

DALHOUSIE UNIVERSITY BULLETINS
ON PUBLIC AFFAIRS

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Government in the
United States

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A. D. H. KAPLAN



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Recent Trends in Municipal Government in the United States

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One speaks cautiously of definite trends in tracing municipal government against a background as multi-patterned as that of the United States. This background is not only one of vast distances, familiar enough in the geography of Canada, but it involves concepts of local government originating in 48 states which entered the union under varying historical conditions over a span of a century and a quarter. Some of the local governments are traceable to British beginnings, others to Spanish, French, Scandinavian, and even Indian inspiration.

Treating the term municipal in the comprehensive sense in which it is generally understood in Canada, the United States may be said to have approximately 162,000 units of local government. Of these nearly 120,000 are school districts. In some of the states, however, the administration of the public schools as well as local welfare comes under the township or its equivalent, of which there are more than 19,000 examples. Incorporated cities, towns and villages make up a total of more than 16,000. Counties, the standard administrative sub-divisions of the states, number 3,052. To this list must be added between 3,500 and 4,000 *ad hoc* units of local government, often functioning without special statutes, established to provide additional governmental services—secondary education, road building, drainage, irrigation and other undertakings demanded by the exigencies of modern society—each of these units exercising the authority to levy taxes and carry on a phase of local government.

Within such a complex universe of local jurisdictions, contradictory tendencies may be discerned, based upon differences in local conditions or experience. For example, one may point with pride to the justification of the city manager form of munic-

"This is the enlarged text of an address given before the Annual Convention of the Union of Nova Scotia Municipalities."

ipal government in model communities like Cincinnati, Ohio, or Colorado Springs, Colorado, while at the same time we may point with the finger of scorn to the corruption of municipal government in Kansas City, which has been under a city manager charter since 1926. Thus in a given year we have municipalities of the traditional mayor-legislature type adopting manager-council charters while others that have had the manager form are reverting to the earlier forms of local administration. Similarly we find some of the states extending home rule privileges to local governments, while others are assuming an increased supervision over the affairs of their local jurisdictions.

The student of municipal government in the United States has not had the benefit of a comprehensive analysis such as has been accorded to Canadian communities in the series of illuminating reports recently issued by your Royal Commission on Dominion-Provincial relations.

This paper represents an attempt to select, out of an undigested welter of trends and cross trends, those recent changes in American municipal government which are sufficiently well recognized to be entitled to consideration as major trends. The three headings under which they will be considered are (1) municipal organization; (2) municipal finance; (3) relations between the municipalities and the senior governments.

I

Municipal government in the United States still shows the influence of the pioneer, rural, eighteenth century outlook with its resistance to positive governmental intervention. It has been of prime importance to convert the earlier types of loose municipal organization into corporations which are organically and technically equipped to carry out the positive functions assigned to municipal government in our day.

Our municipalities have had no easy task in achieving this reorientation. It may be recalled that the War of Independence was fought by the thirteen colonies below the Canadian border in order to escape the disciplines of government under the British crown. That fear of being "over-governed" finds expression in the system of checks and balances provided by the Constitution of the United States. Legislation initiated in one house of the bicameral legislature must be passed by the other house. Such

legislative acts are subject to the approval or veto of the executive. Statutes passed by the legislature and signed by the executive may be challenged as to their constitutionality, by the judicial branch of the government. Even with these safeguards in the original constitution, several of the colonies refused to enter the new union until there were added the ten amendments constituting the Bill of Rights, with its guarantees of personal liberties and reservation to the individual states of powers not specifically granted to the federal government. The state governments, organized with a similar system of checks and balances, were regarded as the protectors of the citizenry against too strong a centralized government. In turn the local communities demanded autonomy in matters affecting education, care of the poor, administration of justice, local taxation, and improvements.

At the municipal level the system of checks and balances persisted, with practically all offices filled by annual or biennial popular elections, with a bicameral legislature and separate departments independent of each other. The political parties prevailing in the national and state elections were reflected in the political divisions for local government as well; indeed, it was from the political machines of the local governments that state and national political machines were built up.

The problems of political theory and political alignment which were the primary concern of our individualistic forbears have had to yield, in the case of the municipality, to the practical business problems which are today the primary concern of local government. These are mainly problems of administration, of public engineering. They arise from efforts to meet daily requirements like the supply of water, the maintenance of a sanitary system, the control of disease; provisions for streets and alleys, freer movement of traffic, control of accidents; educational and recreational facilities; adequate financing of current operations; metropolitan and regional planning to meet the needs of the years ahead.

The first attempts to improve the quality of municipal government in the United States took the form of periodical housecleanings, to drive out politically corrupt officials and to replace them with those deemed less dishonest or less incompetent. But the lesson had to be learned that the changing pattern of

community life called for more fundamental changes in local governments; that the conduct of a modern municipality demanded a coordinated administrative framework as well as qualified personnel. Our municipal governments are in the process of evolving as business corporations performing services which are peculiarly identified with public necessity. A visible result of this development has been the substitution for disjointed municipal departments, each headed by an elected official not responsible to the other elected officials, of an integrated organization under a single responsible head. The trend is most clearly exemplified in the adoption of a county-manager charter by five hundred municipalities over the past three decades.

The general outline of the council-manager pattern is no doubt familiar to you. The citizenry elect a small council usually from five to nine members. These in turn select a manager, to administer the business of the community. The city manager, responsible to the council on broad questions of policy, is free to administer the departments. The number of elective officers is reduced to a minimum. Each department head, chosen by the city manager with or without council collaboration, in turn controls his personnel with an eye to their qualifications for the service to be performed. The preparation of the budget is an executive function carried out by the city manager in cooperation with his department heads. The approval of the budget and the making of necessary appropriations are retained as legislative functions of the council.

Although this manager type of coordinated municipal government is generally found in the cities and towns, it has more recently been applied in a small but growing number of county governments as well—notably on the Pacific Coast.

Keeping more closely to the traditional form of municipal government, but in practice very nearly like that of the council-manager organization, we have the "strong-mayor" type of municipal government under which a majority of the urban communities in the United States are now organized. In this type a mayor elected by the citizenry exercises the executive function and a small elective council acts as the legislative, policy-making body. The mayor, like the city manager, usually appoints his department heads. The trend is toward reducing the number of departments, combining as many related functions

as practicable. The major departments commonly set up are: finance; safety; health and welfare; highways, parks and improvements. The mayor and his department chiefs constitute a cabinet whose administration of the business of the city carries out the policies laid down in the legislative action of the city council.

Both the city manager and the strong-mayor municipalities have frequently gone through the intermediate stage of Commission government, which emerged as an effort to remove the party alignments and the spoils system from municipal government. The Commission form in the United States has generally involved the election of a board (usually five members) who select a mayor from among their own number. The commission assigns to each of its members the oversight of one of the major divisions of the local government. Some of the charters designate the department for which the commissioner is being selected. In general the commission form has had the weakness of not being coordinated under a single strong executive, and it is mainly for this reason that it has given way to the manager-council or strong-mayor-and-council type.

Notable, in the development of more efficient types of municipal government have been the changing boundaries of local jurisdictions, representing a desire to attain the size of work unit which will give the optimum of economy and efficiency. On this score there has been agitation for the consolidation of school districts and the consolidation of counties. During the past five years approximately 7,000 school districts, too small to operate efficiently by themselves, have been merged with neighboring districts. That many thousands more need to be consolidated is evidenced by the large number of school districts, especially in the far west, which contain a population of less than ten pupils.

Many of the original county and township units in the United States have been rendered obsolete by the progress in transportation and communication, as well as by shifts in population. The chief obstacles in their consolidation have been, first, the strength of local vested interests in the political prerogatives of the traditional county organizations; and, secondly, the unwillingness of neighboring counties to assume the financial burdens of the units most in need of elimination and absorption. Thus,

in spite of the continuing attention focused on the waste of maintaining separate county governments for small communities, only two county consolidations have taken place since 1934. A more frequent consummation has been the merging of county and city governments in the case of home rule cities; such mergers have reduced duplication of effort and assured greater coordination of municipal activities.

New jurisdictions in local government have arisen with the emergence of municipal activities which transcend the boundaries of subsisting jurisdictions. Of particular interest are the special authorities designed to take care of metropolitan areas—like the Port of New York Authority, with jurisdiction over adjoining sections of the States of New York and New Jersey; or the Bay District Authority surrounding the harbor of San Francisco. Such special district authorities are established to coordinate traffic facilities, sanitary and fire control, conservation of water supply, etc. A common practice is that of bringing two or more counties within a judicial district.

So, the trend in the organization of municipalities in the United States reflects the realization that the municipal government of to-day is a cooperative business enterprise which like the modern corporation must be organized into efficient work units manned by responsible, technically qualified administrators, designed to function with maximum efficiency in the interest of its stockholders and consumers.

II

In ministering to the growing requirements of urban communities, municipal government in the United States has had to wrestle with a corresponding increase in the complexity of fiscal housekeeping. During the first three decades of the present century there was a pervasive confidence in the inevitable and continuing expansion of the urban centers, in wealth as well as in population. Projects were undertaken and obligations incurred, not in terms of the visible tax capacity of the given community, but on the basis of that glamorous future which was the dream of the typical American municipality. The extent of the widening gap between current tax revenues and total expenditures is reflected in the nearly four-fold rise in the per capita debt of urban communities within a span of three decades. For cities

of 30,000 and above, the increase in municipal indebtedness, as shown in the annual reports of the U. S. Census Bureau on the Financial Statistics of Cities, was as follows:

Indebtedness of U. S. Cities
(000's omitted)

Year	Amount	Per capita
1903.....	\$ 933,044	\$ 44.71
1911.....	1,808,828	67.52
1919.....	2,541,172	81.18
1924.....	4,943,507	134.27
1927.....	5,529,835	144.33
1930.....	5,967,563	153.02
1931.....	6,328,778	159.70
1933 ^a	6,360,586 ^a	169.70 ^a

a. Data for 1933 include only 94 cities having population above 100,000; all other data for cities of 30,000 and over.

The depression of the early 1930's brought to a temporary halt the expansion in major capital projects financed by local governments. But even current financial operations over-taxed the resources of the municipalities during the depression years.

The relatively prosperous decade of the 1920's, seen in retrospect, had provided the municipalities with a golden opportunity to apply a portion of their tax revenues to a scaling down of the indebtedness which had been mounting since the turn of the century. But their opportunity was not embraced. Instead, we find that they continued to pile up public debt for additional capital improvements, until by 1930 many of them had approached the practicable limits of their credit. Hence when the depression came along, there was little margin left for borrowing even to meet relief needs.

After 1930 the municipalities suffered a marked decrease in current revenues, due partly to the decline in the tax base of property values but more especially to the alarming rise in tax delinquencies. By 1933 approximately a fourth of the current municipal taxes in the United States were delinquent;

in rural counties it was not rare for delinquencies to reach 80 per cent of the current tax roll. To avoid defaults, hundreds of municipalities found it necessary to apply the major portion of their current revenues to the servicing of their debt. As of January 1935 more than 2,000 municipal issues were in default.

With reference to tax delinquencies the problem of foreclosure became extremely serious in the early 1930's, and produced a chaotic condition. Property values declined to the point where realizations from tax sales failed to equal the taxes in default on the properties sold. (One extreme case was noted—that of Williams County in Illinois—where the foreclosure sale of five thousand pieces of property brought a total of \$10,000 while the delinquent taxes on these properties aggregated \$2,157,000). Various means of amelioration were adopted to encourage payment of back taxes. Accumulated interest was remitted, installment payments were introduced; substantial deductions were allowed to help clear the road in "hopeless cases"; and there were instances of total abatements to keep families under their own roofs and thus keep them off the relief rolls. But more recently the demoralizing effect of these special privileges has become apparent, and some stabilization has been achieved, both in tax collection and foreclosure practices. Special rebates have been largely abolished, while more attention has been given to scientific appraisal and more vigorous application to the prompt collection of taxes.

The efforts of the municipalities to meet relief needs out of their own resources broke down before the end of 1932. Special loans were at first arranged through the Reconstruction Finance Corporation and other federal loan agencies. But these gave way to direct subsidies from the states and, to a much greater extent, from the national government. The implications of this dependence of municipalities on state and federal aid will be considered in due course.

At this point it may be noted that two lines of pressure, opposing each other, have been in evidence. On the one hand, there has been the search of municipalities for new revenue sources of their own, apart from state and federal aid. Failing to obtain the needed funds through the property tax which remains the chief source of local revenue, the larger cities resorted to municipal sales taxes; special local excises on gasoline, liquor,

cigarettes, amusements; extension of the area of licenses and fees; payroll and income taxes. An increasing number of municipalities have taken over the operation of public utilities, devoting the profits to the supplementation of local general revenues. On the other hand, there has been the growing pressure of citizen groups, who have been active in furthering legislation for tax limitation, curtailment of the borrowing powers of the municipality, restrictive earmarking of funds for exclusive uses, and similar measures which have often been marked by more zeal than wisdom. Some of these restrictive measures, like the contrasting ingenious schemes of overlapping taxes, have had to be repealed shortly after their enactment, because they have raised more serious problems than they have solved.

The sobering effect, upon citizenry and officials, of the painful experience with deficit financing, has had its constructive manifestations. The improvement of the methods of financial housekeeping has become a primary concern of municipal government in recent years.

There has been a notable trend in the direction of more adequate budgetary controls. The majority of the states have enacted laws limiting the powers of municipalities in respect to borrowing and deficit spending; some require the submission of municipal budgets for state approval. An increasing number of cities and counties, either separately or under blanket state legislation, have adopted budgeting procedures in conormity with the Model Budget Law developed by the National Municipal League. The preparation of the budget, and its employment as a tool of financial planning and control, have become a primary function of the chief municipal executive.

As an aid in the control of revenues and expenditures, the more advanced municipalities in the United States have brought together the related fiscal operations under a central department of finance. This department embraces the functions of budgeting, accounting, collection, custody and disbursement, assessment of property and maintenance of the purchasing agency. Budgetary allotments are made to the various departments in accordance with appropriations which are based upon estimated costs of a detailed work program. Deviations from budgetary allotments are permissible only after legal adjustment of appropriations by the council and chief executive. Expenditures are

thus kept in line with available revenues; discrepancies are automatically brought to light and corrected.

A valuable source to which municipal departments have been turning for the improvement of fiscal practices as well as other phases of municipal administration, is the system of national professional organizations which now covers practically every field of municipal government in the United States. Examples of such service agencies are the Municipal Finance Officers Association, the National Federation of Tax Administrators, the International City Managers' Association, and the various professional organizations of municipal department heads.

On the whole it must be said that the efforts to raise municipal fiscal management to the level of a science have shown encouraging results. There has been marked recent improvement in tax collections; the record for 1938 has been on a par with that of 1930 and the delinquency rate reduced to about two-fifths that of 1934. Municipalities in general have also succeeded in achieving a substantial improvement in their debt position. The number of defaults in outstanding municipal bonds has been steadily reduced since 1934, 81 cities and towns having cleared up their defaults in the single year 1939. As of January 1940 municipal bonds moved to their most favorable market level in more than a generation, with an average yield basis of 2.59 per cent. While this improved position is in part due to external causes, it unquestionably parallels the coming of an era of more careful planning and funding of capital expenditures.

III

No aspect of government has been of greater concern to municipalities in the United States during the past decade than their increasing dependence upon the federal government, and to a lesser extent the state government, for financial aid and direction of policy.

It should be recognized that the local government units in the United States owe their legal existence to the constitutional and statutory authority of the states in which they lie. The municipalities in the states, by and large, have been allowed less autonomy in the conduct of their local affairs than has been

traditionally accorded to European cities. Moreover, the courts have been strict in their construction of powers granted to municipalities under state law. But at the same time the growing importance of the cities, which as recently as 1916 collected 65 per cent of all the tax revenues of the nation, made it inevitable that they should acquire new authority broad enough to permit the exercise of those municipal functions which emerged with the changing pattern of urban community life. The specific enabling acts which the states originally passed to meet single situations have given way to more general enabling acts of which cities may avail themselves if the appropriate cases arise. Thus, for example, most states have granted to municipalities blanket authority for the zoning of neighborhoods to allow for appropriate land use and to protect property values.

Of the 48 states, 33 now grant to municipalities the right to own and operate utilities and to finance such operations beyond the normal debt limitations imposed upon the municipalities by other state legislation. Most states have adopted the basic provisions of the municipal planning code prepared by the United States Department of Commerce in 1927. These codes give to municipalities the right to own land outside of city limits, for parks, sanitary water works, etc. More recently municipalities have been granted the power to establish airports within or without their city limits and to regulate traffic on through streets which are utilized as parts of state or federal highways.

Despite the disproportionate representation of the rural counties in the state legislatures, the trend toward more extensive home rule for municipalities was making appreciable headway in the United States until the beginning of the last decade. The counter movement, utilizing the power of the states to prevent the municipalities from over-reaching themselves, has simultaneously been in evidence. The depression emphasized the growing alarm over the increased financial involvements of municipal governments. Tightening state controls have taken the form of limitations on local tax levies; state review of municipal budgets; more stringent state regulation of the conditions pertaining to local bond issues.

Not all of the regulation by states, however, has been of a negative and restrictive character. The state has come to the aid of weak local governments in an effort to raise the levels of

public service beyond that which the local community itself could afford. This aid has been notably apparent in the areas of education and public health. In the field of education the principle of state aid to local school districts has received increasing recognition. It has permitted the improvement in the quality of instruction by setting minimum wage scales, establishing uniform course requirements, and in a few instances consolidating impracticably small districts. State funds have been used in this process of equalizing opportunities as grants-in-aid to those local districts which have come under the process of standardization. The facilities of the state have likewise been made available to rural districts through the distribution of state public health funds and state field health officers among the counties.

At the present time municipalities in the United States are undergoing a transition of revolutionary significance, as the result of the increased participation of the federal government in municipal affairs. During the first months of the depression the question of legal relationships yielded readily to the necessity of meeting dire emergency needs. Federal relief loans and gifts were made to states and cities, to private as well as public welfare agencies, with no other object in mind except to get funds distributed with the greatest possible speed. It soon became apparent, however, that the emergency was not one that would solve itself in a matter of months. Moreover, projects in public welfare that had started out as emergency efforts developed into permanent programs, as in the cases of social security, public health, public housing, and adult education. The administration of these programs has fallen in the last analysis upon the local government which is closest to the people among whom the projects operate. This local administration has had to depend, however, upon the flow of funds from the state and federal governments.

The federal government has established the programs and supplied the funds to a much greater extent than have the state governments. Nevertheless, under the legal structure obtaining in the United States it is with the states rather than the federal government that the municipality—be it city or county—must have its legal reckoning. The situation has been described as one in which the cities, the natural children of the states, were picked up as forgotten orphans in the early depression years, by a kind and generous uncle, the federal government.

To-day it is recognized that the adoption has its complications and frictions; and the adopting Uncle Sam is having his difficulties establishing cordial relations with both the local governments and their legal fathers, the states. The general formula under which the federal government has come to operate is, that funds for local purposes shall in the first instance be granted to the states, which in turn shall distribute the lump allocations to their respective local communities. A general policy establishes the terms of the grant made by the federal government to the state, and a conforming policy is set up by the state to govern its reallocations to the municipalities. It is under this formula that the grants for public assistance for old age pensions, aid to the blind, aid to dependent children, adult education, etc., have been made by the federal government to the states.

In the case of public housing, the original program of the federal government was one of direct aid to municipalities for local housing projects, without regard to the intervening state governments. More recently, however, with the establishment of the United States Housing Authority, the state governments have been encouraged to enact legislation under which local housing authorities may be established for the purpose of accepting grants from the federal government. This is in line with the tendency already noted to provide legal machinery whereby local welfare administration involving the use of federal funds should be carried out with the state as the recipient and redistributor of the federal grant. Thus, in the case of old age pensions a typical state law provides for pension payments of \$40 per month. Of this amount the federal government and the state each contributes one-half. The determination of eligibility and the preparation of the pension role are administrative functions carried out by the social service agencies at the county level.

Because of its scope and special interest, a brief review may be devoted to the federal relief program as it has affected the municipalities. Perhaps it needs to be pointed out in the first instance that the increase in public expenditures for relief represents a trend that moves back at least thirty years in the case of American communities. In a study made of public expenditures for relief in the State of New York, for example, it was found that public relief expenditures rose from 10 cents per capita in 1910 to 41 cents in 1920, to 74 cents in 1925, to \$1.41 in 1930. A study of 16 cities made under the auspices of the research

division of the Works Progress Administration showed similarly that public relief costs increased from 10 cents per inhabitant in 1911 to 62 cents in 1923, to \$1.30 in 1930.

Down to 1930 this growing volume of relief expenditures was a burden carried almost exclusively by the local communities. The rapid rise in relief requirements from 1929 to 1932 was likewise met by the local communities, both through the increase in private contributions and the increase in local public expenditures. The first appreciable effort by the federal government to recognize the plight of the local governments came in June 1932, with the signing of the Emergency Relief and Construction Act. By this act a total of 300 million dollars was made available for loans to the states for relief purposes. But inasmuch as requirements for public relief increased tenfold between 1929 and 1933, local communities had to give way to the federal government in financing the relief problem. The federal government definitely assumed the major share of the responsibility for relieving destitution in May of 1933 with the establishment of the FERA (Federal Emergency Relief Administration). From then until the end of 1935 the bulk of relief funds allocated to persons in need was furnished by the FERA. Thus, in 1934, out of a total of \$3,944,000,000 spent for public relief purposes, the federal funds accounted for \$3,153,000,000. Toward the end of 1935, however, there was a striking change in federal policy with the inauguration of the WPA. Under this program the Work Progress Administration, as the federal agency, undertook to take care of the employables; the relief of the unemployables was turned back to the state and local government.

Under this division of the relief burden, the lack of coordination in federal-local relationships has been prominently brought to the surface. The amount made available by the federal government for the employables was based upon the consideration of what compromise figure the Congress could agree to appropriate, rather than the budget estimates of local needs by the municipalities. In practice, therefore, the relative position of employables and unemployables see-sawed back and forth. An unemployable, in effect, has become "a person in need who is not attached to a federal WPA project". When larger WPA funds are made available by Congress, the definition of an employable is automatically liberalized. When WPA appropriations are reduced, there is a scramble on the part of erstwhile employ-

ables to be classed as unemployables, so that they may become eligible for relief from local government funds. Pending such shifts in classification the needy have occasionally found themselves unclassified and uncared for, with neither federal or local resources available for their relief.

Obviously, the federal policy adopted in 1935 has meant that the municipalities must provide a larger share of the total relief funds. The effect is illustrated in the fact that the share of the local government in the total of public relief outlays rose from \$791,000,000 in 1934 to \$1,442,000,000 in 1937, while for the corresponding periods the direct contribution of the federal government decreased.

The burden upon the municipalities has been somewhat lightened since 1936 through the operation of the federal Social Security Act, a segment of which provides public assistance to the states, and through the states to the municipalities, on the basis of the federal government matching local funds. These provisions for federal public assistance include assistance to three groups of persons in need—the aged, the blind, and dependent children. The federal grant is a matching device based on the amount which the state spends for its own program. Under the present act the federal government matches old age pension contributions by the states up to \$20 per month, for a federal-state total of \$40 per person. A similar provision applies to the blind. For aid to dependent children the federal contribution is one-half that of the state, up to a federal-state total of \$18 per month for the first child and \$12 for each additional child in the family. The Social Security Act also provides federal payments for administration of these federal-state programs, as well as special appropriations for crippled children, child welfare services, public health services, and vocational rehabilitation.

While these federal funds have made a substantial contribution to the relief of the needy, they have often seriously distorted the balance in local relief programs. The reason for this is that the municipalities, in applying their revenues to the matching of federal funds for these special categories of relief, have had little left for the general relief cases not covered by the special categories. We have therefore the not untypical case of indigent aged individuals receiving \$40 per month per individual, while

the rank and file of relief cases in the same state receive as little as \$7.00 per month. In one state—Ohio—where a property tax limitation of ten mills is imposed upon the municipalities, the care of the general relief cases has broken down almost completely, and special emergency measures have had to be taken to meet a minimum of the load.

Such situations have called attention to the necessity of a plan for reconciling the roles of the federal government, the states, and the municipalities, in financing and administering the public services demanded of government to-day.

Before leaving this topic of federal-local relationships it should be added that along with the difficulties of adjustment between the local and senior governments some definite gains in administrative practice have been achieved. In connection with the social security program, for example, funds are made available on the basis of the local government's meeting certain minimum standards in the selection of personnel, adequacy of investigation, and accounting for funds. These overhead requirements, occasionally out of step with local conditions, have had a salutary effect, by and large, in making local governments more conscious of standards to be maintained in their administration of public welfare programs.

CONCLUSION

From this brief review of recent developments in municipal government in the United States a few highlights may now be brought together by way of conclusion.

In the first place, municipal management has come of age as a corporate business, charged with providing services of intimate concern to every member of the community. To this end its methods of organization and financial housekeeping have undergone scrutiny and revamping in the interest of more effective, more economical services. The alignments of the national party system have been weakened and the system of frequent elections has likewise yielded to the necessity of appointing qualified managers of the business units through which the municipality gets its work done.

Because of the limitations upon the capacity and legal powers of local governments in meeting the demands for public service

to-day, it has been necessary to establish new relationships under which the credit and resources of the senior governments are called upon to meet the needs to which the local governments must minister. It is at this point that we are going through a momentous and painful transition. The foundations of a democratic way of life can best be preserved at the local level where the intimate relationships between the citizen and his government are most frequently encountered and recognized. If the municipal governments are to carry on the administration of public services sponsored by the states, the local communities must have a part in the planning and budgeting of these services and the determination of the rules of operation, even though the funds are collected by the senior governments. With problems of national defense confronting us, municipalities will probably be called upon to surrender additional areas of local autonomy in the interest of strong and efficient central authority. But centralization of authority, however necessary, has the disadvantage of creating a distance between the citizen and his government. We are concerned with nothing less than the very survival of self-government as we seek a formula under which the benefits of standardization and coordination through the agency of the senior governments may be achieved without destroying the essence of popular sovereignty, best exemplified in the operation of local government.*

*Bibliographical Note

For the greater part of the factual materials presented in this paper, the writer has depended upon the annual volumes of the Municipal Year Book issued by the International City Managers' Association since 1934. They contain current compilations of municipal statistics, as well as authoritative summaries of current legislation and significant activities relating to municipal government in the United States.

During the past two years there have been issued a comprehensive series of course materials by the Institute for Training in Municipal Administration of Chicago, which describes what are currently accepted as the best practices in municipal administration in the United States.

Among the current publications of the Public Administration Service which may prove of special interest for Canadian local officers is Bulletin No. 69, *The British Defense Program and Local Government*. The National Committee on Municipal Accounting has published "A Standard Classification of Municipal Revenues and Expenditures" (Bulletin No. 9), which is widely accepted as a basis of financial reporting by municipal governments.