

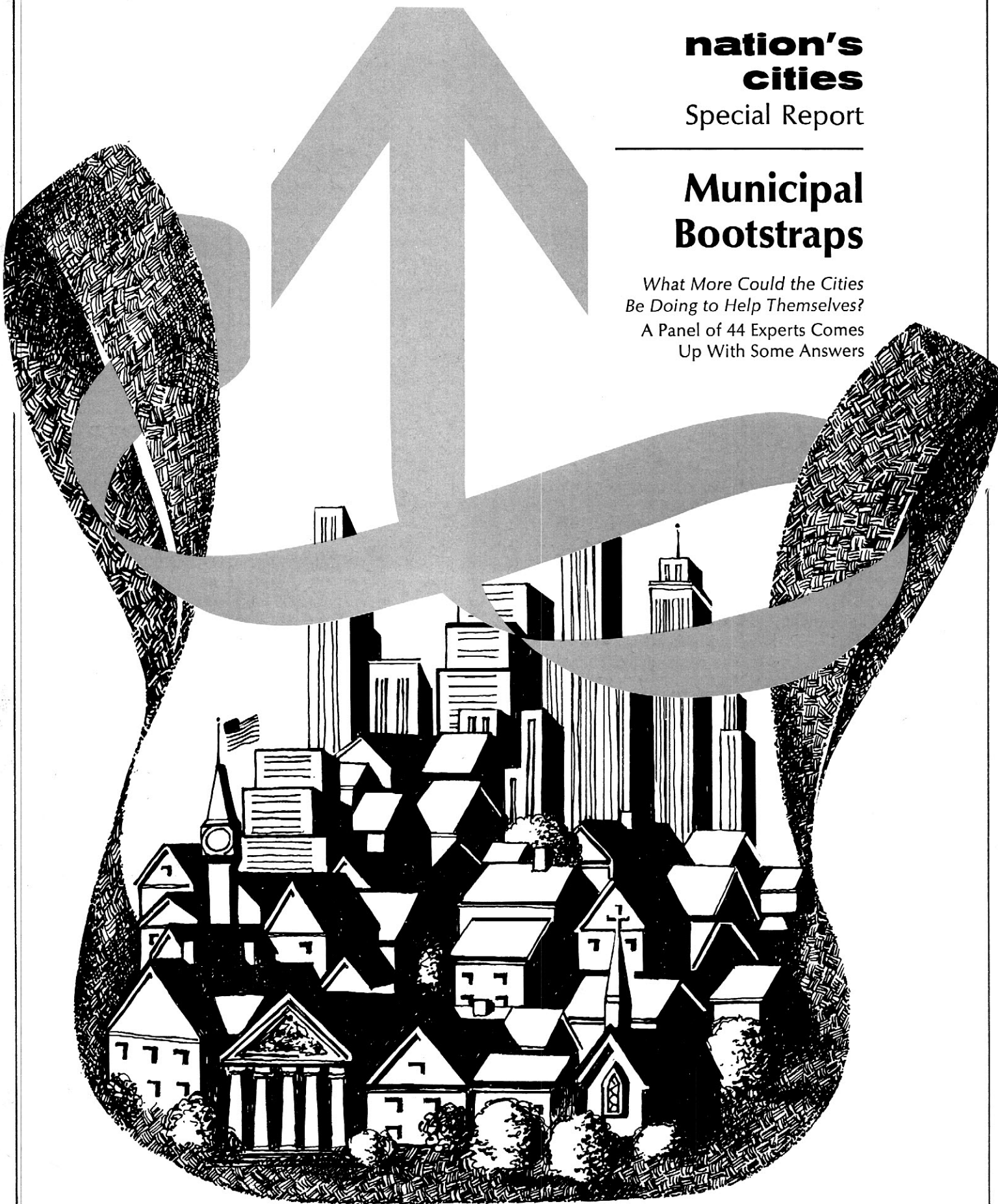
**nation's
cities**

Special Report

Municipal Bootstraps

*What More Could the Cities
Be Doing to Help Themselves?*

*A Panel of 44 Experts Comes
Up With Some Answers*



A panel of 44 experts comes up with some answers



On the next 31 pages you will find the consensus report on "What More Could the Cities Do To Help Themselves?" developed at a roundtable conference by representative leaders of the

National League of Cities
U.S. Conference of Mayors
Council of State Governments
National Governors Conference
International City Management Association
National Association of Counties
U.S. Department of Housing and Urban Development
Chamber of Commerce of the United States
Conference Board
National Urban Coalition
Ford Foundation
Tax Foundation
Advisory Commission on Intergovernmental Relations
American Institute of Architects
National Housing Center
Urban Institute
National Association of Manufacturers
International Association of Assessing Officers
American Society of Planning Officials
New York City Government
Universities

The roundtable conference was cosponsored by the first six of these organizations in association with *Time*, *Life*, and *Fortune* and the Schalkenbach and Lincoln Foundations. The panelists were assisted in their deliberations by an Assistant Secretary of Housing and

Urban Development and a number of outstanding university economists.

Before presenting their 30 specific recommendations for what more the cities could do to help themselves, the roundtable listed 21 reasons why the cities have been finding it so difficult if not impossible to solve their problems without much more help from the federal government—mostly money help—and without much more help from their state governments—mostly more power and authority for local self-government and more freedom about what local taxes they can collect.

While most of the discussion centered on the problems of the central cities that are now in the deepest trouble, most of the suggestions would be almost equally applicable in almost any city.

The word "consensus" should not be misconstrued to imply unanimity. It implies only broad and general agreement, and the fact that these leaders were invited to the conference to represent their organizations does not mean that their organizations have officially approved the content of this report.

What the individual panelists said at the roundtable was off the record; otherwise it would have been impossible to get frank talk leading to such a sensible consensus. But some of the panelists did agree to let some of their most interesting comments be quoted in the boxes that appear alongside the consensus text.

PERRY PRENTICE
Moderator and Rapporteur

Here are the panel members who took part in the roundtable on how cities could help themselves

From the National League of Cities
and U.S. Conference of Mayors:

PATRICK HEALY
Executive Vice President, NLC

JOHN GUNTHER
Executive Director, USCM

LEE ALEXANDER
Mayor of Syracuse, N.Y.

ROBERT E. FRYER
Director, Michigan Municipal League

DR. RAYMOND HIGHTOWER
City Commissioner, Kalamazoo, Mich.

H. G. POPE
*President, Public Administration Service,
Chicago*

GRAHAM WATT
Deputy Mayor of Washington, D.C.

LOUIE WELCH
*Mayor of Houston
(First Vice President, NLC and Vice
President, USCM)*

S. LEIGH WILSON
*Executive Director, North Carolina League
of Municipalities*

From the Council of State Govern-
ments and the National Governors
Conference:

BREVARD CRIHFIELD
Executive Director, CSG

CHARLES A. BYRLEY
Director of Federal-State Relations, CSG

LEON CHARKOUDIAN
*Massachusetts Commissioner of Community
Affairs*

EDMOND F. ROVNER
*Maryland Secretary of Economic and
Community Development*

CHARLES L. DELANEY
Vermont State Senator

From the International City Manage-
ment Association:

MARK KEANE
Executive Director

WILLIAM PITSTICK
*Executive Director, North Central Texas
Council of Governments*

SEYMOUR SCHER
City Manager of Yonkers, N.Y.

KENNEDY SHAW
City Administrator of Plainfield, N.J.

From the National Association of
Counties:

BERNARD HILLENBRAND
Executive Director

WILLIAM CONNER
*First Vice President and County Executive
of New Castle County, Del.*

C. BEVERLY BRILEY
Mayor of Nashville-Davidson County, Tenn.

From the U.S. Department of Housing
and Urban Development:

SAMUEL C. JACKSON
*Assistant Secretary for Metropolitan
Planning and Development*

From the Chamber of Commerce of
the United States:

DR. CARL MADDEN
Chief Economist

From the Committee for Economic
Development:

FRANK W. SCHIFF
Vice President and Chief Economist

From the Conference Board:

JOHN J. MURPHY
Manager, Governmental Affairs Research

From the National Urban Coalition:

ANDREW HEISKELL
*Co-Chairman (Chairman of the Board,
Time, Inc.)*

From the Ford Foundation:

MITCHELL ŠVIRIDOFF
Vice President for Urban Affairs

From the Tax Foundation:

C. LOWELL HARRISS
*Economist (Professor of Economics,
Columbia University)*

From the Advisory Commission on
Intergovernmental Relations:

WILLIAM MacDOUGALL
Executive Director

From the American Institute of
Architects:

ROBERT F. HASTINGS
President

From the National Housing Center:

THOMAS P. COOGAN
Past Chairman and Life Director

From the Urban Institute:

WILLIAM GORHAM
President

From the New York Economic
Development Council:

PAUL BUSSE
Executive Director

From the National Association of
Manufacturers:

A. WRIGHT ELLIOTT
Senior Vice President

From the International Association of
Assessing Officers:

PAUL V. CORUSY
Executive Director

From the American Society of Planning
Officials:

ISRAEL STOLLMAN
Executive Director

From the New York City Government:

RICHARD LEWISOHN
Finance Administrator

From the Universities:

Prof. JAY W. FORRESTER
*Massachusetts Institute of Technology
(Author of Urban Dynamics and World
Dynamics)*

DR. ARCHIBALD M. WOODRUFF, JR.
*President, University of Hartford
(Former Chairman, National Capital
Planning Commission)*

Prof. CHESTER RAPKIN
*Columbia University
(Director, Institute of Urban Environment;
Member, New York City Planning
Commission)*

Prof. FRED E. CASE
*Director, Housing, Real Estate, and Land
Use Research, University of California,
Los Angeles*

Dean WILLIAM L. C. WHEATON
*College of Environmental Design,
University of California, Berkeley*

Prof. ARTHUR BECKER
*University of Wisconsin-Milwaukee
(Chairman, Inter-university Committee on
Taxation, Resources, and Economic
Development)*

Moderator and Rapporteur:

PERRY PRENTICE
Time, Inc.

Today's urban crisis is just not a financial crisis but one involving almost every aspect of urban life

Most of the \$190 billion a year for federal taxes and most of the \$50 billion for state taxes comes from our urban areas and is paid by city-centered business and people who earn their money in the cities.

If the cities are rich enough to pay most of the costs of state and federal government, how can they be too poor to pay their own? Why must so many mayors spend so much of their time begging the state and federal governments to share with the cities these city-derived and city-paid revenues?

This is the great urban paradox, and until that paradox and its reasons are understood it will be hard for anyone to understand why so many cities cannot in reality do most of the things they could and should be doing to help themselves and why so many cities now need so much help from other layers of government.

As things are today, too many cities do indeed need more help than they are getting from the federal government—mostly money help to tide city governments over their immediate money crises. All the cities need more help and a big new deal from their state governments. They need help and a closer working partnership from their counties. And they need a self-evident kind of help from their own suburbs that are now taking advantage of an almost free ride on so many services the cities are providing for them. The bigger the city and the older the city the more help it is likely to need.

More specifically, the cities need help to straighten the jumble and confusion of intergovernmental relations so their taxpayers will no longer be stuck with such an excess tax burden for costs like poverty and education that are no longer truly local. They need help to end the fragmentation of local government. They need help to correct what is so obviously wrong with their tax system. They need help to cut their municipal costs. They need help to reverse the exodus of industry and the outmigration of middle- and upper-income taxpayers that is eroding their tax base.

But most of all they need a freer hand to help themselves, more willingness and determination to help themselves if they are given that freer hand, and a better understanding of how to go about working together to help themselves. And alas! Too many of the things cities might be doing to help themselves could be politically costly to the mayor who tried them.

Some of the reasons for the paradox that leaves our cities needing so much help are fiscal, some are competitive, some are legal, some are political, some are traditional, some are humane, some are organizational, some are due to unionization, some reflect poor city management, and some stem from the misapplication of their biggest tax. We must take time to spell out these reasons before it would make much sense for us to venture our suggestions for what our cities could do to help themselves.

For the short pull, the most immediate need of too many cities is money help to meet their soaring municipal budgets, so most of us would favor some form of federal revenue sharing at least as generous as anything now contemplated by either Congress or the President. And most if not all the added dollars for the cities should go to the responsible elected city government instead of being fragmented around a long list of independent urban agencies, thereby making the confusion in local government even worse.

But more money from Washington is only a small and perhaps temporary part of the help the cities need, for today's urban crisis is not just a city-hall-is-broke crisis. It is not just a race crisis or a slum crisis.

It is an almost total crisis involving almost every aspect of urban life and the urban economy—downtown decay, white flight to the suburbs, housing abandonment, welfare-as-a-way-of-life, air pollution, water pollution, traffic congestion, crime on the streets, soaring municipal labor costs, school desegregation and now resegregation up to 80 per cent black, neighborhood resistance to change, underused and wasted land, too

much demolition, too little rebuilding, etc.

All these urban problems are interrelated, so whatever is done to solve one problem will affect the solution of one or more of the others. All of them will cost

money to solve.

And most of them are either causes or consequences of one great basic problem that haunts most of the central cities. . . .

Jobs and taxpayers are leaving the central cities as job needers and welfare families keep moving in

For this, the all-too-obvious and all-too-simple explanation is that too many central cities have let themselves become less attractive to employers and taxpayers than they are to the jobless and the poor.

So New York, to cite one extreme example, has lost more than 400,000 industry jobs and put 800,000 more people on welfare. St. Louis has lost 380,000 population and more than 200 industrial employers while adding 100,000 people below the poverty line. Chicago's no-population-growth master-plan would make

it necessary for 500,000 white adults plus say 500,000 still-to-be-born white children to move to the suburbs between now and 1980 just to make room in the city for the natural growth of 500,000 still-to-be-born non-whites.

Concludes a study by the Congressional Research Service for the Subcommittee on Intergovernmental Relations:

"Since World War II this country has seen a mass migration of the more affluent from cities to suburbs;



BUSSE—"We should consider the function of the user tax rather than its revenue."

HEALY—"Mayors get blamed for everything."



WHEATON: A Lack of Research and Imaginative Planning

Many of our urban problems are generated by persistent poor-mouthing and inadequate performance.

New York City still is the highest per-capita-income city in the world. It still has the greatest productivity, per capita, of any metropolitan area in the world—twice that of any other city outside the United States and about 20 or 30 per cent greater than that of any other metropolitan area within the United States—so there is good reason why people continue to want to move to this horror. They pay a very high price to share in a very substantial benefit. By and large, the people who move to New York improve their condition and contribute to the production of the metropolitan area and we have good studies to show that by and large, they don't go on welfare any more quickly than people who have lived there all their lives.

So a lot of our real problems stem from misapprehensions combined with the problem of too-rapidly-rising expectations.

Too many cities have been chasing something that's gone—chasing manufacturing industry. Why, that's a declining sector of the American economy; in another decade, it will be down where agriculture is now. There hasn't been any real growth in manufacturing employment in the country for a decade. . . .

There are some functions that still belong in the cities—the managerial functions, the entertainment functions, the finance functions, the government functions, and, in some degree, the education functions. Those are the pre-eminent central city functions—and, fortunately for the cities, they are the growth areas in our economy.

By effort and confidence and faith and a sense of community and willingness to take risks, we could keep central cities viable. . . .

Let's consider New York as an example of what the cities have been doing wrong. New York has built more office buildings than the rest of the country put together—and it's all trash. It's all built on exactly the same model of 1920, and it's obsolete. These tall office buildings should have been built on a platform probably five or six levels

Continued on page 16

and another mass migration, this one involving the rural poor, black and white, from farm to center city. The city has lost those who are able to care for themselves and gained those who require the help of city institutions and funds. The municipal government must finance an increasing load of welfare, public health, and public recreation. It must continue to provide sanitation, transportation, and police services for hundreds of thousands of suburban commuters as well as for its own residents. It must maintain the facilities of its role as the educational, cultural, and governmental center of the metropolitan area. Meanwhile, the affluent, whose taxes would support these functions, have moved beyond the city's taxing powers. . . ."

All this is eroding the central city tax base just when the poverty influx is increasing the central cities' revenue problems. It raises the preposterous prospect that before long most of the central cities' white-collar workers may be living out of town and commuting *in* to their office jobs while most of the poor live in town commute *out* to look for factory jobs. But now office jobs are beginning to follow the exodus of their workers; since 1965 New York has lost (or is losing) the headquarters of 22 very big companies, including, for example, Universal Oil, Johns Manville, American Can, Shell Oil, Cyanamid, Pepsi-Cola, and Flintkote.

This job-and-taxpayers' exodus is the central cities' most urgent problem, and the one best thing our cities could do to help themselves would be to shift enough of their priorities so business and taxpayers would want to move in instead of moving out.

This poses for the cities some very tough decisions about how to allocate their far-from-unlimited resources.

The suburbs almost everywhere have made this decision. They have decided they want to make themselves attractive to middle- and upper-income families who will pay taxes instead of expecting public support. They want to attract tax-paying industry to help hold down the taxes on their homes. Conversely, they want to keep out people who will not be able to carry their full share of local costs, i.e., the poor.

None of us would want to suggest that the cities should try to make themselves unattractive to those in

need, but unless the cities can make themselves at least equally attractive to taxpayers and employers the poor may find themselves abandoned and jobless in bankrupt cities they would not want and could not afford.

So the poor have as much reason as anyone else to want the cities to make themselves more attractive than they now are to business and to higher-income families.

Unless some way can be found to make the leaders and pleaders for the poor understand that the poor have a big selfish stake in reversing the industry-and-taxpayer exodus there is a very grave danger that as the welfare vote grows and the poverty vote grows they will put stronger and stronger pressure on City Hall to spend more and more of its limited resources to do more for the poor and correspondingly less to keep city locations attractive to business and the middle-class. This would create a vicious circle that could soon fulfill the forecast that Newark provides a foretaste of what will soon happen to many other cities.

Suburbs and satellites likewise have good reason for wanting to strengthen instead of (as now) weakening the economic base of their central cities. For without a good central city to subtend most of them would just be a huddle of country towns, few if any of them big enough to offer their people the choice and variety job opportunities, recreation opportunities, cultural opportunities, and social contacts that only a sizable city can provide and few of them big enough to offer business the variety of job skills, supply sources, supporting services, and local markets that are so essential to all but the biggest and most self-contained companies.

Sooner or later suburbs, satellites, and counties will have to recognize their own stake in the future of their central cities, but this recognition will not come quickly. For the present, few of us think the suburbs will willingly share the city burdens and problems their people moved out to escape. Few of us think the suburbs will willingly stop bidding against their cities to lure away more jobs and strengthen their own industrial tax base. And few of us think either the state or federal governments will do much to right the city vs. suburb imbalance, for the suburbs have grown to have more voting population and more political clout than the cities they subtend.

So better late than never the central cities had better start giving much more thought to what they can do to help make themselves more attractive to taxpayers and employers. As a first step to that end we suggest that every city should ponder some simple questions about why the poor are still pouring into the cities and what employers and taxpayers want that too many central cities no longer offer them.

The reason why the poor keep pouring into the cities is the same today as it has always been for thousands of years: they know no other place to look for jobs and no other place to try to find housing—good, bad, or worse—that they could afford. Even if today's suburbs would take them the suburbs have little to offer anyone who cannot afford a car. Farm mechanization has driven and is still driving millions of workers off the farms. Urban slums are their only refuge, even where the cities offer too few jobs they are qualified to hold or (in these days of rising expectations) willing to take. Higher welfare payments in some states like New York, New Jersey, and Connecticut and more subsidized housing in some cities like Newark and New Haven may have made some cities extra attractive, but even cities that were slow to accept federal subsidy money like Colorado Springs, Indianapolis, Fort Wayne, and Manhattan, Kan., have tripled their low-income population.

Industry gives two primary and two secondary reasons for quitting the central cities. The secondary reasons are:

(1) The cities have let their streets get so traffic jammed that in-city locations are losing their long-time advantage of easier accessibility. Many suburban locations near expressways are now easier to reach for trucks and for anyone who can afford a car.

(2) City streets are not as safe as suburban streets. This can be a real problem for the night shift.

The two primary reasons given are:

(1) Around every central city there are dozens of tax jurisdictions where local taxes are much lower.

(2) Land in the central cities is much too expensive and much too hard to assemble. This is not because there is any land shortage in any city; it is because underused land in most cities is so underassessed and

WHEATON

Continued from page 14

high, to house functions like stores, restaurants, etc., that need easy access to the street, all connected by some modern systems of transportation connected by moving walkways out to the edges of the area where you have to put the cars. You can see that kind of building on a pad in Hartford's Constitution Plaza, in San Francisco's Golden Gateway, and now on a still bigger scale in the new projects for Houston.

Not just New York, but all our cities need to think much more imaginatively about the requirements of the future. . . .

The federal government has been spending \$5 billion a year for research, but not 1 per cent of it was being spent for research into any urban problem unless you consider health a strictly urban need. . . .

Today we just plain don't know what policies our cities should be following because we haven't researched the facts. If Congress won't give HUD the money it needs for research, the cities had better get together and put up their own cooperative money for the research they need.

Without researching the facts too many people are saying we ought to scatter the poor and ease their concentration in the cities. But it's a good hypothesis that we can more efficiently modernize the poor and make them self-sustaining right in the cities where they seem to want to live than by scattering them over the landscape.



FRYER: It's Not Too Late for Smaller Cities

The report that our cities are dead is greatly exaggerated.

The great cities may be almost over the dam, but it is not too late for the great majority of the 13,500 smaller cities to solve their problems if they work together. They can work together to help the counties get county home rule. They can work together to get better annexation laws. They can adopt uniform building codes. They can impose user charges that will let the pricing mechanism function to ration certain municipal services. They can learn by each others' past mistakes to avoid those mistakes in the future.

undertaxed that its owners are under no tax pressure to release it for reuse at a price that would be profitable for the buyer. That's why federal urban renewal subsidies are now needed to buy up land at three or four times its reuse value. And that's why, to cite a specific and shocking example, the owners of one almost-abandoned block in St. Louis that was taxed only \$700 a year could afford to hold out for a price of \$519,000 before they would release it for reuse.

Reasons middle- and upper-income taxpayers give for leaving the cities are:

(1) Property taxes are lower in many suburbs for the services they want.

(2) Streets and homes are safer in the suburbs.

(3) Air is cleaner in the suburbs.

(4) Schools are better in the suburbs and their children won't be bussed to schools that are fast being resegregated close to 90 per cent black (in Washington) or close to 80 per cent black (in Manhattan, Philadelphia, Baltimore, etc.).

None of these reasons for employers and taxpayers wanting to move out is incurable if the cities can get the needed state, federal, and county cooperation. But that will still leave the problem of how to make the cities more attractive to employers and taxpayers so they will actually want NOT to leave.

The states enact most of the legal reasons why our cities find it so hard to help themselves

So the cities need more responsibility-sharing by the states at least as urgently as they need more revenue-sharing from Washington. For the long pull this may well prove much more important, for cities are the creatures of their states and have no independent powers of their own.

Under today's setup the cities have most of the

domestic problems, the federal government has most of the money, and the states have most of the authority to make the needed changes.

All of us support the Advisory Committee on Intergovernmental Relations conclusion that:

“State governments occupy the strategic high ground from which basic urban and rural problems can be attacked effectively. . . . The states can and must provide constructive leadership and assistance on the local government frontier by strengthening their counties and cities, by providing direct fiscal and program incentives, by expanding the local revenue base, by arbitrating intra-jurisdictional disputes—in short, by fully recognizing and accepting their responsibility as the legal parent of local government.”

Here are some of the areas where help from the states is urgently needed:

(1) The states determine the form and organization of city government, and too many states have fragmented local government under a host of semi-independent boards, agencies, commissions, authorities,

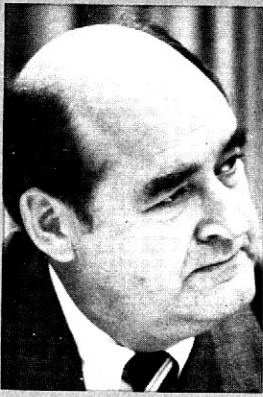
and special districts. “By fragmenting local authority and responsibility we have made it impossible for local governments to govern,” says HUD’s assistant secretary for Model Cities. In Oakland, Calif., for example, only 15 per cent of the federal subsidy dollars poured into that city under 134 federal subsidy programs was channeled through the elected city government. California is not the only state where 50 per cent of the property tax receipts are likely to be earmarked for the independent school board, 30 per cent for the county, and perhaps another 8 per cent for various independent agencies, so only 12 per cent ever reaches City Hall. As for state aid to cities: in New York 60 per cent goes to the independent school board, only 8 per cent to the city government.

(2) The states set the rules under which city boundaries are fixed, and too many states have so written those annexation rules that expanding the city to facilitate metropolitan planning and broaden the tax base for urban services is difficult if not impossible. Notable exceptions are Texas and North Carolina.



MacDOUGALL—“Every city should re-examine its mission.”

SCHIFF—“Schools have not been held accountable for their output.”



MADDEN: A Need for a National Urban Growth Policy

People who have been voting with their feet to escape the city can only run so far. The bulk of the country's physical assets now domiciled in cities cannot be allowed to rot in discard.

In fact, concern with environment argues squarely for economizing such physical resources as never before. Ecology adds a new dimension to scarcity—the scarcity of earth, air, and water. The duplication of utilities that suburbanizing the whole population would involve comes only at astronomical real cost. Looking ahead for half a century, can anyone seriously argue that dominant civilizations will abandon cities?

If we are to rebuild our cities rather than desert them, how shall we assure a livable environment?

We need a government policy for urban growth and metropolitan innovation. It should preserve our remarkable freedom of movement for people, jobs, and money but set national environmental standards.

It should foster mass-produced modular and component elements, promote revision of state building codes to set uniform nationwide performance standards, and free up the nation's construction work force from its scandalous monopoly grip on large portions of the building industry. It should reject the financial gimmickry which now pushes the housing industry further into government control and unleashing private creativity from the shackles of outmoded habit.

Government policy cannot function by thinking of the city itself alone. The archaic restriction of the city will kill it in a few years. Already suburbs are learning that a dying city spreads its infection. The suburbs cannot fence themselves away from the city, because they live on it.

Reform is badly needed in municipal tax systems. The metropolitan tax base needs broadening. A powerful tool for rebuilding urban centers through private initiative lies in reforming the property tax. Higher urban taxation of location values and lower taxation of improvements would help push land into more effective use. Growth of the city upwards rather than outwards would economize on expensive utilities. Combined with multi-use zoning, such development would restore human scale to urban life, create variety, and contribute to urban safety.

(3) The states determine the scale of welfare payments and allocate how much of the poverty cost must be paid out of local city or county revenues. In some cities like New York these state-assigned welfare costs consume more than half as much money as is collected from the local property tax.

(4) Too many states weaken the local property tax base by adding homestead exemptions, veteran's exemptions, farming exemptions, disability exemptions, low-income homeowner exemptions, senior citizens exemptions, and even golf course exemptions to charitable and religious exemptions that in some states cover commercial uses too. Most notoriously, California has exempted temporary open space reserves, thereby enabling big landowners to hold land off the market indefinitely at virtually no tax cost at all! The least the states should do is reimburse local governments for tax losses the legislature votes for added exemptions.

(5) Most states multiply the cost and difficulty of slum clearance by prescribing long waiting periods before tax-abandoned properties can be taken over for redevelopment.

(6) All states provide the judicial system to which police must take their cases. Too many states make it harder for the police to cope with crime on the streets by providing too few courts and too few prosecutors, so too many criminals know they can get off with almost no punishment if they make a deal to relieve the overcrowded court calendar by pleading guilty.

(7) The states provide the prison system, and in too many states prison inmates come out more hardened criminals than they went in.

(8) The states decide what responsibilities should be assigned to the cities and paid for by the cities, which should be assigned and paid for by the counties, which should be scattered around among independent agencies, and which should be kept in the hands of the state and paid for by the state. Under this state-determined allocation, too many cities and city-centered-counties are burdened with more costs than their state-authorized tax resources can meet—including heavy costs for welfare and education that are borne as a matter of course by the national governments in almost every other country.

(9) The states determine the basis on which the cities must compete with their suburbs to attract and hold industrial jobs and taxpaying industry, and too many states permit suburban tax shelters where the taxes on industrial parks may be as little as 10 per cent as high as in the nearest cities.

(10) Almost all states are delaying, complicating, or blocking county home rule that is so important to better teamwork between city and county.

(11) The states write the minimum wage laws that worsen the cities' poverty problem by making it hard for teenagers and other untrained labor to find work.

(12) Too many states fail to live up to the responsibilities they do accept in principle. For example, Houston had to set up a city university because the state refused to provide a state university in the state's largest city, and Houston had to build a tuberculosis hospital because the state would not put up the money for a state tuberculosis hospital there.

(13) All states except Texas let the fire insurance companies set wasteful and archaic fire protection standards for their cities to meet.

(14) Some states are enacting shorter work weeks

for municipal workers. For example, New York has ordered a 40-hour week for firemen that will add \$1.7 million a year to the Syracuse payroll.

(15) Perhaps most important, the states determine what taxes the cities may impose to meet their state-assigned responsibilities. Too many states forbid or limit their cities' power to levy sales and/or income taxes. Too many states set a low ceiling on how much money their cities can raise by the only levy traditionally reserved for their use, the property tax. And with two minor and half-way exceptions (Pennsylvania and Hawaii) all states forbid their cities to shift the weight of the property tax off the owner-paid value of improvements (which in many states are so overtaxed that the levy is a major deterrent to improvements) onto the community-created value of the location (which almost everywhere is so undertaxed that the undertaxation encourages and subsidizes decay, blight, slum formation, land waste, and sprawl).

We are almost unanimous in recommending that the states should repeal their constitutional limits on local taxing powers and reconsider the need, wisdom, and desirability of their legal limits.

Another reason why cities need help is to meet low-tax competition from their lower-cost suburbs

Too many cities feel that in order to attract and hold taxpaying and job-creating business and industry they must keep their tax rates lower than the rates needed to cover their municipal costs.

State governments could minimize this problem if they would take over the basic costs of school education as recommended by the Advisory Commission on Intergovernmental Relations and the National League of Cities. Then the cities would no longer have to compete with outlying tax shelters zoned to enjoy a big industrial tax base with few children to educate. Freed from any gross inequality in the school tax—an inequality that helps some New Jersey tax shelters offer tax rates nearly 90 per cent lower than the nearby cities

—much if any remaining tax difference would just reflect the comparative quality and desirability of local service plus whatever excess costs of poverty the state may make the city carry.

Some of us believe very strongly that the states should raise the money for education from some source other than the property tax, but others agree with the recommendation of the Fiscal System Task Force in Oregon that most of the money should be raised by a uniform statewide property tax on land only. They argue that taking school costs entirely off the property tax would be capitalized into higher land prices (as shown by the experience of Australia and many other countries) and so worsen the land price inflation that has sent land

prices here soaring six times as fast as the rest of the price level; and they cite the California referendum in which the voters turned down a proposal to cut the property tax there by some 50 per cent by setting a 1-per cent-of-true-value ceiling on the levy. Said the California Taxpayers' Association "such a ceiling would necessitate either tripling the state sales tax or doubling the state income tax." Said the California Statewide Homeowners' Association: "Our members would have ended up paying more taxes instead of less if the property tax had been cut in half. The only beneficiaries would have been land speculators and slum owners."

In California the property tax base per school child ranges from a low of \$103 to a high of \$952,156 and the state supreme court has ruled that this unbalance denies children in poorer districts their constitutional

rights under the equal protection clause. So legislation is already pending in Sacramento to levy a uniform statewide property tax for redistribution to local school districts on an equal per pupil basis. This would not necessarily preclude an additional local school levy where the voters wish to tax themselves more heavily to provide better-than-state standard schooling for their children.

A uniform statewide school tax would ease the property tax burden in most cities. For Los Angeles, for example, it would lower the tax rate by about 22 cents per \$100 of assessed valuation and still give the school board \$25 million more to spend.

Similar court rulings to that handed down in California regarding school taxation have been rendered in New Jersey and Texas. Others are expected.

Here are five more reasons that help explain why cities find it hard to help themselves

Traditional Reason is that our American tradition and practice has left local governments burdened with two very heavy costs that are no longer truly local—poverty and education. These costs are borne as a matter of course by the national governments in almost every other country. They fall most heavily on the central cities because (1) poverty and welfare families are concentrated in the city slums and (2) it costs more to educate slum children than to provide the same quality of education to children from more cultured homes. We are unanimous in recommending that the basic costs of education should be taken over by the state and the basic costs of welfare should be borne by the federal government.

Fiscal Reason is that the state and federal governments are taxing so many tax dollars out of the cities and there is a limit to how big a total tax burden any community can support. To meet this problem we are almost unanimous in recommending that the higher level governments should let local taxpayers take more

credit for their local taxes as a bigger deduction on their state and federal income taxes. That would give the cities a bigger incentive to help themselves by raising their own taxes, for the more local taxes a local resident or business was asked to pay the less his state or federal tax would be.

Labor Union Reason is that labor accounts for some 75 per cent of all municipal costs and most cities are peculiarly vulnerable to strikes. We can stand an indefinite auto strike; we got along without any new cars at all for four years during World War II. We can stand an indefinite construction strike—we got along with no new construction except for defense all through the war. Stockpiles and imports can make a long steel strike tolerable; truck competition can ease a long rail freight strike. But few central cities can stand a week's garbage strike, no city should have to stand even a one-day police or firemen's strike, and few cities can stand more than a few hour's utility strike.

The long pull solution of this labor and unionization



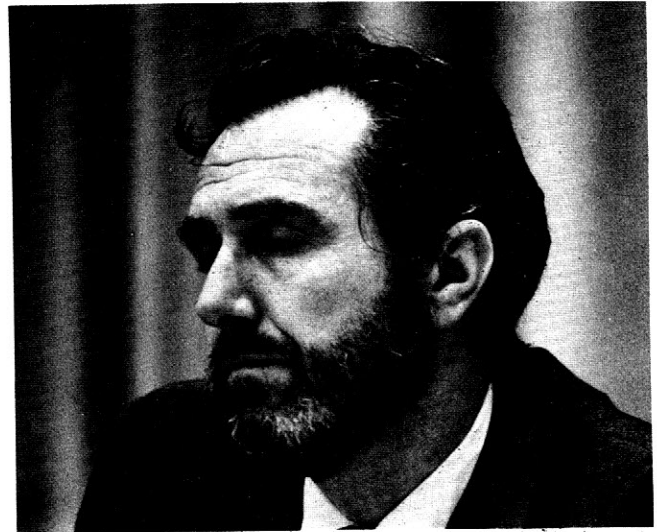
MAYOR WELCH—"Effective city government will require a redefinition of its function and a reassignment of its responsibilities."

problem will depend on what city governments themselves can do to professionalize their labor relations, improve the morale of the work force, and upgrade its lagging productivity; but right now the cities need much more help from their states to establish reasonable and effective labor relations systems for public employees to replace today's ineffective and unenforced laws forbidding public service strikes.

We will have more to say in another section of our report about their labor problems.

Misapplication-of-the-property-tax Reason is that as now applied with too much weight on the owner-paid-for value of the improvement and too little weight on the community-created value of the location the tax abets and subsidizes urban decay and penalizes urban improvement. We will have more to say later about the urgency of property tax reform.

Humane Reason is that even if the cities had no legal obligation to care for their poor few cities would willingly neglect them.



HILLENBRAND—"Welfare cannot be funded off the property tax."



HASTINGS—"We cannot solve our urban problems until the business community makes a commitment that cities are worth saving."



BECKER: Shift Realty Taxes to Location Values

If improvements were untaxed and the whole weight of the realty tax were shifted to location values:

- (1) More new homes would be built in the city to take advantage of the tax exemption of improvements.
- (2) Building more new homes would give slum dwellers a better chance to escape from the slums.
- (3) Rents would come down as new construction eases the housing shortage.
- (4) Urban redevelopment would be accelerated at *no cost to the taxpayers*. Over the years the heavier land tax would tax the slums and their almost worthless buildings out of existence.
- (5) Commercial and industrial construction would likewise be stimulated.
- (6) This would create more commercial and industrial jobs.
- (7) New buildings would be built better and existing buildings would be improved if we stop penalizing quality by taxing good buildings more heavily than cheaper buildings.
- (8) The building boom would create many more jobs in the construction trades.
- (9) The construction boom would give city planners a better chance to get their plans off the drawing board and translated into reality.
- (10) Less close-in land would be wasted. This would save city governments billions of dollars now wasted by sprawl, for all municipal costs are multiplied by distance.
- (11) Premature subdivision would no longer be profitable, and this change should make ecologists and other lovers of open space much happier.
- (12) Subsidies would no longer be needed to make it profitable for private enterprise to take on most of the job of rebuilding and revitalizing our cities.
- (13) The new construction and all the resulting increase in in-city business activity would strengthen the local tax base and make our cities less dependent on state and federal aid.

Despite these obstacles, better management could enable most cities to do their job much better

Here is a 14-point checklist every city could profitably apply to see how well and how economically each municipal function is being performed. Some of us think many cities could achieve very great savings if they would apply these better management standards.

(1) There is nothing to keep the cities from increasing their top management salaries to attract the kind of competence needed to run large and complex enterprises. Too many cities set the pay of their mayors and/or their key department heads at about the federal GS-8 grade for senior clerks. In some cities they get less than the new scale for postmen! No city can hope to attract and hold the needed quality of public official unless it is willing to pay for good work.

Too many cities now need a much more professional competence at the level between the politically elected mayor and city council and the appointed operating heads of the various city departments. Without a highly competent professional staff the mayor will too often find it impossible to pass informed judgments on departmental performance and economy, to appraise departmental progress in introducing new and better methods, and to assure good teamwork between departments (each with its own internal pressures for self-aggrandizement in order to get more money to pay more people more).

(2) There is nothing to keep a city from coordinating its zoning, land acquisition, and improvement spending with a carefully conceived plan for orderly urban growth instead of yielding (as too often now) to selfish pressures for rezoning here and improvements there that would serve mostly to enrich the applying beneficiary.

Planning ahead for growth can save many millions of dollars. For example, planning ahead enabled Cincinnati to buy park sites at \$1,800 an acre that would

cost \$13,000 now, school sites at \$3,600 an acre that would cost \$20,000 now. Dayton saved a total of \$512,000 by advance purchase of the land for eight neighborhood playgrounds. Tacoma saved \$150,000 by holding on to land acquired through tax delinquency for inclusion in future school sites.

But far more important than this savings potential is the need to focus the city's investment spending on the kind of services and facilities that will best contribute to the kind of growth the city wants. No city can afford to dissipate its far-from-unlimited resources trying to be all things to all people and provide everything for everybody. Wichita's Planning Department applied systems analysis to give scores and rankings to competing proposed capital improvements projects for water, parks, sewers, thoroughfares, and urban renewal.

(3) There is nothing to keep a city from employing systems analysts for continuing systems analysis that would explicitly consider citizen impacts, forecast future as well as current costs, evaluate capital vs. operating expenses, consider viable alternatives, and help identify unnecessary or marginal services.

(4) There is nothing to keep a city from taking fuller advantage of expert volunteer help from the private sector like the long-range planning committee set up by the Houston Chamber of Commerce. A still better example might be the way the New York Economic Development Council fielded a team of 10 executives on leave at full pay from the Metropolitan, New York, and Equitable life insurance companies to work full time for nine months on a program for rationalizing the operation of New York's almost hopelessly backlogged criminal courts. Within four months prompt action on the task force recommendations reduced the backlog from 59,406 cases to a still-impossible total of 39,573. The presiding justice has called the report "a landmark in pointing out to the entire nation how the private and public sectors can work together for the common good."

Now the Economic Development Council has been asked to field similar task forces to study the workings of the city's \$2-billion-a-year school system and the Human Resources Administration whose costs (including welfare) are budgeted for \$2.4 billion.

In Newark a similar study team provided by the

Chamber of Commerce at the request of Mayor Kenneth A. Gibson found ways to cut city costs by more than \$10 million.

(5) There is nothing to keep a city from attacking the red tape, inertia, and ancient procedures that cause so many delays on city projects. For example, the project monitorship approach recently adopted by New York.

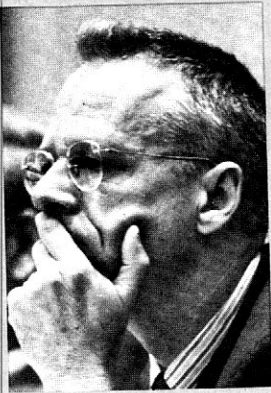
(6) There is nothing to keep a city from giving its employees a better understanding of the objectives of the service on which they are employed and holding them responsible for maximizing the desired output. Most specifically, most of us think it is high time to begin rerating the school systems that consume most of the local tax dollars on the basis of their outputs instead of on the basis of their inputs, that is, on the basis of how much the pupils learn instead of on the basis of how many teachers are paid how well to teach.

(7) There is nothing to keep a city from making fuller use of private facilities when, as, and if private enterprise could perform some service (like waste removal, water supply, and some health care or education functions) better for less. For example, a 1970 study for the New York City administrator's office found that private cartmen can collect refuse at \$18 a ton while paying taxes and making a profit vs. the Sanitation Department's cost of \$50 a ton. Gary, Ind., has contracted with Behavioral Research Laboratories to run a school for \$800 a pupil and guarantee 100 per cent faster learning than the previous average. Newark cut the maintenance cost of city hall from \$500,411 to \$97,713 by farming the job out to a maintenance company.

(8) There is nothing to keep a city from offering financial and advancement incentives to encourage a more innovative attitude among city employees, so they will be among the first instead of the last to introduce new labor-saving and money-saving equipment, methods, and techniques.

(9) There is nothing to keep a city from employing outside experts on a short-time basis to help introduce more efficient methods, systems, and equipment.

(10) There is nothing to keep the cities (or their counties) from raising their assessment standards by employing only trained and classified appraisers and



FORRESTER: Current Urban Programs Won't Alleviate the Crisis

The search for more money from outside dominates almost all discussion of the urban crisis, but no one stops to explain why we have an urban system that demands ever more outside support. We built our cities in the first place by internal economic processes. Why do we believe it is impossible for internal forces to maintain them? There are indications that cities would revive by themselves and be self-sustaining if we eliminate the positive incentives that are causing their decline. There are also indications that at best more money would just postpone the day when the fundamental causes of urban decline must be faced and at worst more money would hasten this decline.

The desperate effort to raise more money is leading to actions that are self-defeating, even from the monetary viewpoint. The graduated state income tax, the tax on improvements rather than on land, the tax shift from persons to business, and similar proposals all penalize the most mobile parts of the urban community. The result is a selective process that draws to the central city those people and activities that are not self-supporting and repels those people and activities that are most needed to maintain a heterogeneous community, social stability, and economic vitality. The current crop of urban programs will not alleviate the urban difficulties. They will fail at one of two stages. First, most of them depend on huge infusions of outside money, money which will not be available, so the programs will fail by not being implemented. Second, if such a program is implemented it will not be dynamically sound.

Today's property and income tax laws both favor old buildings whose aging is an intimate part of the urban decline process. Shifting taxes off from real estate and onto incomes means that the old buildings and the land they occupy can be allowed to decay with little tax penalty. This reduces the pressure for replacement. The income tax laws allow a building to be depreciated several times against current income; this gives an old building value and helps to keep it in place until it contributes to urban decline.

Continued on page 26

paying them enough to attract and hold good men, and there is nothing to keep the cities (or their counties) from introducing computers to keep their assessments closer to current values. Correcting today's gross under-assessments on properties that underuse or misuse valuable locations could be the quickest and best (though not necessarily the most popular) way for most cities to increase their local tax revenues, but no city should expect to get good assessments at a cost lower than 1 per cent of its projected property tax receipts.

(11) There is nothing to keep a city from seeking to create a more friendly and cooperative attitude at City Hall and so encourage a more cooperative response from more people and a revived belief that the city is worth working together to save. For example, Greensboro, N.C., earned a management innovation award from the International City Management Association for setting up a human relations department, a human relations commissioner, and a community relations office in the police department.

(12) There is nothing to keep the cities (especially the smaller cities) from coordinating their specifications and pooling their purchases to get better and more competitive prices reflecting bigger volume (as in Michigan through the Michigan Municipal League) and there is nothing to keep all the cities—big and small—from putting more money into cooperative product and method research through their state and national organizations.

(13) There is nothing to keep the cities from applying the new concept of "total cost" or "guaranteed maintenance" purchasing instead of today's common practice of accepting the lowest price offered by a responsible bidder. This can be particularly important on the heavy equipment needed for various public works, including dump trucks, waste collection trucks, and motor graders. More than 35 communities in Massachusetts alone are saving money by this new procedure, which invites the bidder on big-ticket items to include with his standard quotation (1) a trade-in offer for any equipment to be replaced, (2) a guaranteed maximum maintenance price covering the anticipated useful life of the new equipment, and (3) a guaranteed repurchase price at the end of that time.

(14) There is nothing to keep a city from inviting large-scale citizen involvement, like the sensationally successful Goals for Dallas Program launched by former Mayor Erik Jonsson—a program that enlisted the active participation of 75,000 citizens and has already (among other achievements) floated a \$180-million bond issue, bought the first 5,000 acres for a 10,000-

acre greenbelt around the city, started a \$20-million Science-Technical Center to help provide the kind of technical workers needed by the city's industries, started a flood-control program to salvage 10,000 never-before-usable acres along the Trinity River, and played a large part in creating 34,300 new jobs in 1970, half of them in industry.

Perhaps most important, there is nothing to stop a city from professionalizing its labor relations

Employee relations and union relations are now the gut problem for almost every city budget. They are the gut problem because (1) three out of every four operating dollars go for payroll, (2) the recent and perhaps belated unionization of so many municipal employees is now pushing up city payrolls faster than any other municipal cost and faster than wages in industry, (3) city wage costs have already soared 118 per cent in the past five years and huge further increases are built into current contracts, (4) higher pay has brought little if any corresponding rise in municipal productivity, and (5) most cities feel pretty helpless when, as, and if some union defies the usually pretty toothless laws forbidding public service employees to strike.

Coping with this gut problem calls for a high degree of professional know-how, but the sad fact is that most cities are letting amateurs handle their employee relations and are paying a high price for so doing. In too many cities the mayor is tempted to pay too high a price for labor peace or to include in the settlement pensions and other fringe benefits that will not hit the city budget until after election. And too often the city finds higher wages and shorter hours mandated by state legislation.

We can't even begin to list here the changes a professional team would want and need to make in municipal labor relations. Among other things, they would have to be knowing and alert to correct legitimate griev-

ances before they could become an issue. They would find out which classes of municipal workers are making quite a bit less than they could make in private employ and would take the initiative to get their pay adjusted. In contract negotiations they would press for work rule and compensation method changes (like differential pay based on better outputs rather than straight seniority) that would permit and encourage greater productivity as at least a partial offset to higher pay scales.

They would try to get down to the nitty-gritty of better job definitions, performance ratings, and output standards—like the aerial photographic study that showed up street-by-street just which waste collectors were doing their job well or badly in Washington. They would insist that department heads should think of themselves as representatives of management even if they themselves belong to the union. They would try to make workers realize how much their tax-free fringe benefits are adding to their weekly pay, and they would take steps to make sure the voters understand that any unreasonable wage cost increase would have to come right out of their own pockets through higher taxes.

Whether even the most professional labor relations team could stop the accelerating inflation of city labor costs is another question. Even with Taft-Hartley injunctions and/or last minute antistrike laws (two big assists no city could invoke) the well-paid professionals employed by the auto industry and the railroads could

Continued from page 24

Zoning allocates too much urban area for residential use and not enough for industry. Unless there is rezoning to provide more space for industry the aging area lacks economic vitality to maintain all of its housing stock and the area begins to depreciate. Failure to zone so that only forests and agriculture are allowed in the rural areas immediately adjacent to urban areas permits urban sprawl and removes the necessity to rebuild and reuse the aging urban areas so these aging areas are abandoned rather than being revived.

A low-cost housing program alone moves exactly in the wrong direction. It attracts more low-income people. It makes the area differentially more attractive to the poor who need jobs and less attractive to those who create jobs.

Over the last several decades the country has slipped into a set of attitudes about our cities that have become an integral part of the system that is generating greater troubles. If we were malicious and wanted to create urban slums, drop low-income people in ghetto areas, and increase the number of people on welfare, we could do little better than follow the present policies.



ALEXANDER: Ghetto Conditions Must Be Eliminated

The Syracuse city administration has poured in \$18 million into building downtown garages to attract business and industry into the city, including specifically insurance companies and department stores. We have built skyscrapers for these insurance companies. A \$4 billion corporation came into the city, and [we] gave it over \$6 million to come.

But during that same period of time, 12,000 people left the city to live outside and I will tell you why. It is because they are scared to death of the central-city crime rate and ghetto conditions. As long as we have the slums and ghettos inside the city, the city is never going to be an attractive place, even if we bring the jobs inside.

not save their employers from highly inflationary wage increases running to more than 40 per cent over the next three years. All we can say for sure is that professionals could not do worse than most of the non-professionals who now handle municipal labor relations.

Public service strikes are the most unpopular strikes of all for the simple reason that their whole purpose is to inflict such immediate loss, inconvenience, and sometimes danger on the public that the city government will have to pay a high price to get the strikers back on their jobs quickly (whereas in most private sector strikes the public feels little effect unless and until any wage increase included in the settlement is passed on in higher prices). But inflicting such quick and painful loss on the voters can be a dangerous game for labor to play. The unions can ill afford to thus antagonize the public on whose goodwill and support the unions must depend for continuing today's very favorable labor laws.

Sooner or later our cities will have to learn how to take public service strikes and how to meet the problems such strikes entail. Milwaukee took a police strike and the strikers must have been chagrined to find there was less crime on the streets than when the police were on the job (presumably because each citizen took more care for his own and his family's safety). London took a garbage strike that lasted much longer than New York's. It was unpleasant, but after the strike was settled without meeting the unions' demands labor found that something very significant had happened in municipal labor relations in England.

And some of us think that sooner or later we will all have to face up to the question of "How much longer and how much further can the unions in either the private sector or the public sector force wages up without a corresponding rise in productivity?" It used to be held axiomatic that where prices are not regulated by competition they must be regulated and fixed by government. But we have specifically exempted the unions from the antimonopoly provisions of the antitrust laws without imposing any corresponding requirement for regulating the wages their monopoly power lets them impose. As a result, thousands of union members enjoy compensation based not on what they earn by working

but on how much loss they could cause by not doing their jobs and not letting anyone else do their jobs.

Compulsory arbitration is not the right answer or even a good substitute for the right answer to the cities' need for better labor management and better labor

relations. In Michigan, for example, compulsory arbitration awards for police and firemen last year averaged 13 per cent, which is 61 per cent more than the 8 per cent increase the Civil Service Commission approved for state employees.

Fire Service offers a prime target for applying these better management principles, because ...

(1) Next after schools, police, streets, and sewage, fire service costs more money than any other municipal operation—a total of \$1.6 billion in 1969. This \$1.6 billion fire protection cost is three-quarters as much as the 1970 building fire loss of \$2.2 billion.

(2) Because in too many cities close to 90 per cent of that money goes for standby charges. When fire service is needed it has to come fast and it has to be good, but nearly 90 per cent of the time the pumpers, the trucks, and their crews just wait in the fire stations to be called out. On three eight-hour shifts the average fire company answers hardly one alarm, and more than half of these fires are so small that two men and a minipumper could put them out instead of the standard first-alarm response of two or three big pumpers and a truck.

Standby costs were no problem when yesterday's firemen were willing to stay on duty around the clock with only a few days off each month, living, cooking, and eating upstairs at the fire house, sleeping half dressed on cots, and sliding down poles to get to the trucks and their always-half-harnessed horses a few seconds faster. As late as 1918 their workweek was just being shortened to 80 hours. But now firemen work as little as 40 hours a week and expect to go home like everyone else when their stint is over.

(3) Because today's far better fire engines (costing up to \$150,000 vs. say \$3,000 some 60 years ago and pumping 1,500 gallons a minute vs. say 250 then), plus today's better city water systems and higher pressures, today's better and faster communications, today's

wider and better streets, and today's more fire-resistant construction all work together to permit far more changes and economies than any city has been able to realize.

(4) Because there is still no such thing as a standard fire engine, so every pumper and truck purchase entails the added costs of a special order.

(5) Because no one city can afford to put up the money needed for basic fire safety research, no one manufacturer can afford the money needed for basic equipment research, and the federal government has failed to provide more than token funding under the 1968 Fire Safety Research Act.

(6) Because firemen who come to the rescue in time of need are just about the most popular public servants, so there is little public resistance to their union demands which have raised fire service wage and fringe benefit costs in some cities as high as \$20,000 a year per man.

(7) Because fire service costs are inflated by requirements that seem to us archaic and excessive in the American Insurance Association's deficiency rating schedule on which fire insurance premium charges are based. This schedule has been only slightly modified since the 1922 revision, and its specifications are so stiff that despite all today's firefighting advances not one city has been able to qualify for a No. 1 rating.

It may have made good sense when fire engines were horse-drawn to insist that "No point in any high value district shall be more than one mile from an engine company," but today it makes little or no sense to base



**ROVNER: How Can
the Cities Meet the
Costs of Poverty?**

We keep talking about the core city as if it is the dominant force, but the fact is that the core city is no longer the colossus sitting there with the satellites around it. The satellites have more people, more votes, and more political power than the city.

Now we must decide what the future function of the core city should be. Is its function to include playing host to the remittance men of America, the poor and the underprivileged and people who can't pay their way?

Somebody has to provide a place for the poor to live. I don't think New York or Philadelphia or Baltimore has any right to say "No more public housing in our city—go out and starve in the fields." If the cities won't take them, where can these millions of poor people go? But if they are to stay in the city, the city must be given the outside help it needs to do something more than "warehouse" them, which is what most cities are doing now.

I will give you a very quick example of just what I am talking about.

If you put public housing in, the city now has to accept a payment in lieu of taxes that comes to roughly 10 per cent of what the taxes would be if the housing were privately held and operated. Instead I would suggest that the federal subsidy should be, not 10 per cent, but 110 per cent.

Another function that should stay in the core cities is to house the highly specialized services that make it possible for the ancillary services to function in the ring around the city—the specialized services that can exist only where there is a tremendous concentration of population. And the core cities should provide for people who want immediate proximity to these specialized services and are willing to pay for it.

If these are the assignments given to the city and a rational distribution of ancillary ones is given to the rest of the metropolitan area, I think you can start adjusting costs, programs, service, delivery, allocation of resources, and so forth.

this location requirement on distance rather than on response time. It makes little or no sense to impose the same full-crew requirements night and day when almost twice as many fires occur at night. It makes little sense to measure fire service against the danger of conflagrations which are now not only improbable but almost impossible in most cities.

As an example of what can be done to meet all these problems, consider some of the things one city (Syracuse) is actually doing to hold down the cost of better fire service:

(1) Launching a \$4-million fire service improvement and rationalization program budgeted to save \$400,000 a year and reduce from 121 to 69 the number of additional men required to meet the new state-mandated 40-hour week.

(2) Erecting seven better-located fire stations that will enable 11 fire stations to serve the city's needs faster than today's 16 and yesterday's 26 whose locations were chosen in the days of horse-drawn engines. The new locations were picked with special attention to the path of urban blight where the fire load is heaviest.

(3) Cutting the number of fire companies from 26 to 21 over the objections of the rating board.

(4) Programming the purchase of eleven \$15,000 minipumpers (one for each fire station), so only two men will be needed for 59 per cent of all alarms, leaving enough men at the station to answer another alarm should it come in while the minipumpers are out. This minipumper economy is possible only because (unlike too many other cities that still stick to telegraph alarms) Syracuse long ago farmed out its alarm system to the telephone company, which provides (along with a teletype hookup) a direct line from each callbox to the fire alarm switchboard. This phone service not only saves money; it lets the caller report not only the location of the fire but also its size and kind, giving the dispatcher the information he needs to decide whether more than a minipumper is needed.

(5) Concentrating its other equipment purchases on \$60,000+ maxipumpers with 1,500-gallon-a-minute capacity and a 50-ft. telescopic water tower and aerial ladder.

(6) Equipping all its pumps (as fast as the needed

\$4,000 hardware can be brought) so they can use “slippery water”—water chemically treated to reduce friction so it will flow faster through smaller, lighter, and easier-to-handle hoses.

(7) Activating a manpower company with an on-duty strength of seven men that will respond to all full alarms. This will permit first-alarm assignments to be reduced from three to two pumpers.

(8) Starting a recall procedure under which off-duty firemen will be recalled on overtime pay perhaps 15 times a year when more men are needed to back up the standard on-duty force of 95.

(9) Assigning on-duty firemen between alarms to do fire safety inspection and fire safety instruction work.

(10) Sponsoring a fire-science course at Onandaga University in the hope of recruiting higher quality fire service personnel.

Scottsdale, Ariz., (population 73,000) farms out the operation of its firefighting equipment to a private company that provides 12 full-time trained firemen who man one of the five fire stations around the clock. The city mans the other four stations with a fully-trained reserve of “fire wranglers” who also have full-time city

jobs in the sanitation, park, street, maintenance, and other departments and get paid an extra \$25 a month standby fee plus \$4.80 an hour for their fire service work.

Each wrangler working on his other job wears a page boy radio on his belt that buzzes to sound the alarm and call him to fire duty. The wrangler working nearest the fire brings the fire engine to the blaze; the others rush directly to the spot. This system provides 12 full-time firemen and 10 wranglers on call at all times and holds Scottsdale’s fire service budget to \$246,000 a year, hardly a third as much as two nearby cities of about the same population.

All these improvements still leave a great need for basic research no one city can afford, including specifically more research into how to improve the fire safety of today’s theoretically fireproof buildings, too many of which are turning out to be “stoves,” that is, buildings whose contents can be destroyed and whose occupants killed by smoke or poisonous fumes without destroying the structure. Even a 50-foot tower is not much help fighting a fire on the 20th floor of a “fireproof” office building.



WATT—“Can the local political system respond to the needs we have identified here?”

PITSTICK—“Many services need to be regionalized so the suburbs can share responsibility for them.”



SVIRIDOFF: What Else Could the Cities Do About the Poor?

It's wrong to look to the city to develop a systems approach to problems which are really national problems; it's wrong to blame the mayors for what has happened to the cities; it's wrong to say that mayors should not use urban renewal, Model Cities, public housing, or manpower programs; it's wrong to say the mayors should not use whatever is available when their backs are against the wall.

When the poor and unskilled keep pouring into the cities and staying there while large sectors of the middle-income population leave, are the mayors to do nothing? In 1953, when one of the few tools available was urban renewal, should New Haven not have availed itself of it? Should it have allowed itself to go the way of neighboring Bridgeport or other cities which have deteriorated more rapidly?

No mayor could survive in office if he neglected the housing needs of the people in order to concentrate exclusively on the strengthening of the job base. Indeed, why should these objectives be considered mutually exclusive?



WOODRUFF: A Prescription for Financial Downfall

High welfare payments help make any city attractive to welfare families, and high taxes help make it unattractive to working taxpayers, so
Continued on page 32

Cities should help themselves by user charges but mostly to allocate their resources better

Whether or not they bring in more revenue, some user charges can serve a good purpose by letting the price mechanism show what municipal services the public is willing to pay for and whether the public is ready to pay for them in locations where their cost is high.

For example:

We all think that where parking is permitted on busy streets it is foolish not to set the meter rates at least as high and preferably higher than the rates charged nearby for off-street parking. The higher rates might not bring in more revenue, but they would permit faster traffic and less congestion by getting parked cars off the street.

Likewise:

We all think water should be metered. Without a big rate increase this might not bring in enough more money to cover the added cost of metering, but in the long run it could save a lot of money by discouraging the waste of what is no longer an unlimited resource.

All of us think that other cities might be wise to ponder the example that may soon be provided by New York where the authorities have approved new and/or doubled bridge and tunnel tolls in the hope that they will help keep more cars from entering Manhattan than its streets and parking facilities can handle. If the rates are set high enough to discourage traffic they might not bring in any more revenue, but they might save the money that would be needed to pay the cost of more expressways, bridges, and tunnels (a cost officially estimated at \$22,000+ for each added car the new facilities could bring in during rush hours). If the double tolls do bring in more money it might well be used to subsidize mass transit inside the city.

Most of us wish some way could be found to impose rush-hour tolls on expressways leading downtown.

All of us applaud the Minneapolis example of financ-

↑ Municipal Bootstraps ↑

ing the capital cost of new neighborhood parks by neighborhood assessments against the landowners whose property values the park will increase. These assessments do not provide more money for the city's general purpose budget, but they have given Minneapolis the world's finest system of neighborhood parks.

Contrariwise, and again for example:

We think it would be a mistake to raise the admission charge (if any) for a city's swimming pools. This might price them beyond the means of too many of the poor children for whose use the pools were built.

We think a good case can be made for reducing mass transit fares instead of raising them again in the vain hope that the unions will let the transit system break even. Higher fares have always resulted in less use of mass transit and more downtown congestion due to more people switching to more private cars. Conversely, lower fares or no fares should pay off in more use of mass transit, thereby cutting the cost of too many cars in town.

Today, alas, too many hard-pressed cities are rushing to pile on more or bigger user charges just to get more money. The sorry joke is that they are trying to tax everything that moves, and if it doesn't move they tax it for not moving. We are unanimous that before any user charge is changed the city government should give careful thought to the good or bad side effects the heavier charge will induce. Some user charges can safely be used primarily for revenue; some should be used for reallocative purposes only. The cities must look

to their "product mix" to achieve a balanced distribution of services and a balanced receipt of revenue.

User charges can also serve to make suburbanites pay more of their share of some central city costs. Syracuse found, for example, that 41 per cent of the people using its \$1.1 million-a-year public library system lived out of town and were contributing nothing towards its cost.

To discourage waste and allocate resources better, user charges should vary not only with how much is used but also in some cases with where it is used. Everyone understands that parking charges should be higher in high-land-cost areas, but too few people seem to understand that for similar reasons water, mass transit, and other utility charges should be much higher when extended into outlying low-density areas, for the cost of most municipal services is not only increased but multiplied by distance. Charging the same rates where the cost is high as where the cost is low can serve only to subsidize sprawl at the expense of the city center.

We are almost unanimous that for many urban user charges the state and federal governments should allow taxpayers the same income tax deduction that they allow for property taxes. There is no earthly reason why, for example, water charges should be tax deductible when they are hidden in the property tax but not if the city bills them separately; there is no good enough reason why the cost of a neighborhood park should be a tax deduction if buried in the property tax, but not if financed by a special assessment.

CONNER—"We need regional government structures such that people and industries can't move out to the suburbs."

RAPKIN—"Shifting to site value taxation would be economically sound and make moral sense as well."



WOODRUFF

Continued from page 30

working taxpayers move out and so do many of the companies where they work. The taxes in New York, for instance, are much higher than the taxes outside. The size of the "welfare vote" is now such in New York that the attitude of the community is no longer friendly to business. Any city that simultaneously hangs out bait for further immigration of the poor and pulls in the welcome mat for solvent corporations and individuals is writing a prescription for its own financial downfall.

Not long ago a survey was made of people who recently moved out of one city to find out what they wanted in the suburbs that they were not getting in the city. They wanted (1) safety, and they feel safer in the suburbs. They wanted (2) better schools for their children, and feel that suburban schools are "better," and they wanted (3) clean streets. These are the very services on which many cities economize in order to meet mandated welfare costs.

Each welfare family averages \$1,703 per year for direct benefits and has an average of 2.75 children in school; since the education cost is \$904 per child, the family education bill is about \$2,486, so each family costs \$4,189. The average tax contribution of each working family is about \$920, so it takes all the taxes paid by 4½ families working full time to support one welfare family.



KEANE: The Biggest Need in Local Government

Elected political leaders need topnotch overall management in order to be effective. Individual departments have a natural tendency to be isolated, independent, and focused on a narrow field. The biggest need in local government is to pull it all together so it makes sense and provides services to all the citizens on an equitable and efficient basis. Local government will break down unless the political leaders have an experienced, tough-minded and socially-oriented executive who can make their programs work on an integrated basis.

If the states would let them, cities would raise many billions more by reforming the property tax

Even now property tax receipts are climbing far faster than receipts from any other long-established levy. In 25 years from 1946 to 1970 they climbed 617 per cent from \$4.986 billion to \$35.723 billion. This is 28 per cent faster than the 460 per cent rise in federal income tax collections and 53 per cent faster than the 368 per cent growth in the Gross National Product.

Without any rate increase at all property tax receipts would have risen at least \$10 billion more if assessment increases had kept pace with the rise in property values (as the tax returns every taxpayer must file each year automatically keep the income tax base rising in step with each taxpayer's rising income). Most assessors would agree that the assessment lag averages about five years. If so, the five-year lag would multiply out to 36 per cent at the 7.2 per cent-a-year assessment growth rate indicated by the actual 1961-66 rise; and 36 per cent higher assessments in 1970 would have brought in \$12.96 billion more revenue.

Without any rate increase at all property tax collections could be increased an estimated \$6.66 billion more just by correcting assessment disparities and bringing all assessments up to the same percentage of true value that the top quartile accepts. (The \$6.66-billion figure is taken from the consensus of an earlier roundtable cosponsored by the International Association of Assessing Officers. [See "Better Assessments for Better Cities," *NATION'S CITIES*, May 1970, Page 17.] The added billions would come largely from correcting the widespread and often notorious underassessment and undertaxation of vacant acreage, slums, and otherwise misused or underused land.

Without any assessment change at all, property tax collections could be increased several billions more if



LEWISOHN—"Without state permission New York can't even charge tax-exempt properties (30% of our total) for the water they use."

CORUSY—"Cities would get better assessments if they budgeted enough money to pay adequate salaries to employ well trained appraisers."

BRILEY—"... the ultimate solution has got to be from state and/or federal revenues of a non-property nature."

tax districts in the South would raise their property tax rates to the level that has long prevailed in most of the Northeast and Middle West. (Georgia 2.99 per cent of personal income, Louisiana 2.30 per cent, North Carolina 2.58 per cent, Alabama 1.54 per cent, Texas 3.98 per cent, Kentucky 2.44 per cent vs. New York 5.16 per cent, New Jersey 5.78 per cent, Connecticut 5 per cent, Massachusetts 5.86 per cent.)

Economic impact of collecting so much more money by property taxation would be much better if the states would let their cities shift most or all of the tax off improvements (which in some cities like Boston, Baltimore, New York, Syracuse, Milwaukee, and Minneapolis are already so overtaxed that the tax is a major deterrent to in-city improvements and is helping to drive businesses and taxpayers out) onto land, which is almost everywhere so undertaxed that land prices have been soaring 6.19 times as fast as the rest of the price level, climbing so high that high land prices are

providing a second major deterrent to investment in improvements.

If the cities should try to increase their revenue by increasing their sales taxes they would drive many more sales out across the city line. New York City reduced its sales tax instead of increasing it when the figures came in showing how many jobs and how much business each 1 per cent added to the sales tax was driving out of town.

If the cities should try to increase their revenue by increasing their income taxes they would speed the taxpayer exodus that is already one of the cities' most basic problems.

Urban land is the only taxable that cannot move out of the city to escape taxes. By definition the value of unimproved urban land means what land in that location would be worth if its past or present owners had never done anything or spent anything to improve it; it is a value created not by the owner but by an often



**CHARKOUDIAN:
Can Washington Buy
Out the Cities' Prob-
lems?**

The states hold vast powers over local governments—almost life and death—including the power to restructure them geographically, administratively, and fiscally. These powers, if wisely used, can be more important than the efforts of the federal government over the past 20 years to “buy out” community problems. Money from Washington has not solved these problems. On the contrary, some federal grants have actually aggravated local difficulties.

But the cities can themselves undertake many self-help activities, including structural reorganization, new management techniques, intermunicipal cooperative agreements, and contracting with private firms to provide certain municipal services. This last could achieve greater productivity and avoid the constraints that occur in civil service procedures.

In larger cities any major reorganization should envisage the decentralization of certain responsibilities to the neighborhood level to make these functions more responsive to neighborhood wishes. . . . Today's outdated civil service laws should be revised to permit better and current personnel and recruitment procedures. . . .

Local education systems too often attempt to meet state and/or federal criteria rather than meeting local needs. They should strive to meet the community's particular needs for vocational training and be flexible enough to adapt to changing local job markets and changing local income levels. . . .

Decentralization of government operations is just as necessary as regionalization of government sources.

enormous investment of other people's money and other taxpayers' money to develop the community around it and make land in that location reachable, livable, and richly salable. So how big a land tax increase a city would want to impose would depend on how much of this community-created value the city would want to recover through higher taxes.

Any economist can show that a tax on unimproved land values is the only tax that cannot discourage production (because all the unimproved land in America was produced millions of years ago). Coupled with a lowering of the improvement tax, a higher tax on un-

improved land values would actually stimulate instead of discourage improvements by increasing the holding cost of underused land and thereby putting tax pressure on its owners to let it be put to better use to bring in the added income needed to pay the levy.

And any economist can show that a tax on land is the only tax that cannot be passed on to the consumer, so (except under rent control) there is no way slum owners could pass a higher land tax on to the poor people who live in the slums. They are already paying all the traffic will bear, so over the years a heavy tax on land would tax the slums out of existence.

Some cities could help themselves by just dumping some of their problems back on the states to meet

For example, the Constitution of New Jersey (and quite a few other states) specifies that it is the state's responsibility to provide a fair and equitable education for every child in the state. Up to now the local government of every New Jersey community has relieved the state of most of this cost, but now a number of New Jersey cities have taken the state to court and are successfully challenging the state's legal right to dump the state responsibility on the local governments.

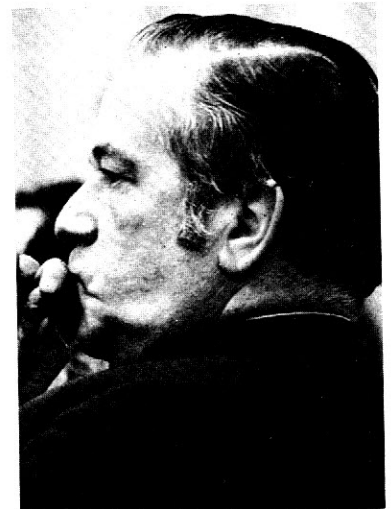
Most suburbs have picked and chosen what services the people want the local government to provide—mostly fire protection, police protection, and a special kind of school that explains at least in part why suburban schools cost so much more per pupil than city schools—a special kind of school that often provides a baby sitting service, a dance hall service, a cafeteria service, an athletic field for the children to play on, a community theatre, runs a library, teaches tennis, swimming, and archery, etc. For many other services they try to spend as few of their own tax dollars as possible, hoping these needs will be met for them by the state or the county or private enterprise or the nearby city.

There is nothing in the law to keep city governments from being equally selective about what services they want to use their tax dollars to support. Some of us would go further and wish that above a certain minimum standard our cities could allow a certain amount of neighborhood option to decide what the city should spend more for in that part of town. A survey might find some neighborhoods willing to put up with less frequent waste collection and street cleaning in exchange for more police protection or better street lights, and vice versa.

There is nothing in the law to compel cities to provide services whose cost is beyond their tax resources. There is nothing to keep cities from going into what some of us would call "creative bankruptcy." So Syracuse has announced that it is closing down its public libraries because it cannot raise the tax revenue needed

to cover their \$1.1 million-a-year operating cost, and Syracuse may soon close down the local zoo. Syracuse hopes the county will take over these functions the city can no longer afford, pointing out that 41 per cent of its library users live outside the city and have not been contributing to the library's support. By threatening to close its libraries and museums St. Louis has pressured its suburbs to create a special city-and-suburb tax district for their support. But Oakland has just about decided there is no reason why any level of government should pay to continue to support the public libraries there, for their cost has been running \$9 per book circulated—nearly half of it for comic books the children could have bought for 25c or less!

No city can afford to provide the best of everything. If any city should succeed in providing more jobs than job seekers, more good housing than home seekers, more recreation facilities than recreation seekers, etc., it would soon attract so many of the jobless and the homeless that almost overnight it would once again have too few jobs and too little housing.



HEISKELL — "The Suburbs have a higher non-white unemployment rate than the cities."

Faster application of new technologies offers many opportunities to cut municipal costs

If every city could take advantage of all the new labor-saving methods and technologies some other city has found a way to employ they could lower the cost of municipal service by hundreds of millions of dollars a year.

Many if not most operations in both private business and government service can be done better by fewer people today. Without the great growth in productivity made possible by better work organization to use new and better equipment, industry could not possibly afford today's much higher wages—and neither can city governments.

We can't even begin to list here the hundreds of ways already being used to cut the cost of better municipal service. Milwaukee alone reports saving \$700,000 on 234 different operating improvements last year, including such prosaic economies as \$30,000 saved by renting better duplicating machines and \$40,000 saved by switching one big building from steam to gas-fired hot water.

Here are just a few examples of the savings offered by common-sense application of today's new capabilities:

(1) Scottsdale, Ariz., has developed a fork lift waste-collection truck that enables one man listening to taped music in an air-conditioned cab to collect and empty standard-size waste containers faster than the four sweating men formerly employed to do the job. This helped win Scottsdale a management innovation award from the International City Management Association. It will cut Scottsdale's waste collection costs by \$200,000 a year (44 per cent) while absorbing the cost of the equipment and also the cost of supplying every home with a \$35 standard wheel-mounted waste container. Applied nationally, this one innovation alone could cut the soaring cost of waste collection by much more than \$100 million a year.

(2) New York is applying today's new chemical knowledge to fire fighting, injecting a polymer to make water so "slippery" that it will flow as fast through a light 1½-inch hose as ordinary water will flow through a heavy 2½-inch hose. At a yearly cost of \$100,000 this weight cut can save as much time getting water on a fire as adding a man to each engine crew at a cost of \$20 million—a 200-to-1 savings ratio.



GORHAM—"Our studies show that, on the average, migrants can make a lot more money in the central cities."

DELANEY—"Right now the states are just about as broke as the cities."

(3) Aerial photographs from helicopters have helped both New York and Washington re-study just how their waste collection system was functioning as a first step towards improving both its service and its economy.

(4) Computers provide a revolutionary new means to cut the cost of getting better assessments much quicker. After a first cost of \$1.50 per house to tape the answers to 100 pertinent questions, California as-

sessors are finding that computers can keep 85 per cent of their assessments current and accurate within 5.25 per cent of market at a yearly cost of only 11 to 15 cents each. Applied nationally, any program that can shorten today's assessment lag by as little as one year (from five years to four) could increase property tax collections by more than \$2.5 billion a year. Keeping them all current could bring in another \$10 billion.

Here are six ways cities could be relieved of some of their excess load of regional costs

(1) The city and the county could be combined into a single unit, following the examples of Nashville-Davidson County in Tennessee, Indianapolis-Marion County in Indiana, Jacksonville-Duval County in Florida, Columbus-Muscogee County in Georgia, and seven others. Many more are now being agitated.

(2) Without a merger the state could shift to the county government some regional costs that are now borne only by the central city. (Today, alas, too many counties use county taxes collected on in-city property to pay part of the cost of county services the county provides only outside the city line).

(3) The states can make it easy for the central cities to extend their boundaries and annex nearby unincorporated territories that might otherwise be able to take advantage of city services without contributing to their support. Such annexation can too often be blocked by the hasty incorporation of the outside area, so the cities of North Carolina are asking the state to forbid any further incorporations within five miles of a city of 100,000 population, three miles of a city of 50,000 population, and one mile of a city of 5,000 population.

Even without annexation some states are giving the cities extraterritorial planning and zoning authority to control development of the surrounding area and provide for orderly expansion.

(4) The cities can make a deal with their suburbs under which each suburb will take a percentage of low-income families instead of zoning them all out and leav-

ing the central city stuck with almost 100 per cent of the poverty problem and poverty cost. Such a deal was worked out and accepted unanimously by all the suburbs of Dayton, each of which decided it would be wiser to accept its proportionate share of the poverty problem staged over 10 years in return for being freed from the fear that suburban blockbusting might bring in a minority flood. When they were shown a list of the numbers to be assigned to each suburb the suburban voters decided they were too small to be a menace.

(5) The states can authorize regional councils of local government and empower them to undertake for the whole region any functions that either cities or counties are authorized to perform, including specifically water supply, sewage disposal, pollution control, solid waste disposal, and area mass transit. Eight such regional councils are now operating in North Carolina. The biggest such regional council is off to a very good start in the seven-county Twin Cities area in Minnesota.

(6) The states can follow the example set by Minnesota for the Twin Cities area and spread 40 per cent of all tax increases from commercial and industrial property over the entire territory.

None of these plans for getting the suburbs and satellites to share the cost of regional services now borne by their central cities is likely to find wide acceptance unless and until the people who live in suburbs and satellites can be persuaded to recognize how dependent they are on the variety and diversity that only the near-

ness of a thriving central city can assure them. The Indianapolis-Marion County merger was enacted by the state legislature without giving the county people living outside the city a chance to vote it down. The Columbus-Muscogee County merger was approved only because the 4-to-1 "yes" vote inside the city outnumbered the 5-to-3 "no" vote outside.

Alternatively, the suburbs and satellites might be easier to interest in sharing regional costs if they knew more about the added benefits being achieved in the 11-county Dallas-Fort Worth area, which includes more than 100 cities. This area is implementing a regional purchasing program that will assure the smallest city the same prices as the biggest, standardizing and coordinating its 100-odd building codes to reduce construction waste, operating a regional police academy and working towards the establishment of training centers for other municipal services, exploring the possibilities

of inter-local contracting, and (in a state notorious for the fragmentation of its assessments into hundreds of districts too small to employ competent appraisers) it is trying to improve and speed up assessments by making the county the smallest assessment district.

Meanwhile, many cities—including a few that are far from small—are finding they can reduce the cost of improving many of their services by contracting them out to the county. More than half the 77 cities in Los Angeles County (back East some of them would be villages) have entered into a total of 1,650 separate contracts with the county covering a wide range of services, including police and fire protection, health service, and street construction and maintenance. In the first year this system saved Glendora \$125,000 on fire service alone. In Monroe County around Rochester, N.Y., 15 joint departments and city-county agencies are functioning well.



JACKSON: The Cities Are Trying To Do Too Much

I am convinced that the cities are trying to do too much. They are trying to do more than they have the financial resources to support.

By way of contrast, consider what a smart game the suburban cities of from 15,000 to 50,000 population have been playing—and I commend them

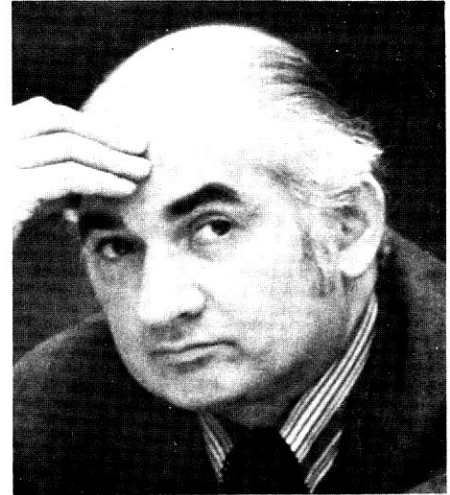
for it. They have identified what services and functions their people want enough to pay for them—mostly quality education for their children, good fire service, and good police protection. They have excluded from their spending the costs that are least likely to make their cities work. They try to get these less profitable services from the central city without paying for them or they try to get them provided by some other level of government.

If we go on expecting the core cities to perform all the many services that government can perform and continue to let suburban governments accept responsibility for only a limited number of services the central cities will always be at a disadvantage both economically and tax wise.

So the central cities might be wise to declare a creative bankruptcy in regard to those government functions they do not have the money to perform and let the states take over.

CRIFIELD—"We need property tax reform with better assessment practices, better administration and more stress on taxing land."

STOLLMAN—"Neighborhoods should set their own priorities as to what steps would yield the best results."



And here, to close our report, are a few more samples of the many other ways cities could help themselves

There is nothing to keep the cities from putting more of their idle cash balances to work earning interest instead of (as too often now) just letting it lie in some favored financial institution.

There is nothing to keep the cities from assembling the land for in-city industrial parks and using tax-exempt bonds to finance them (as New York has done and is doing).

There is nothing to keep the cities from providing better street lights to make their streets safer. (But the rise in crime on the streets will not be reversed until (1) the rise in drug abuse is reversed, and (2) teenage and Negro unemployment is corrected. The Devil finds work for idle hands to do, especially if those idle hands can lay hold on a needle.)

There is nothing to keep the cities from inaugurating an occupancy permit program under which all residential units must pass inspection for code compliance before a new owner or a new tenant can move in. University City, Mo., won a management innovation award from ICMA for launching such a program, under which 40,000 building deficiencies have been corrected in the

past five years and urban decay has been first halted and then reversed in several neighborhoods.

There is nothing to keep the cities from trying to balance housing growth and job growth by using some of their federal urban renewal money to help build places for people to work along with building places for people to live. In Washington's North Capitol Street project, for example, urban renewal has built housing on one side of the street and an industrial park on the other.

Finally, there is no reason why cities should let themselves be pushed or drawn into new programs they cannot pay for or do right. They should try to limit their spending to what they can do well. ■

Reprints available: Reprints of the special "Municipal Bootstraps" report are available for 75 cents each for 1 to 10 copies, 50 cents each for 11 to 99 copies, and 30 cents each (\$30 per 100) for 100 or more copies. Send orders to NATION'S CITIES Reprint Service, 1612 K St., N.W., Washington, D.C. 20006.

A Positive Municipal Leadership Approach

THE PRECEDING special roundtable report, "Municipal Bootstraps: What More Could Cities Be Doing To Help Themselves?" makes fascinating reading for all city officials. It contains many helpful ideas which should be adaptable in many communities.

The report also points to a positive approach to cope with city problems which I intend to bring to my term as president of the National League of Cities this year. I believe that government can work and that it is up to us to make it work. Specifically, we cannot stand on the status quo in our cities and metropolitan areas. We cannot produce great cities by waving the "crying towel." We must be willing to take the initiative, to do more on our own to improve our urban areas.

We have tried to do just that in Atlanta. In 1971 our city government's hard work resulted in public acceptance of a new low 15¢ fare public transportation plan to be financed by a 1 per cent increase in the sales tax, adoption of a drug reward program, approval of the new areawide Atlanta Regional Commission, and an increase in the minimum city employee salary to \$100 a week, 50 per cent above the federal requirement.

These initiatives have brought new spirit to the people of Atlanta and new confidence in their ability through city government to improve the quality of city living.

But municipal bootstraps *alone* are not enough.

As the special report in this issue points out, tackling our nation's urban problems (which are themselves so interrelated) must be done on a broad front involving not only all levels of government but the private sector as well. The words spoken at the NLC's 48th Congress of Cities in Honolulu (also reported in this issue of NATION'S CITIES) reinforce this multi-faceted approach to modern urban change.

Political leadership by elected city officials must operate simultaneously on many different levels to be truly effective:

Local: The theme of our 48th Congress, "To Increase the Capacity of City Government," is, after all, what our business is all about. To generate the energy and willingness among municipal employees to accomplish change within our own City Halls for the benefit of our citizens is a continuing challenge. It is our belief that human needs are best served when we are sensitive to man's physical needs as well as his fiscal needs, to the need for efficiency as well as the need for empathy. Thus, working with neighborhood groups and involving the public with our governmental planning processes and delivery systems is essential.

Regional: The involvement of elected city officials in regional planning and service and program implementation must be deepened if the benefits of metropolitan cooperation are to accrue to city residents. We

are in a key spot to strengthen our councils of governments, to improve our relations with counties, and to find ways to assure that special districts and authorities adopt policies consistent with the well-being of our cities. Elected mayors and councilmen should not be overshadowed by the fast-paced changes coming in regional planning and programs. They must, in fact, be actively involved in guiding their activities.

State: State legislatures now in session need to feel much more of the political power elected city officials can bring collectively to bear on them through their state municipal leagues.

National: As the new president of the National League of Cities and as a member of the Legislative Action Committee of the U.S. Conference of Mayors, I know the value of elected city officials working within the frameworks of these two national municipal organizations to focus attention on our goals in the halls of Congress and in the maze of the federal bureaucracy. The viability of such organizations as the NLC and the state leagues has had a direct effect on mustering congressional support for a program of federal revenue sharing. It is anticipated that this vital program will become a reality in 1972. When it does, we in America's city governments will have helped make it so. To strengthen these efforts on the national level, we must increase our active support of the NLC and of our state leagues of cities.

AS ELECTED CITY officials we have sensed the changing of the times and recognized that what was exceptionally good yesterday won't even maintain us tomorrow. We have realized that the success which breeds success needs nourishing and all segments of society must work together to contribute initiative, energy, courage, faith, confidence, ambition, and all the other necessary ingredients.

We make city government work by staying one or more steps out in front of our needs by anticipating changing times and by appreciating the importance of an atmosphere which is conducive to peace and prosperity. *Fortune* magazine has forecast that 1972 will bring an economy "bordering on boom." But I contend that this will mean little to the city that sits still and satisfied, the city that doesn't undertake new initiatives in an attempt to grow morally, economically, and geographically.

At the lead of this vanguard of urban change must be the mayor and councilman. Without their leadership our cities and metropolitan areas cannot advance to their rightful places in our society.

SAM MASSELL, *Mayor of Atlanta*
President of the National League of Cities