

LETTER FROM  
**The Citizens' Association**

TO THE  
COMPTROLLER

OF THE CITY AND COUNTY OF NEW-YORK.

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HOW OUR TAXES MAY BE REDUCED TO  
ONE PER CENT.,  
OUR REVENUES DEVELOPED,  
AND  
OUR DEBT LIQUIDATED.

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IMPORTANT INFORMATION FOR EVERY TAX-PAYER.

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THE GREAT QUESTION OF THE DAY IS  
"RETRENCHMENT and INTELLIGENT, THOROUGH, COMPRE-  
HENSIVE REFORM."

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NEW-YORK :  
Published by the Citizens' Association,  
No. 813 BROADWAY.

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TO THE COMPTROLLER.

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CITIZENS' ASSOCIATION OF NEW-YORK,  
No. 813 Broadway, NEW-YORK, *Jan. 10, 1868.*

*Hon. Richard B. Connolly, Comptroller of the City and County  
of New-York:*

DEAR SIR—In the Annual Report for the year 1866, of the Department of Finance of the City of New-York, you expressed a determination, to the best of your ability, to meet the responsibilities and discharge the duties of the office to which you had been elected in such a manner as to promote the interests of the tax-payers, and sustain the credit and honor of the Corporation.

You are intended to be in fact what you are in law—the guardian of the public treasury and the general conservator of the public property. Your position, as a matter of course, must make you perfectly familiar with the details of the several departments of the City and County Government, and the necessities of the public service.

As you have so forcibly expressed your determination to protect and advance the public interests, the Citizens' Association trusts that you will realize these pledges and reduce the local taxes.

Every plan to reduce taxation should involve the following three propositions:

*First*—The reduction of our standing debt.

*Second*—The increase of the City revenues.

*Third*—The decrease of the expenses of the local government.

And the Association offers the following suggestions on these points, believing that, if carried out, the desired result will be attained:

## I.

### TO REDUCE OUR STANDING DEBT.

New-York, to-day, with public property worth about \$200,000,000 consisting of parks, markets, Croton Aqueduct Works and real estate connected therewith, wharves, piers and ferries, from which a large income should be derived, is in debt to the amount of \$42,142,176.50, and is compelled to raise by tax upon the estates of citizens seven-eighths of the sums necessary to conduct its affairs.

There is now in the sinking fund, for the redemption of the city debt, \$15,000,000.

This amount should be at once applied towards paying off that indebtedness.

*The Association would respectfully request your co-operation in procuring the legislation necessary to accomplish this object.*

This would leave a total debt of some \$27,142,176.50. The market property of our city, estimated to be worth about \$5,000,000 should be sold and the proceeds applied towards paying off the debt; this would leave the debt about \$22,142,176.50.

The following statement shows the amount that the city is annually losing under the present market system. The net annual profit now received by the city from the markets is about \$100,000, taking no account of the interest upon their value. If this property should be sold for \$5,000,000

and the money invested, the city would receive some \$350,000 per annum as interest.

In addition, the markets being situated in centres of business, the property in private hands would be improved and would be worth, at least, \$20,000,000.

The city would receive, by way of tax upon this property, at the present rate of taxation, two and a half per cent. upon the taxable value, say \$250,000 per annum. Thus, if the proceeds of the sale were invested, the city would, after the sale, receive \$600,000 instead of \$100,000 annually from the property; and if the proceeds were applied to the payment of the city debt, as they should be, the city would still derive an income of \$250,000 per annum.

*The Association, in view of the immense benefits to be derived from the measure, asks you to use all endeavors necessary to procure legislative authority to sell our public markets.* Of the balance which would then remain of the debt, \$22,142,176, 50, \$10,782,800 would represent the debt incurred on account of the original cost of introducing Croton water into our city. The Croton water debt should be paid from the Croton water income alone. This is a revenue able to take care of its own debt, and have a large surplus over. The debt would then be reduced to about \$11,359,376.50.

The other salable property, except the wharves and piers owned by the city, could be disposed of for about \$2,000,000, thus leaving a debt of some \$9,000,000, incurred on account of the Central Park improvement, to represent which we have the Park itself, worth at least \$75,000,000.

The balance of our debt, viz.: \$9,000,000, could be funded in a long stock known as the Central Park improvement stock, of 30, 31, 32, 33, 34, 35, 36, 37 and 38 years, which would make just one million mature each year after 1898, to be raised by tax, the interest in the meantime to be annually raised by tax, and paid by the Comptroller. Upon such funding the sinking fund, with all its waste, should be abolished.

*The Association, therefore, asks your co-operation to secure the legislation necessary to make the Croton Aqueduct Department self-sustaining, to fund the balance of debt, and to abolish the sinking-fund system.*

## II.

### THE PLAN FOR INCREASING THE CITY REVENUES.

*First*—The revenue for the use of Croton water should be and might fairly be made to pay the interest on the Croton debt; to pay the current expenses of the Department; to lay aside enough annually to liquidate the principal of the debt as it falls due, and to yield about one million annually to reduce the city taxes.

The present low rates for Croton water were fixed shortly after it was introduced, and only amount in first-class dwellings to about half a cent for one hundred gallons—which is next to nothing.

*Second*—Large express companies and railroad lines which now pay but a mere pittance into the treasury for the privileges and advantages they enjoy, should be required to pay what is just and fair.

*Third*—Full authority should be obtained from the Legislature to impose a license tax on the cars of the City Railroads. These companies enjoy the public streets for their business as a monopoly; they make large profits, and should pay for their privileges.

*Fourth*—There are thousands of persons doing business in this city who do not contribute one dollar towards the expenses of our local government for accommodations which they enjoy equally with our tax-payers. They live in the neighboring counties and states, and thus escape the burdens which they should justly bear. A direct tax should be imposed upon all such persons, graduated according to the amount of business transacted. From the last three sources an annual income might be derived of \$2,000,000, and from such sources, in nearly all our large cities, *income is derived.*



## III.

THE PLAN FOR DECREASING THE EXPENSES OF OUR  
LOCAL GOVERNMENT.

*First*—All distinctions in government between the City and County of New-York should be abolished, thus saving the expenses of two sets of officers doing the same general work in the same territorial limits, and of large expense caused entirely by a dual government.

At least one million of dollars could thus be saved.

*Second*—The expenses of the several metropolitan Commissions should be reduced one million of dollars.

*Third*—From a careful analysis of the expenditure of the Department of Public Instruction, the Association is of opinion that this Department could be efficiently conducted for two and a quarter millions of dollars per annum.

*Fourth*—The expenses of the local government could be reduced nearly three quarters of a million of dollars by making our courts of justice self-sustaining.

This could be done by the institution of a plan which should require all those persons who use the courts to pay the expense thereof. Our courts now cost us nearly \$800,000 per year, and the city receives but about \$100,000 in fees, &c., therefrom.

In our City and County Courts there are 35 Judges, 100 clerks and 89 officers, (the Police acting as officers for the criminal and police courts.)

Each year about 2,500 cases in the Supreme Court are put on the calendar; in the Superior Court, about 600; in the Common Pleas, about 600; in the Marine Court, about 5,000 suits are brought annually, and in the petty civil courts, together, about 12,000. These amount to some 20,000, which number must be increased by some 3,000 additional suits which are never put on the calendars. For some 30,000 litigants this expense of \$800,000 is borne by

the community at large ; whereas, a very small tax on the litigants themselves, which would be perfectly just, would defray the expense.

Another portion of the plan is to reduce the expenses of the courts by dismissing a number of superfluous attachés.

The other expenses of the local government can be reduced an additional million of dollars by a judicious contraction of expenditure.

To thus increase the revenues and decrease the expenses of the Government, legislative aid may be necessary ; *and the Association would respectfully request your earnest co-operation to press upon our local Boards and officers the necessity for economy and retrenchment, and also to procure such legislation.*

By this plan the annual expenses would be reduced to :

The Commissions.....	\$3,000,000
Public Instruction.....	2,250,000
Charities and Corrections.....	1,000,000
The Common Council.....	2,000,000
Cleaning Streets.....	500,000
The Interest on Funded Debt.....	700,000
For Incidentals.....	500,000
For State Purposes.....	3,000,000
Total.....	<u>\$12,950,000</u>

To meet this the annual revenue would be as follows :

First—Croton Water Revenue, in addition to the amount required in paying the expenses of the Department, the interest on the stock, and the principal as it falls due.....	\$1,000,000
Second—Excise.....	1,000,000
Third—Revenue from River-front, Wharves, Piers, Slips, Ferries, when developed.....	2,000,000
Fourth—Other sources of revenue.....	2,000,000
Total Revenue.....	<u>\$6,000,000</u>

This would leave a total of \$6,950,000 to be raised by tax, which would make *the tax less than one per cent. upon*

*the present valuation of property, or about one-third of the annual tax now borne by our citizens. To secure this result the Association requests your hearty co-operation to the furthest extent of your official power.*

The Association would also call your attention to the plan which will be presented to the Legislature for the improvement of our river front, by providing in this harbor facilities for our commerce commensurate with its importance.

The objects kept in view in this plan are :

*First*—To give to one body or board the entire and exclusive control and supervision of the wharves and piers of the harbor of New-York.

*Second*—To give to such body all the powers necessary to promote the public welfare, in respect to the wharves and piers ; but at the same time no power which might prove a hardship or burden upon private capital and enterprise.

*Third*—To leave the improvement of the river front as much as possible to private capital and enterprise ; and

*Fourth*—To give the Board the power of establishing such rates of wharfage as will induce private individuals to develop the river front, and provide accommodations commensurate with the wants of our commerce, by allowing them a proper return upon the capital invested, but not to give the Board any power to make outlays of the public money, nor to engage in expensive undertakings which will impose another heavy debt on the people.

*The Association asks that you will give to this plan, which will be submitted to you, that consideration which the importance of the subject demands, and will aid the commercial interests of our city in securing the improvement needed in that respect.*

*The Association would also respectfully request that you will lend your co operation to procure the legislation necessary to authorize the taxes in the City of New-York to be raised according to the following plan :*

*First*—Two hundred and fifty taxpayers, paying taxes on property of the taxable value of not less than \$20,000, shall be summoned by the Mayor of the city, from among whom, in the presence of the Presiding Justice of the Supreme Court, twenty-four shall be selected by lot who shall sit as a jury.

*Second*—Before them every branch of the local government, including all Boards and Commissions, shall be by law compelled to present their budgets, and any taxpayer may appear and oppose the amounts asked for, giving his reasons for so doing.

A majority of the jury shall determine, after hearing all sides, the sums necessary to be raised for all local purposes in the City and County of New-York, and their decision shall be final.

This plan gives into the hands of our citizens the fixing of the amount of their taxes. There is no reason why it should not be easy for them and the public officials to agree on this point. If such a system be adopted it will lead to such a harmonious administration of public affairs as has never before been witnessed in this city.

The present depression of all commercial and industrial pursuits, and the gloomy prospect as to any immediate change for the better, loudly call for the most thorough contraction of expenditure in every department of the local government.

Our people, especially at this time, cannot submit that so large a proportion of their earnings should be wasted in supporting the incumbents of the many sinecure offices in the city, and in the transaction of the ordinary routine of public business.

It has seemed very remarkable that the increase in our taxation should be so disproportionate to the increase in our population.

The most stringent measures should be adopted to check

every item of waste or improper expenditure; and the appeal is made to you, since all waste can be effectually checked by vigilance and prompt action in your department.

This Association sees with great regret that, in your estimates for the expenses of the *City Government* for 1868, you have recommended no substantial reduction below the amounts expended last year.

Your predecessor in office, Mr. Brennan, in his estimate for 1867, recommended \$11,101,802.52 as sufficient for this object.

You gave as an excuse for pressing the large amount asked for in that estimate that you found it made up when you entered upon the duties of your office in January, 1867, and that if you had had the preparing of it the expenditures would have been fixed by you at a much lower figure. The estimate for 1868 is now before us, and we find that, instead of making any reduction on the expenditures of last year, as you repeatedly promised you would, you have increased the expenditures for 1868, to \$11,161,122.50.

In the estimates of your predecessor \$165,000 was included for judgments, but the estimate made by you contains no amount for judgments.

In 1867 the interest on the City debt to be provided for was \$1,228,881.24, and the portion of the City debt redeemable was \$692,420.69, while, in 1868, you estimate the interest at \$1,144,692.55, and the principal payable at \$702,420.69.

So, it will be seen, that you have asked for an increase of \$133,508.67 over the extraordinarily large estimates of last year, which it was expected you would reduce.

The Association cannot see any tendency to a judicious contraction of expenditure in the following amounts, recommended by you in your City Budget for 1868:

- |  |             |
|--|-------------|
| 1. Advertising for the Common Council..... | \$50,000 00 |
| 2. Printing for the Common Council.....    | 60,000 00   |

## FINANCE DEPARTMENT.

1. Cleaning markets.....	\$25,000 00
2. Contingencies, Comptroller's office.....	20,000 00
3. Salaries, Department Finance.....	190,589 18

## STREET DEPARTMENT.

1. Contingencies.....	\$15,000 00
2. Lands and Places.....	45,000 00
3. New stone bridge at Kingsbridge.....	20,000 00
4. Printing for departments.....	40,000 00
5. Public buildings, construction and repairs.....	77,000 00
6. Roads and Avenues.....	103,500 00
7. Stationery and blank books.....	45,000 00
8. Street improvements.....	10,000 00
9. Supplies for and cleaning public offices.....	90,000 00

In the budget for 1867 the amounts were estimated at :

1. Advertising for the Common Council.....	\$50,000 00
2. Printing for the Common Council.....	80,000 00

## FINANCE DEPARTMENT.

1. Cleaning markets.....	\$16,500 00
2. Contingencies, Comptroller's office.....	15,000 00
3. Salaries, Department Finance.....	160,000 00

## STREET DEPARTMENT.

1. Contingencies.....	\$15,000 00
2. Lands and Places.....	30,000 00
3. New stone bridge at Kingsbridge.....	5,000 00
4. Printing for departments.....	40,000 00
5. Public buildings, construction and repairs.....	50,000 00
6. Roads and Avenues.....	60,000 00
7. Stationery and blank books.....	40,000 00
8. Street improvements.....	5,000 00
9. Supplies for and cleaning public offices.....	75,000 00

It will thus be seen that the decrease in these items amounts to \$20,000, while your increase in these items amounts to \$169,589.18.

The Association doubts the expediency of a stone bridge at Kingsbridge. Last year \$5,000 was appropriated for this

purpose. It is very questionable whether any such permanent bridge should be built, as, in the course of a few years, the improvement of the Harlem River may necessitate the removal of all such permanent obstructions. It was to be expected and hoped from your assurances, voluntarily given to the Association, to protect the interests of our tax-payers, that you would have reduced these items of expenditures very sensibly below the estimates of last year, since in these, or most of these, the public money has heretofore been squandered.

This Association cannot understand how you are promoting the interests of the tax-payers by recommending that such large sums should be appropriated for advertising, printing, blank-books, stationery, repairs to our public buildings, supplies for our public offices, and for keeping the public roads in repair. It was to be expected that in all these matters, whatever the estimates of the different departments and bureaus may have been, *you* would have accompanied such estimates with recommendations of retrenchment, showing you to possess an earnest desire to lessen the public expenditures.

In view of the fraudulent disposition of large sums for these purposes in preceding years, the proposed expenditures of such vast sums for another year must be regarded by the people as a fraud upon the tax-payers of this city.

The Association trusted that instead of asking for increased appropriations, you would have exerted the whole power of your office to stop the monstrous waste which, for years, has been permitted under the specious pretences connected with the items of advertising, printing, roads and avenues, and other kindred expenses.

The appropriation of \$60,000 of last year for roads and avenues was in excess of what was required by even an ordinarily honest expenditure, and now you recommend \$103,500 for keeping the twelve miles of travelled public

roads in this city in common order, while the Central Park Commissioners spend but about \$50,000 a year in keeping their carriage-roads and walks in most admirable repair.

The Association regrets that you have asked for \$190,589.18 for the salaries of your office for 1868, which is some \$30,000 in excess of the estimate for such purpose for 1867, made by your predecessor in office, Mr. Brennan.

The Association cannot see that the exigencies of the public service require this increase; but is of opinion that the financial department could be carried on as efficiently as now, for many thousands of dollars less than your estimate.

In this connection, the Association would call your attention to the following article, which appeared in the *Evening Post*, making a comparison between the clerical force and amount of business of the United States Sub-Treasury, in New-York, and the Finance Department of this city:

“In the Comptroller’s Department in this city there are employed one hundred and thirty-one clerks and chiefs of bureaus, at an annual expense of \$167,642.81 for salaries; also \$19,546.61 for contingent expenses, besides the City Chamberlain, through whom all payments are made, with a salary and perquisites of \$150,000 per annum.

“The amount of the entire transactions of the Comptroller’s Department is \$37,587,811.95 for 1865. In the United States Treasury Department, in this city, there are employed sixty-eight persons. The amount of salaries paid is \$122,904.

“The amount of transactions was two thousand five hundred and eight millions for 1865. While, therefore, about one-half the number of persons were employed, the volume of business transacted was sixty-eight times greater.

“At this rate the City Government would require eight thousand nine hundred and eight persons to perform the same amount of business that was transacted by the Treasury Department of the United States, in this city, by sixty-eight persons; at the same rate it would cost \$11,399,711.08 for



salaries to perform the same amount of business under the City Government."

The Association calls your attention to the following portion of the Message of Mayor Hoffman, of January 6, 1868 :

"We are now beginning to pay the indebtedness contracted during the war, and our people must be fully prepared to bear heavy burdens. *It is certain, however, that a very large amount of money may be saved annually, by a proper effort, in the various departments of the City and County Governments, and in the Boards and Commissions, to cut down the number of employés upon the pay-rolls, which are unnecessarily large, and to scrutinize more closely the prices charged for all supplies and articles furnished. There must be increased economy.* We shall need all our resources, as well as all our self-denial, to meet the increasing demands upon us; and I urge upon all persons charged with public trusts to bear in mind the fact."

If it be said, in reply to the above comments of the Association on the amount of salaries paid by you, that the Common Council has created the offices in your department, and has fixed the salaries thereof, it is still true that the power of making the appointments and discharging the clerks is in the head of each department; hence, it would be an easy matter for you to follow the Mayor's advice, by discharging such of the clerical force for which there is no longer any occasion, and refusing to make any new appointments.

The Association would also call your attention to the matter of expenditures under the head of "Lamps and Gas." Coal has materially decreased in price; but the Association is informed that no sensible reduction has taken place in the price charged to the city per lamp for gas.

The Association trusts that you will take a broad and comprehensive view of the foregoing matters, and will be

influenced in your action thereon by motives of public good alone.

The practice of extravagance in our public expenditures tends rapidly to undermine confidence and drive capital from our city, and creates a feeling of insecurity of property on all sides. Our taxes have been increased, until they are now most oppressive, thus greatly retarding the growth of our city. Within the last few years, in consequence of the system of extravagant public expenditures prevailing here, many millions of capital have been driven to New Jersey and the neighboring States, to the great damage of our city, since many of our larger merchants hesitate to reside where the public burdens are so great and so difficult to be borne.

The Association also trusts that you will keep one great object in view, which, under a wise financial management can be attained, and that is, that when your term of office shall expire, our city and county may be nearly out of debt, the public revenue largely increased, and the rate of taxation reduced to one per cent. upon the present basis of valuation of property.

*The great question of the day is, "Retrenchment, and intelligent, thorough, comprehensive reform."*

Very respectfully,

PETER COOPER,

*Chairman Citizens' Association of New-York.*

RICHARD M. HENRY, *Secretary.*



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