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Series I: General Correspondence, 1914-1969, undated.

Sub-series A: Alphabetical, 1914-1965, undated.

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Cleveland, City Manager Plan, 1920-1921.

September 27th, 1920

Mr. B. Lowenstein,
1323 West 9th Street,
Cleveland, Ohio.

My dear Mr. Lowenstein,

The enclosed letter explains itself. The Spitalny brothers are arranging quite a program for this very worthy cause. They contemplate giving the program some week-night in December.

Should we decide to grant this request it should be made clear that we are making an exception in this case, and that we do not desire to establish a precedent.

Use your best judgment in the matter and please let them know at your earliest convenience.

With kindest regards,

Very sincerely yours,

ADELBERT COLLEGE
COLLEGE FOR WOMEN

GRADUATE SCHOOL
SCHOOL OF MEDICINE

LAW SCHOOL
DENTAL SCHOOL

LIBRARY SCHOOL
SCHOOL OF PHARMACY

SCHOOL OF APPLIED SOCIAL SCIENCES
SCHOOL OF EDUCATION

WESTERN RESERVE UNIVERSITY
CLEVELAND, OHIO

October 6 1920

TREASURER
SIDNEY S. WILSON

Rev Abba H Silver
The Temple
Cleveland O

Dear Rev Silver:

The Cleveland Advertising Club, to which has been delegated responsibility for the publicity work in the campaign for increasing Cleveland's tax rate, has asked me to secure from prominent citizens short statements of reasons for voting "Yes" on the proposal. These statements will be used in a dignified but forceful manner to impress the general public with the reasonableness and the necessity of favorable action at the coming Election.

I trust that you will find a moment in which to give us such an expression for the truthful and effective advertising of this critical question.

Yours very truly,

Samuel Wilson

I am confident that the citizens of Cleveland will vote yes on all the proposal to increase the tax rate in order to make good the city's deficit and to increase the efficiency of the various departments.

*Our educational system, more especially
must be supported by leg. funds.
We have begun to collect funds for
expansion of the system.*



THE EQUITABLE LIFE ASSURANCE SOCIETY
OF THE UNITED STATES

120 BROADWAY, NEW YORK

W. A. DAY, PRESIDENT

HERMAN MOSS, GENERAL AGENT
314 HIPPODROME BUILDING
CLEVELAND, OHIO
MEMBER MILLION DOLLAR CORPS 1920

CLEVELAND,

October 20, 1920

My dear Rabbi Silver:

You have, undoubtedly, been reading with more than passing interest about the imperative necessity of the City of Cleveland securing financial relief through the medium of a tax increase. May I submit very briefly the following five logical reasons why you would be justified in giving this measure your approval? -

1. "It costs us more to live - it costs the city and schools more to live. But the city's revenue has been practically stationary for the last seven years.
2. The city has had to BORROW over \$12,000,000 in the past seven years to pay salaries, wages and running expenses.
3. You have to pay interest on borrowed money - so does the city. A pay-as-you-go policy would SAVE the taxpayers millions of dollars in interest on deficiency bonds.
4. Our public schools will have to eliminate high schools, kindergartens, community centers, and virtually all activities except simple elementary education, if the school levies are not approved.
5. Our schools, already badly crowded by reason of Cleveland's amazing growth, will be unable to accommodate thousands of children unless new buildings are erected immediately.

Do you want police and fire protection, good schools, parks, clean streets, hospitals, garbage and rubbish collection?

Vote to give our schools and city more money."

Rabbi A. H. Silver:
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10/20/20

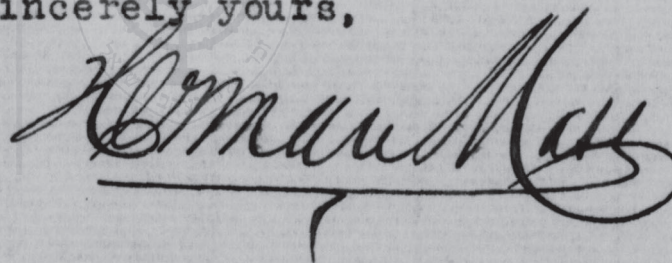
Assuming that your study of the problem will have justified you in giving this your endorsement, I would esteem it a favor if you could let me know at once of your willingness to allow a distribution of a circular at The Temple which would present in detail this pressing problem.

Might I also ask if you would be willing to make some brief mention of this subject in your sermon prior to election day, Tuesday, November 2nd?

With kindest regards, I am,

Sincerely yours,

HM/R



A handwritten signature in dark ink, appearing to read 'Herman May', with a horizontal line drawn underneath the signature.

Rabbi A. H. Silver,
c/o The Temple,
E. 55th St. and Central Ave.,
Cleveland, Ohio.

October 21st, 1920

Mr. Herman Moss,
Hippodrome Building,
Cleveland, Ohio.

My dear Mr. Moss,

I am in receipt of your letter of the 20th, calling my attention to the increased tax measures for the financial relief of our city, to be voted upon at the coming election. I need not tell you that the project has my full endorsement and I shall within the next few days make a public statement of it.

I doubt, however, the advisability of establishing a precedent by distributing a circular at The Temple. I may make mention of it at one of the Services.

With kindest regards, I am

Very sincerely yours,

October 22nd, 1920

Mr. Sidney H. Wilson,
Western Reserve University,
Cleveland, Ohio.

My dear Mr. Wilson,

Please pardon the delay in acknowledging your letter. I need not tell you that I most heartily endorse the forthcoming proposal to increase the tax rate in Cleveland.

I feel confident that the citizens of Cleveland will vote "Yes" on the proposal to increase the tax rate of our City, in order to make good the City's deficit and to increase the efficiency of its varied departments.

Our Educational System, more especially, must not be crippled, nor its legitimate expansion interfered with because of lack of funds.

Very sincerely yours,

.....

I urge my Fellow Citizens of Cleveland heartily to endorse, at the coming Election, the five proposals designed to bring financial relief to our City and to save our Educational System from complete demoralization.

The cost of operating the City has increased from less than \$6,000,000 in 1913, to over \$13,000,000 in 1920, while the City's income has remained practically the same.

The operating expense of our school system has likewise increased materially in the last few years. The payroll for teachers alone has been augmented by \$1,830,000 in the last year.

Our City then faces a great deficit. Unless the citizens of Cleveland vote in favor of the proposals which will be submitted to them next Tuesday, every municipal department will, to a large degree, be crippled. Cleveland will not have the police and fire protection, the clean streets, the well-kept parks and boulevards, and the efficiently run hospitals which the Fifth City of America ought by right to have.

Our entire School System will be seriously undermined. There are today 20,000 school children in our City who are but poorly accommodated, in basement rooms or in portable buildings, and who are not receiving the care, comfort or attention to which they are entitled. If the School Levies are not approved, not only will the problem of caring for these children become increasingly difficult as their numbers increase, but virtually all our High Schools, Kindergartens and Community Centers will have to be closed.

I cannot for a moment believe that the men and women of our City will permit a condition such as this to prevail here.

Cleveland is a progressive and prosperous city, in the van of civic enterprise, and a leader in many municipal projects now nationally adopted. It will not destroy this carefully constructed municipal life by withholding the necessary funds for legitimate and essential administrative and educational needs.



CIVIC AFFAIRS

PUBLISHED BY

THE CIVIC LEAGUE OF CLEVELAND

A BULLETIN ON THE PUBLIC'S BUSINESS



Number 29

MARCH - 1921

Cleveland, Ohio

CLEVELAND

Is She Paying As She Goes?

BEGINNING with 1921, the city of Cleveland purports to be operating on a pay-as-you-go basis, so far as its ordinary running expense is concerned. It will be recalled that since 1913 this had been impossible, by reason of the restricted tax rates which the city had. The practice of funding operating deficiencies started in a small way; grew worse during the war, and developed to alarming proportions in 1920. At the close of 1919 the city had issued \$7,000,000 in bonds to pay its deficits; in July, 1920, again, it issued \$5,750,000 for a like purpose, and that proved insufficient by over \$800,000 at the end of the year.

There was no defense of this practice, except as the restricted tax laws made it necessary. It was not disputed that the legal revenues were insufficient to meet the minimum needs of the city and it would have been difficult to say how much of the large deficits of the last two years could have been reduced without going below this minimum. In April, 1920, the Civic League said in its bulletin:

"Bonds to pay ordinary operating expenses or to meet deficiencies are financially indefensible. An unusual emergency may make an issue temporarily necessary but deficiency bonds should be avoided as the plague."

"It may be agreed to without argument that all operating and maintenance costs shall be paid for out of current revenues. Such as cannot thus be paid for must not be undertaken. If taxes will not finance public services then the remedy must be a higher tax rate or at least more income from some source. Citizens cannot expect service for nothing. This means but one thing—a political campaign to increase the sources of revenue."

The campaign referred to was had, and it was successful. At the November, 1920, election, the voters took advantage of the "Gardner Law" and other measures giving the city substantially double its prior revenue from general taxes. In supporting these levies the Civic League in its October bulletin made the following statement:

"By voting favorably to these proposals the citizens of Cleveland will make relief available, in the shape of revenues adequate for current operating expenses within the taxing limits, plus whatever may be required on account of debts. Deficiency borrowing and all its evil consequences can be avoided. Cleveland can regain her financial equilibrium, and begin to pay as she goes."

"We've Got to Pay Our Bills!"

"We cannot make it too strong. City and school officials present the facts. They are facing financial disaster which will bring disaster in other ways. The crisis is upon us. We cannot continue to borrow money to pay expenses. We've got to pay our bills."

Fred Goff before the Women's City Club—
Cleveland Plain Dealer, October 31, 1920.

Deficiency Borrowing.

THE measures were generally supported, and for similar reasons in every case. Civic and commercial organizations, the churches and the press joined in a concerted and mighty movement to provide substantial relief from the pernicious and indefensible practice of deficiency borrowing. There was every reason for believing that with these additional tax levies applied to a very much larger tax duplicate that the city would begin to operate upon the pay-as-you-go basis in 1921. Nowhere was the purpose to do so more explicitly stated than in the official campaign bulletin which was issued with the endorsement of the City Administration:

"You have to pay interest on borrowed money—so does the city. A pay-as-you-go policy would save the taxpayers millions of dollars in interest on deficiency bonds."

"Interest and retirement charges on these deficiency bonds will average \$1,800,000 annually for 8 years to come, and \$160,000 for 12 years thereafter."

"The taxpayer will pay \$17,385,000 to retire these bonds, which is \$4,635,000 more than it would have cost if the city had been running on a pay-as-you-go plan."

"If this deficit financing is allowed to continue it will not be long before interest and retirement charges on deficiency bonds will equal the city's present revenue from general taxation for operating purposes."

"Every one who has studied the question at all agrees that this costly method of financing the city should stop at once."

"No citizen having Cleveland's welfare at heart can wish to see the present method of financing the city continued. A moment's thought should convince any taxpayer that it is the most costly and wasteful method he could sanction."

"To continue borrowing money for operating the government can only result in higher and higher taxes with less and less to show for them. The legitimate demands of Cleveland upon the taxpayers in future will be sufficient. Why increase them unnecessarily?"

"Therefore, in order to serve your own interests vote YES on the two questions and for a 'pay-as-you-go' policy for the city."

"It will cost but \$5.05 more per \$1,000 assessed valuation to pay-as-you-go."

Members of the city administration expressed the same ideas many times in speeches during the campaign. The public was given to understand that if the levies were voted up the city would live within its income. It was a definite commitment to the pay-as-you-go policy. With this in mind the League has been interested to watch its actual application to the conduct of the city's affairs in 1921.

The Annual Budget

THE policy should manifest itself first in the annual budget. This was passed February 7th and comprises appropriations from the general fund to the grand total of \$13,675,048. These appropriations are based upon a tax levy of \$10,135,920, for general purposes, plus estimated receipts of \$3,539,128.00 from miscellaneous sources. It will be noted that the appropriations are exactly the same as the estimated receipts. Upon the face of its budget, therefore, Cleveland has started to pay-as-she-goes.

To verify this we may apply three tests, to determine,

- 1—Whether the estimates of revenues are correct;
- 2—Whether all the expenditures to which the city is committed are covered by appropriations; and
- 3—Whether in the actual expenditures the limits of the appropriations are observed.

The First Test

THE first of these tests is easily answered. The \$10,135,920 from taxes is as nearly accurate as can be determined, since it is simply the product of the tax duplicate multiplied by the tax rate available for general operating purposes. The \$3,539,128 is an estimate based somewhat upon receipts from the same sources in prior years; it varies, of course from year to year, and it may be assumed that the sum used by the council is a good approximation. But it should be noted that it is \$50,000 higher than the original estimate submitted by the mayor, upon data furnished by the Department of Finance. The elasticity of the miscellaneous revenues was demonstrated when the Council appropriated in excess of the mayor's estimate and the miscellaneous revenues were correspondingly increased to take care of the additional appropriation.

In the second aspect, it appears that the budget omits certain items which must and others which ought to be paid this year. The most conspicuous item, perhaps, is one of \$903,000 for interest and principal on the \$5,750,000 deficiency bonds issued in 1920. This must be paid. It was permissible under the Gardner law to throw outside existing tax limits the interest and sinking fund requirements on deficiency bonds issued in 1920. It should have been included when the rate for debt service was calculated and would have been allowable *outside* the general purpose rate. But actually it was overlooked and does not appear in the City Sinking Fund Commission's debt service requirements certified to the County Budget Commission.

Rate of 2.66 Proved Inadequate

THE rate of 2.66 in the levy of 22.8 was wholly inadequate if all debts were to be cared for and should have been extended to 3.2 to meet the interest and sinking fund

requirements on the deficiency bond issue of 1920. Inasmuch as it is a direct violation of the constitution of the State of Ohio to incur a bonded indebtedness unless provision is made for levying and collecting annually by taxation an amount sufficient to pay interest and to provide a sinking fund, we assume this \$903,000 will be paid from the proceeds of the levy for current general expenses, and that the resources of the general fund for the general appropriations will be reduced to that extent.

Moreover, there will fall due in this year the first half of the annual interest on \$1,750,000 of Public Hall bonds to be issued March 1, 1921, and on \$2,500,000 of City Hospital bonds. These items of interest must be paid from the proceeds of the general tax levy within the 15-mill limits and will further diminish the resources of the general fund applicable to ordinary running expenses by some \$122,000.

In addition to these items is another of \$803,534.40 of unpaid bills of prior years which should be cleared off the books in 1921. It is true that these particular bills may be paid and an equal amount of 1921 expenses carried to 1922 as unpaid bills. But this cannot be continued if the city is to live up to the true meaning of the pay-as-you-go policy. These bills constitute an additional deficiency of 1920, and should have been recognized as such, and their retirement should have been treated as an expense of 1921. It would thus appear that the 1921 appropriations and commitments are in excess of the estimated revenues, as follows:

Resources	
Taxes.....	\$10,135,920
Misc. Revenue.....	3,539,128
Total Revenues	\$13,675,048
Prospective deficiency Dec. 31, 1921.....	1,828,000
	\$15,503,048

Appropriations and Commitments

1921 Budget.....	\$13,675,048
Interest and Sinking Fund 1920 Deficiency Bonds.....	903,000
Interest on Public Hall and City Hospital Bonds.....	122,000
1920 Unpaid Bills.....	803,000
	\$15,503,048

Drifting Towards Another Deficit

FROM the facts recited in preceding paragraphs it appears that so far as paying as she goes, the city of Cleveland is drifting toward another deficit of nearly \$2,000,000 by the close of the current year. The only way to keep on the pay-as-you-go basis is to salvage from the appropriations made enough to meet the obligations which were omitted from the budget. Whether this is being done by the administration is a question of immediate pressing importance.

As to many items in the appropriations it is of course impossible this early in the year to tell with any degree of accuracy. But in the matter of pay rolls it is possible to obtain a highly significant index by comparing the expenditures of 1921 with those of the same period of 1920. By such a comparison we can determine with a fair degree of accuracy whether the pay roll expenditures will be kept within the appropriations. And such a determination is highly significant, for the pay rolls constitute by far the

larger part of the city's expense—\$8,610,000 of \$12,260,000 in 1920, and \$9,249,000 of the \$13,675,000 appropriated for 1921.

Greater Pay Roll Expenditure

THE total appropriation for pay rolls of 1921 is about \$600,000 greater than the total pay roll expenditures of 1920. This would permit about \$50,000 per month additional. But in January, a month when many pay rolls are relatively low, we find that the 1921 expenditures exceed those of 1920 by over \$200,000. It stands to reason that if the administration is seriously thinking of extricating the city from the ruinous policy of deficiency borrowing that it cannot afford to spend in the lightest month one-third of the total excess provided for the year.

Dangerous Tendencies

EXAMINATIONS of specific pay rolls indicate even more dangerous tendencies. In the table set up below there is shown, in the first column, the 1921 pay roll appropriations for each of the bureaus in the division of health, and in the second column the probable expenditures for wages and salaries, computed on the pay rolls for the second half of January, 1921. The situation in which the health division finds itself is not due to an overloading of its pay roll in 1921, but is due in part to the upward adjustment of salaries during 1920 and to the failure to receive in the appropriation ordinance the generous treatment accorded to other operating divisions. The inadequacy of the pay roll items was carefully explained to the committee on finance and appropriations but there was no disposition to work out a readjustment, the committee replying that if the impending deficiency materialized it would be taken care of with a transfer of funds and supplementary appropriation.

Health Division

	1921 Pay Roll Appropriations	Pay roll based on last half January pay roll
Division of Health (Gen. Adm.).....	\$ 5,642.00	\$ 5,619.84
Communicable Disease	48,008.00	62,415.84
Tuberculosis.....	77,388.00	82,071.84
Child Hygiene	74,804.00	78,770.16
Sanitation	61,013.00	65,555.28
Food and Dairy Inspection.....	53,293.00	56,658.48
Laboratories.....	35,889.00	37,559.04
Vital Statistics.....	11,454.00	12,653.52
	\$367,491.00	\$401,304.00

IT may be interesting to test the application of the pay-as-you-go policy in the Department of Parks and Public Buildings—possibly a surplus is being created there which may be transferred to meet the December pay roll of the Division of Health. The table which follows shows the 1920 expenditures for wages and salaries of eight of the divisions in the department, and the pay roll appropriations for 1921. It shows, also, how much was spent for wages and salaries in January and the first half of February of 1921 and the comparable period of 1920. These divisions have \$28,500 more available in 1921 than they spent in 1920, or an average increase of \$1,180 for each of the 24 half month pay rolls. It is to be noted, however, that \$9,000 has been added to each of the three 1921 pay rolls; and that instead of spreading the \$28,500 excess over the entire year it has been entirely consumed in February. If this pace is maintained, and there is nothing to indicate otherwise, these divisions will exceed their pay roll appropriations by considerably over \$100,000. The Division of Parks with a pay roll appropriation of \$288,000 is right now spending at the rate of \$256,000 a year. If this heavy expenditure is necessary during the winter months it may be pertinent to inquire how the Division proposes to meet the requirements of the summer months when the parks are opened to the public and when of necessity labor costs for operation and maintenance are doubled or trebled

ONE-FOURTH of the city's total appropriation for salaries and wages is spent by the police department. Last year this expenditure was \$2,174,717. The department requested \$2,778,664 for 1921, the council appropriated \$2,325,000. Pay roll expenditures are, however, not being kept within amounts available. The table that follows reflects the additions that are being made to the police department and the cost to the city computed on a yearly basis:

Police Department Pay Rolls

1921 Budget Appropriation, \$2,325,000.

Half Month Periods	Cost computed on yearly basis
Dec. 30\$ 97,807.20	\$2,347,372.80
Jan. 15..... 102,974.45	2,471,386.80
Jan. 30..... 104,933.12	2,518,394.88
Feb. 15..... 109,500.52	2,628,012.48

Comparison of the Pay Rolls in Certain Divisions of the Dept. of Parks and Public Property for the First Three Half Month Periods of 1920 and 1921

	Expenditures 1920	Appropriation 1921	PAY ROLL 1920			PAY ROLL 1921		
			1st half January	2nd half January	1st half February	1st half January	2nd half January	1st half February
City Hall.....	\$128,555.61	\$139,300.00	\$4,495.79	\$4,785.22	\$4,592.17	\$5,937.81	\$6,045.87	\$6,150.08
Garage.....	40,742.98	45,000.00	1,415.00	1,554.60	1,345.70	1,852.41	1,922.91	1,967.41
Street Lighting	69,586.50	79,866.00	2,425.29	2,507.58	2,473.38	3,182.96	3,209.48	3,209.48
Street Trees	21,089.92	21,000.00	502.28	373.44	634.68	1,290.71	962.86	861.37
Night Soil.....	18,278.02	18,176.00	701.25	748.55	701.25	937.17	845.17	901.17
Parks.....	291,569.56	288,000.00	7,192.20	8,249.06	7,152.45	10,369.62	11,108.47	10,690.16
Public Baths.....	78,804.40	85,020.00	2,195.30	2,261.13	2,270.81	4,046.35	4,009.35	4,014.35
Recreation	39,768.03	40,500.00	157.46	157.46	157.46	765.00	865.00	790.00
	\$688,395.02	\$716,862.00	\$19,084.57	\$20,637.04	\$19,327.90	\$28,382.03	\$28,969.11	\$28,584.02
				\$59,049.51			\$85,935.16	

ON the basis of the pay roll for the first half of February the department's appropriation will run out in November. The Civil Service Commission is now examining 800 candidates and it is the present intention of the department to add from 100 to 170 patrolmen to the force. If this program is carried through the deficit of the department will be in excess of \$400,000.

In view of these facts cited as to the pay rolls of the first three periods of 1921 it is almost certain that 1921 expenditures for wages and salaries will exceed the appropriations. The experience of recent years confirms this probability. In 1920 the budget appropriated \$6,827,000 for wages and salaries and the expenditures actually mounted to \$8,610,000. Such a budget is worse than no budget. If Cleveland is to pay as she goes, the budget must be made to mean something. It is a disturbing prospect, that Cleveland is likely to finish her first pay-as-you-go year with a deficit of no small proportion. Moreover, if this prospect is fulfilled, as it almost certainly will be, Cleveland will be in perhaps the worst situation of all its recent evil financial history. There is no authority to fund deficiencies; there will be no possibility of increasing the tax rate, and the tax duplicate which was increased by the amount of \$364,194,900 seems certain to be decreased to an amount more in conformity with the standards of valuations in other parts of the state. There are other disturbing factors as we look forward to 1922. The de-

mands to meet interest and principal on the Public Hall and City Hospital bonds will be increased materially. There will also be the operating expenditures for these institutions. These invasions of the general fund must be recognized and make it imperative to clean the slate in 1921 and leave unencumbered the operating revenues of 1922.

Piling Up of Deficit is Indefensible

IF ULTIMATE financial disaster is to be avoided, the city must conduct its activities within the revenues authorized, and officials must curb expenses to that end. The deficit which is piling up will be utterly indefensible. The present city administration was in power last year when the campaign to put the city on the pay-as-you-go basis was under way; it participated in that campaign; its spokesmen declared that with the increase in the tax rate which is now in effect they could run the city upon its revenues, and they pledged themselves to do so. If they now incur a deficit they will have done it with their eyes wide open, and cannot shift the responsibility. It is up to them immediately to begin adjusting the city's expenditures to its income. If they run until near the end of the year and then try to retrench they will disastrously cripple the service; if they economize and cut wisely now they can save heavily without curtailing anything essential. If they do neither the deficit is certain.

TAXES LEVIED IN THE CITY OF CLEVELAND, 1911—1920

(For State, County, City and School Purposes)

Year	Rate	Tax Value	Total Taxes	Population	Per Capita Tax
1911	1.36	\$ 714,351,715	\$ 9,715,183	584,390	\$16.62
1912	1.36	756,831,185	10,292,904	608,167	16.92
1913	1.55	814,308,510	12,621,781	631,944	19.97
1914	1.51	872,385,855	13,173,026	655,671	20.09
1915	1.53	891,331,835	13,637,377	679,198	20.08
1916	1.555	969,767,060	15,079,877	703,125	21.44
1917	1.555	1,198,713,560	18,639,995	726,852	25.64
1918	1.555	1,298,048,920	20,184,660	750,529	26.89
1919	1.775	1,389,051,290	24,651,233	773,106	31.89
1920	2.28	1,753,246,190	39,974,008	796,836	50.16

The past ten years have witnessed a striking increase in the cost of government. The tables above show that taxes have advanced more rapidly since 1911 than the population of Cleveland and with more speed than its wealth, if we may accept tax values as a standard of measurement. Population in this period increased 38 per cent, tax values advanced 145 per cent, and taxes rose 310 per cent. There is nothing startling about this upward trend until we reach 1920. It is a steady rise that reflects the growth of the city, the extended scope of governmental functions and the higher levels of operating costs. The flight of 1920, however, presents a surprising set of figures. Here in one year

an increment of \$15,000,000 is added to the tax burden; the increase alone being \$5,000,000 in excess of the total taxes raised under the 1911 levy. This is the price Cleveland paid last November when she responded to the call of the schools and city for financial relief. This is the price she paid to put the city on a pay-as-you-go basis. Taxes are now more than a source of irritation and inconvenience; they are a very considerable item of the family budget and are a serious handicap to industry and a deterrent to enterprise and investment. It is a live question whether the burden can be made any heavier.

THE CIVIC LEAGUE OF CLEVELAND

516 HIPPODROME BUILDING

CLEVELAND, O.

MAIN 6205

July 8th, 1921

Rabbi A.H. Silver,
The Temple,
Cleveland, O.

Dear Rabbi Silver:-

Since the first of the year the Civic League has given special consideration to the problems of municipal finance. In March we called attention to some dangerous spending tendencies and pointed out that unless a program of retrenchment was instituted a large operating deficit would be piled up at the end of the year. The city authorities were tardy in taking hold of the situation. They are now scaling their expenditures downward, and if this reverse tendency progresses the deficit at the end of the year will be materially reduced. Our interest in that study is to keep expenditures within income.

We are now broadening the scope of our investigation and are interested in the rising cost of local government, and the ability of business and industry to take on the increasing burden of local taxation. President Harding said last week, "There is not a menace in the world today like that of growing public indebtedness and mounting public expenditures". He was speaking to the federal tax spenders. His remarks, however, apply with equal force to the city of Cleveland. Taxes in the last ten years have quadrupled, and the local debt has trebled.

This letter is addressed to you because we want to know what tax payers have to say about the rising cost of local government. We take the liberty of setting forth two or three considerations to which we would like to have you address yourselves.

1- Bonded Indebtedness

This is probably the chief factor in the rising cost of local government. Last fall the public approved a \$15,000,000 school bond issue. The interest on these bonds will amount to \$9,450,000. We will pay \$24,450,000 for \$15,000,000 of schools. Next year the city's requirements for interest and sinking fund will be \$6,500,000 or about 40% of the tax revenues available for the city. Should we call a halt to the issuance of bonds and make permanent improvements out of savings?

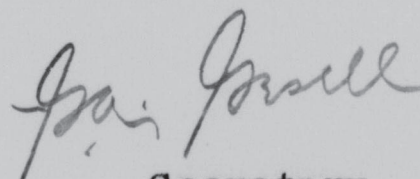
Rabbi Silver

2- Deflation

Business and industry are making radical readjustments. Wholesale and retail prices, salaries and wages and the cost of living are coming down. Taxes and the cost of local government are going up. It cost the citizens of Cleveland \$4,375,000 to operate the schools in the first five months of 1920 and \$5,820,000 in the first five months of 1921. The city spent about \$1,000,000 more in the first five months of 1921 than for the same months of 1920. Is business and industry in this period of depression able to absorb the increasing costs of local government? Should government be excepted in the general program of deflation, or would they set an example? What suggestions have you to offer that may be helpful in stimulating economy, efficiency and re-trenchment in local government expenditures?

We hope you will give this letter your very careful consideration. It is not our purpose to give any publicity to these replies. We want your reactions because we know they will be helpful in formulating our program.

Yours very truly,


Secretary

COMMITTEE OF ONE HUNDRED
CLEVELAND CITY MANAGER CAMPAIGN

PETER WITT,
Chairman
A. R. HATTON,
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TELEPHONE
ONTARIO 2239

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Vice Chairman
Stanley L. McMichael
F. B. Bicknell,
Secretary

July 20, 1921.

Rabbi A.H. Silver,
The Temple
Central and E. 55th St.,
Cleveland, O.

My dear Rabbi Silver:

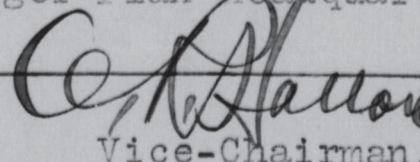
In view of the interest which I feel that you take in the city manager movement as well as the interest which you take in civic betterment I have taken the liberty of placing your name on the committee of one hundred which is indorsing the city manager plan for the coming election. We have an unusually representative group of people on this committee and we feel that the addition of your name will give it strength.

I am very glad to be able to tell you that our campaign is progressing splendidly. A great amount of interest is being aroused and the indications are that there is a very excellent chance for this issue to carry on November eighth.

I am enclosing a form letter which we have been sending out to a few of Cleveland's representative citizens for their information and which I believe will interest you as it gives concisely the hopes and aims of this movement. May I hear from you at your very earliest convenience so that I may definitely place your name on this committee?

Sincerely yours,

City Manager Plan Headquarters.


Vice-Chairman.

1129 to. Headgum

CLEVELAND CITY MANAGER CAMPAIGN

HEADQUARTERS
502 SINCERE BUILDING
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Executive Secretary

J. D. HALLIDAY

Secretary

E. S. BOWERFIND

Dear Sir:

You are, of course, aware of the proposal to submit to the voters of Cleveland the question of adopting the city manager plan of government.

It is generally agreed that the Cleveland city government is in an unsatisfactory condition. There is evidence of incompetent financial management over a period of ten or fifteen years.

There has been a steady decline in the general efficiency of the executive department during a similar length of time. Every investigation of this condition has led to the same conclusion, the inability of the city to secure and keep competent officers and employees in its executive service, and the constant injection of partizanship into that department of the government. No one claims that during the last ten years we have had a mayor with the executive ability needed to organize and carry on the now enormous undertakings of the city. Furthermore, the very method by which the chief executive is chosen makes it impossible for him to appoint heads of departments with sole reference to their fitness for the work which they are expected to administer. Men of proven executive ability refuse to enter the service of the city and be subjected to the partizan interference and insecure tenure which the present system necessitates. In other words, until the higher positions in the executive service of the city can afford an opportunity for a career the best ability will shun municipal positions.

Every investigation made in Cleveland and other American cities bears out the above conclusions. It is now generally agreed also that this condition cannot be changed so long as the choice of the chief executive of the city is based on popular election.

More than ten years ago the first attempt was made to cure these defects by the introduction of the so-called manager plan. Since then the plan has been perfected through experience and is now in operation in more than two hundred American cities varying in population from two hundred thousand down to mere villages. As a result of this experience certain definite conclusions may be drawn:

- (1) Higher grade executive ability can be secured and retained.
- (2) Partizanship has been practically eliminated from the entire executive service.
- (3) More careful financial management has resulted.
- (4) Executive efficiency has been generally increased resulting in greater returns in service for the money expended.
- (5) City manager government responds to public opinion more readily than any other type.

The plan proposed for Cleveland embodies only features proved desirable by the experience of other cities. In general the plan is as follows:

- (1) A council of 25 members, from 5 to 7 of whom will be chosen from each of 4 districts according to population. Nomination for council to be by petition of not less than 500 names. Election of the council to be by the system known as proportional representation, in order to secure accurate representation, and, majority control of the city government. This will open the way to real ability in the council and eliminate political bosses. We will be glad to lay before you in detail the remarkable results obtained by this system of election.
- (2) Upon the council, as upon a board of directors, will devolve the responsibility for determining the policies of the city and see that they are properly executed.
- (3) The council is required to appoint a chief executive to be known as the city manager. The manager will be appointed without definite term but subject to removal by majority vote of the council. When appointed the manager need not be a resident of the city or state.
- (4) The manager is held responsible to the council for the proper administration of the affairs of the city placed in his charge. To that end he will appoint, and may remove, all heads of executive departments.
- (5) The council is forbidden to interfere with appointments and removals in the executive service. No appointive officer or employee can pay or receive any political assessment, be an officer in a political organization, or take part in political campaigns.
- (6) The financial provisions of the present charter are strengthened at numerous points where experience has shown them to be weak.

This proposal is being submitted in the confident belief that it will do for Cleveland what the manager plan at its best has done for other cities in this country. It is not urged as a panacea. Any plan of government must of necessity reflect in some degree the normal frailties of human nature. However, there can be no doubt that, as here proposed, this is the best instrument of government yet developed for an American city.

Knowing your interest in the welfare and progress of Cleveland we are writing you in the hope that you will give this movement your active support.

Sincerely yours,

Cleveland City Manager Campaign.

Vice Chairman.