will make it necessary for the larger cities always to levy some taxes to add to receipts from their profit-earning services. But they will not have to carry the double load which American city dwellers carry—direct taxes to the city hall, indirect taxes to the nonresident private owners of the profit-earning services. And just what that indirect tax amounts to can be inferred from the single fact that reduction of car fares in Cleveland, a city of 720,000, from 5 cents to 3 cents, saves the city riders of that city $4,000,000 a year.

GOOD-SERVICE, LOW RENTS, LOW PRICES FOR PEOPLE

Right now the larger European cities are borrowing money freely, like other ambitious business houses, but like those houses, and unlike most American cities, they are investing the borrowed capital, nearly every dollar of it, in profit-producing properties, taking over these properties—gas and electric lighting plants and street railways—from private owners. Most of them are going into land investments on a large scale. Not only the kind of non-revenue-producing land investments American cities make so generously (and wisely), such as parks and playgrounds; they make investments of this kind, but they also invest in lands for profit, just as any private citizen might do. They buy harbor sites and suburban tracts, improve them and lease the ground or rent the buildings to private business companies or to homeseekers. Except in the case of the gas, electricity, water and street car services (telephones are a national service over there), these enterprising cities do not try to monopolize any line of business. They merely assert their right and duty, acting for the large majority of the people who lack means and skill to compete personally with the rich and the shrewd, to compete with these favored ones for the general welfare. The majority get the benefit of this competition in good service, low rents and low prices.

Berlin, Hamburg, Dusseldorf, Munich and Glasgow are typical. Berlin's bonded debt is $114,617,549, most of it represented by profit-earning property. Berlin's revenue from city properties last year—gas, works, waterworks, canalization and farms, cattle market, abattoirs, meat inspection, market halls, street railroad, public warehouses and harbors—was, in round numbers, $39,000,000; its outlay on them, for construction, operation, maintenance and amortization of debt, $36,000,000, leaving a net gain of $3,000,000.

Dusseldorf's debt is $42,000,000, cared for like Berlin's. Munich owes $66,400,000, and is paying it off out of the surplus earning of street railways, electrical works, gas works, waterworks, vineyards and wine vaults and other profit-earning services.

Hamburg's $179,000,000 debt is represented mainly by a vast and profitable harbor property, which the city is acquiring debt free out of its surplus earnings.

Glasgow city corporation owns property worth $122,980,225. Its net debt is $40,755,840. Its profit-earning properties—street railways, gas, electricity and waterworks, markets and farms—are worth far more than its net debt. Glasgow is using the surplus earnings of its paying services to wipe out its debt and cleanse its slums, building decent tenements and lodging houses operated at cost in place of disease and crime-breeding tenements privately owned and operated for profit.

So the tale might run over half a hundred of the largest cities of the old world, where worried taxpayers began years ago taking city governments out of the hands of spoils hunters and putting them in charge of trained business men.

U. S. CITIES HAVE LITTLE REVENUE-PRODUCING PROPERTY

Co-operating with the Post-Dispatch's staff and special correspondents in 20 American cities, I tried to learn (a) what portion of the bonded debt had been invested in permanent improvements; (b) how much of it had been invested in properties calculated to earn a profit sufficient to repay the debt incurred to buy or build them. It appears the records of many American cities are vague on these points. The substance of the replies is that a very large majority of the borrowed millions have been put into permanent property, but not revenue-earning property. It is a matter of common knowledge that most of our cities have invested millions on bond money in improvements, such as paving, buildings, etc., unlikely to last until the bonds come due.

Kansas City and Chicago have conspicuously avoided bonding themselves for street improvements by preferring to assess the cost against abutting or nearby property, collecting, that is, from the owners of such property to defray the expense of the improvement, a part of the property's increased value due to the improvement.

The story of New York's bonded debt is naturally the most interesting, not to say appalling. What it represents in the way of graft, waste and stupidity has become worldwide scandal. New York's city officials, answering questions put to them, explain that the city owns properties—Central and Bronx parks, for example—worth much more than the net debt of $9.4,698,986. Properties bought with New York's bond issues are reported:

Waterworks	$183,470,117.76
Rapid transit subways	94,135,416.77
Docks and ferries	112,067,683.38
Schools and sites	116,745,098.01
Libraries and sites	12,006,609.18
Parks and playgrounds	64,178,887.38
Bridges (and new city office building erected by bridge department)	108,663,204.87
Other public buildings	86,929,925.14
Total	$778,196,333.60

This leaves a balance of $167,502,653.33 of the bonded debt with no permanent improvements to show for it. Take at least 20 per cent of the $778,196,333.60 recorded as having been invested in permanent improvements, for politicians', contractors', land agents' and other graft, and add it to the $167,502,653.33, and you have a fair estimate of the portion of New York's net bonded debt of nearly $946,000,000 which represents waste, graft and temporary betterments—of about one-third of the whole vast sum, which is nearly as large as the net bonded debt of the United States government.

This is one of the items which political instead of competent business management of our cities has cost the worried taxpayer. No wonder he is worried!

$180 BONDED DEBT FOR EACH PERSON IN NEW YORK CITY

New York's parks, to buy which bonds amounting to $64,178,887.68 were issued, are officially reported to be worth today, at the valuation of adjacent property, over $300,000,000 and would possibly bring that much if knocked down at a receiver's sale. Park investments, in or around a growing big city, not only safeguard the health and pleasure of the citizens, but give the community a share of the unearned increment, on which some of our cities, if they do not soon adopt a more rational basis of business operations, may be forced to realize in order to pay their debts.

New York's properties, bought with bond issues, and calculated to earn enough revenue to pay for themselves, are the docks and ferries, waterworks and rapid transit subways, costing $389,673,217.78, or something over one-third of the net bonded debt.

New York's so long mismanaged city government has piled up a bonded debt of $180 for each man, woman and child of the population; on which, in 1912, approximately $40,000,000 interest was paid, or almost $3 for each man, woman and child. If it were possible for New York to take over from their private owners at fair cost price, the street railways (surface, underground and elevated) the gas and electricity plants and the telephones, and to have them honestly and intelligently managed, the first city in America would be well started on the road to the extinction of its paralyzing public debt; could cut charges for its paying services gradually to half their present cost, and would in due time become the debt free owner of properties whose surplus earnings would supply a large partion of the city's needed revenue.

Of Boston's net bonded debt of $77,214,502.89 only $20,515,128.87 was invested in properties calculated to earn enough to pay for themselves.

Of Philadelphia's net debt of $99,905,350, $75,000,000 is reported as having been invested in the waterworks—a figure which fairly shrieks the secret of Philadelphia's graft ridden history.

Of Baltimore's $46,326,574.82 net debt, $19,035,412.50 (most of it put into the waterworks) represents investments calculated to pay for themselves.

Cincinnati's water works, built with bonded money is valued at $18,000,000, but the comptroller's statement indicates that the $23,428,695.33 quoted as "net debt" represents only that portion of the city's bonded debt "which is not self supporting."

Los Angeles' auditor claims a value of $175,000,000 in city properties, including the new aqueduct and water system and harbor. However, only $34,123,100 of bond issues has been invested in it. The report adds: "Of the Los Angeles city property, 92.67 per cent is or soon will be revenue producing and only 7.33 per cent of it is ordinary city non-revenue producing, or $2,653,725, which covers sewers, schools," etc. A situation of which the wonder city of southern California may well be proud, and which goes far to explain its extraordinary growth in population and wealth during the past decade.

HOW ST. LOUIS CAN EXPAND

St. Louis, with net debt of $23,806,690 and a net debt of but $15,494,432 for purposes of computing the limit of authorized bonded indebtedness, is in excellent position to borrow, up to $14,456,878, under the present assessment, for further public improvements. St. Louis has permanent improvements which cost $12,715,975.40 (city hall, fire and police stations, markets and other institutions) to show for its $23,806,690.50 of net bonded debt. St. Louis' water works, now worth $20,919,795, raises St. Louis' total of permanent improvements built or bought with bond issues, to over $33,500,000.

Seattle reports "no sinking funds." Seattle has invested $12,920,980 of its $15,297,380 net debt in building or buying city property. Its water works is now valued at $11,098,249.12; its municipal electric light and power plant at $3,918,780.33.

Minneapolis, with net debt of $14,516,896.84, reports: "Total value of all city properties, including water works and municipal light and power station, land, buildings and equipment, $48,992,625.93; total bonds issued for acquiring land, buildings, equipment, $21,013,900."

Louisville reports $4,000,000 worth of sewers and a $1,000,000 city hospital built with borrowed money; also the water works, earning over $300,000 a year net, which surplus it is proposed to devote to the public schools and the University of Louisville, although some citizens argue for a reduction of water rates. The water works is the only city property yielding a revenue. It is valued at $8,896,812.57. The city owned 9,000 shares of stock in the gas company, which it sold for $1,387,000 and spent on sewers, to facilitate a recent merger of all the Louisville light and heating companies into the Louisville Gas and Electric company. Louisville is the only city in the list which appears to be going backward with reference to municipal ownership.

Milwaukee reports: "It is practically impossible to figure out the properties bought to date with bonds, under the present bookkeeping methods." The city's properties, paid for with bonds, are today valued at $43,000,000. The only revenue producing property is the water works, worth $8,000,000 and earning $250,000 net yearly.

BONDED DEBT GOOD INVESTMENT

Detroit, with only $8,375,291.12 of bonded debt, reports $35,000,000 worth of city property (present value) bought or built with bonded money. The city's only revenue producing property, however, is the waterworks, controlled by a commission independent of the city government. Of the properties bought by the city government with borrowed money, none is a producer of revenue.

Kansas City, Mo., reports: "The values of city properties bought or built with bond issues to date are difficult to segregate. Bonds have been issued for sewers, levees, viaducts, bridges and traffic ways, and for park and playground improvements on land acquired by condemnation. Bonds were issued for about $4,500,000 for the water works, which earns a net profit over operating cost and amortization of $500,000 yearly. The general hospital, the municipal farm and tuberculosis hospital at Leeds and the isolation hospital, for which bonds were issued are valued at about $1,000,000.

"The water works, with an actual valuation of $7,000,000, is paying 6 per cent on a valuation of $11,000,000; the city market, for which $300,000 of bonds were issued, is paying for itself, as are the city wharf, costing $75,000; the municipal paving plant, costing $50,000, and the municipal farm, costing $100,000—all built with bond money."

Parsing

Up in Alaska there used to be a district attorney who was long on native oratory, but short on education. Once while prosecuting a big case, coming to the finish of his argument, he leaned across the rail and made this plea: "All I asts of you gentlemen of the jury, is that you now retire and mete out jestice as she deserves to be met!"—St. Louis Mirror.