

THE OUTLOOK FOR THE MUNICIPAL ELECTIONS*

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IN INTRODUCING the memorandum on the *Municipal Elections* for your discussion and action, let me first emphasize the decisive importance of the time element. Approximately 50 per cent of this year's city elections take place before July. For these spring elections, it is already too late to prepare adequately. Even for those taking place in November, preparations cannot be delayed, but must get under way immediately.

In the second place, I should like to repeat what is emphasized in the memorandum: namely, the need for viewing all local elections in perspective, as they relate to the lineup for 1946 and 1948. This means that the major objectives must be the consolidation and strengthening of the coalition around Roosevelt; and, conversely, the weakening of the reactionary forces in both parties, especially the Hoover, Dewey, Vandenberg, Taft leadership of the Republican Party.

The key that will open the door

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to the broadest unity in every municipality is that of non-partisanship. A non-partisan approach is more necessary this year than ever, and has greater possibilities of success. It is interesting to note that of the 181 cities with a population of 25,000 or over which are holding elections this year, 40 per cent have so-called non-partisan administrations, 31 per cent Republican administrations and 25 per cent Democratic administrations. If all Southern cities are eliminated from this calculation, there are left 144 Northern cities with elections this year. Of these the non-partisan group would still make up 40 per cent of the total; the cities under Democratic administration would fall to 20 per cent, and those under Republican administration would rise to 36 per cent.

These figures are very revealing, for they are based, not on the type of election in the given cities, but on how the various city governments view the character of their own administrations. For example, in the material prepared for this meeting, New York is listed as having a non-

partisan administration, which it has, but New York nonetheless has a partisan type of election, with party primaries and party tickets. On the other hand, Cleveland and Chicago are listed as having Democratic administrations, which they have, yet the type of elections held in these two cities is non-partisan.

Let us therefore look at the relative figures pertaining to types of elections. In the United States there are 409 cities with a population of 25,000 or over. Two hundred and forty-two of these, or 59 per cent, hold non-partisan type of local elections; and 167, or 41 per cent, the partisan type with the traditional two parties on the ballot.

There is therefore a fundamental distinction between local and Federal elections of which we must not lose sight. It is obvious that the voters are even more prone to disregard party labels in a local campaign than they are in a national one. Even where the two party tug-of-war still takes place behind a façade of non-partisanship, it is still more possible to sway the voters by issues and for or against candidates on the basis of issues.

Let me cite an example from New York State to prove this. The city of Jamestown is located in Chautauqua County, one of the rock-ribbed Republican regions of our state. Yet in this city there is a local administration which was elected with the support of labor, and having labor men in the administration itself. And

although the mayor of the city is an independent Republican, his administration is none to the liking of the old-line Republican machine.

In communities of this kind where the Republican influence is so strong, the only hope of influencing the course of the election is to help find a candidate who is independent of both machines. And where he happens to be nominally a Republican, it is all to the good, as long as he has enough gumption to remain independent and not become a tool of the Republican machine, and as long as the local coalition remains strong enough to bolster him in this resolve.

A similar positive experience took place in the 29th Congressional District represented formerly by Hamilton Fish. Had the Democrats not agreed to run an independent Republican on their ticket against Hamilton Fish, this pro-fascist demagogue would still be the representative of that district today. And let me add in passing, that there are very many honest and progressive Republicans who can be worked with and can help widen the breach inside the Republican Party between the progressive and the reactionary forces.

Only by an approach of this kind to predominantly Republican regions, can the labor movement begin to play a vital role in the political life of such communities and help weaken the grip of reaction in the Republican Party.

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Now as to issues. These will of course vary from city to city, but I want to take this opportunity to speak about one or two issues that affect all, or nearly all, cities at this time. Nearly every city in the United States is in the throes of serious financial difficulties. This situation has, in fact, become chronic. Our cities today derive the largest portion of their revenues—some as high as 75 per cent—from taxes on real estate. These revenues accruing to the cities are barely sufficient to meet static operational expenditures, and are completely inadequate to deal with the dynamic needs of a modern city for expanded services of every variety—increased salaries for city employees, improved schools, hospital and recreational facilities; or to make basic capital investments for long-time city improvements, whether in the form of road building, the construction of new schools, hospitals and libraries, or slum clearance.

In most states the realty tax is held down by statutory limitation. In New York State this limitation is 2 per cent of assessed realty valuation. At the same time, most cities have no independent taxing powers of their own, except those given them by the state. The city is thus forced to go hat-in-hand to the state begging for the right to levy this or that tax, most often meeting with refusal; the only recourse before the city is to request increased state aid.

There was a justification for this

type of city-state relationship when our cities were small and far-between, or when our American economy was mainly agrarian in character. Today, a city like New York, with more than seven of the state's thirteen million population, is still without home rule when it comes to taxation. Even this would not be so bad if the state gave the city its proper share of state collected taxes, or increased state grants for specific purposes. But this is not the case. The state holds on tightly to its purse-strings, while refusing to release the city from its financial strait-jacket.

In the last decade the states themselves were in dire straits due to the terrific burden of unemployment relief, prior to our system of unemployment insurance, and the generally lower revenues from income taxes during the depression years. Under such circumstances the cities could only grumble as to their sad fate, although they did receive generous amounts of aid from the federal government for relief, education, housing, etc. Now, however, we are confronted with a national picture of mounting state surpluses, going into the hundreds of millions of dollars yearly, contrasted with the continued unalleviated plight of the cities. Thus the grumbling of yesterday is assuming the material proportions of a movement insisting upon a change in state and municipal fiscal relations.

Let me give you a few facts as to

the financial status of the states as compared to the cities. New York State has already accumulated, in fact has actually frozen, a surplus of 313 millions of dollars. Pennsylvania has a surplus of approximately 170 millions. North Carolina has 57 millions. New Jersey expects by next year to have 68 millions, and figures could be cited from many other states—all pointing to a similar development.

To sum it up. By the end of 1945 the state governments will have accumulated surpluses approximating the total indebtedness of our state governments the year before, which amounted to the huge sum of \$2,768,000,000. The city governments, however, without adequate surpluses, remain burdened with a staggering total of indebtedness of 13 to 14 billions of dollars.

Superficially, the situation of our cities appears better than it really is because the worst features of the above situation are being cushioned by the wartime restrictions on building activity and by the forced wartime reduction in city service and personnel. These have temporarily removed from city budgets items which relieve part of the immediate pressure but only at the cost of future accumulated demand. Also, the curtailment of building activity and the consequent housing and building shortage which has developed, has raised realty values, created a tight housing situation, with the result that the realty interests are at this

moment better able to meet their tax obligations to the city than ever before.

Once priorities are lifted on building materials, what will be the situation? There will be a pent-up demand for immediate action on long-needed repairs and construction. This is taken into account by the various city post-war plans. New York City is planning projects totaling \$1,200,000,000. Detroit is planning to spend \$270,000,000, Chicago \$900,000,000, Los Angeles \$400,000,000 and Cleveland \$170,000,000—to take a few.

But—and this is the nub of the problem—these cities do not have sufficient funds with which to carry these post-war plans through. They are all depending to a greater or lesser degree upon receiving large-scale federal and state assistance for the execution of these plans. Milwaukee and Lansing, Michigan, are the only two cities that are exceptions to this rule. Milwaukee is thinking of financing its own post-war projects through its yearly tax returns, but then again its post-war projects total only \$22,000,000, which is little indeed for a city of the size and importance of Milwaukee.

Thus this problem of city finances emerges as a central issue, and around it, two things should be achieved: (1) a greater mass pressure upon the state administration for the basic remedying of this situation; and (2) a closer cooperation between the city and federal governments and

support for Roosevelt's sixty million jobs program as a fundamental prerequisite to the basic solution of the problem of our cities. Thus, every important question which touches on local finances, and what local issue does not, can and must be tied up with the national perspective.

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As most northern states are at this time in the hands of Republican administrations (New York, New Jersey, Pennsylvania, Illinois, Minnesota, Wisconsin, California, etc.) this also provides an exceptional opportunity for developing a non-partisan pressure upon Republican governors and state legislatures, while at the same time winning non-partisan support for the Roosevelt program.

In New York State we are witnessing a very sharp cleavage in the ranks of the Republicans on this and other matters. The New York State Conference of Mayors has asked for state aid for New York cities and a change in fiscal relations. Republican mayors are just as anxious to get this as Democratic mayors. In fact it was the Republican mayor of Yonkers, N. Y., who pleaded in person at the state budget hearings some weeks ago and criticized firmly, though gently, Dewey's fallacious arguments on this subject.

However, this problem has not yet been made the concern of the people in the cities. It is looked upon too much as merely a problem for the

city administrations. Until we bring it to the people, the city administrations themselves will hesitate to open their guns on Dewey for fear of retaliation when they want some special favor, or in the case of Republican mayors, for fear of reprisals in Republican ranks.

It is no longer enough to press upon city governments for this or that need. It is also necessary to develop a movement that can help the city government solve its problems more basically.

There are many questions of municipal government that require deep thinking on our part, a thinking based on our general perspective for the years ahead. For example, when realty taxes were a few decimal points below the 2 per cent limit in the city, we used to raise a hue and cry demanding that realty be taxed to the hilt. In fact if there were no 2 per cent limit, we would have been asking for 5 per cent or 10 per cent. But this whole question deserves more basic consideration. There is considerable merit to the charge that certain types of realty is overtaxed, or that the form of taxation upon realty is bad. I believe that there is justice in the argument that the weaknesses in our present system of realty taxation is a contributing reason for the large blighted areas in all of our major cities. These obsolescent neighborhoods exist for years upon years, deteriorating before our eyes. Why? Because it is unprofitable to redevelop

op these formerly over-developed areas due to the high cost of this land and property and the higher rate of taxation. It is much more profitable to purchase cheaper land, and to develop new communities, on the outlying sections of the city or in the suburbs and at lower taxes. Thus we have a situation in which new cities are constantly growing up around old, dirty, disease-ridden blighted areas and slums. There is a flight of capital to the periphery followed also by a flight of city population which is aided in this quest for a decent home and a green tree by modern transportation facilities, especially the automobile.

The problem of our cities today is not so much that of expanding outward. That will take place anyway even though this process multiplies the cost of city administration in geometric proportions. The big problem before us is that of rebuilding and redeveloping huge areas of our present cities on a planned basis and at the expense of our present slums.

A great improvement over the present form of realty taxation would be to tax real estate not on the basis of its assessed valuation, but on the basis of its current income, that is, upon the gross rental value of occupied properties. This would mean

a far increased revenue for the city, when realty is doing well, but in those areas where buildings are partly occupied or where they stand vacant, taxation would be reduced proportionately.

The tendency of the labor movement to press for a solution to city finances by demanding increased realty taxes is also one of the reasons why the reactionary Republicans have been able to make such firm inroads among the hundreds of thousands of small home owners who usually see in every demand of labor upon the city government the threat of increased taxation for themselves. If, however, more pressure could be exerted in the direction of a fundamental re-examination of state and city fiscal relations, and of city finances as a whole, it would be possible to turn the ire of these small home owners from the labor movement and the progressive forces in the city to the Dewey administration in New York State and similar state administrations elsewhere.

These are a few thoughts on the memorandum before you. The municipal elections this year give us the opportunity to begin to fashion the thinking of the people about their city as it is related to the America of the future and as it is related to the state and federal governments.