City Manager Plan for Portland

A Report by the Government Organization and Public Finance Section
of the City Club

The Report Reveals

Portland's twenty years of experience with the commission form of government have demonstrated that this system is basically defective.

The 'city manager plan is inherently superior to the commission form and to any other American municipal system yet discovered. Twenty-five years of practical operation manifest this superiority.

Facts

Four hundred forty-five cities and counties are now operating under the manager plan. Nineteen of the cities have over 100,000 population, including Dublin, Ireland, and San Juan, Porto Rico, two great foreign cities that have adopted this American political invention.

Eleven American cities of over 100,000 have turned to city managerness in the last decade. Six of these had previously experimented with the commission form and found it wanting.

No city-manager city of this size has ever abandoned city managership for commission government. In the last decade no city of over 100,000 has adopted the commission plan:

Would the citizens of the seventeen large American cities now under the manager plan prefer to return to their previous form of city government? Independent investigation reveals that the answer in every city is emphatically "NO."

Greater Efficiency, greater economy, better service, have won general public support for city managership. A higher caliber of councilman has been elected and a higher type of executive secured under the manager plan.

THE COMMITTEE RECOMMENDS

1. That the city manager plan, with a council of seven to nine members, be adopted by the city of Portland.

2. That the council be elected at large by the Hare system of proportional representation.

3. That a citizens' committee, organized on a permanent basis, be maintained as a means of continuous popular enlightenment and as a guarantee of increasing effectiveness of the manager system after its adoption.

4. That the City Club co-operate with the existing citizens' committee in promoting the city manager plan for Portland, and in the drafting of a charter to put these recommendations into effect.
To the Board of Governors of the City Club:

In his classic commentary on American institutions, James Bryce remarked, some forty-five years ago, that the government of cities was "the one conspicuous failure of the United States." What Dante said of his own city was, said Bryce, applicable to American municipalities: "They are like a sick man who finds no rest upon his bed, but seeks to ease his pain by turning from side to side."

The judgment of this acute critic has been amply confirmed by other commentators on American life. In fact, the last three decades of the 19th century have been appropriately characterized as the "dark ages" of American cities. The first National Conference for Good City Government, held in 1894, Philadelphia, 1894. "Unanimously agreed that the government of almost every American city was bad."

Old Machinery Failed Completely

The prevailing type of city government at that time consisted of a relatively large council, elected by wards; a mayor, exercising some legislative and some administrative powers, and a group of independent administrative officials, also chosen by popular election. Such a system of government may have been workable under a pre-industrial economy, where life was simple, and the temptations incidental to office were relatively few. But the tremendous change in the nature of city government, during the closing decades of the nineteenth century, under the impact of a rising industrial civilization, brought with it complexities which overwhelmed existing agencies. Not only were governmental functions greatly increased; but the newer activities were markedly different in kind from those previously undertaken by our cities. Early 19th century city government had been primarily negative in character, involving principally the maintenance of order, and the protection of life and property. The newer duties thrust upon urban populations were largely of a positive sort, calling for the administration of complex services deemed essential to the health, happiness and efficiency of the community. For these services the old machinery was inadequate.

Scandals Shock Citizenship

"Responsibility"—that characteristic of government which makes it possible to know whom to "hang" politically—was notoriously lacking. Inefficiency inevitably resulted, and wide avenues to corruption were opened. As Washington Gladden, one of the "muckrakers" of the nineties, wrote: "Unbusiness-like methods of administration have crept in; illicit relations with contractors and plunderers of all sorts have been formed; a thousand subterranean openings into the treasury have been discovered. . . ." Recurrent scandals shocked our citizenry. From time to time an indignant public would rouse itself and eject from power a particular set of unfaithful public servants, only to find the same tendencies reappearing in subsequent administrations.

Cities Are Hope of Democracy

Gradually the conviction grew that improvement could be hoped for, not so much through the election of "reform" administrations—whose lives were always short—as through the funda-
to be what it was not. It claimed to be a 'business' government, with a 'board of directors', chosen by the stockholders of the city. But boards of directors in business concerns do not assume the actual functions of an organization, whether collectively or as individuals. They employ a general manager to do this. If, therefore, it is desired to equip the city with a business government, why not follow the business analogy to its logical conclusion by providing that the commission, instead of trying to perform the work of administrative supervision through its own members, shall employ a general manager for this purpose?

TREND TOWARD CITY-MANAGER PLAN

These and other considerations formed the basis of approach to a conscious, deliberate modification of the commission form of city government; that is, toward what is now the city-manager, or council-manager, plan. The first known application of this plan was in Staunton, Virginia, in 1908. In 1912 Sumter, South Carolina, was similarly endowed by act of the state legislature. But the movement first attracted national interest, and attained real vitality only during 1913 when the city-manager plan was adopted by Dayton, Ohio, a city of 125,000 population.

Dayton Ruled By Inefficiency

Before the adoption of this regime, Dayton's government was certainly no worse than that of many other cities. It was doubtless not so bad as some. "But it had been inefficient; it had been concerned more with serving the 'faithful' than with serving those for whom the government was really created. Politics had a ringside seat; it dictated when the bell was to be rung and had a voice in the decisions." The improvident issuance of long-term bonds; inadequate health services, accompanied by epidemics; laying off of firemen and policemen because of lack of funds, were a few of the many manifestations of a "nineteenth-century city administration carried over into the twentieth century." Though the inefficiency was not conscious of a need for a reform of the governmental system, a few leaders were alive to the situation, and in 1912 the movement for reform took shape. A bureau of municipal research was established, which immediately set to work studying scientifically and impartially the operation of the Dayton government.

Flood Reveals Incompetency

The final impetus came with the flood of March, 1913. It was this which "brought out in bold relief the incompetency of the administration" which broke down at that critical time, and necessitated the creation of a citizens' committee to take the lead in bringing order out of chaos. Munro says that behind this movement was a conscious aim to "secure the merits of the commission plan while keeping clear of its defects."

Manager Plan Produces Results

The new charter, adopted that year, embodied the major features of a typical manager system. The voters of the city elect a small council, which is the policy-forming body. The council in turn chooses the city manager, whom they may also remove. The city manager, a trained administrator, appoints, with power of removal, all heads of departments. Furthermore, subject to civil service regulations, the manager is responsible for the appointment and removal of all other officers and employees in the administrative service of the city. Though the council may remove the manager at any time, it may not interfere with him in making appointments or removals. Responsibility is thus centralized, so that credit or blame may be placed upon the proper shoulders.

Many Cities Join Dayton

The example of Dayton was contagious, and from that time the spread of the city-manager idea was fairly rapid. The National Municipal League re-examined the problem, and incorporated this system in its revised model charter of 1915. During the five-year period, 1910 to 1914, it had been adopted by thirty municipalities. From 1915 to 1919 there were 106 additions to the list. Between 1920 and 1929 no fewer than 268 others joined the ranks. By the end of 1927 a total of 445 cities and counties were definitely under city-manager government, and, in addition, 165 other cities and thirty-nine counties had some modification of this organization. At that time, also, nineteen cities of more than 100,000 population were definitely under city-manager government, and, two of them being outside the United States,—Dublin, Ireland, and San Juan, Porto Rico. Some fifteen smaller cities in Canada and Ireland had also adopted this reform, indicating that an American political invention is actually taking root in foreign soil.

Managership Supersedes Commission Form

The drift since the war has been unmistakably in the direction of the city-manager type. During the past decade no city larger than 100,000 has adopted the commission form, whereas, during the same period, no fewer than eleven American cities of over 100,000 have turned to city manager form. Six of these had previously experimented with the commission form and found it wanting. No city, having adopted city manager form, has seen fit to turn back to a strong-mayor plan, though this by no means represents a general trend.

Wide Approval Given Manager Plan

The adoption of the city-manager system is in some states impeded by constitutional limitations. Taking this fact into account, of those cities above 25,000 population which are constitutionally able to do so, one out of every three has already adopted this type of municipal regime.

SUPERIORITY OF CITY-MANAGER OVER COMMISSION FORM

In approaching an appraisal of the city-manager plan in actual operation we are fully conscious of the fact that no mere mechanism can solve the problem of government. Every cumbersome governmental machine can often be made to yield reasonable satisfaction if supreme devotion to the general welfare on the part of the public officials can be assured, and if an intelligent and patriotic citizenry are unceasingly vigilant.

One Does Not Shave With Axe

On the other hand, the best instrument of government can be perverted to evil uses if an apathetic public permits a determined and selfish minority to have its way. The cases of Cleveland and certain other cities will be re-
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CITY CLUB PURPOSE

"To inform its members and the community in public matters and to arouse them to a realization of the obligation of citizenship."

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ferred to later to illustrate the point of this statement. This does not alter the fundamental fact that certain instruments are better adapted than others to serve particular purposes. One does not shave one's self with an axe, though it could be done if one chose so to misapply one's energies.

Manager Plan Is Inherently Superior

The principle involved is strictly applicable to the field of politics. Our concern in the matter of adapting a political mechanism to social purposes must be to choose the one which manifests an inherent tendency to produce a given desired result. After a careful survey of the problem assigned to us, we are convinced that the city-manager form of government is inherently superior to the commission plan, or indeed, to any other municipal system within the range of American experience. Our conclusions are based, not merely on theoretical considerations, but also on the practical operation of this regime in American cities.

Advantages Are Listed

On the theoretical side it is worthy to note that students of government and experts in municipal administration are practically unanimous in recognizing the superiority of this type. The following advantages are commonly ascribed to it:

1. The legislative function of city government is separated from the administrative function. This is of fundamental importance. Under the commission form not only is a commissioner called upon to perform administrative duties, but he is expected to be a legislator as well. Not only is he a policy determiner, but he is charged with carrying those policies into effect. Only very rarely, however, will a man be found who is both an able administrator and an able legislator; and even more rarely will such men offer themselves for public service. Under the city manager plan the city council, elected by popular vote, performs the legislative function. It chooses the city manager, who is strictly an administrative official, and who is judged as an expert rather than as a politician. This advantage of the city manager plan over the commission form is apparently beyond argument.

Voting Is Simplified

2. The task of the voter is simplified. He is called upon merely to choose for a (preferably) small council, a few men of whose general policies he approves. He is not asked to pass an impossible judgment on the question whether the candidates for office are also capable administrators.

3. Better executives can be secured by this type of government. As H. W. Dodds has appropriately said, the hope that under the commission plan "experts and executives would be chosen as active heads of departments proved illusory. It is now recognized that administrative officials cannot be effectively selected by popular election." Selection of the best executive is feasible under the city-manager plan. The council, under its choice, is able to call in the best talent available, wherever it might be found. This feature has a double
advantage,—not only does it offer the possibility of securing better qualified experts than may be locally available, but it also acts as a special stimulus to the city managers themselves, encouraging them to use the city as a field for the best possible record, not merely for the inherent satisfaction involved, but also in the hope of being called to increasingly responsible posts.

Great Efficiency and Economy Possible

4. Efficiency and economy are best promoted under this system. These considerations naturally are of first importance to the manager, whose policy inevitably stands or falls by reason of his success or failure in this field. The unification of the administrative machine under his management, furthermore, makes it possible to co-ordinate the various municipal activities in such a way as to promote the greatest possible efficiency and economy.

5. The spoils system and politics will tend to be eliminated from city government. The city manager, subject to civil service rules, is given complete control over appointments to the administrative posts, and members of the council are forbidden to interfere in such matters. A wise city manager will not jeopardize the valuable safeguard thus afforded him. The stakes of his profession are too great to permit him to play politics. Nor will he be disposed to subordinate the primary consideration of administrative efficiency to the inroads of the spoilsmen.

Manager Plan Is Flexible

6. Greater flexibility in adapting the administrative mechanism to new needs is possible under the city manager system. Under the commission form the administrative set-up becomes crystallized in a fixed number of departments (five, for instance) which can be altered only by amendment of the charter. Furthermore, even within this set-up readjustments are difficult because of inter-departmental political considerations; and when shifts of bureaus are made, they are suspected of being primarily disciplinary in character. Under the city-manager plan, readaptation of administrative agencies is possible to meet changing needs, and entirely new departments may be created if expanding functions demand it. This is illustrated, for example, by the case of Dayton, which began with five departments, but which recently increased them to seven.

To Govern Well Is To Foresee

7. City-managership lends itself peculiarly well to far-seeing planning in city government. "To govern well is to foresee," it has been said. Of all officials in municipal life the manager is best fitted and has the greatest incentive to look ahead and plan for future contingencies. He is free of all to think in non-political terms, and to face the facts as they come within the purview of public administration.

Real Democracy Is Afforded

8. Democratic government becomes more effective under this regime. The mid-nineteenth century idea that the people should directly elect their administrative as well as their legislative officials is now recognized as basically fallacious. We know that the citizens at large cannot be expected to choose experts. If they attempt to do so experience teaches that confusion, inefficiency and the negation of genuine democracy are the probable consequences. As Lent D. Upson, a leading authority on municipal affairs, has pertinently said: "The essence of good government is the right of the public to determine what shall be done by government—to choose representatives who determine policies. To attempt in a similar way to decide the technical processes by which these policies shall be carried out is a perversion of republican principles, of which there are all too many evidences in the costly and incompetent government of American cities." The city-manager plan offers the best hope of establishing popular control over municipal government. This it does through the instrumentality of the direct representatives of the people, (the council) whose business it is to determine policy, to watch over the acts of the executive, and to remove him and secure another if his work is unsatisfactory.

Science Is Applied To Government

9. The development of a group of experts in municipal administration is finally, a fact of great importance in its bearing on the future government of our cities. The International City Managers Association has already become a real force for scientific city management. The important pamphlet of May, 1933, on How Cities Can Cut Costs, offering practical suggestions for constructive economy, is an excellent illustration of their contributions to the improvement of city government. Conscious efforts are being made to improve the training of city managers and other municipal administrators. Periodic conferences are held for the purpose of discussing common problems and for the discovery of new and improved techniques to be applied in the public services. Gradually these individuals are coming to look upon themselves as members of a highly responsible profession. "Politically" disinterested, their major concern is necessarily with the advancement of municipal standards. Incidentally, a national pool is being built up from which the city council of any American city may choose the manager best suited to its particular requirements.

PRACTICAL OPERATION OF MANAGER PLAN

We have suggested above that the points of superiority alluded to constituted inherent tendencies of the city-manager plan. We appreciate, however, that in a highly imperfect world, such tendencies may fail to manifest themselves fully in practice, or may fail to command public support. Realizing that the ultimate test of any political regime must be its acceptability to the public, your committee has undertaken an inquiry to determine the views of representative groups on the practical operation of the city-manager scheme in their respective cities. For this purpose we choose the seventeen American cities over 100,000 population which are now operating under this system. These include: Cincinnati, (O.), Kansas City, (Mo.), Rochester, (N.Y.), Oakland, (Cal.), Dallas, (Tex.), Dayton, (O.), Oklahoma City, (Okla.), Grand Rapids, (Mich.), Ft. Worth, (Tex.), Flint, (Mich.), San Diego, (Cal.), Long Beach, (Cal.), Norfolk, (Va.), Fall River, (Mass.), Wichita, (Kan.), Miami, (Fla.), and Knoxville, (Tenn.). We did this in the belief that the conditions and experience would be directly
relevant to our own city. It might be added that as to the smaller cities the success of the city-manager plan is scarcely any longer a matter of debate, and that only as to the larger municipalities are questions still raised.

**Independent Investigation Is Made**

In order to arrive at a competent judgment as to the success or failure of the plan in the above-mentioned cities, we sent questionnaires to the following groups or organs of opinion: Chamber of Commerce, Rotary Clubs, Leagues of Women Voters, Councils of Churches, Federations of Labor, civic organizations, the labor press and the leading daily newspapers. One hundred thirty-five questionnaires were sent out and seventy replies were received, which is a very good average return for such inquiries.

**Economic Stress Deters Optimism**

The results of the inquiry must be interpreted in the light of the fact that the questionnaires were sent out in a time of intense economic stress, wherein citizens in general are prone to be unusually critical of their government, and disposed to lose sight of the 'service' aspect of their local government, and to think only of its costs.

**RESULTS OF THE QUESTIONNAIRE**

The replies, however, leave no doubt as to the prevailing satisfaction with the city-manager system in practically all of the seventeen cities. In answer to the question, whether they would prefer to return to the form of government existing before the adoption of the city-manager regime, sixty-three replied in the negative, while only forty expressed a desire to go back. All four of these dissenting voices were from labor elements. Other groups or organs of opinion were unanimous in favor of the manager plan. This attitude in some, though not all, labor quarters may at first seem strange; but it is probably to be explained by the fact that in the cities concerned—San Diego, Dallas, Rochester, and Grand Rapids—labor elements feel that they are not adequately represented on the council. This is a difficulty which proportional representation could easily remedy.

**Greater Efficiency Results**

The claim that greater efficiency results from the city manager plan is upheld by an overwhelming majority of the returns. Sixty out of sixty-five replies on this point voted favorably. Is the performance of governmental services better or poorer under city-managership? The same sixty replies affirmed that the manager plan had resulted in better performance while six were of the opposite belief.

**Services Increase, Costs Decrease**

As to whether or not the manager system has resulted in an increase or a decrease of government economy, the replies were somewhat less conclusive, although a considerable majority held that increased services had been accompanied by decreased operating expenses. (It must be borne in mind that the replies are expressions of opinion, and that, therefore, statements bearing upon such technical matters as services performed and operating costs cannot be expected to be precise or 'objective.' The difficulty of attaining precision naturally increases as the period during which a city has had the manager form lengths.)

**Substantial Salaries Are Paid**

In five of the cities under review the present city managers had previous experience as city managers before their existing incumbencies. In two others the incumbents were previously the assistant managers.

The salary scale ranges from $4,000 in Miami and Flint to $20,000 in Cincinnati. Rochester and Kansas City pay $9,000 and $15,000 respectively.

The councils under this system vary in size from five to eleven members. Fifty-one replies regard them as representative, while twelve do not. There appears to be no relationship between the size of the council and its representative character. In Cincinnati, where the council is elected by proportional representation, all three replies bearing on this point regard it as representative.

**Better Councilmen Are Secured**

As to the caliber of the councilmen, forty-seven replies indicated an improvement of personnel over those of pre-existing regimes, while twelve saw no improvement. In the six cities which had come over from the commission form, twenty-one out of twenty-four replies felt that an improvement was evidenced.

**Manager and Council Function Properly**

What of the relations between the manager and the council? For the most part a normal and proper relationship is indicated, though there is no unanimity on this point, and opinions would naturally tend to vary greatly. In Grand Rapids and Rochester the manager is apparently regarded as being a tool of the council, and the council is charged with interfering in administrative matters. In Kansas City the manager is said to dominate the council and to interfere in local politics. The replies from four cities are inconclusive on this point: But in ten cities—Dallas, Fort Worth, Long Beach, Oakland, Wichita, Flint, Norfolk, Cincinnati, Dayton, and Oklahoma City—opinions conclusively indicate that a proper relationship exists between the council and manager.

**Spoilsmen Oppose Plan**

There are indications of movements in seven of the cities to abolish the manager plan, but the answers to the questionnaire in practically every case refer to the leaders of these movements as "politicians" or "disgruntled politicians."

Fifty out of fifty-five of the replies are of the opinion that the city-manager administrations enjoy general public support. This fact, combined with the overwhelming preference, earlier alluded to, in favor of the manager form, as compared with pre-existing systems, leaves no doubt in our minds as to the relative success of this type of city government in the American environment.

**CASES OF LIMITED SUCCESS**

Nevertheless, it cannot be ignored that in certain cities it has failed to win complete acceptance. Personal and political factors will occasionally upset the happy balance of forces which is necessary for the successful operation of
even the best social mechanism. The respective functions of the manager and of the council are clearly defined, and should be mutually respected. If and when either the one or the other ignores this delimitation of functions, trouble is sure to follow. This is indicated, as above suggested, by the attempts of dissatisfied minorities in certain cities to abolish the manager plan.

Kansas City Remains Partisan

Kansas City is perhaps the best illustration of this condition. Partisan politics have crept in, and the manager has failed to limit his activities to the strictly administrative field. The questionnaire replies from the city and, perhaps, not much reduced. "Indeed, a letter from the Civic Research Institute reports that: "In spite of the partisanship, however, there have been definite changes and improvements resulting from the provisions of the charter itself, particularly those relating to organization, centralization of responsibility, and finances, and financial provisions generally."

Charter Defects Cause Abandonment

A few cities have abandoned the plan after a brief trial. This has resulted from a variety of causes. In some cases it was due to specific defects in the charters which made the plan difficult to work. In Denton, Texas, for example, it was provided that the city manager should also be the mayor. It is not surprising that the people resented not being able to elect their mayor.

In other cases municipalities abandoned the regime for reasons largely extraneous to the plan itself. A number of cities in Florida for example, gave it up because it was not a guarantee of prosperity. During the boom period, many improvements had been provided, which later became a very heavy burden on the communities. For these conditions the manager was apparently held responsible.

Politicians Thwart Public

In another category of cases the political conditions were prejudicial to the success of the plan. In Akron, Ohio, for example, there was a constant fight between organized political leaders and an unorganized public. In the election which overthrew the regime, only 30% of the registered voters went to the polls, and the margin against the city-manager system was 172 votes.

Likewise in Nashville, the plan was never allowed to take root. Its life was short (two years) as it was in practically all cases of its abandonment. Here too, organized opponents of the program won out over an unorganized public.

THE CASE OF CLEVELAND

Cleveland is the outstanding example of a large city which abandoned the experiment. Adopted in 1924, it was rejected in 1931, after having been upheld by narrowing margins in elections of 1927, 1928 and 1929. The repeal, of 1931, was finally achieved at the hands of less than one-fourth of the registered voters of the city: 61,448 voted for repeal, against 51,831, out of a total registration of 248,788.

Plan Was Denied Fair Trial

Mayo Fesler, Director of the Citizens League of Cleveland, says the manager plan never had a fair trial in that city. From the day of its christening in 1924 until the date of its repeal in 1931, the plan was mishandled by partisan political forces in control. Both political parties originally opposed the adoption of the charter. When it was adopted, they managed to control the council, which was rather large—twenty-five members—and which had failed to attract men of outstanding and non-partisan character to its ranks. A 60-40 distribution of offices was agreed upon by the bi-partisan machine, and the manager was induced to accept this arrangement.

Manager Plays Politics

Throughout the six years' incumbency of the first manager none of the parties concerned observed the conditions essential to the success of the plan. The manager engaged so actively in politics that in 1927 the repeal campaign was actually conducted on the issue: 'Shall we keep Mr. Hopkins as city manager?' An open rupture occurred between the leading political boss and Mr. Hopkins, who became personally active in councilmanic elections, and who was suspected by many of desiring to make himself Republican leader. Eventually, in 1931, he actually became a candidate for the council.

Mr. Hopkins' successor was unable to overcome the political handicaps which he inherited, and it has been well said that the lust of spoilsmen for public office and partisan favor was the major single factor in the defeat of the manager plan in Cleveland.

Plan Gives Economy and Efficiency

In spite of this unhappy ending, however, it should be pointed out that Cleveland's manager government was a marked improvement over the preceding type. The tax rate for city purposes had steadily declined. The per capita bonded debt, in a time of rapidly expanding functions, had not increased. The city had lived within its income. More large public improvements had been carried into effect than in any equal period in the city's history. "In short," says Mr. Fesler, "Cleveland's government, in spite of the interferences referred to, has been more economically and efficiently administered than in any equal period in its history." Furthermore, it should be noted that, as Mr. Fesler says, in both Kansas City and Cleveland, in spite of the political difficulties, the men chosen as managers have been individuals of far higher type, both as
to character and ability, than either city had been able for years to secure as chief executive under the elective mayor system.

Marked Improvements Are Recorded
It must be obvious, from the foregoing, that the so-called "failure" of the manager form, where it has been voted out of existence, has been much more apparent than real. Even in the midst of the struggle of partisan groups and special interests, marked improvements have been recorded. In other cities, where the manager plan is generally recognized as a success, the achievements to its credit are more outstanding.

THE SUCCESS OF CINCINNATI
Cincinnati, a city somewhat larger than Portland, is perhaps the most striking example of the successful operation of the city manager plan in a large city. Adopted in 1924 by a majority of two and one-fourth out of the council, the charter has enjoyed the steady support of public opinion. The faithful observance by the manager and the council of the distinction between matters of public policy and matters of administration, has borne fruit in a very tangible manner.

Unprecedented Benefits Result
Charles P. Taft, 11, son of former President Taft, cites numerous facts to illustrate this point. For instance, the cost of street oiling in 1925 was $5.75 for a 50 foot lot; the cost in 1928 was ninety-seven cents, and in 1929 no assessment was made whatever. "Contract prices showed an amazing shrinkage," he says. Three years under the charter saw sixty miles of new streets built. The prices paid in 1928 for twenty-four miles alone saved $263,000 under what it would have cost at 1925 prices. And this at a time when the price level was rising. Cincinnati's "Municipal Activities" handbook for 1932 proclaims that the 1932 city tax rate of $9.59 per thousand was the lowest for any city of 300,000 population or over. "The credit of Cincinnati," it says, "is unsurpassed by that of any municipality in the country." Cincinnati bonds are still quoted at a premium. Many other comparable achievements in this city could be cited.

DAYTON AND OAKLAND
Dayton's first year of city managerialism is an amazing record of reorganization of the social services. Some services, which had been dropped in previous years, were resumed; others never rendered before were added, and $30,000 of a floating debt of $125,000 was paid off during that time. That process has since continued. A practice, applied since 1914, which enables that city to live within its income, is the periodic revision of the budget by the manager during the course of the financial year. Three or four times during the year the manager reviews the budget with each department and division head, and adjusts the expenditures to the actual receipts. In May, 1930, for instance, the manager reduced the budget of 1930 more than $57,000 because the actual income for the first quarter failed to come up to the amount estimated. This illustrates the flexibility and adaptibility of the manager regime, which is scarcely conceivable under the commission, or indeed any other prevailing system.

Oakland Eliminates Waste
Several months ago the City Club heard from the manager of Oakland not only how the mayor-council-manager set-up was $25,000 cheaper than the corresponding set-up under the preceding commission form, but that the budgets of the city departments immediately under the manager were reduced almost half a million the first year, and slightly over a million the second. These reports are typical of the achievements where the city-manager plan prevails. It has generally been found possible to add socially desirable services without increasing the cost to the citizens; while often the total cost has actually been reduced.

Are Efficiency and Economy Wanted?
It ought to be borne in mind that even in Cleveland, in spite of unfortunate political difficulties, and the final repeal of the manager system, there is no question that on the side of economy it was very largely a success. In this connection, it may be remarked that the very success of the city-manager regime in the important field of efficiency and economy is sufficient explanation of the vigorous opposition which is encountered in certain interested quarters. One can understand the feelings of the contractor who frankly said: "What do I care for honesty, efficiency or economy? I can make more money under the old system."

No Conspicuous Failure Exists
In spite of shortcomings of the manager regime in certain cities, it is interesting to note that Professor Thomas H. Reed, of the University of Michigan, an eminent authority in this field, points out that "not a single charge of corruption or of conspicuous failure has attached itself to any city manager, while city government in other cities has been receiving more unfavorable publicity than for a generation." Furthermore, he concludes by saying that "experience with the manager plan has demonstrated that it will work in large and small cities on the whole more satisfactorily than any other plan of municipal organization yet discovered."

THE CASE OF PORTLAND
In raising the question of the relevance of the manager system to our own city, we note that Portland did not, apparently, join the ranks of commission-governed cities with great enthusiasm. Defeated in 1909 by more than two to one, the commission charter won in 1913 by a majority of 292 votes in a total of 34,342 votes cast. Fortunately for the success of the plan, the first commissioners chosen on the council were a group of able men, devoted to the public welfare, and determined to do whatever was necessary to make the plan a success. The relative success which these individuals achieved may be measured, partly at least, by the fact that in 1917 two attempts to return to the old councilmanic form of government were decisively defeated, each by votes of over two to one.

Competence Has Dwindled
There seems little doubt, however, that the spirit of the first administration, and the high average of ability of the first incumbents were not maintained. In other words, the normal tendencies of the commission type of government began to set in. We make no charges of graft, or personal misconduct in office, or of willful betrayal of the peoples' interests against any individual commissioner, past or present.
We believe, on the contrary, that for the most part, the incumbents of these posts have conscientiously striven to fulfill their duties. It does not follow from this, however, that the duties and functions have always, or even generally been collectively performed in the most efficient and satisfactory manner, with primary regard to the public welfare. In fact, we are convinced that frequently these qualities have been lacking, and that the public service has suffered accordingly.

**Bi-Partisanism Appears Lacking**

After a careful survey of the local situation, we are convinced that the major arguments in favor of the adoption of the commission type of government are as pertinent to Portland as elsewhere. Of considerable importance, in a negative way, is the fact that the political obstacles to its complete success here are much less serious than they were in Cleveland or Kansas City. In those places bi-partisan political machines—Republican in Cleveland, and Democratic in Kansas City—were primarily responsible for the perversion or impairment of the proper functioning of the manager regime. In Portland, no such danger seems to exist. We might therefore hope that the beneficial effects normally flowing from the manager system of government would not be neutralized by such forces.

**Legislation and Administration Are Confused**

While we can be glad with one eye, rejoicing in the absence of the above-mentioned sources of political confusion, we must weep with the other, admitting the presence of evils which are characteristic of other cities where the commission or mayor-council type of regime is to be found. Wind general agreement that the combination of legislative and administrative functions inherent in our commission government presents an insuperable difficulty. It is no reflection on the character or integrity of any individual to point out that Portland's experience demonstrates the impossibility as a regular process, of electing good administrators by popular vote. After all, it must be confessed that this particular question is one that should not be put to the voter, whose incompetence for the task is obvious, and who should therefore be concerned only with a given candidate's general policy.

**Irresponsibility Is Manifest**

Division of authority and irresponsibility are also manifest. Each commissioner tends to regard his particular department as his own domain, and interference therein by others is resented. This is a perfectly natural condition. The situation which encourages this proprietary attitude toward one's own department naturally incules a similar attitude, reciprocally, toward other departments. Departmentalism is the result, which defeats one of the major theoretical arguments in favor of the commission type, namely, that the commissioners, while intimately informed as to the details of their respective departments, will be only slightly less well informed as to all others, and that in the determination of policies, even of particular departments, all will share equally and without prejudice.

**Budget Practice Is Inadequate**

The inadequacies of our commission government in this respect become manifest when the budget is involved. Each commissioner naturally tends to emphasize the activities of his own department. Almost inevitably he does not have an adequate perspective of the needs of the departments as a whole. The result is a lack of flexibility in adjusting the appropriations to the fluctuating needs of the various services. Logging, it is stated, on high authority, is not confined to the halls of Congress or state legislatures. It is known in our own city hall. What has been said above concerning the city-manager system, will indicate its superiority over the commission form at this crucial point.

**Effective Accounting Is Lacking**

Closely connected with the above is the fact that carefully-planned economy under our commission form is difficult, if not impossible, owing to the fact that we do not have an effective accounting system. Our city government has no measuring stick with which to test relative costs of services. In this field the city-manager plan would almost certainly introduce better practices. In fact, the city-manager association has already undertaken the task of working out standard scales as a basis for comparing costs, and there is no doubt that the manager would have the strongest incentive to make use of such methods.

**Theatrical Issues Submerge City Business**

Another characteristic weakness of the commission form which manifests itself locally, to the detriment of good government, is the tendency for the important work of administration to be side-tracked or submerged by less important, if more spectacular, political issues. As one individual of great experience in Portland's municipal affairs appropriately put it: "The theatrical end is often played up at the expense of the business end." Not only does this show up frequently in sessions of the council, but it even carries over into elections. This unfortunate situation arises from the failure of the commission system to recognize the essential distinction between the policy-determining and the administrative functions, and to assign to each its proper place in the government of the city. The manager regime should certainly tend to correct the balance of forces.

**Framed Council Decisions Occur**

Intimately related to this problem of politics and administration is a defect which crops out in the process by which decisions of policy are reached under the commission system. Under existing practices there is a tendency, very often, for decisions to be "framed" before the council meets. This arises from the fact that individuals, or groups, interested in particular programs, are disposed to take up the matters individually with the commissioners concerned, and thus to commit them in advance, and outside of the council meeting itself. The matter then comes before a council which is already committed, either in favor of, or against the proposal, and necessarily the matter fails to secure the independent consideration which it would receive had it been laid before that body by the city manager. This problem is another expression of the confusion which results from placing the legislative and administrative functions in the same hands.

The following charts outline, (a) the existing organization of Portland's commission government, and (b) a typical city manager type:
CHART A
Portland's Commission Government
Existing Organization

VOTERS OF PORTLAND

CITY COUNCIL
Composed of City Commissioners - Controls all Departments - Each Commissioner Heads a Department

1. Board of Appeals, Responsible Bidders on Public Improvement (c)
2. Board of Motion Picture Censors (c)
3. Traffic Committee
4. Board of Appeals Building Code
5. " Electric "
6. Board of Appeals Electric Signs
7. " Plumbing Code
8. " Zoning Ordinance
9. Smoke Prevention Committee
10. Advisory Board Housing Code
11. Board of Examiners Building Contractors
12. " Electrical Division
13. " Plumbing "
14. " Concrete Supervisors

City Council

Appointed
1. Commissioner of Finance
2. Commissioner of Public Works
3. Mayor of Police
4. Commissioner of Public Utilities
5. Commissioner of Public Affairs

Departments

1. Department of Finance
2. Department of Public Works
3. Department of Public Safety
4. Department of Public Utilities
5. Department of Public Affairs

Boards and Committees

1. Board of Appeals
2. Board of Appeals
3. Board of Appeals
4. Board of Appeals
5. Board of Appeals
6. Board of Appeals
7. Board of Appeals
8. Board of Appeals
9. Board of Appeals
10. Board of Appeals
11. Board of Appeals
12. Board of Appeals
13. Board of Appeals
14. Board of Appeals

Note: (c) Appointed by Council.
1 & 3 Members are ex-officio.
Boards 1 and 4 to 14 operate in conjunction with Bureau of Buildings.
It has been suggested that possibly the existing commission government of Portland might be so amended, or re-vamped, as to endow it with the desirable features of city-managership, without throwing over the basic aspects of the commission form. Could the mayor, for instance, be given sufficiently large powers over the administration to achieve the benefits of the manager regime? Your committee can see little merit in this proposal, except in so far as it inclines toward the acceptance of the principles of city-managership. Confusion of functions would still remain. The mayor, an elective official, would be called upon practically to perform the administrative functions of a city manager. In fact, however—granting the possibility of electing an official capable of performing both functions—the mayor would be unable to live up to his responsibilities. So long as the essential feature of the commission form remained—the election of individuals to serve as the heads of departments—his fellow commissioners would be able to thwart his plans, both in administration and in politics. If, under the commission form, one or more of the commissioners proved incompetent as administrators, the mayor might conceivably take away their functions, and re-distribute them, as is possible, to a considerable extent, under our present charter. Any such changes, however, would tend not only to upset the balance of the distribution of duties among the commissioners but would also inevitably disorganize the administrative set-up, as has been done to a degree in our own municipal administration. The scientific method of procedure, under such conditions, would be to remove the incompetent official, and to secure one of adequate competence, rather than to disorganize the governmental set-up. But this action would be impossible, as each of his colleagues on the commission would, like himself, enjoy a "popular mandate," and would thus be irremovable, except by the cumbersome process of an election. The degree in which such transfers of functions became necessary would obviously constitute an index of the inadequacy of the commission regime. On the other hand, if the functions were left in the hands of incompetent administrators, the public services might suffer even more seriously.

A glance at the Portland situation does not indicate that wholesale transfers of functions from one department to another have been made, though, in itself, this is neither a sign of health nor of disease. There are, nevertheless, a few instances of incongruities which have developed since the establishment of the commission system. For instance, the Bureau of Fire is now found in the Department of Finance, which would appear to be entirely without justification in terms of sound principles of administration. The same can be said of the Bureau of Health, which likewise comes under the jurisdiction of the Commissioner of Finance. The Street Cleaning Bureau is equally out of place in the Department of Public Affairs, as logic would direct its inclusion along with the street lighting and water works bureaus in the Department of Utilities. Perhaps one difficulty which some of these anomalies represent is the need for a careful
reorganization of the administrative set-up in Portland, involving an expansion of the five departments into at least six, and probably seven. There should, for example, be a Department of Health and Welfare, which does not now exist. It is possible, also, that the work of the Bureau of Fire is of sufficient importance to justify raising it to the status of a separate department. Such a reorganization is practically impossible under the Commission regime, as it would involve a charter amendment enlarging the number of commissioners. Under the city-manager plan it would be a very simple process.

Amendment Would Prolong Confusion

Thus it appears that giving broad powers of administrative control to the mayor under the commission form scarcely constitutes a solution of the problem. Even granting that he would exercise them wisely within the limits of the possibilities, he could still be blocked by a majority of the commissioners when it came to framing policies in full council meeting. Any attack on the problem along this line, while retaining the basic features of the commission regime—elective commissioners with both administrative and legislative functions—would be largely negative in character, and the total result would be a perpetuation of confusion.

PROPORTIONAL REPRESENTATION

Another matter which we consider of great importance in contributing to the practical success of the city-manager regime, though we do not regard it as an integral part of the system, is proportional representation. The object of this is to secure to every considerable minority in the city representation on the council in proportion to its numbers, while, at the same time, guaranteeing that the majority of the voters will always have a majority of the council. Election of a majority of the council by a mere plurality of votes will no longer be possible, and the danger of machine domination of municipal politics will thus be much diminished, since the machine generally wins by dividing the majority and controlling an active minority.

A "Good Council" Is Essential

Professor Harris pointed out before the City Club several months ago the importance of securing a good council as a guarantee of the success of the city-manager regime. Not only must it consist of individuals of high calibre, but it must be representative of the important political groups of the city. If any important minority feels itself excluded from representation on the council, that minority will constitute a source of discontent, as has been already illustrated in the case of labor elements in certain manager cities. Mr. Taft ranks Proportional Representation (the Hare System) as of first importance in accounting for the success of the manager regime in Cincinnati. He says the council rates high as a representative assembly largely because of P. R. Proportional representation has given, not minority rule, but majority rule with minority representation.

P. R. Assures Representation

The objections are raised to the so-called Hare system because of its alleged complexity, and the difficulty the average individual may have in understanding it. In fact the various steps in the process are simple enough in spite of the fact that all of the details cannot be made clear in very brief compass. So far as the average individual is concerned, he should be encouraged to accept the very simple and very fundamental fact that under this system he will be far more certain of being represented on the council than he ever was before, owing to the fact that every group of, say, one-seventh of the electors—assuming that the councilmen to be chosen—will elect its candidate. If he is a member of a group comprising four-sevenths of the electorate, his group will elect four-sevenths of the council.

Owing to the length of this report we omit details on this phase of the subject, and recommend, simply, that the Hare system of proportional representation be used in connection with the election of a council of either seven or nine members.

A CITIZENS' ORGANIZATION

As suggested above, we are under no illusions as to the magic of a mere institutional set-up. A good institution is indispensable, but it is only one of the factors essential to good government. Like a good machine, it may be misused or perverted. The great advantage which the city-manager system offers is that it gives the citizenry the opportunity more easily to know what is going on, and to fix responsibility. This opportunity is also a duty, and can be best performed if an active group of disinterested and patriotic citizens organize for the purpose of maintaining an intelligent contact between the city government and the general public as well as to see to it that the highest type of men come out for membership on the council.

Citizens' Organization Is Necessary

It is interesting, in this connection, to note that in the cities where the city-manager regime has worked best, such organizations have been formed. Mr. Taft ranks this factor as second in importance only to proportional representation in accounting for the success of the manager regime in Cincinnati. The same story comes from Dayton and elsewhere, and we are convinced of the multiple benefits which should flow from such an organization.

CONCLUSIONS AND RECOMMENDATIONS

Your committee, therefore, recommends:

(1) That the city-manager plan, with a council of seven or nine members, be adopted by the city of Portland, as soon as possible, as a permanent basis, as a means of maintaining an intelligent enlightenment and as a guarantee of increasing effectiveness of the manager system after its adoption.

(2) That the council be elected at large by the so-called Hare system of proportional representation.

(3) That a citizens' committee, organized on a permanent basis, be maintained as a means of continued popular enlightenment and as a guarantee of increasing effectiveness of the manager system after its adoption.

(4) That the City Club co-operate with the existing citizens' committee in promoting the city manager plan for Portland, and in the drafting of a charter to put these recommendations into effect.

Respectfully submitted,

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Approved by John C. Failing, chairman of the Government Organization and Public Finance Section.

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