

and functions under the board. In New York a constitutional amendment permitting the legislature to provide, subject to the approval of the respective counties, new forms of government for Nassau and Westchester counties (adjoining New York City) was adopted at the November, 1921, election. The legislature is authorized to provide for the transfer of town functions to the county governments in these counties. Two bulletins describing the conditions in these counties making reorganization necessary have been issued by the New York State Association. Petitions have recently been circulated in Michigan to secure the submission to the voters in November, 1922, of a proposed constitutional amendment providing for county home rule. Consolidation of city and county government under the manager plan has been proposed for Toledo in a report prepared by the Toledo chamber of commerce in coöperation with other civic organizations of that city.

Municipal Transit Problems. By far the most significant act of the past year in the regulation of municipal transit affairs is the law passed by the New York legislature for the control of the traction situation in New York City. It is a drastic and radical measure and has many important political, administrative and constitutional implications and consequences. The measure was passed under the frank and insistent leadership of Governor Miller (Republican) and was bitterly opposed by the New York City administration (Democratic) as well as by many New York City Republican representatives and leaders, and was strongly disapproved by the independent New York City Club. The constitutional requirement that laws applying to only one city must be submitted to the mayor of that city for approval or veto, was evaded by applying the law to "all cities containing a population of more than a million inhabitants." The law destroys, almost completely, local control of transportation in New York City. It creates a state commission of three members, appointed by the governor, and confers upon the commission practically all the powers formerly possessed by city agencies; the commission seems to be given about all the authority which the state, under its police power, could vest in an administrative agency. The commission has power to grant fare increases. It has the power to rewrite the contracts with the private companies for the operation of the city-owned subways, leaving to local agencies no limiting power in this connection; it can thus destroy all rights which the city now holds under existing contracts; on the other hand, the rights of the companies can not be modified except with the consent of the companies affected. The city retains the right to refuse assent

to new routes and to refuse the use of municipal credit for transit purposes.

The supporters of the measure defend it as a measure that will provide a strong agency to investigate and deal with conditions which demand forceful, fearless, comprehensive, expert direction, and on the ground that such results can be secured only by creating a unified agency endowed with broad powers, freed from interference by the city administration and from fear of local popular disfavor. The law is an extreme application of the legal theory of municipal governments as merely agencies and creatures of the state. It seems beyond question that the local unpopularity of the law contributed greatly to the sweeping victory of the Democrats in the November city election.

As members of the commission, the governor appointed the following well known men: George McAnenny, formerly president of the New York City board of aldermen, chairman; Major-general John F. O'Ryan; Leroy T. Harkness, a lawyer of Brooklyn, who had been connected with one of the two state public service commissions. The two first named are classed as Democrats, the last as Republican. In September, the commission issued its preliminary report embodying a tentative plan for combining all the city transportation facilities—now operated by about thirty companies—into three combined systems to be operated by three companies, with a fourth company to exercise financial control over the others; the city would be the legal owner of the properties; the present owners of the securities would receive bonds of the operating companies in exchange for their securities; the city would have no voice in the operating companies. On the board of control three members were to be appointed by the mayor, three by the investors and a chairman selected by the two groups.

The commission believed that substantial economies could be effected by consolidation and the elimination of numerous leasing and operating companies, with the duplication of overhead and separate traction policies and purchases.

The commission has more recently proposed plans for the expenditure of \$200,000,000 for new subways, including a moving platform to replace the present shuttle between Times Square and the Grand Central terminal; it suggested a one cent increase over the present five cent fare as a possible means of creating a working credit for the new construction.

In Detroit, at an election held last April, the voters rejected a service-at-cost proposal submitted by the Detroit United Railways and approved

a proposal for the city to buy twenty-five miles of additional trackage and to acquire and operate trackless trolley busses. The city is continuing to construct new tracks for the city-owned lines; and there are indications that the company is now preparing for an entire transfer of its properties to the city.

In Toledo the ten-year old controversy between the city and the street-railway company was brought to at least a temporary close by the result of the election in November, 1920. At that election the voters approved the grant of a service-at-cost franchise to the Community Traction Company—a newly formed corporation which takes over the street-railway holdings of the Toledo Railways and Light Company. The new franchise became operative February 1, 1921. The city's interests are in the hands of an unpaid commission acting through a paid street-railway commissioner. Under the terms of the franchise fares were immediately reduced from seven to six cents; but six months later the fares were restored to seven cents (retaining the one-cent charge for transfers), because of the decrease of the stabilizing fund to the point at which the rate increase is stipulated for in the franchise.

A supplement to the *National Municipal Review* for February, 1921, is devoted to the subject of "Service at Cost for Street Railways;" it contains articles on the Boston, Indianapolis, and Cleveland franchises, and an article on "Service at Cost versus Municipal Ownership."

In Cincinnati, the operation of the service-at-cost franchise adopted in 1918 has continued to produce successive rises in fares. The fare in June, 1921, had risen to nine cents, and the condition of the reserve fund indicated that further increases would be inevitable, under the conditions of the franchise. Thereupon the city council passed an ordinance providing that the overdue license fees for 1920 and 1921 are not to be paid unless in 1922 and thereafter the revenues produce a surplus therefor, that fares are not to be used to produce such a surplus, and that when the fare is over seven and one-half cents payments into the reserve fund are no longer required. This action was regarded as inspired by the desire of the party in power to escape the unpopularity which they feared might overwhelm them in the November election if further fare increases were not prevented.

In Seattle, where practically the entire street-railway system has been municipally owned and operated since April, 1919, the economic conditions have continued to be unfavorable to financially successful municipal operation. The investigation by the mayor indicated that, although there had been no corruption incident to the transactions

resulting in the purchase, a greatly excessive price had been paid by the city. The Seattle city council has recently, over the opposition of the mayor, voted to employ Peter Witt, former street railway commissioner of Cleveland, to make a survey of the municipal railway, and for a bond issue of \$680,000 for improvements and extensions of the system.

Two recent instances of the extension of municipal operation in the transit field are to be found in the taking over by the city of San Francisco of the temporary operation of a defunct steam railway serving certain industrial concerns in that city, and in the taking over by New York City of the temporary operation of the lines of a railway on Staten Island which the company, in the hands of a receiver, was proposing to discontinue. Grover H. Whalen, commissioner of plants and structures of New York City, recently testified before the state transit commission that the New York venture on Staten Island netted the city a profit of \$4800 for the first fiscal year, ending November 30.

Upon the expiration of the thirty-year franchise under which the Toronto Street Railway Company has operated, the Toronto city government, on September 1, 1921, took over the ownership and operation of the company's system, in accordance with an earlier vote of the people calling for that action.

The state public service commission of Pennsylvania has increased car fares in Philadelphia to seven cents, in violation of the franchise which provides that fares can be changed only by consent of both city and company. The power of the commission is supposed to be sustained by decisions of the Pennsylvania courts which hold that the commission may allow increases where rates agreed upon between a city and a company prove inadequate.

Kansas City, Mo., has passed an ordinance prohibiting the operation of jitneys on streets upon which electric railways operate.

In Minnesota a law has been passed authorizing street railways to exchange their franchises for indeterminate permits, to continue until the city buys the railroad property at a value fixed by the state railway and warehouse commission, or until modified or terminated by the legislature.

Kansas has again established a public utility commission, which was abolished by the industrial relations court law, and has transferred to the new commission all the powers and duties of the industrial relations court in regard to public utilities.

Organizations and Publications. In 1920 the National Municipal League and the American Civic Association entered into an agreement for close coöperation for one year, with the plan to consider complete consolidation if the coöperation proved successful. The *National Municipal Review* has been publishing the literature of the A. C. A. The *Review* has also, by agreement with the Government Research Conference, added a section, in its department of notes and events, devoted to the notes issued by the conference. These notes cover the activities of the various research bodies of the country. Mr. Henry M. Waite has been chosen president of the league, succeeding Charles E. Hughes, who resigned following his appointment as secretary of state. The *Review* has temporarily returned to a bimonthly, instead of a monthly, issue; on intervening months brief supplements devoted mainly to single subjects will be issued.

At the twenty-seventh annual meeting of the National Municipal League, held at Chicago in November, a session was devoted to the question, How should metropolitan centers be represented in the state legislature? Papers were read as follows: "Present restrictions on municipal representation," John M. Mathews, University of Illinois; "Is restriction fair?" Charles S. Cutting, Chicago; "Why cities menace the states," Lee Mighell, Aurora. Other sessions were devoted to the "financial plight" of our cities; the question whether city-manager government is applicable to our largest cities; criminal justice in American cities, with special reference to the Cleveland survey; the high cost of housing; and municipal zoning.

The 1921 meeting of the Government Research Conference was held in Philadelphia in June. Frederick Gruenberg, director of the Philadelphia bureau of municipal research, was elected president; R. E. Miles, director of the Ohio Institute of Public Efficiency, vice-president; and L. D. Upson, director of the Detroit bureau of governmental research, secretary-treasurer (reëlected). Mimeographed copies of the proceedings can be obtained from the secretary. The 1922 meeting of the conference will be held in Cleveland in June.

In September, 1921, a conference on the problems of counties and small towns was held at Chapel Hill, N. C., under the joint auspices of the University of North Carolina and the National Municipal League, with the coöperation of the North Carolina Municipal Association. The university has for several years, through the organization of local county study clubs and through coöperation with local officials and in other ways, made a very distinctive contribution to the study and treatment of the problems of small communities.