authorities in whose territories there are tracks. In 1905–06 the total taxes paid amounted to $210,000, which was rather more than 5 per cent of the total income. Some recent American franchises have provided for a payment to the city of 5 per cent of the revenue in lieu of taxes and ostensibly also as a payment for the franchise. It is significant that the Glasgow tramway pays as much simply as taxes in the ordinary way.

After paying these items in addition to the ordinary working expenditure, interest, sinking-fund and depreciation charges, the Glasgow tramways yield a net surplus which enables an annual payment of considerable amount into the fund known as the Common Good. For several years this annual payment has been $125,000. In 1906 it was $175,000. And the total amount paid in since 1894 has been $950,000.

It is also worth noting that the debt incurred for the Glasgow tramways is practically secured only by the undertaking itself. From the first loan made to build the tracks in 1872, the acts authorizing the city to borrow money for tramway purposes have made no provision authorizing a tax

to be levied to meet any possible deficit in the revenue. Interest and principal on these loans must be paid from the tramways revenue, or if that fails, from the private funds of the city in the Common Good. This arrangement is somewhat similar to that proposed for municipal street railways in Chicago, and might well be adopted by any other American city which may undertake to establish a municipal system.

Whatever may be thought of the value of Glasgow's experience for American cities, it seems clear that the Glasgow tramways are an undoubted success for that city. And there is no substantial foundation for recent attempts to minimize the extent of that success.

For five years the city of Glasgow operated a municipal telephone system, which a year ago was turned over to the national Post-office Department. This experiment was hailed for a time as the beginning of a new branch of municipal ownership. And its abandonment will doubtless be as strongly urged as a complete failure. It should therefore be worth while to examine just what has been accomplished, and why the undertaking has been given up by the city.

The municipal system was established on account of the inadequate service and the high rates charged by the National Telephone Company, which supplied Glasgow in connection with its system of local and long-distance services throughout Great Britain. In 1893 the city first applied for authority to construct and operate a competing system, but it was not until 1901 that it was given the necessary powers and the municipal plant was inaugurated. Since then the two systems have been in active competition. The municipal plant offered the lowest rate for unlimited service, — $25 a year. But the National Telephone Company introduced multiple party lines at low rates, and had also the decided advantage of its long-distance connections to other cities.

Under these conditions, while the municipal system was developed far beyond the original plan, its service remained smaller than the older system, and financially was conducted

at some loss. On the face of the reports there remained a small surplus of revenue over expenditure; but the depreciation allowance was insufficient, and in the last year sank to the insignificant sum of $240 on a capital investment of $1,800,000.

These results confirm the experience of American cities as to the inadequacy of competition in the telephone business; and also show the weakness of a purely local service as compared with a national system. It is possible that the municipal system would have shown better results in the future, if the city had been permitted to purchase the local plant of the National Telephone Company, when its license expires in 1911, and if the long-distance lines were then to be taken over by the Post Office as part of the telegraph system. But the Post-office Department decided to take over both the local and long-distance services of the National Telephone Company, and to refuse any new licenses for municipal plants.

In these circumstances the city of Glasgow had practically no alternative but to dispose of its plant to the national government, which could then furnish a more complete service than either of the existing systems. Accordingly arrangements were completed for the sale of the municipal plant to the Post-office Department for $1,500,000. After deducting the amount of loans repaid, and the depreciation and sinking-funds from the total capital investment, this involves a net loss to the municipal treasury of $75,000.

Against this loss there may be considered the advantages to the telephone users from the cheaper and better service secured, as the result of the establishment of the municipal service. There is no method of calculating what this amounts to. And there will, of course, be wide differences of opinion as to the justice of placing this amount on the overburdened tax-payers. At least the city was fully justified in giving up the experiment. And in so doing the Glasgow Town Council has shown its sober sense in adhering to commercial prin-

ciples rather than following a vague theory of municipalizing everything.

BIRMINGHAM ENTERPRISES

Thirty years ago, under the influence of Joseph Chamberlain, Birmingham took a leading part in the movement for the material betterment of municipal conditions and the extension of municipal activities, which became general among the large British cities. Large street-improvement schemes were carried out, and in connection with these, the city became the owner of important estates and building property. A water-supply was constructed. And the city purchased and operated the local gas-works.

Following the decade in which this aggressive policy was pursued, there came a period of comparative quiescence. The works and institutions established were maintained; but no new lines of activity of any importance were undertaken. And the municipal authorities may be said to have rested on their oars, while other cities have taken the lead.

Within the past few years, however, Birmingham has again become aroused; and another period of unusual activity seems to have opened. A new water-supply, one of the largest in the kingdom, has been built. The street railways are being taken over by the city. And for the improvement of housing conditions a somewhat novel policy has just been inaugurated.

Before noting these new undertakings, some attention may be given to the municipal gas-works. These are the most successful of the earlier series of municipal establishments, and perhaps the most successful of municipal gas-works in Great Britain. The works were purchased in 1875 at a cost of $10,000,000. This sum included a considerable allowance for good-will or the established business, in addition to the value of the physical plant. Prices were reduced to some degree, but were not made as low as in Glasgow, — for several years prices were from 65 to 80 cents per thousand feet.

The income from the beginning yielded a considerable surplus profit, after paying all expenses for operation, interest, and sinking-fund charges, and even extensions.

During the thirty years since municipal operation was begun, the prices have been still further reduced, the consumption of gas has increased steadily, and a surplus profit has been regularly realized. Prices now range from 42 to 60 cents per thousand, averaging 50 cents. The surplus of the past ten years has averaged $190,000 a year. In thirty years the total surplus has amounted to $5,500,000. And while the gas consumption has almost trebled, the expenditure charged to capital account has increased only 25 per cent. This contrasts sharply with the inflation of capital in proportion to gas consumption in the United States. In part the result in Birmingham has been due to the policy of making extensions out of earnings, so that the real profit has been much greater than the surplus shown on the books.

The new water-supply inaugurated in July, 1904, is from the Elan valley in Wales, eighty miles from Birmingham. The watershed covers an area of over seventy square miles. The plans provide for six reservoirs, four of which are completed or under construction. These will be sufficient to furnish in a dry year a supply of 75 million gallons a day for two hundred days. Sand filter beds have also been built, both in the Elan valley and at the service reservoirs near Birmingham. The works in the Elan valley were built by direct labor, while the aqueduct was constructed under contract.

With the completion of the works now under construction, the new supply will cost rather less than $30,000,000; while an additional outlay will be necessary for the remaining reservoirs when they are required. As the new supply is far in excess of the present needs of the city, the water-rents and other revenue do not meet all of the charges connected with the loan for the new works. Up to 1899 the Birmingham waterworks had shown a net surplus profit of $850,000.

But for the past seven years there has been a balance on the loss side; and the net loss at the present time amounts to $1,850,000. With the increased use of the new supply, this loss should be gradually reduced.

Street railway conditions in Birmingham are in a transition stage. The first lines were built by private companies. Later the city took over the tracks and built extensions, but leased the lines and did not attempt operation. About three years ago, however, municipal operation was begun on one line; and this policy will be extended as fast as existing leases expire. Meanwhile the service is distinctly inferior not only to that in Glasgow, but also to that in other English towns, such as Manchester and Liverpool, where the lines are run by the municipal corporations.

As in other British cities, one of the most serious problems now facing the municipal authorities is the housing conditions of the working-classes. And in this field a somewhat novel policy has just been promulgated.

In connection with street-improvement schemes of three decades ago, the city of Birmingham became the owner of considerable real estate, on which improved dwellings for the working-classes were built. And more recently additional houses have been constructed under later acts of Parliament. But these undertakings generally show a financial loss, which has been accepted, however, as part of the cost of the sanitary and street improvements.

Nevertheless, there has been a strong opposition to any further extension of the house-building policy. And the later work of the city government has been directed toward compelling the private owners to improve their property so as to remove the worst of the unwholesome conditions. A good deal has been accomplished by opening up houses in rear courtyards to the street; while the regulations for new buildings prevent the construction of more buildings of the worst kind.

But the need for further action in reference to building

in new sections has been felt. And in 1905 a committee visited a number of German cities; and as a result of their investigations the new policy has been proposed. This policy is to have the city purchase suburban real estate, to be leased or sold in small lots for building purposes, after reserving tracts for public buildings and open spaces. It is believed that this will reduce the speculation in suburban real estate, without involving the city in the risks of building operations or managing the buildings that may be constructed.

The suggestion for this plan came from the investigation of conditions in the city of Ulm, in Bavaria, where the municipality owns four-fifths of the real estate within the city limits. It also resembles the plan undertaken by the city of Milan, Italy.[1] To apply it in Birmingham will, however, require additional legislation from Parliament.

This new housing policy was, however, threatened by an unfortunate intrusion of national politics into municipal elections. Birmingham has long been known as the English city where the party system has been most thoroughly applied in municipal contests. And for many years the Unionists have controlled the council by a large majority. But there are a few seats held by Liberals; and a few years ago the Unionists permitted the election of a strong Gladstonian Liberal, who was recognized as the best man to take charge of the educational administration turned over to the council by the Act of 1902.

At the municipal election in November, 1906, the term of the chairman of the housing committee expired. This gentleman, Mr. Nettlefold, had been elected for many years as a Unionist; and is indeed related by marriage to Joseph Chamberlain. But at the last parliamentary election he was unable to follow the Unionists in their tariff policy. And on this account the Unionists selected a candidate to contest his reëlection.

Mr. Nettlefold, however, was supported by many Unionists

[1] See p. 344.

who believed that his views on the tariff had no bearing on his qualifications as a municipal councillor, and who believed in particular that his retention in the council was essential for carrying out the new housing policy. Prominent among these was Professor W. J. Ashley, formerly of Harvard University, who has been one of the leading supporters of Mr. Chamberlain's tariff policy. The result of the contest was the reëlection of Mr. Nettlefold, and the defeat of those who wished to increase the influence of the national party organizations in the local contests.

SOME MUNICIPAL PROBLEMS IN LONDON

Any study of municipal conditions in the metropolitan community of England is greatly complicated by the confusing list of local authorities with overlapping areas and jurisdiction, and the absence of any central organization for the whole community with comprehensive powers in local affairs. Some questions are entirely in the hands of the direct agents of the central government; while the local authorities include the county council, the ancient city corporation, twenty-eight metropolitan boroughs, thirty boards of poor-law guardians, and a number of other special boards and commissions. No attempt will be made here to describe the organization, functions, and interrelations of these various authorities. But this paper will deal only with conditions affecting the two important services of local transportation and lighting.

Local transportation conditions illustrate in a striking manner the lack of system or even any serious attempt at orderly control that pervades the whole chaos of local affairs in London. There are four principal means of local transit, —the local service of the trunk railroads, the underground railroads, the surface tramways, and the omnibuses. All of these are operated by private corporations, except the tramways, most of which are now under the management of the County Council. Besides these the 11,000 licensed

hackney cabs and carriages carry a good many million passengers in the course of a year, and form an appreciable factor in the surface traffic on the public streets.[1]

Regular omnibus lines in London date from the early years of the nineteenth century, and in spite of the modern developments they still carry a large fraction of the local passenger movement. There are now some 3600 licensed busses, operated by a number of companies, and no complete record of their traffic is available. The two principal companies have about 2000 busses, and carried, in 1905, 288,000,000 passengers. From this it may be roughly estimated that approximately 500,000,000 passengers are annually carried on all the bus lines in the metropolitan district. Until two or three years ago, horse-power was still the uniform motive power. But gasoline motor busses have been rapidly coming into use; and in spite of their noise and other disagreeable features, their greater speed and larger carrying capacity give them a distinct advantage, so that their use seems likely to increase. And omnibuses of some sort are inevitable so long as tramway tracks are not allowed on the surface of the streets in the limits of the "city" corporation. But at best the bus service is slow, and for long distances expensive. On a few short lines run by the County Council, there is a halfpenny fare. In general the lowest rate is one penny, or two cents; and this increases with the distance to as high as ninepence for some of the longest runs by motor busses. The busses are used mostly for short distances, and the average fare paid is about one and a half pence.

Tramways, or surface street railways, were not established in London until long after their introduction in other British cities; and they are still of less relative importance than in other British or European cities. The lines were mainly begun by private companies, under agreements with various

[1] An actual count of wheeled traffic at various points showed that at the two busiest corners (Mansion House and Marble Arch) more than 22,000 vehicles passed in one day from 8 A.M. to 8 P.M.

local authorities. In 1895, the County Council began the purchase of lines which were at first leased; but in a few years the policy of municipal operation was begun, and since April, 1906, most of the tramways within the county of London are owned and operated by the County Council. A number of lines in the metropolitan district, but outside of the county of London, are owned and operated by other local authorities, as in Croydon and East Ham. And there are also a number of small private companies, and one company of considerable importance, operating lines both within and without the county. Thus even this factor in the methods of transportation is not yet organized into a comprehensive system.

Much the most important part of the tramway net is that under the control of the County Council. This includes over 100 miles of track, nearly half of the whole track mileage in the metropolitan district, and carried, in 1905, 300,000,000 passengers, or two-thirds of the total number of passengers (433,000,000) in the metropolitan district. Fares on the County Council lines range from a halfpenny to threepence, — more than four-fifths of the passengers paying a penny or less, and the average fare is slightly less than one penny. On most of the other lines, both private and municipal, the average fare is something more than a penny; but in the municipal lines of East Ham, the average fare is .64 of a penny. The low averages are due largely to the comparatively short distances travelled; and the difference between the County Council and other lines may be ascribed in part, at least, to the advantages of the larger mileage under the control of the former. At the same time the County Council can claim the advantages of a better service and of halfpenny fares for very short distances.

The greatest defects in the London tramway service are due to the absence of through lines across the central district and the lack of a unified management. The former difficulty can only be remedied by extensive and expensive street widenings. The latter can now be most easily accomplished

by extending the jurisdiction of the County Council; but it seems doubtful whether this can be attained at present. It should also be borne in mind that the possibilities of street railway development are limited by the other means of local transportation.

Underground local railways were constructed and operated in London long before they appeared in other large cities; and with their recent development they form one of the three leading factors in local transportation. The early lines were built well below the street surface, and were operated by steam engines; and in spite of the darkness, smoke, and other disagreeable features were well patronized. Within the last half-dozen years a new series of underground electric lines have been constructed in subways comparatively near the surface; while the lines of the old metropolitan and district roads have also been electrified. All together there are now 130 miles of local railroads in the metropolitan district, with 125 stations, representing a capital of $350,000,000 and carrying 300,000,000 passengers a year.

Rates of fare on the older lines vary according to distance, and also for the different classes of carriages. The great bulk of the passengers travel third class, and the average fare paid is under one and a half pence. On the newer lines the uniform fare has been introduced, and is regularly fixed at twopence. These rates for the long-distance local traffic is distinctly lower than the standard five-cent fare in American cities. But it must be borne in mind that the multiplicity of companies and lines prevents anything like a comprehensive system of transfers; and many passengers must regularly pay two fares for each journey.

There remains the local service of the trunk railroads. The ten principal railroad companies entering London have all together 500 miles of passenger tracks and 386 passenger stations in the metropolitan district. On these, local trains are in constant operation at special rates far below the parliamentary rate of a penny a mile on the through trains;

and a traffic which must aggregate several hundreds of millions of passengers is carried. But no separate record is kept of the local London traffic of these trunk lines; and only the roughest estimate can be made of its amount.

If all the available data be combined, with estimates for the unknown items, the total local passenger traffic in the London metropolitan district is indicated to be in the neighborhood of 1,500,000,000 a year, or over 200 journeys per head. The various means of transportation thus accommodate to a vast extent the pressing demand, and on the whole at rates of fare that seem low compared with American standards. Yet it must be admitted that conditions are far from satisfactory; and there seems to be clear need for some more comprehensive control over the whole question. Neither public nor company management has reached the stage of consolidating even all the different routes of one method of transportation; and it does not seem possible that this can be done for all the different methods. Probably municipal tramways and companies for the bus lines and underground railways will be the prevailing methods. But there seems a clear need for some public authority having jurisdiction over the whole metropolitan area, with power to regulate the future development of new routes and to bring the different methods of transportation into closer interrelations with each other.

The works for the supply of electricity to London also illustrate the dual methods of municipal and company management. Sixteen of the twenty-nine metropolitan boroughs and cities have power to retail electricity, and all but two of these operate generating plants. At the same time there are no less than thirteen electric companies operating in the administrative county. To some extent these different authorities overlap. In two boroughs the municipal plant is in competition with a company plant; and in ten boroughs there are two or more companies in competition. Roughly speaking, the northern and western districts are supplied

by municipal plants, and the central and southern sections by companies. On the basis of population, the municipal plants serve the larger share of the community; but the companies have the central districts — including the cities of London and Westminster and the borough of Holborn — where the greatest demand exists; and in fact the companies supply about three-fourths of the total electrical energy.

There are two main methods of charging for current, — the flat rate and the maximum-demand rate. But under either method there are variable rates, according to the time or the amount consumed, which make difficult a comparison of rates from different plants. For the companies there are maximum rates fixed by Parliament, subject to reduction by the board of trade at intervals of seven years; but in fact none of the companies charge the maximum rate. The average price received for current to private parties from municipal plants in 1904 was three and a fourth pence per unit, and from company plants a little over fourpence; but for public lighting the average price from the companies was a little under the cost in municipal plants.

Comparing the financial accounts of the various plants, the working expenses of the municipal and company plants, on the average, are the same per unit of current, but two of the municipal plants show a very high working expenditure, of double this average. In the payments to capital for interest and dividends the municipal plants show a distinct saving; and as a whole their surplus is as large in proportion to output as the companies. But three of the municipal plants show a deficit, and in one other case the surplus is a negligible factor, — two of these four being the plants where the operating expenses are unusually high.

As the net result, it may be said that in most cases the municipal plants show a fair degree of success, selling current at a lower rate than private plants, and operating the plants at a financial profit. But in some cases the financial results are not successful. On the other hand, the higher

rates and excessive dividends of some of the companies indicate that neither competition nor public control has been adequate. Moreover, the multiplicity of plants prevents the development of the most economical results; while the two opposing methods of management hinder the establishment of a consolidated system. The County Council has proposed to establish a central generating system; but this extension of municipal activities has been vigorously opposed by the companies, and one result of the defeat of the Progressists at the election in March, 1907, will be at least the postponement of any steps in this direction.[1]

[1] STATISTICS OF ELECTRICITY PLANTS IN LONDON, 1904–05

	Borough Councils	Companies
Capital	£4,713,106	£12,257,449
Revenue	433,562	1,682,627
Working Expenses	231,235	755,002
Interest and Dividends	136,751	737,659
Surplus	96,949	227,627
Average Price		
Private Supply	3.25*d.*	4.06*d.*
Public Supply	2.06*d.*	1.99*d.*

XVI

MUNICIPAL CONDITIONS IN SOME EUROPEAN CITIES

LOCAL TRANSPORTATION IN BERLIN

As in the other metropolitan cities of Europe and America, so in Berlin there is a complicated variety in the means of local transportation. The largest traffic is that carried by the surface street railways. But omnibuses still do a considerable share of the passenger movement, and the local steam railway service is of rather more importance. And there is also a combination elevated and underground road; while the cab service is also a factor in the situation.

These various methods of transportation also illustrate different methods of ownership and management. But for the most part the services are operated by private companies. The street railway lines are conducted in accordance with carefully drawn franchises; and an examination of these is of special value as illustrating what can be accomplished under the franchise policy in the hands of a competent and honest municipal government.

It is necessary, however, to an understanding of the transportation situation, to keep in mind that the urban community to be served includes a good deal more than that within the city limits of Berlin. The population within the city limits in February, 1906, was 2,040,222. But including the adjacent suburbs, among which are the important cities of Charlottenberg, Schöneberg, and Rixdorf, there is a total population of 2,993,470. The transportation services must be studied with reference to the whole of this larger community; although the problem is complicated by the absence of any consolidated local authority.

Street railways were not introduced into Berlin until 1866.

For the first year the traffic was less than a million passengers, and by 1873 had increased to only three millions. But in the next three years the traffic jumped to twenty-six millions, double the omnibus traffic, and since then has increased steadily and rapidly. In the late nineties the lines were electrified; and the street railway traffic in 1905 was 454,000,000, about two-thirds of the total local movement of passengers.

There are still a number of different street railway companies in Berlin. Much the most important is the *Grosser Berliner Strassenbahn Gesellschaft,* which operates the lines of three other companies, as well as its own. The existing contract between this company and the city was made in 1897, when new arrangements were made to secure the use of electric power.

This contract extended the rights of the company from 1911 to 1919. But after securing the grant from the city, the company obtained from the railway department in the Prussian government, under a new local Railways Act, certain grants and privileges until 1949. This complicates the situation, and makes it in some degree similar to that in Chicago before the decision of the Supreme Court in April of last year. And at the expiration of the local franchise in 1919 there will probably be litigation to determine the exact status of the company.

It is said that the grant from the state was largely a matter of personal favor, as the head of the company is an ex-minister. Such a charge is a serious criticism on the boasted integrity of the Prussian administration. While at best the situation shows a spirit of interference by the central government in local matters, such as has been one of the great difficulties in American municipal affairs.

The contract with the city is a document of over thirty printed pages, covering many details in regard to the construction and electrical equipment and the operation of the lines. But the most important items are those about the rates of fare and payments to the city.

Within the city limits and on lines extending to a number of the suburbs, a uniform fare of two and a half cents is established. This is a little higher than the lowest fares for short distances in Glasgow and some of the other British cities. But considering distances, it probably is the lowest street railway fare in the world. And the effect is seen in the great development of traffic, which is much larger in Berlin (in proportion to population) than in any other European city.

"For the use of municipal property" (that is, the streets), the company pays the city eight per cent of the gross income from the lines in Berlin. In addition it is provided that when the net income on the capital stock of 1897 exceeds twelve per cent (and on additional stock over six per cent) half of the surplus will go to the city.

These provisions are in addition to other payments, at rates fixed in the contract, for street paving. And they are also entirely independent of the regular state and local taxes, which are levied on the land and buildings of the company, and on the personal incomes of the stockholders. But there are no special franchise taxes, such as are now levied in some American states.

Under these provisions the city receives a very considerable amount of revenue — in fact, a good deal more than any other city receives either from private companies or in the way of profits from a municipal system. In 1905 the company paid more than $600,000 as the eight per cent of its gross income; and in addition, since 1903, it has paid a share of its surplus earnings, as prescribed in the agreement with the city.

Besides the lines operated by this company there are several other small companies, while three lines of street railway are owned by the city, but operated by the Siemens and Halske Company. But the total passenger movement on these is comparatively small. Of somewhat more importance is the combined elevated and underground electric road, which makes a partial circuit of the city, but does not reach the

business district. From these lines additional small amounts are paid to the city treasury.

In regard to the quality of the street railway service, it cannot be called more than moderately good. The cars are of fair size, but are not kept as clean as they might be. And perhaps owing to the congestion of traffic, the cars move very slowly in the central districts of the city. A subway under some of the principal streets is much needed, and would improve the situation a great deal.

Next in importance to the street railways is the local steam railway service, which is part of the Prussian system of state railways. In 1882 the government opened for service an elevated steam railway running east and west through the heart of the city. This *Stadtbahn* is used both for through and local trains. Two tracks are reserved for through trains from the east and west, which stop at five of the more important stations. Two other tracks are used only for local trains, which make stops at intervals of about half a mile.

This line through the city has since been supplemented by two lines around the urban district, one making the circuit to the north, and the other to the south. Alternate trains on the central line run via the north and south rings.

Both *Stadt* and *Ringbahn* are as solidly and expensively constructed as the main lines of railroad, and the stations are large and convenient. Fares, too, are low — from two and a half to five cents, third class. But the trains are too long and not frequent enough, and the service is provokingly slow. Nevertheless, 124,000,000 passengers were carried in 1905. But with electrical equipment, and shorter, more frequent, and more rapid trains, a vastly larger traffic could be accommodated.

Omnibus traffic is still of considerable importance in Berlin. Regular lines of omnibuses began running in 1846; and the traffic increased steadily to 14,000,000 passengers in 1874. Then it fell off for a few years, as the main street railway lines came into operation, and took a subordinate place. But

from 1880 to 1900 the omnibus traffic increased at a faster rate than the street railway; and since then it continues to gain gradually. In 1905 there were 111,000,000 passengers.

A significant feature of the bus traffic in recent years is that it is mainly for short distances, for which the fare is only five pfennigs, or half the lowest street railway fare. More than three-fourths of the passengers are of this class. It seems probable that a similar system of busses with cheap fares for short distance might develop a considerable traffic in American cities. During the past year a number of gasoline motor busses have been introduced, and these may replace the horse busses in a few years.

In America it would seem absurd to consider cab traffic as an appreciable factor in local transportation. But it is such in Berlin and other European cities. Under the taximeter system, now mainly used, a ride for one or two persons costs 12½ cents for 800 metres, or approximately half a mile; and an additional 2½ cents for each additional 400 meters.

No exact record of the number of cab passengers can be given. But there are over 8000 cabs in commission, four times as many as in 1865. And at the low estimate of ten passengers each per day, the total yearly traffic amounts to 30,000,000. This is not a large proportion of the total movement of 700,000,000 passengers in 1905, but it is worth noting as one part of the situation.

The table below shows briefly the development of the principal methods of transportation:—

	Cabs	Busses	Passengers		
			Omnibuses	Street Railways	Stadt and Ringbahn
1865	2260	192	. . . . .	. . . . .	. . . . .
1866	2423	208	12,502,337	960,551	. . . . .
1874	4190	159	14,696,976	8,758,153	. . . . .
1880	4733	167	10,781,391	51,557,037	. . . . .
1882	4128	134	13,696,560	65,218,792	9,347,850
1890	5488	241	27,804,123	140,957,271	33,891,912
1900	8100	662	80,568,714	280,349,160	80,409,436
1905	8093	. .	111,000,000	454,000,000	124,000,000

Summarizing the Berlin transportation situation as a whole, the most unsatisfactory features are the number of separate operating companies, and the uncertainty as to the future rights of the principal company under the grant from the central government. But in the extension of facilities and the development of traffic, Berlin makes a much better showing than any of the other large cities of Europe, and compares favorably with American cities. While in cheapness of fares and financial benefit to the city treasury, Berlin seems to be in a better position than any other city, European or American.

These results show what can be accomplished under a franchise system. And in many respects they are better than under any system of municipal ownership and operation. But they are also better than in any other city where the franchise system prevails.

LEIPZIG

Leipzig is, next to Hamburg, the largest German city which is not at the same time the capital of an important state. And it is of interest to note, at least briefly, how the municipal government is affected by the fact that the city is not the seat of the central government nor the residence of the royal family.

In the capitals many of the attractive features of the cities are due to the presence of the reigning houses and the government. In their absence, Leipzig has less to show in the way of palaces and museums than Dresden, which has about the same population. But in other respects there is little difference in the institutions that affect the residents of the city.

As usual, the old city contains narrow and irregular streets. But there has been much reconstruction work, notably the boulevard ring which forms a complete circle of small parks around the inner town. Nor are architectural features wanting. On the ring are the massive new city hall and the

main buildings of the university. Near by are the university library and the building of the imperial supreme court. All of these are imposing and ornamental structures, which improve the appearance of the city.

On the other hand, in the absence of the central government and the royal family, the police in Leipzig are under the immediate control of the municipal authorities. The Saxon government, however, exercises supervision over the local police, but at the same time grants to the city about one-fourth of the cost of the police department. In America opposition to state control of the police might be lessened if the state also shared in the expense.

Leipzig has not adopted the policy of municipalization quite so extensively as some other German cities. It has municipal water- and gas- works; and also slaughter-houses and public markets. But the street railways and electric plants are operated by two private companies.

The first street railway company began operation in 1872, and in 1896 its lines were electrified. In the latter year a new electric road was also put into operation. Both lines have since been extended, and there are now over one hundred miles of street railway lines. The fare is $2\frac{1}{2}$ cents, and there are over 70,000,000 passengers carried. This is 50 per cent more than in Munich, which has a larger population than Leipzig, and is higher in proportion to population than in Vienna.

MUNICH

In many ways Munich suggests Vienna on a smaller scale. Both are South German capitals that were places of importance long before the rise of Berlin and other cities in northern Germany. And both have grown rapidly during the past fifty years. So that they combine some feature of a mediæval city with those of a modern municipality. Munich, however, has comparatively little manufacturing industry or commerce, and in this respect may be compared to Washington in the United States.

The municipal organization of Munich illustrates the common features of German cities; but there are also some provisions peculiar to the Bavarian law. Although the Bavarian house of representatives is elected by universal suffrage, the municipal electorate is restricted by a considerable tax qualification, so that there are only 30,000 voters in a population of half a million. But there is no division of the voters into classes, as in Prussia and Austria.

Even with the limited electorate there are three active parties, the Centre, the Liberals, and the Social-democrats, the smallest of which polls nearly a fourth of the votes. In the aggregate party vote in municipal elections, the Centre, or Clericals, have a considerable plurality. But the members of the municipal council are elected by districts; and the party vote is so distributed that for the past twenty years the Liberals have had a strong majority in the council. On the other hand, the Centre has an overwhelming majority in the Bavarian house of representatives; and although they do not control the ministers, they are able to restrict the local government to some extent.

Members of the municipal council are elected for a term of nine years, one-third every three years. So this body changes even more slowly than in other German states. There is also, however, as in Prussian cities, a magistracy consisting in part of permanent professional officials, and in part of citizens. Both classes of magistrates are chosen by the municipal council, but the professional salaried officials must be confirmed by the central government. The mayor is one of the professional officials, and like the others in this class, is selected for life.

Physical reconstruction of the older part of Munich was begun before the middle of the nineteenth century; and perhaps on that account has not been so thoroughly accomplished as in Vienna. The parked boulevard which occupies the site of the old fortifications makes only a partial circuit of the old town, and many narrow and irregular streets

still survive. Several of the old city gates have purposely been left standing for their picturesque effect. But the new sections of the city have been well laid out, with broad and well-paved streets.

Indeed, in the matter of paving, Munich has adopted the latest methods more rapidly than Vienna. In recent years there has been laid many miles of asphalt and a good deal of creosoted wooden blocks. There is also a large amount of macadam. So that the travelling on most of the streets is much more comfortable than on the granite blocks of other cities.

Besides the parked boulevards there are a considerable number of public gardens and larger parks. Many of these, however, are not municipal, but belong to the royal family. And as in other capitals, the palaces, museums, and government buildings help to improve the general appearance and attractiveness of the city.

Like most German cities, Munich has municipal slaughter-houses and markets, and more recently gas and electric works. But these are of course on a smaller scale than in Vienna. The electric plants are the most important, as they supply practically all the electrical energy in the city, including that for the operation of the street railways. There are two large generating plants, with a number of substations where the high tension current is transformed to a lower voltage for light and power purposes. All wires are underground, except those for the street cars.

Street railways are still operated by a private company. The original franchise was granted in 1857 for fifty years; but there have been a number of subsequent contracts providing for extensions and the use of electric power. All of these, however, expire with the original franchise in 1907, when the question whether to lease or undertake municipal operation will be decided, probably in favor of municipal operation.

Munich has tried the American uniform fare, and aban-

doned it to return to the zone system. When the street railway system was electrified, the contract then made with the city provided for a uniform fare of ten pfennigs or 2½ cents; but the city guaranteed a certain net income to the company, estimated to be about 10 per cent of their capital. Traffic increased, but not enough to yield this net income, and the city had to pay considerable sums to the company. After a few years, a new contract was made providing for fares ranging from 2½ to 5 cents. The number of passengers carried fell off from 45,000,000 to less than 40,000,000 a year, and has not yet regained the former figure.

Both in speed and comfort the service falls somewhat short of that in Vienna. But although the company's rights expire in a year, conditions are vastly better than in Chicago, where the companies allowed their plant to run down as the time for the expiration of their franchises drew near. That conditions are better in Munich is doubtless due to the stipulations in the contracts made from time to time.

One of the interesting municipal establishments in Munich is the principal public bath-house. This is a handsome building on the banks of the Isar, erected a few years ago at a cost of $500,000. Three-fourths of this amount, however, was a gift, and only one-fourth came from the city funds.

Within are bathing accommodations of every kind: a swimming pool, shower baths, warm private baths, Turkish baths, and a bathing place for dogs. Small fees are charged, two and a half cents for a shower bath, four cents for the swimming pool, twelve and a half cents for a private bath, and thirty cents for a Turkish bath. The income pays something more than operating expenses, but would not cover interest on the investment if that had been borrowed. More than 600,000 persons take baths in this establishment every year.

BUDAPEST

Americans are apt to assume that western civilization is confined to the countries where Germanic and Latin peoples

form a large part of the population, and that modern municipal conditions are not to be found east of Vienna. But even the briefest visit to Budapest, the capital and largest city of Hungary, shows that it is a municipality of the first rank, with material improvements beyond those of most American cities. And its institutions and municipal undertakings well deserve investigation, in spite of the difficulties of distance and language.

Budapest is a city of 750,000 inhabitants, four-fifths of whom have been added since the middle of the nineteenth century. It is therefore not much larger, and is practically no older, than St. Louis. And its geographical position on the banks of a mighty continental river, and in the centre of an immense agricultural region, is also similar to that of the chief city of Missouri. But in almost everything that goes to make a city comfortable and attractive, the Hungarian capital far surpasses its American counterpart.

Some part of the pleasing impression that the city gives to the visitor is undoubtedly due to natural features and the public buildings of the national government. St. Louis has nothing to compare with the castle hill and royal palaces on the right side of the Danube, or the Parliament building on the left bank. But, apart from these, the more distinctly municipal features of Budapest are much more attractive, and give the city a more finished appearance. While the banks of the Mississippi at St. Louis remain neglected so far as architectural appearances are concerned, those of the Danube at Budapest are lined with massive stone embankments and quays for shipping. Along the water front on each side runs a river street, behind which are some of the largest and finest buildings in the city. Five bridges span the river, connecting the two parts of the city; and these are not only useful, but are also artistic structures. The river front thus forms one of the most inviting parts of the city; and the constant movement of steamers and large steel freight barges add a further element of variety to the panorama.

Turning from the river, the street system of Budapest is well planned, with broad, main thoroughfares laid out with reference to the lines of traffic, and side streets of comfortable width. There is no evidence in most of the city of the narrow lanes which are usual in most European cities, and are also to be found in the older parts of some American cities. The street pavements are solidly constructed and clean; but the large granite blocks most generally used are too rough. On some streets more recently paved, asphalt and creosoted wooden blocks in concrete have been laid. Electric street cars operated by private companies are frequent and comfortable. On some lines the overhead trolley is used; but in most streets there are no overhead wires, and the under-trolley is used, as in New York and Washington, but with the underground conduit under one of the rails instead of between them. In Budapest, too, is the first subway built for street-car traffic, from which the larger American subways in Boston and New York have clearly been modelled. It is built under Andrassy Street, one of the broad avenues which forms the principal approach to the city park, and was placed underground so as to retain this approach for pleasure driving.

The city park, on the west side of the city, is comparatively small, but tastefully arranged. It contains a menagerie, a small art museum, and a summer theatre, and also refreshment houses. A much larger and more popular park is St. Margaret's Island in the Danube, owned and embellished by one of the grand dukes, but open to the general public.

Budapest is celebrated for its public baths and also for its hospitals, with which it is better supplied than any other city of its size. The hospitals are supported by the city, but are practically national institutions, and the municipality is now asking the national government at least to share in the expense of their management.

The sphere of municipal autonomy does not, however,

include the control over the local police. There is a national force of gendarmerie, and also the Royal Hungarian Police; and there is not even a supplementary force of municipal guards, as in the Italian cities.

An imposing city hall is not included among the noteworthy buildings of Budapest. The municipal government is housed in an old barracks, which furnishes adequate room for the various city officials. And from here the municipal housekeeping is efficiently directed.

XVII

MUNICIPAL GOVERNMENT IN VIENNA

With all that has been published in America about European municipal government, Vienna has been largely ignored. Yet even a brief examination is enough to show that this, the fourth largest city in Europe, is also one of the most important in its municipal development. Especially is this true of the last decade, during which it is not too much to say that its municipal history has been of greater significance than that of any other city in Europe.

Some explanation may be offered for this neglect of Vienna. The city is out of the way of the great tides of American travel; and most of the Americans who visit it are not those likely to be interested in municipal institutions. Moreover, the general history of Austria during the past forty years conveys the impression that the country is not affected by political movements in western Europe. The loss of international prestige since the military defeat at Königgratz, the internal race conflicts and the disputes with Hungary, and the absence (until within a year) of any step in the direction of democratic suffrage, all suggest a situation where political development of any kind is likely to be unknown.

Nevertheless, to repeat, during this period of forty years, and more particularly in the last ten years, Vienna has a remarkable record in its municipal affairs; and the same is true in a smaller way of the other large cities of Austria. Municipal autonomy has been more fully established than in any other country of continental Europe; and indeed — except for the police in a few of the largest cities — more fully than in England or the United States. Population and material prosperity have greatly increased. Physical

reconstruction and public improvements have been carried out on a stupendous scale. In the later years, municipal ownership of public utilities has, for good or ill, been rapidly established, until Vienna has more municipalized undertakings than any other city of its size. And these later developments in Vienna have been the direct result of a highly exciting movement in local politics.

HOME RULE AND LOCAL ORGANIZATION

Municipal autonomy, or home rule, was provided for Austrian cities by a statute of 1849, enacted as a result of the revolutionary uprisings of the year before. But the reëstablishment of a reactionary policy led to a postponement in the application of the statute; and it did not become effective until after the grant of provincial autonomy and the establishment of provincial legislatures in 1860. The control over municipal government was then transferred to the new provincial diets, although the management of the police in Vienna, Trieste, and Prague was retained under the imperial government.

At this time the municipal electorate was narrowly restricted by a considerable tax qualification, and in Vienna there were only 18,000 voters. In 1867 and again in 1885 the tax limit was reduced, increasing the number of voters in the latter year to more than 50,000. The voters were, moreover, divided into three classes, according to the amount of taxes paid, so that the wealthier citizens had an influence much greater than their numbers. But the basis of the class divisions is different from that in the Prussian system. In Austria it is dependent on the payment of a fixed amount of taxes; so that with the increase of wealth the number of voters in the upper classes tends to incease, while under the Prussian system there is a steady reduction.

Important changes were made in the municipal organization of Vienna in 1890. The city boundaries were further extended to include the outlying suburbs; and at the same

time a fourth class of voters was established, including practically all men who had a fixed residence in the city. But this fourth class, which numbers nearly two-thirds of the whole electorate, chooses only twenty-one members of the municipal council, while the other three classes each elect forty-eight members. The electoral system is thus still far from an equal democracy.

The entire council consists of one hundred and sixty-five members, elected for terms of six years, one-third retiring every second year. They are elected in twenty-one permanent districts, which represent the various historical communes which make up the present city. Each district elects at least one member from each class of voters; and each district elects only one member from the fourth class. For the three upper classes the number of members from each district varies according to the distribution of population in each class. Thus the wealthier districts elect several members from the first class; some districts elect a number from the second class; and some elect several members from the third class.

As in European cities generally, the municipal council as a whole does not attend to the details of administration, but meets to vote appropriations and taxes, to decide on important questions of policy, to elect officials, and to receive and examine the reports of the municipal services. The scope of its action is not limited by statute; but it can undertake any service it considers for the good of the city, provided only it does not conflict with the higher governmental administration, and with the requirement that loans or the sale of city property must be approved by the government. The broad field of activity left to it may be indicated by noting the fact that the recent municipalization of gas, electric lighting, and street railways were all determined by a vote of the council, with no special imperial or provincial legislation, and also without any direct popular vote.

Meetings of the council were formerly held about once a

week; but since the creation of the Stadtrath, they have been less frequent, and now occur about once in two weeks.

The Stadtrath, a body established in 1890, is very different from the Prussian board of municipal magistrates sometimes called by the same name. In Vienna it is a smaller council, or a large committee of the council, consisting of thirty-one members (including the burgomasters) elected for terms of six years. It contains none of the permanent technical and professional officials of the city. It meets about three times a week, appoints permanent officials, and exercises a general supervision over current administration. It has two standing committees, one on the law of citizenship, and one on the discipline of municipal officials and employees.

A burgomaster and three vice-burgomasters are elected by the general council from its own members, for terms of six years. The burgomaster presides over the general council and the Stadtrath, and is in practice the leader of the council in its public policy. He is a political official; and not, as in the German Empire, a technical administrator, often chosen for life. Under the statute the election of burgomaster must be confirmed by the imperial government; but recent history shows that in a contest between the council and the government, the government will eventually yield.

In addition to these political elements, there is also the permanent, professional and technical, executive officers and employees. The chief of these is the "*Magistrats-Direktor*," who with the heads of the various departments correspond somewhat to the administrative officials in Prussian cities. But in Vienna these are distinctly executive officers to carry out the policy of the municipal council. The magistrates are elected by the Stadtrath; but as their positions are permanent, changes can only be made as vacancies occur.

A few words must also be said about the municipal districts. These are not only the districts for electing the members of the council, but are also districts for local administration with a sphere of local autonomy. They are thus of

more importance than the arrondissements of Paris, but of less than the metropolitan boroughs of London. In each district there is elected a small council (from eighteen to thirty members) by the voters of the first three classes, and each district council elects a district chairman (*bezirksvorsteher*). These bodies manage local public works, such as street paving and cleaning; while the members also coöperate with the central city departments in the administration of poor relief and the work of school inspection.

THE LIBERAL RÉGIME

The foundations of modern Vienna were laid in the seventies and early eighties, during the ascendency of the Liberals in both local and imperial governments. During this period vast schemes of reconstruction were carried out, new public works and buildings were constructed on a magnificent scale, surpassing even the Haussmannizing of Paris under the Second Empire. Around the inner city, on the site of the old fortifications, was laid out the *Ring Strasse*, one hundred and eighty feet in width. Within the inner city, streets were straightened and widened. In what was then the suburbs, street plans for the extension of the city were elaborately worked out. And a new water-supply was brought from a distance of seventy miles.

In addition to such distinctly municipal improvements, there was constructed — largely by the emperor himself — the series of new public buildings and parks on both sides of the *Ring Strasse* which make it "the finest street in the world." In the centre of one group is the city hall, facing a small park, flanked on one side by the Parliament building, and on the other by the University. Opposite is the Court Theatre, and next to this the gardens of the imperial court. East of the gardens is the imperial palace; and opposite it the new court house and the museums of art and natural history. Still further around the Ring are the imperial opera-house and the original municipal park. Moreover, through-

out the city, public parks and gardens have been established, some by the city, some by the emperor, and some by other members of the nobility.

To describe the achievements of this period would leave no space for recent developments. But this brief mention has been necessary to convey some impression of the general appearance of the city, and the basis on which the later enterprises have been undertaken. The foundations were well laid, and as a place to live in Vienna is one of the most comfortable and attractive cities in the world.

THE CHRISTIAN SOCIALISTS

As has been already noted, the recent expansion of municipal functions in Vienna has been the direct result of a political movement. This has been the rise to power of the Christian Socialist party, whose policy in some respects seems a reaction from the former liberalism, but at the same time may seem to some to be in the direction of radical socialism.

Among the working-classes of Vienna the socialistic propaganda spreading throughout Europe has been accepted to some extent. And the Social-democratic party has for some time been an active demonstrative organization, but (before the latest election) with little influence either in local or national government. The Christian Socialist party is entirely distinct from the Social-democrats; and in fact, at the present time, these are the two main opposing parties in Vienna.

The Christian Socialist party has been formed on the basis of religious, racial, and economic convictions or prejudices, fused and welded by the organizing ability of Karl Lueger, its undisputed leader and for the last ten years burgomaster of Vienna. On the religious side it is intensely clerical, strongly supporting and supported by the Catholic Church. The racial factor is entirely distinct from the more general race questions in Austria, and is a strong anti-semitic sentiment, fostered by the large number and growing influence of

the Jews in Vienna. Its economic basis is the opposition of the great body of small traders and merchants to the power of the great industries and wealthy capitalists, which have been apparently promoted by the policy of the Liberals. Each of these considerations appeals most strongly to the middle classes, with whom the bulk of electoral power has rested, but the party also includes large numbers of the laboring classes, and now also many of the wealthy as the main bulwark against the more radical socialists.

Karl Lueger, who has combined these factors into a highly organized and disciplined party, is a man of striking personality. The son of a lower middle-class family, who became a lawyer of moderate means, he represents in his own person the convictions and interests of the classes which form the core of his party. A man of strong physique and a good speaker, he can wield great influence in public addresses. And he has shown the same capacity for organization which forms one of the main sources of strength both of the American political boss and the captain of industry.

He has of course been aided by many other men, whom it would take too long to mention by name. The most numerous group are the clergy, — not the high dignitaries of the church, but the parish priests, of the same peasant and middle-class stock as those whose convictions and interests were appealed to by the new party. With these and others the work of organization was carried on steadily for several years.

In 1894 the new party first gained control of the Vienna municipal council. But the imperial government refused to confirm Lueger's election as burgomaster; and when the council elected him a second time, it was dissolved and a new election ordered. In the new council Lueger and the Christian Socialists were as strong as ever, and a compromise was made. The former first vice-burgomaster was made burgomaster; and Lueger was elected in his place, with the understanding that in a few years he should become burgo-

master. In 1897 this was done; and since then he has remained in full control of the city government. His majority in the council steadily increased; and the old Liberal party almost disappeared. In 1903 he was reëlected for a second term.

At the last election, however (in May, 1906), some seats in the fourth class were lost to the Social-democrats. And there are rumors that his overwhelming majority is in some measure due to manipulation of the elections by some of his lieutenants in the municipal districts.

Not only do Lueger and his party control the municipal government, they also have a large majority in the provincial diet of Lower Austria. This has prevented the provincial control over municipal government from hindering the execution of their plans. They also have a small but compact following in the imperial Reichsrath; and in the confused state of imperial politics this has induced the imperial government not to oppose them too strongly in their management of municipal affairs.

MUNICIPAL OWNERSHIP IN VIENNA

Vienna has for many years had municipal ownership of those undertakings most commonly under municipal management in German cities. Not only waterworks, but also slaughter-houses, markets, public baths, and savings banks have been owned and managed by the city government. But until the Lueger administration the gas and electric light works and street railways were under the management of private companies.

During the past eight years, however, the municipality has entered all of these fields. In 1899 municipal gas-works were established. In 1902 a municipal electric plant was erected. And in 1903 the street railway system was taken over by the city.

This policy of municipal ownership does not seem to have

formed a prominent part of the announced programme of the Christian Socialists. And it has been put into effect by the municipal council without much popular discussion. It may, however, be considered an application of the general economic policy of the party to limit the power of large capitalists.

Very little objection to the municipal ownership policy is expressed, even by those who have no sympathy with the clerical and racial sentiments of the party in power. There are a few critics on broad grounds of individualism, and some opponents whose private interests have been affected. But municipal functions have previously had so broad a scope in German cities, that in the main this extension seems at least to meet with acquiescence.

As early as 1873, when a former franchise for private gas-works was approaching its limit, the establishment of a municipal plant was proposed. But a new franchise was then granted; and various plans to purchase the existing works have led to no definite action. But in 1896 it was definitely decided to construct a new municipal plant; and three years later this was completed and began operation. The contracts with the private companies have not as yet expired; and they continue to supply certain districts in the city, and will for some years to come.

For the construction of the plant a loan of $12,000,000 was made; and with the addition of a water-gas plant three years later, the works are now valued at $13,000,000. The municipal plant furnishes gas to the central districts of the city, and supplies more than two-thirds of the gas now used in Vienna.

When the municipal plant was established, the price of gas was slightly reduced; but there have been no further reductions, and the rates for private use are approximately $1.10 per thousand feet for light, and 80 cents per thousand feet for heat and power. In judging this price, the low cost of labor and the high cost of coal must both be considered.

Coal is brought several hundred miles from Galicia and Silesia, and with the high rates of freight costs $4.50 per ton at the works.

Still another factor is the illuminating power. Not more than twenty per cent of water-gas is used, in order to maintain the heating and lighting power of the gas. In America, where water-gas is more largely used, there is much complaint of the decline in illuminating power along with recent reductions in price.

Gas consumption for lighting purposes has increased but slightly under municipal ownership. But the amount of gas used for heat and power has more than quadrupled since 1900. The total amount of gas supplied from the municipal plant in 1905 was 400,000,000 cubic feet.

Financially, the works are very profitable to the city. The income from private consumers and from the sale of by-products is more than sufficient to meet all expenses of operation, with interest and sinking-fund charges. The city gains by the value of public lighting, estimated at $200,000 a year, and an additional surplus of $400,000 a year. But neither in the price to consumers nor in the more extended use of gas for lighting have the Vienna works brought about the social advantages to the community sometimes urged as one of the results of municipal ownership.

Construction of the municipal electric plant was begun in 1900, and the works began operation in 1902. The plant consists of two separate works on the same tract of land, near the gas-works. One building contains the power plant for the street railways; the other is for lighting and for power to private consumers. But current may be transferred from one to the other if needed. For the construction works a loan of $6,000,000 was made by the city.

There are also three private electric companies in Vienna. And while the municipal plant has rapidly extended its service, in 1905 it furnished only about one-third of the electric current sold to private consumers. Including the street rail-

way service, the municipal plant furnishes about two-thirds of the electric energy in Vienna.

As in the case of the gas-works, the municipal electric plant is operated for financial profit rather than to extend the use of electricity by low rates. On the face of the reports a large profit is shown. In 1905, after deducting operating expenses, interest, and depreciation charges, the net surplus was $500,000, — more than 8 per cent of the capital investment, and 30 per cent of the gross income.

But the income is in large part an estimated revenue from the current used for public purposes. Nearly half of the total income is for power furnished to the street railway service. This is charged at the rate of three cents a kilowatt hour, compared to seven cents as the average rate received from private consumers. This seems to be about cost; and on the surface does not seem to be too high a charge for the street railway current, which is two-thirds of the output of the whole plant. But a small change in the rate charged against the street railway service would modify so much the financial results of the electric plant, that safe conclusions can hardly be drawn from the published reports.

Of more importance than either the gas or electric plants has been the municipalization of the street railways in Vienna. It is the largest municipal street railway system in the world, and one of the most recent. And on both accounts an examination of the Vienna enterprise should be of value for the present discussion in the United States.

Before the city government took up this work there were two street railway companies, operating in 1899 seventy miles of line and carrying 85,000,000 passengers. Only a few lines had been electrified. In that year the city received the necessary authority from the imperial railroad department to construct a new electrical system, including the rebuilding of the lines of the larger of the two companies and a large number of new lines. The company went into liquidation and disposed of its lines and rights to the city.

A contract for the new construction work and temporary operation of the lines was made with the Siemens and Halske Company. In 1902 the lines of the smaller company were also transferred to the city. And on July 1, 1903, the municipal government took over from the contractor the operation of the whole system.

For the purchase of the old lines and new construction and equipment, the city issued a loan of $25,000,000. The mileage is already double that in 1899, and new lines are being steadily constructed. No cars run through the old inner city, where the streets are still too narrow for car tracks. But most of the lines run at least to the Ring Strasse, and many of them run for some distance on the Ring. This facilitates transfers from one line to another; so that one may go from one part of the city to another in most cases with one change of cars. The equipment is entirely new, and the cars are larger than in other European cities. With the wide streets a more rapid service is furnished.

The schedule of fares has been revised and somewhat reduced. In the morning, before half-past seven, there is a uniform rate of two cents. Later in the day the lowest fare is two and a half cents; for longer distances it is four cents; and for a few of the longest journeys six cents is charged. On Sundays and holidays there is a uniform fare of four cents. These fares include transfers from one line to another within the distance limits. The average fare paid is slightly under three cents.

Since municipal management there has been a rapid increase of traffic. In 1905 the total number of passengers was 180,000,000, more than double that in 1899. There is no complaint about the service, and a general opinion that it is much better than under the private companies.

At the same time it should be noted that the service is not so extensive in proportion to population as in the large American cities. The mileage of lines is less, and the average distance travelled by each passenger is a good deal less. This

must be taken into account in considering the lower rates of fare. And the total number of passengers is much smaller in proportion to population, even if the traffic on the local elevated and underground steam lines is considered. These facts indicate that a large share of the population either live near their work or walk long distances.

In fact Vienna is a city of tenement houses, which enable a large population to live in a comparatively small area. Yet the dwelling conditions seem to be fairly satisfactory. The construction of such buildings is strictly regulated so as to insure plenty of light and air. The frequent parks furnish an abundance of open spaces. And there is apparently no great amount of crowding.

On the financial side, municipal operation has been in force too brief a period to speak with assurance. On the face of the reports there is a considerable surplus after paying operating expenses and interest. In 1904 this amounted to $660,000; and after using half of this for extensions and certain other payments, the other half was turned into the general city treasury.

But there is no allowance for depreciation or a sinking-fund to pay off the cost of construction. And if one of these were included, as should be done, the whole surplus would easily be absorbed. The question of the charge for the electric current must also be considered. But it at least seems clear that no large profits are being earned for the city from the street railway service, as from the gas and electric plants.

Much might also be written about other municipal enterprises in Vienna under the present régime. In June, 1906, there was opened a new home for the aged poor, consisting of a group of twenty large buildings, erected in the outskirts of the city at a cost of $4,500,000. Many additional small parks have been added; and a third boulevard around the city is projected. A good deal of asphalt and wooden-block pavement has been laid, although most of the streets

are still paved with rough granite blocks. And a new water-supply is under construction, bringing water from the Styrian Alps, a hundred and fifty miles away. But these and other undertakings must be passed over at this time.

Some notice must, however, be given to the influence of politics on the municipal administration. It is here that the pronounced anti-semitic sentiments of the party in power come into play. The rule of permanence in the municipal service has been too firmly established in Vienna, as in other Germanic cities, to permit of anything like a wholesale removal of officials and employees for racial or other political reasons. But it seems clear that no Jew can hope for any appointment in the municipal service under the Lueger rule. And it is openly asserted that in the exercise of their discretionary powers, the officials do not hesitate to refuse privileges to the members of the hated race which are readily granted to others.

This aspect of the municipal situation in Vienna has a special significance to Americans. It means that the municipal administration in general, and more specifically the experiment in municipal ownership, is being conducted with something like the dangers of political influences so prevalent in American city government. And for that reason future developments in Vienna should be watched with interest. But one of the dangers that are feared in America seems as yet to be entirely absent. There are no open charges of anything like corruption in the municipal government.

XVIII

MUNICIPAL GOVERNMENT IN ITALY

Italian cities offer so much of interest to the traveller and the student of art and archæology in their ancient and mediæval monuments that they are seldom considered with reference to their modern municipal conditions. Indeed until after the establishment of the present kingdom the conditions of Italian city life were so unattractive — to say the least — as to offer no field for the student of municipal problems. And it is also true that none of the Italian cities belong to the class of great metropolitan communities of more than a million population, where municipal affairs are of the greatest interest and importance.

Nevertheless, Italy contains half a dozen large cities, increasing in population and importance, where the problems of modern municipal life have to be faced. In recent years most of these cities have turned with more or less vigor to the task of looking after the needs and comfort of their inhabitants. And an examination of their achievements is not without value to those interested in American municipal affairs.

Before looking at conditions in particular cities, it will be well to note some of the general characteristics of city government in Italy. All of the cities, and also the country towns or communes, are governed under one uniform law, providing a simple system of municipal organization, with a large degree of local autonomy. There are, however, some important limitations on municipal activity, notably the police system of the national government; while there is also a considerable amount of administrative supervision over the municipal authorities.

Every city has a municipal council varying in the number of members with the population of the city. The larger cities have from 60 to 80 members. These are elected at large, or on a general ticket; and there are no ward aldermen, as in American and English municipalities. But in order to prevent one party from electing all the members of the council, a system of limited voting is established. Under this system, each voter may vote for not more than four-fifths of the whole number of councillors to be elected; and one-fifth therefore represent the minority. Until 1906 councilmen were elected for four years, one-half of the whole number every second year. But under a new statute one-third of the members will be elected every second year for a term of six years.

The council votes the budget and acts on the larger questions of municipal policy. But it does not, as a whole, attend to the details of administration. For the latter purpose there are elected by the council, from its own members, a syndic — corresponding to the mayor — and an executive committee known collectively as the *giunta*, while the individual members are called assessors. Each assessor is assigned to one branch of municipal affairs; while acting together as the *giunta* they pass local ordinances, make appointments, and decide on the more important questions of current administration.

Neither the assessors nor the other members of the council receive any salary. There are also salaried technical officers at the head of each body of municipal employees; and one of the most important offices is that of the secretary-general, who corresponds somewhat to the English town clerk. The salaried officials and employees form a permanent civil service, as a general rule; but there have been exceptional cases of political appointments and removals in Naples and other cities of southern Italy.

Municipal functions in Italian cities include, in the first place, the usual public works for the care of the streets and

drainage. Usually also the water-supply is municipal. There are also municipal markets, cemeteries, and hospitals. A number of cities have municipal electric light plants. A few, including the important city of Bologna, have municipal gas-plants. Milan owns the local street railway system, but has leased the operation to a private company. Some questions as to the power of cities to engage in such undertakings led to the passage of a law in 1904 distinctly authorizing the municipalization of public utilities. The local management of schools also comes under the municipal government; but here there is a high degree of central control. Public charities are under the control of special commissions, known as "congregations of charity," the members of which are often chosen by the municipal council.

The police system in Italy is peculiar, and at first seems rather complicated. In the large cities three different kinds of policemen are in evidence, — the *carbinieri*, the guards of public security, and the municipal guards. The *carbinieri* correspond to the French *gendarmerie*. They are strictly a national force, under the control of the minister of war, but quite distinct from the regular army. Mounted *carbinieri* police the country districts. In the cities, the *carbinieri* are to be seen guarding public buildings, and are also on duty wherever large assemblies of people are gathered, as during processions or at public assemblies; and in cases of riot they are used somewhat as our state militia.

The guards of public security are also a national force, but under the general control of the minister of the interior, and under the immediate direction of the prefect in each province. They look after the more serious offences against the criminal law, including a large amount of detective work. In many small cities, where there are no municipal guards, the guards of public security also perform their functions.

Municipal guards are, however, provided by the municipal authorities in all of the larger cities. Their special functions

are to enforce the municipal ordinances for the regulation of street traffic, building construction, and sanitation. They have also the power of arresting violators of the criminal law; but in this respect they simply supplement and do not replace the national police.

This triple system seems to offer opportunities for constant friction, but in practice apparently works without much difficulty. It is certainly much more highly centralized than in most American cities; and the important police authority is not to be found in the local government, but is the prefect of the province, or the police commissioner appointed by him.

In addition to the police powers of the prefects, the local authorities are supervised in the discharge of their functions. Municipal ordinances must be approved by the *giunta* or executive council of the province, which is, however, elected in the province, and represents provincial rather than national supervision. Legal questions, arising in contested elections, tax assessments, etc., are determined in the first instance by provincial administrative courts, but appeals may be taken to the central administrative court for the kingdom. And the accounts of every city and commune must be examined and approved by agents of the national government, a system which secures a uniform system of accounts, and keeps the local authorities within the restrictions established by law.

NAPLES

Naples, the first city in Italy to be visited by an American going to Europe by the southern route, may in some respects be compared to New York. It is the largest city in Italy, and its principal seaport. And its city government in the past has been as notoriously bad as that of the worst Tammany administration. As in New York, conditions in recent years show a marked improvement. But even yet there is but little in Naples to attract favorable notice, and much less than the more progressive communities further to the north.

What first attracts attention is the almost complete absence of terminal facilities for the shipping which centres here. A harbor has been constructed, but there are no wharves for the larger ships, and these must anchor in the harbor, and transfer passengers and freight by small boats to the shore.

Landed, and having passed the dust and confusion of the custom-house, the visitor next becomes aware of the narrow, crooked, ill-paved, and dirty streets. In the older part of Naples most of the public ways cannot be called streets, but are simply narrow lanes or passages. Most of them have no sidewalks, and many are not wide enough for wheeled vehicles. In the hilly districts there are many lanes for foot passengers so steep that the road is a series of steps, on which the crowded tenements open. The more important streets are often less than forty feet in width; and even in the new residence districts, boulevards are seldom over fifty feet across. There is nothing like a systematic arrangement of the streets, and little has been done — as in other large European cities — to remedy the lack of main thoroughfares in the older sections by opening new streets through the congested districts. The only relief is that afforded by the frequent "squares" or piazzas, where several streets come together.

Street pavements are still laid with large blocks of lava, about two feet by three. Except for the more regular shape of the blocks, they do not differ from the pavements in Pompeii, laid eighteen centuries ago. At best they make a rough road; and where they are worn, a carriage drive is anything but a pleasure. Dust, and in rainy weather mud, add much to the discomfort, although it is evident that there is some attempt at cleaning the streets and lanes.

A private company operates electric cars through most of the more important streets, and omnibus lines on the others. But the total mileage falls far short of that in an American city of half the size. The service is rather slow and infrequent. Open cars are run in summer. On the principal lines there are cars every few minutes, but on some

routes one may have to wait ten or fifteen minutes. Fares are graded according to distance, from two to five cents, the ordinary ride costing three or four cents. There are two classes recognized, first-class passengers having cushioned seats in the open cars.

But the local transportation problem is greatly affected by the cab service. At every piazza are to be found small cabriolets, driven by the little Neapolitan horses, which carry one or two passengers from one place to another within the city for the sum of fourteen cents — unless the driver can make a better bargain with the unwary American. With thousands of these cabriolets, only the poorer classes use the street cars; and the volume of traffic is much less than that in American cities.

In other respects modern municipal improvements have been established in Naples, but generally on a small scale. The Villa Nazionale is a charming park, of moderate dimensions, facing on the bay. Here is located the well-known Aquarium, with its curious and interesting specimens of marine life. And here a band of music plays every evening to thousands of Neapolitans. Some of the more important streets in the centre of the city are lit by electricity. And an excellent water supply has been secured from the distant hills.

Nevertheless, some conditions of life for the great mass of the people seem almost intolerable to an American. In the warm southern climate it takes little to maintain existence; and the population grows luxuriantly, like the vegetation on the slopes of Vesuvius. Huddled together in crowded tenements, most of the people spend the greater part of their time in the open air. The streets and alleys are constantly thronged, not only with hucksters and lazy beggars, but also with women and children attending to their private occupations. While through it all, the constant clatter of the cabs and the din of countless noises creates a confusion that is almost unimaginable.

The seat of the municipal government is in a building of

the early part of the nineteenth century, facing one of the largest open squares, called the *Piazza di Municipio*. The city government, as already noted, has been at times controlled by corrupt and dishonest officials. But, aided by the active supervision of the central government, the present situation shows a good deal of improvement, and there are hopeful signs for the future.

ROME

Coming to Rome from Naples, the visitor perceives at once a great improvement in municipal conditions; and further examination confirms the impression that in Rome municipal administration has reached a high standard of excellence. As in most European cities, the railway terminal and its immediate surroundings form an attractive approach, and in that respect contrasts very favorably with the railroad entrances to many American cities. Moreover, the newer sections of Rome are well laid out, with broad and well-kept thoroughfares. In the older sections near the river will be found narrow lanes and passages; but even through these there have been opened new avenues for the main lines of traffic. And everywhere the streets and alleys are substantially paved, and the pavements are clean and in excellent repair.

Most of the streets are paved with stone blocks of a peculiar kind. Each block is about five inches square on the surface, and about eight inches deep, and is slightly wedge-shaped, so that the bottom is somewhat smaller than the top surface. Whether the odd shape of the blocks or the good quality of the work of laying the pavements deserves the most credit, the pavement is certainly more satisfactory than other stone block pavements. A few streets in Rome are paved with wooden blocks laid on concrete, and these offer a smoother but less durable surface.

In some of the street-improvement work that has been done in Rome, the city has been aided financially by the

national government, which has been interested in making the capital an attractive centre. This aid has been given mainly in opening up new avenues through the older, crowded sections of the city; and a new work of this kind now under way is the enlargement of the Venetian Square. Another important improvement completed within a few years is the Quirinal Tunnel, which is in fact a broad street carried under the royal palaces and gardens on Quirinal Hill, and forming a main thoroughfare from the northern to the central part of the city.

The street railway service in Rome is in the hands of a private company, and is distinctly better than in Naples. There are more lines, and more frequent cars, and the service is quicker. There is only one class of passengers. Fares are based on the zone system, ranging from two to five cents. But there are no open cars in summer, and in many ways the service is inferior to that in most American cities.

Public squares or piazzas are of frequent occurrence, and form centres of business and places of public resort, especially in the afternoon and evening. But Rome is very inadequately supplied with public parks. There are many beautiful private parks within the palaces of the older Roman nobility, and also the royal gardens; but these are all behind high walls, and are not accessible to the general public, and there are no small public parks within the city. The most important park open to the public is the Villa Borghese, just outside the city walls. This is a large wooded estate, and is a favorite resort for the modern Romans. But there are no provisions for games, and few accommodations for the people who come there. It may be that the Italians prefer the life of the piazzas within the city, but to an outsider it would seem that more of the open country would be better for the physical life of the people.

In its architectural monuments and its collections of paintings and sculpture, Rome is one of the greatest centres of the world. All of these collections, which attract the attention

of the visitors, are also open to the inhabitants of Rome on payment of the usual fees. And in this respect the resident of Rome has an almost unsurpassed opportunity for education in art and archæology. Most of the collections, however, are not municipal, but are owned by the national government, by the churches, and by private families.

The city hall of Rome occupies a most interesting historical position, on the top of the Capitoline Hill, the site of the ancient Capitol, and overlooking the excavated ruins of the Roman Forum. The foundation walls of the present building date from the fifth century A.D.; but the building itself was erected in the later Middle Ages and is of no special importance, while the interior is dark and gloomy. But it speaks well for the city government that it has devoted its energies to the physical improvement of the city rather than to housing itself in a new and magnificent building.

There is little of special interest to be said about the city officials and local politics of Rome. The municipality has the same autonomous powers as other Italian cities, and in that respect is in a somewhat more independent position than the capitals of other European countries. The mystic letters S. P. Q. R. still appear in official documents, but have no special significance, as the legal titles for the local officials are those established by the modern municipal code. It is a municipal government that can show large, substantial results since the overthrow of the temporal power of the Pope; but these have been secured with comparatively little excitement, and local politics of to-day are less active than in some of the other Italian cities.

FLORENCE

Probably Florence is the Italian city best known to Americans, who come here in large numbers as the focus of modern art and literature in Italy. In many respects it is an attractive city, and its recent municipal history offers a good deal of

interest. But from this point of view it is comparatively of less importance than some of the larger cities.

In the older part of the town the streets are narrow, but more regularly laid out than in the older sections of other Italian cities. In the newer districts the streets are wider, while the encircling boulevard which follows the line of the old ramparts is a broad avenue. The street pavements are much better than in Naples, but inferior to those of Rome. The public squares and public parks are larger and more attractive than in either of the more southern cities. The most important parks are the Boboli Gardens, connected with the royal palace, and the Cascine, to the west of the city along the banks of the Arno.

These physical features are largely the result of important improvement schemes begun in the late sixties, when Florence was the capital of Italy. But the transfer of the capital to Rome after 1870 was a serious financial loss to Florence, and the cost of the improvements became a heavy burden, which led to a crisis in municipal finances in 1879 and 1880. As a result, while the city has the improvements begun in the earlier period, a more cautious policy has had to be followed in recent years.

Florence has had some interesting contests with private lighting corporations. About 1854 a long-term franchise was granted to a gas company, which the company claimed gave it a monopoly of both public and private lighting. When it was proposed to introduce electric lighting, the gas company claimed this was an infringement of its privileges; but after a long contest in the courts it was decided that the city could not grant a monopoly of private lighting. Subsequently the city established an electric light plant, in connection with the waterworks, for public lighting; and after another legal battle their power to do this was sustained, and has been more clearly confirmed by the recent law on municipal undertakings.

There are a number of electric street railway lines in

Florence; but many parts of the city are not covered, and the service is rather slow. Fares are, as usual, based on the zone system, and range from two to five cents. The ownership of the lines has recently been transferred to a Belgian company, which promises to furnish a better service. During 1906 new franchises have been granted for additional lines, extending the rights of the company for forty years.

The municipal government of Florence is controlled by a combination of Clericals and Moderates, which pursues a conservative policy. Popular interest in municipal elections has been slight; but the socialists are becoming more active, and the recent local campaigns correspondingly more vigorous.

MILAN

Municipal government in Milan is by far more interesting to an American than in any other Italian city. It is the second largest city in Italy; but it is the most active in its private business enterprises, and in some respects may be compared to Chicago on a smaller scale. In municipal affairs it has been the most aggressive in extending the scope of municipal functions, while the local elections have been the occasions for some striking political combinations and heated campaigns.

In its physical appearance Milan shows the results of important schemes of street improvements. The large square in front of the famous cathedral is now the centre of the city, and from this the important streets have been constructed on the radial plan. A boulevard has taken the place of the old fortifications around the city. But in the heart of the city there are still many narrow streets and lanes.

Street paving in Milan is, however, much inferior to that in Rome. There is a small amount of asphalt. But most of the principal streets are paved with larger stone blocks, as in Naples and Florence, while many streets are still paved with cobblestones. The cobblestones are well laid, and by constant repair these pavements are kept in a tolerable

condition. All of the streets, too, are thoroughly cleaned. But as a whole, the pavements are not what might be expected in a city that is in other respects the most advanced in Italy.

As in other Italian cities, public parks are few and of limited dimensions. Cathedral Square, unlike other piazzas, is a small park. The Public Gardens, the best in Italy, form a beautiful park well within the city. The ground for a larger park has been reserved for some time near the old castle. But this has never been embellished in any way; and during the summer of 1906 the larger part of this area was occupied by the Exposition then being held.

Street Railway System

Perhaps the most interesting feature in the municipal affairs of Milan is the municipal ownership of the street railway system, and the contract for its operation by a private corporation. Before this contract the operating company paid a lump sum of $200,000 to the city, and had almost unlimited control of the service. But under the present contract, which went into force in 1897 for twenty years, not only is the municipal ownership of the tracks clearly emphasized, but the city government retains a large measure of continuous control over the service, without, however, having the direct management of the force of employees.

The municipality provides at its own expense the tracks in the streets, and can extend these at its own pleasure; and all the tracks remain the exclusive property of the city. The operating company, on the other hand, agrees to operate cars by electric traction over all the lines built by the city; and for that purpose to furnish and maintain the electrical plant and apparatus, the rolling stock, and the operating personnel. Moreover, the plans and specifications for any construction work by the company must be submitted to and approved by the *giunta,* or executive committee of the municipal council.

Service must be furnished by the company for eighteen hours a day during the summer, and seventeen hours in the winter. The municipality may regulate the number of cars on each line, and the daily mileage of each car, thus controlling the speed of the traffic.

Rates of fare are established on a uniform basis, instead of the zone system usual in European cities. The ordinary fare is ten *centesimi*, or two cents; but during two hours every day the fare is only five *centesimi*, or one cent.

The arrangements for payments between the city and company involve a somewhat complicated calculation. In the first place the municipality contributes a certain amount on the basis of car mileage, with a provision authorizing a reduction in the rate if the cost of operation is reduced. On the other hand, the city receives forty per cent of the income of the company, after deducting the above-mentioned compensation, and a track mileage estimate. It is not easy to determine from these provisions what the net results will be to the city. But in fact the payments to the city have shown a very large increase over those under the previous contract.

There are also provisions regulating the relations between the company and its employees. No man may work more than ten hours a day, in periods of not over six hours, and each man is to have four days of rest in each month. Wages are to be not less than 30 centesimi (6 cents an hour) or three *lire* (60 cents a day). And a reserve fund for insurance and retiring allowances is established by fixed contributions from the company, the city, and the employees.

In addition to the conditions specified in the contract, the company must obey all orders and regulations established for public security or sanitation by the municipal authorities, or imposed by the prefect or higher governmental officials. The city also has the right to run cars itself for municipal purposes, such as street watering, and may grant rights to other companies to operate cars by other than electrical traction.

This contract has now been in operation for ten years, and under it Milan has by far the best street railway system in Italy. There are lines to all parts of the city, the cars are neat and comfortable, and the service is frequent and rapid. The statistics of traffic show that the number of passengers has doubled since 1897, and was over 100,000,000 during the year 1906. The company and the city have worked together harmoniously, partly, perhaps, because the company is largely made up of local capitalists who have close personal relations with the city officials.

In some respects, however, the service is not so good as in some American cities. Nearly all the lines run to Cathedral Square. This arrangement makes transfers from one line to another convenient; but as no transfer checks are given, two fares must be paid, and there is practically a zone system for those who wish to cross the city. More objectionable is the congestion of cars in Cathedral Square, causing a good deal of confusion, and blocking traffic of all sorts. It would improve the situation to establish a series of through lines running from one side of the city across the square to the other.

Working-class Dwellings

Another problem of the greatest importance in Italy, which the Milan city government has more recently taken up, is that of improving the dwelling-house conditions of the working-classes. The growth of population and the influx of factory hands cause an increasing demand for dwelling accommodations; and with the crowded conditions that prevail in Milan, as in other Italian cities, the municipal authorities have felt that they must take action to relieve the situation.

Already houses for several hundred families have been built in the outskirts, and more houses for a larger number are now under construction. In this work the effort has not been, as in England, to meet the needs of the poorest classes, but to build model houses for the better class of mechanics

and skilled laborers. And the financial reports show that thus far this work has been self-sustaining.

A new and somewhat different project has just recently been undertaken. The city has purchased a tract of land beyond the built-up district, where it proposes to lay out and construct streets and other material improvements, including an extension of the street railway system. Certain tracts of land will then be reserved for schoolhouses and other public buildings and purposes, and the remainder will then be offered for sale. The whole scheme may almost be called a real estate speculation. And one of the significant steps leading up to this undertaking was the submission of the proposition to a referendum vote of the electors, at which it was adopted by a large majority.

Municipal Politics

Municipal elections in Milan have been active and exciting, especially during the past few years. And they are of interest not only as illustrations of political methods in general, but also in showing how far the new municipal enterprises noted above have been due to a definite political propaganda.

As in other large Italian cities, local elections have generally been contested by the national parties, though usually on local issues. For forty years before 1900 the city government of Milan was controlled by a rather indefinite union of Moderates, Conservatives, and Liberals. In opposition were three other parties, the Clericals, the Radical-democrats, and the Socialists. And it was in this period that the new contract for the operation of the street railway system was adopted.

In 1900 the Socialists and Radical-democrats united for the municipal elections, under the name of the Union of Popular Parties; and this fusion was successful at this election and also two years later. This situation led to another fusion of the Moderates and Clericals, under the name of the Electoral Federation; and in November, 1904, after the strikes

of the previous summer, the Federation elected its candidates to the municipal council. This result was accepted by the Socialist and Radical members of the council whose terms had not expired, as a vote of lack of confidence; and they resigned as would an English Cabinet after a defeat in the House of Commons. At the special election in January, 1905, to fill the vacancies, the Federation was again successful; and has thus now complete political control of the municipal government, except for the minority representation on the council secured by the system of limited voting.

In practice there seems to be but little difference in the municipal policies of these two local parties, for the combinations are only made for local elections. Under the Socialist-Radical régime the scheme for working-house dwellings was begun. But this has been continued and extended by the Federation, and is now an established policy of the city. The Federation contains more of the wealthier classes, while the Socialists and Radicals appeal to the middle classes and workingmen. But an examination of the candidates for the partial renewal of the municipal council in July, 1906, showed how both parties appeal to all classes of the population. The Federation ticket had three landed proprietors out of twenty-two candidates; the "Popular" ticket had two of the same class. Each ticket had four "Professors" and one lawyer; and each had about six candidates from the industrial classes. The Federation ticket had two merchants and one literary man, for whom there seemed to be no corresponding candidates on the opposing ticket. The local campaign is very brief — less than a week; and political meetings are held largely in the public schools.

It seems evident that the election of councilmen on a general ticket tends to make the elections party contests, and increases the influence of a well-organized party machine. Few of the voters can know personally the qualifications of all the twenty-two candidates for whom they will vote. The Socialists have the most highly developed organization and

strictest party discipline, and would probably be a more powerful influence were it not for the educational and tax-paying qualifications for voting, which limit the number of electors. There is, however, a good deal of scratching, and many mixed ballots are voted.

However exciting the campaign, there are none of the corrupting influences of spoils politics. The salaried posts in the municipal government of Milan, as of most Italian cities, form a permanent service, recruited very largely by competitive examinations. Neither the success of the "Popular Union" in 1900, nor of the Federation in 1904, affected this service in any way. And charges of corruption or dishonesty in the municipal service are entirely unknown.

VENICE

Physical conditions in Venice are so entirely different from those in other cities that at first blush it seems almost impossible to make comparisons. But in many respects the municipal problems are much the same as elsewhere, while the strange features of the situation increase the interest in the solution of certain problems.

Canals in Venice take the place of both streets and sewers, and make necessary entirely different methods of local transportation. The Grand Canal forms a broad thoroughfare. But most of the other canals are narrow and irregularly laid out, and any reconstruction of these ways of communication seems out of the question. The street-paving problem is greatly simplified, as the lanes for foot passengers and the piazzas have no heavy traffic to bear; and these are kept clean and in good condition.

A puzzling situation is presented by the use of canals for sewers. Conditions would be intolerable were it not for the tide, which rises and falls about three feet, and sweeping in and out acts to a considerable extent as an automatic flusher. In the larger canals this serves to prevent any obvious annoyance; but in the blind ends of the smaller canals there are

distinctly objectionable odors. As the water is salt, and so cannot be used for drinking, its contamination causes no special danger from typhoid fever. But in other respects the situation is far from satisfactory.

Gondolas take the place of cabs in Venice. They are a picturesque but not a rapid means of transportation. And while they will probably remain for purposes of recreation and pleasure, it seems probable that for business purposes they must before long give way to motor boats. A few of these latter are already in use.

For some years there have been several lines of small steamers operated on the Grand Canal and between the islands, as the nearest approach to a street railway system. Recently the city has undertaken the operation of these steamers, and under municipal management the service has been improved and the traffic increased. Fares are two cents for any distance on the Grand Canal, and four cents across the lagoon to the ocean beach at Lido. Financially, the municipal system has met expenses, with a small surplus for depreciation. But the service is still limited; and the steamers in use can only go through the Grand Canal. An extension of the service by the use of small motor boats in some of the other canals is needed to make a satisfactory cheap means of transportation.

The municipality also owns and operates the water supply, which is brought from the mainland and piped through the city. The water is good, and there is no complaint of the supply or the rates. Gas, electric lights, and telephones are in the hands of private companies. There has been much complaint against the gas company, which has been charging $1.85 per thousand cubic feet. In 1904 a special inquiry was made on the gas question, and the *giunta* reported (March, 1905) in favor of a municipal plant. But in June, 1906, a new franchise was granted to the company, fixing the price at $1.10 per thousand cubic feet to private consumers, and somewhat lower for public lighting. This is

about the same price as the cost of gas in the municipal plant at Bologna, but higher than in the municipal plants at Padua and Como, and also higher than that fixed in the franchise granted by the city of Rome in 1898. The latter provided for a rate of $1.10 per thousand cubic feet, with gradual reductions to 85 cents in 1913. The difficulties of laying pipes in Venice may add somewhat to the cost and justify a slightly higher rate than in other cities.

Municipal dwelling-houses are being discussed in Venice. The population is badly crowded, and it is urged that the city might well follow the example of Milan, and construct some model houses on an unbuilt section of the island. Another project that is being mooted is the enlargement of the terminal facilities, to meet the needs of increasing commerce, and to prevent the loss of trade to the rival Austrian port of Trieste. But no definite action has yet been taken on either matter.

Local politics have been comparatively quiet in Venice. The city government is controlled by the moderates or conservatives, and the present mayor has held office for ten years. The Socialists are, however, becoming more active, and there are several smaller and less important factions.

MUNICIPAL GAS-WORKS

None of the Italian cities that have been separately discussed in this article have municipal gas-works. But the gas-plants have been municipalized in a number of other cities, including Bologna, Leghorn, Padua, Spezzia, and Pisa, among the places with over 50,000 population. The municipal works at Spezzia date from 1877; those in the other cities since 1894.

None of these works represent any very large investment of capital. The largest is Bologna, where the total investment is $1,300,000. The works at Padua have cost $260,000, those at Como $150,000, and the others smaller amounts. All of the plants show some increase in the consumption of

gas since municipalization, but the only striking cases are at Padua and Como, where the consumption has more than doubled in ten years. In only a few cases has it been possible to learn the cost of gas at these municipal works. In Bologna, the total cost, including interest and sinking-fund charges, is $1.10 per thousand cubic feet; in Como it is 80 cents per thousand, and in Padua 70 cents per thousand.

These results cannot be said to give a very decisive answer as to the success or failure of municipalization. While the cost of gas is comparatively low in two cities, that in the larger city of Bologna is no less than the price made by a private company in Venice, and is higher than the price now charged by the private company in Rome. And, with the exception of the same two cities, the consumption of gas from the municipal plants in Italy is so small that the cities cannot be said to be furnishing an adequate service to the community, or to be doing much better than private companies in other cities. On the other hand, the municipal plants can hardly be called failures. Financially they are self-sustaining, and the service is at least no worse than that furnished by private companies.

XIX

INSTRUCTION IN MUNICIPAL GOVERNMENT[1]

At the two preceding sessions of the National Municipal League the subject of instruction in municipal government has occupied an important place on the programme. Papers were read at each of these meetings showing what was being done in the colleges and universities throughout the country, and urging the importance of instruction on this subject. Outlines of special courses in municipal government and lists of text and reference books have also been published as suggestions for institutions which wished to add this subject to their curriculum. But, as was pointed out a year ago, attention has been thus far confined to the work in universities and colleges; and, indeed, was mainly directed toward advanced courses devoted exclusively to municipal government. At the last meeting of the League, however, it was decided to extend the work of the committee having the matter in charge to include the teaching of the principles of good city government in the public and private schools. It is with the subject as thus enlarged that I shall deal in this paper.

Most of my time and attention will be given to those aspects of the subject that have not hitherto been discussed at these meetings — that is, to the more elementary instruction, both in schools and colleges. But I shall also say something of the more advanced and specialized work in the universities; and of the correlation between the instruction in different grades of educational institutions.

[1] Reprinted from the Proceedings of the Detroit Conference for Good City Government and the Ninth Annual Meeting of the National Municipal League (1903).

Let me begin by making clear the distinction between the advanced special courses in municipal government such as have been heretofore outlined and the more general instruction, of which I shall speak in detail first. The special courses in municipal government are nowhere required courses, but everywhere electives, which appeal only to a part of the students in colleges and universities, — principally to those who specialize in political subjects. They are not taken, and it is not expected that they will be taken, by the large proportion of college students, whose main interests lie in entirely distinct fields of study; while the much larger body of future citizens who receive no college education — even yet more than thirty times as numerous as those who do — have not even the opportunity to benefit by such courses as have been described. The more elementary instruction, now specifically urged, is that intended for both of these classes of students, to train them for the performance of their duties as citizens.

It will not be necessary to take much time to show that such elementary instruction is essential for the success and continued progress of good city government. Our municipal governments are based on a system of manhood suffrage; and good municipal government depends primarily on an intelligent exercise of that suffrage. The necessity for teaching future voters the fundamental principles of American government is very generally acknowledged, even where the measures taken to do this work are most deficient. It needs, however, to be more clearly recognized than is now the case in many quarters, that the training of the future voters in our cities is by no means complete with a study of the national constitution, or even of the national and state governments, but must also include a knowledge of that government which is nearest at hand and most largely affects the daily lives of the citizens, — the government of the city.

Two fundamental rules may be laid down for this elementary instruction in municipal government, both in schools

and colleges. First, if the main object of reaching the large body of future voters is to be attained, the elementary instruction should not be given in a special course on municipal government, but must be included as part of a general course in government or politics, which every student should be at least expected to take. Secondly, the emphasis in this general instruction must be laid, not so much on the forms of government, as on the functions of the officials and on the rights, responsibilities, and duties of the citizens.

Of the specific nature of instruction in the elementary schools I shall say but little, as a lack of experience in this field leaves me incompetent to present details. It has seemed to me doubtful whether systematic courses in government can be taught to children below the high-school age, in a way that will have much effect by the time the children reach the age to exercise political duties. It is, however, possible to give simple explanations of the duties and activities of those public agents somewhat familiar to the children, such as the policemen, school teachers, and letter-carriers. And I may refer to an outline for work of this kind prepared by Mr. Harry W. Thurston, of the Chicago Normal School.

In the high schools and academies, however, it is clearly both possible and urgently advisable to give systematic instruction in civil government, including definite work in municipal government. In most of our secondary schools the more general subject has already established itself; but there is still need in some places for impressing on the school authorities the importance of this fundamental work. Even in the states of the Middle West, nearly one-sixth of the public high schools give no work in civil government; while in other parts of the country the proportion of secondary schools where this subject is wholly neglected is much larger, — from one-fourth in the North Atlantic and far Western states, to one-half in the South Atlantic group. At least one city of nearly 100,000 population gives no work in civil government in any of the public schools.

But while some attention is given to the general subject of government in most high schools, this seldom includes anything like adequate instruction in municipal government. To get some definite information as to what is now being done, I sent a brief series of inquiries to the schools in fifty of the most important cities in the United States. Answers have been received from thirty-three of these, of which ten report very little or nothing in the way of instruction in municipal government; ten report somewhat more attention to the subject, but still an inadequate treatment; and thirteen — about one-third of the cities reporting, and only one-fourth of the number of inquiries — do work that may be considered reasonably good. Judging from these reports, the best work is that done in Boston, Cleveland, and Detroit. It is surprising, however, to find some of the large cities in this country still using text-books in civil government which contain little or nothing more than an analysis of the national constitution. One city of more than 100,000 population, four hundred miles from Ohio, uses a text-book with the state constitution of Ohio instead of the state in which the city is located.

In view of these facts, there is an obvious need for impressing on the school authorities in many cities the importance of this subject as part of the training of the coming voters in their duties and responsibilities; while the character of the work done in many schools where something is attempted shows the need for discussing the methods and scope of instruction, and of urging a larger attention to this subject than it now receives.

Some explanation of the backward state of school instruction in this subject may be found in the slight attention that has been given to the subject of civil government in educational circles. That subject has not for ten years had a place on the programme of the National Educational Association. The only recent discussions of the subject of any importance have been in connection with plans for the teaching of history

in the secondary schools. And in these the teaching of civil government has been emphatically subordinated to that of history; while as the history work recommended ignores the study of recent local government, the influence of these plans has tended rather to cause the subject now before us to be neglected than to secure for it the attention which it merits.

The specific suggestions for high-school work in municipal government that can be made in this paper are necessarily brief. A preliminary step must be the abandonment of the old-style manual on the national constitution as a sufficient basis for work in government, and the introduction of a modern text-book dealing also with state and local government, and the machinery and influence of political parties. Good books for this purpose are: James and Sanford, *Government in State and Nation;* Ashley, *The American Federal State;* and Bryce, *The American Commonwealth,* abridged edition. Still better, for the study of state and local government, are the text-books on the government of particular states now being issued by different publishers, which usually give more specific information about municipal government in the state concerned than the more general works can do.[1] But the most effective part of the high-school course in municipal government must be that dealing with the government of the city in which the school is located.

The time that can ordinarily be given to this topic in a high-school course will not permit of a study of municipal government in foreign countries, or even of an extended comparison of municipal institutions in the different American cities. But the pupils can be taught the organization and activities of their own city, with a fair degree of precision; and this should be the primary aim of the high-school instruction. No doubt this imposes a more serious burden on the teacher, requires larger training and ability, and calls for greater

[1] A very useful book for the study of municipal government in schools is Willard's *City Government for Young People.*

tact and discretion than to teach the vague generalities of a text-book in use all over the country; but it is only on the basis of the intensive study of their own city that satisfactory work can be accomplished. An aid for this work exists in many cities in the Municipal Manual, prepared for the use of the city officers, copies of which can usually be secured for the schools. In a few cities a small pamphlet has been published on the city government, for example, in Cambridge, Mass., and this example might be followed in all the cities of importance.

Time and space do not permit of further suggestions as to methods of instruction, which would, in any case, require an incursion into the field of pedagogy, and may be left for discussion by those who have had special experience in secondary education.

In our colleges and universities, too, there should be instruction in municipal government, given as part of a general introductory course in government, intended not for the specialized work of advanced students, but for the main body of undergraduates. Some of the largest and best universities in the country, which offer ample work in municipal government for advanced and graduate students who specialize in history and political science, fail to offer the more elementary work for the general body of students. The universities cannot be excused from this work on the ground that it belongs to the secondary schools. For, on one hand, as has been noted, most of our high schools do not meet this need, even as far as they might; and this lack is more apt to be true of those schools whose main work is that of preparing students for college. On the other hand, it is not too much to say that every college graduate should be enabled to exercise his rights of citizenship with a larger knowledge and broader understanding of their significance than can be given in the best secondary schools.

That part of the general college course on government dealing with municipal government should differ materially

from the corresponding part of the high-school course. Instead of confining attention mainly to the study of a single city, the college course should include a comparative study of typical American cities, with special reference to those within the sphere of influence of the institution. Some reference may also be made to municipal conditions in other countries; but, in the main, that aspect of the subject must be left to the more advanced and specialized courses. The study of party machinery and the operation of extra legal forces can be more exact and more definite in the college than in the high-school course. And the more mature college students can be taught a higher standard of ethical ideals in politics than is possible with those of a younger age.

By thus emphasizing the importance of and the need for the more elementary and more general instruction in municipal government both in schools and colleges, I have not meant to underrate the advanced specialized courses established, especially in the larger universities. In view, however, of the previous discussion on this phase of the subject, it will not be necessary to present here any definite outline or specific suggestions for such courses. But it may be worth while to note the place which these courses should occupy in relation to the more elementary work. While they are not courses which every student can be expected to take, the number of students to whom they will be of direct benefit is perhaps larger than many people suppose.

In the first place, such special courses should be part of the training of those who expect to become teachers of municipal government as part of general courses in government either in secondary schools or colleges. It is perhaps true that, with a good training in history and the more general aspects of political science, an exceptional teacher may be able in time to develop for himself satisfactory methods and plans for teaching municipal government, as has already been done in some few cases. But the same advantages which result from specialized training in other branches of

educational work are to be secured in this particular field; and efficient and effective instruction in municipal government cannot be expected to become the general rule in our cities until the teachers are, for the most part, those who have received such special training.

Another important class of students to whom the special university courses in municipal government are of particular value are those who look forward to journalism as their profession. The university-trained journalist is almost certain to find his lifework in one of the important cities, where a large share of the subjects which will occupy his time will be questions of municipal government. The journalist who has given some time to a study of these questions from the comprehensive point of view of a university course will be best prepared to discuss the problems which arise in his own locality.

And in the third place, such special courses in municipal government are essential for all of those who do not expect their political activities to end with the ordinary duties of citizens, but who anticipate a larger share in the discussion and settlement of public questions and the management of political affairs. It must be clearly recognized that municipal government in our large cities, like the government at Washington, will not, and indeed cannot, be intrusted to citizens who, up to the time of their selection as officials, have been completely engrossed in their private affairs; but must be managed by men who spend much of their time studying the difficult problems to be solved. Politics, even under the best conditions, is no mere sport for dilettante amateurs; but a serious business where professional workers succeed, and must succeed, because they represent the same principle of specialization of functions and division of labor which lies at the base of all developing civilization. And if the illiterate and dishonest hucksters who too often perform this function in municipal affairs are to be driven from the field, university men must prepare themselves to take their

places, and to make politics as honorable a profession as any other.

Besides the university courses dealing specifically with municipal government as a whole, it may be worth while to call attention to the opportunities which our larger universities offer for the more detailed study of particular branches of municipal administration. These are even now being constantly made use of by those who enter into the various technical municipal services, as attorneys, engineers, sanitary officers, school officials, and the like. But in addition to this it would be possible, by combining the distinctly municipal subjects in different departments of a university, to present a comprehensive course in municipal administration, which would be the best preliminary training for some of the higher posts in municipal governments. To give a single example, the office of city clerk should be a permanent one, filled by a man who — without having the technical training of the experts in any one of the various branches of administration — has yet had a large amount of special knowledge of all of these branches. It is no doubt a somewhat fanciful suggestion to propose anything of this kind in view of present political conditions in this country; and I am very far from urging any student to carry out such a scheme with any hope of securing a suitable position. But it may be worth while, at least, to call attention to the possibilities of our present educational facilities, if political conditions ever become such as to utilize these advantages.

In conclusion, I have attempted to suggest in this paper a correlated scheme of instruction in municipal government running through the whole educational system, which may be roughly summarized as follows: —

1. Simple lessons in the duties of public agents in the elementary schools.

2. The systematic study of one city in high schools and academies.

3. A comparative study of American municipal govern-

ment as part of a general course in government in all our colleges and universities.

4. A comprehensive study of municipal government for advanced students in the universities, leading to,

5. The technical courses in the various professional departments of the universities.

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