MAYOR GRACE'S MESSAGE.

LOCAL SELF-GOVERNMENT AND ONE-HEADED COMMISSIONS WANTED.

The Dock Department a Riot Upon the City—The Police Department a Political Bureau—The Bureau of Elections Should be Independent—Tammany Democrats and Republicans Combining in Organizing the Aldermen—William Sauer Elected President.

The Board of Aldermen of 1881 met at 11½ yesterday morning, passed resolutions of thanks to its officers, and then adjourned without day. The Board which will make the city's laws in 1882 held its first meeting at noon. All the members were in their seats. Capt. Francis J. Twomey, Clerk of the Board of 1881, read the certificates of election of the members, and Alderman John McClave was made temporary Chairman. A vote was then taken for President of the Board, each Alderman rising and naming his choice. Alderman Thomas Brady (Irving Hall Democrat), Aldermen Michael Duffy, Edward T. Fitzpatrick, Patrick Kenny, William P. Kirk, Ferdinand Levy, and Bernard F. Martin (Tammany Democrats), and Aldermen Frederick Finck, August Fleischhein, John McClave, Donald McLean, and James L. Wells (Republicans), named Alderman William Sauer (Tammany). Aldermen Robert Hall, Joseph J. McAvoy, John O'Neill, Robert B. Roosevelt, and Joseph P. Strack (County Democrats) voted for Alderman Patrick Keenan (County Democrat). Alderman James W. Hawes (Republican) and Alderman William Sauer (Tammany) voted for Alderman John McClave (Republican), and Aldermen John H. Seaman and Charles B. Waite (Republicans) named Alderman James W. Hawes (Republican). Alderman Patrick Keenan (County Democrat) voted for Alderman Joseph J. McAvoy (County Democrat).

Chairman McClave declared that Alderman William Sauer had received 12 votes (a majority of the Board), and had therefore been elected President of the Board of Aldermen for 1882. Capt. Francis J. Twomey (Tammany) was unanimously reelected Clerk of the Board, and Col. William R. W. Chambers (Irving Hall Democrat) was elected Sergeant-at-Arms.

President Sauer's first official act was to appoint Alderman John McClave Chairman of the Finance Committee. Then Mayor Grace's message was received and read. It is as follows:

MAYOR'S OFFICE, NEW YORK, Jan. 2, 1882.

To the Honorable the Board of Aldermen:

In compliance with the duty imposed upon me by our city charter, I avail myself of the first meeting of your honorable Board to communicate to you a general statement of the finances, government, and improvements of the city. It is proper that these matters should receive the most careful consideration at both your hands and mine, notwithstanding the fact that while the Mayor and Common Council are held responsible by the people for the status of our municipal affairs, we are virtually powerless under the present anomalous system, all administrative functions of real moment being exercised either directly by the heads of the executive departments, who are practically beyond control, or indirectly by the Legislature of the State, through the instrumentality of special legislation.

In a city struggling under so heavy a burden of indebtedness as that which the city of New York now bears, and subject to so large an annual expenditure, the condition of our finances is of the highest importance. The total appropriations, as fixed by the Board of Estimate and Apportionment, for the year 1882, is $27,412,831.56, which is $2,846,375.58 less than the estimate for 1881.

COMPARATIVE TABLE OF THE ESTIMATES FOR 1881 AND 1882.

Objects and Purposes.	Appropriations made for 1881.	Appropriations made by the Departments for 1882.	Appropriations made for 1882.
The Common Council	$64,250	$64,250	$64,250
The Mayor's office	30,000	30,000	30,000
Finance Department	2,450,000	2,850,000	2,850,000
State taxes	4,221,787	2,927,287	2,927,287
Interest on city debt	8,243,000	8,191,988	8,141,988
Redemption of the Armories and drill rooms—rents	694,877	297,000	324,641
Police department force	46,741	41,000	41,000
Judgments	350,000	300,000	300,000
Law Department	149,478	149,578	144,978
Department of Public Works	2,464,850	3,061,563	2,542,400
Department of Public Parks	703,500	1,345,500	682,000
Department of Public Charities & Cor'ct'n	1,487,416	1,320,000	1,312,500
Health Department	320,000	328,000	328,000
Police Department	3,400,740	3,373,880	3,383,080
Police Department (for street cleaning)	*735,000	.....	.....
Department of Street Cleaning	251,715	1,098,410	1,000,000
Fire Department	1,068,200	1,498,800	1,494,800
Department of Taxes and Assessments	130,000	135,300	131,800
Board of Education	3,000,000	3,800,925	3,500,000
College of the City of New York	140,000	150,000	150,000
Advertising, printing, stationery, and public books	171,200	171,200	171,200
Salaries—City Courts	330,000	340,000	340,000
Salaries—Judiciary	872,000	880,000	872,311
Coroners' fees	46,000	52,000	50,000
Sheriff's fees	40,000	50,000	50,000
Election expenses	161,150	154,500	153,500
Miscellaneous	257,680	260,000	170,000
Asylums, reformatories, and charitable institutions	1,026,158	1,072,120	1,016,580
	$31,750,202	$33,300,026	$28,412,827
Deduct estim'd amt. of General Fund	1,500,000		2,000,000
Totals	$30,250,202		$27,412,827

* The sum of $334,118 26 was transferred to the Department of Street Cleaning.

It will be observed that of the entire sum appropriated, the sum of $2,827,287.73 is required for the payment of State taxes imposed upon the city of New York; while the further sum of $5,581,019.91 is required for the payment of salaries fixed by law, which does not include the salaries of school teachers, and $8,141,988.45 for the payment of the interest on the debt. It is thus at once apparent, without reference to other items which fall within the same category, that a very large proportion of the current expenditures for the year is entirely beyond the control of the Board of Estimate and Apportionment.

THE CITY DEBT.

The total funded debt of the city of New York (including the towns annexed to the city in 1874), exclusive of the revenue bonds issued in anticipation of taxes, amounted on July 31, 1881, as shown in the last annual report of the Comptroller, to $135,100,907.07. The amount of securities and cash in the "Sinking Fund for the Redemption of the City Debt" was $35,700,932.58, leaving the net funded debt, $99,399,974.49. The net funded debt on December 30, 1881, was $98,302,854.18.

Since 1876 the funded debt has been decreased $16,645,757.53, the decrease for the year 1881 being $3,297,057.93, as against $2,912,175.08 for the year 1880, which figures are themselves the most gratifying comment upon the successful administration of the municipal finances. Our debt, however, is still unsatisfactorily large, being in the main a legacy from corrupt and happily past times. It is more than one and one-quarter per cent. of the total assessed valuation on real and personal estate subject to taxation in this city, which is $1,185,034,008.36, of which sum $976,735,199 is upon real estate and the remainder upon personality of diverse kinds. This is in proportion to the largest municipal indebtedness in the United States. Its steady and speedy reduction should be the chief object of the financial administration. The desire to reduce the debt, however, should not stand in the way of improvements which are absolutely requisite, and an increase corresponding in amount to the magnitude of such needed improvements should meet with approval. The growing wants of the city should be fairly and adequately met, notwithstanding the fact that we are paying the penalty of extravagance and misgovernment in the past. The plunderers of our city did not impose upon us, in addition to a fabulously large debt, the obligation so unwisely to economize as to cripple our growth and endanger the comfort and welfare of the entire community. There are now in course of execution certain public works which involve the expenditure of the city credit, principally those for bringing the Bronx and Byram rivers into our water system, which it is estimated will cost two and a half millions, in addition to which a new aqueduct from the Croton basin is urgently needed, and will probably cost not less than $15,000,000.

THE TAX RATE.

The following table shows the assessed valuation of real and personal estate, the rate of tax, and the amount of taxes in each year from 1872 to 1881, inclusive:

Year.	Assessed Value of Real Estate.	Assessed Value of Personal Estate.	Rate of Tax.	Amount of Tax.
1872	$[illegible]	$[illegible]	[illegible]	$[illegible]
1873	[illegible]	[illegible]	[illegible]	[illegible]
1874	[illegible]	[illegible]	[illegible]	[illegible]
1875	[illegible]	[illegible]	[illegible]	[illegible]
1876	[illegible]	[illegible]	[illegible]	[illegible]
1877	[illegible]	[illegible]	[illegible]	[illegible]
1878	[illegible]	[illegible]	[illegible]	[illegible]
1879	[illegible]	[illegible]	[illegible]	[illegible]
1880	[illegible]	[illegible]	[illegible]	[illegible]
1881	[illegible]	[illegible]	[illegible]	[illegible]

Year.	Total Valuation.	Rate of Tax.	Amount of Tax.
1872	$[illegible]	[illegible]	$[illegible]
1873	[illegible]	[illegible]	[illegible]
1874	[illegible]	[illegible]	[illegible]
1875	[illegible]	[illegible]	[illegible]
1876	[illegible]	[illegible]	[illegible]
1877	[illegible]	[illegible]	[illegible]
1878	[illegible]	[illegible]	[illegible]
1879	[illegible]	[illegible]	[illegible]
1880	[illegible]	[illegible]	[illegible]
1881	[illegible]	[illegible]	[illegible]

For 1882 the tax rate will be materially less than during any year for the position years. As already shown, the final estimate for the present year is $27,412,831.56. The law permits the increase of this amount for deficiencies by a sum not exceeding three per cent., and it is estimated that not more than $300,000 will be required for this purpose during the current year, thus making a total of not over $27,750,000, which, it will be observed, is a much smaller amount to be raised by taxation than for any year since 1871. This would give a tax rate of about 2.35 upon the basis of the present valuation of taxable property, and not over 2.25 in the event of an increase in the valuation corresponding to the increase during past years. If the tax rate is higher than this it will not be the fault of our municipal authorities, but can be due only to legislative interference in our affairs; and if the Legislature refrains from imposing any new burdens upon the city, our people will have occasion to congratulate themselves upon paying their taxes at a lower rate, and less in the aggregate, than at any time during the past ten years.

EQUALIZATION OF TAXES.

According to the equalization table of the State Board of Assessors for the year 1881, the total equalized value for purposes of taxation of real and personal property in the State of New York is $2,681,257,036, of which $1,255,382,803 is charged against our city, which is 46.82-100 per cent. of the aggregate equalization value of all taxable property in the State, and which percentage represents nearly one-half of the entire taxation for State purposes is laid upon the city of New York. While paying this immense and obviously unfair proportion of the State taxes, the city of New York is deprived entirely of representation in the State Board of Assessors, which injustice is in some measure for the fact that this Board added the sum of $111,617,082 to the appraised value of the taxable property of this city and county as fixed by our own Commissioners of Taxes and Assessments. The city is entitled to the claim, that the amount required to be paid for State taxes for the year 1882 is only $2,827,287.73, as compared with $4,270,760 for the year 1881.

ARREARAGE OF TAXES.

The question of arrearage of taxes still continues to be one of great gravity. The total amount of taxes on real estate remaining unpaid on July 31, 1881, is $8,233,945.56, and on personal property is $13,730,197.71. "On the unpaid personal taxes for former years," the Comptroller says in his last annual report, "a small proportion only can ever be collected, and almost ten millions can be set down as a total loss to the city." In view of such a state of facts, it is apparent that there is crying need of reform in our tax laws, which reform must take one of two directions—either by continuing the taxes on property, making every possible provision against fraud in the returns of taxable property, and subjecting all personal property, within certain well-defined limits, to taxation, or by following the advice of the majority of great and trustworthy authorities in this, this subject, and abolishing altogether with the tax upon personalty as impracticable and unjust, working numberless hardships, striking at the honest and the poor while allowing the crafty and the rich to escape, resulting in the long run, not in the accumulation of funds for the redemption of our debt, but in the accumulation simply of uncollectable claims, as shown by the Comptroller, to the extent of millions of dollars.

THE CITY PROPERTY.

While the city has so large a debt, it is, at the same time, the possessor of property and revenues more than sufficient to liquidate it. This fact is one which should always be borne in mind when considering the condition of our financial affairs. In 1871 a commission appointed to determine upon the value of all classes of property then held by the city made a report, the substantial results of which I set forth below:

Sinking fund	$2,710,307
Miscellaneous property	4,860,740
Charities and Correction	1,500,000
Board of Education	1,000,000
City Prisoners	1,000,000
Police Department	1,000,000
Markets	1,000,000
Public buildings and grounds	18,000,000
Wharves and piers, North River	7,000,000
Wharves and piers, East River	5,000,000
Croton Aqueduct Department	9,000,000
Total	$42,000,000

The amount of property owned by the city has not decreased, and while there has been great fluctuation in values between 1871 and the present time, and certain of the city property might not be valued as highly now as then, other classes of the property have greatly appreciated in value; so that the estimate of the Commissioners made in 1871 is below rather than above the present value of the property in the aggregate. It has been the custom to take a hopeless view of our finances, but I can see no justification for this course. We cannot sufficiently condemn the career of fraud and wasteful expenditure which terminated with the downfall of the Tweed Ring, and while we still have to pay the penalty, it should be borne in mind that the corporation possesses a great wealth, more than sufficient to cancel its entire indebtedness twice over; and the experience of the past eight years has shown us how the debt can be gradually reduced and extinguished without impediment to our natural and necessary future development, and without undue hardship to the great body of taxpayers.

SINKING FUND.

The working of the Sinking Fund under the act of 1878, extending the application of its surplus revenues and accumulations to the redemption of bonds payable from taxation, has shown the best results. Not only has it paid all such bonds which fell due in 1879, 1880, and 1881, but, as shown by the Comptroller in his last annual report, it will be enabled to redeem all such as fall due in the next five years, and which will represent an amount in all, for the years 1882 to 1886 inclusive, to $14,337,538.40. In the year 1887, however, bonds payable from taxation will fall due amounting to $10,108,671. It is believed that by judiciously managing the revenues and accumulations of the Sinking Fund, the payment of this entire sum, large as it is, can be made from the Fund, without any resort to taxation, and as a consequence without any increase in the tax rate for that year. The Sinking Fund is an institution which has its roots in the good faith and credit of this city, and it not only stands as an assurance to the creditors of the city that its pledge of good faith will not be broken, but makes possible such an economical administration of our finances as greatly to alleviate the burden which, would all other ways fail upon the citizens, were the city compelled to resort to direct taxation for the purpose of raising the funds to redeem its bonds as they fall due. I therefore regard any endeavor to materially change the character of the Sinking Fund, or to interfere with the application of its administration, as most ill-advised, and as tending to inflict a severe blow upon the credit of our city, now deservedly so high. The most valuable function of the Sinking Fund is that it secures a more general and equal distribution of taxes over a series of years, thus preventing a fluctuating tax rate, which necessarily unsettles the value of property, and militates against the best interests of the taxpayers.

FERRIES.

During the years 1876 to 1880 inclusive, the revenue to the city from its ferries was $306,166.79, being an average for the five years of $61,221.36 yearly. During the past year the Commissioners of the Sinking Fund have secured a revenue of $443,183.31 from this source. Of the latter sum $30,000 was received in settlement from the Union Ferry Company, leaving a balance of $413,183.31 as the regular annual income from the ferries, which is an increase of $369,961.95 over the average yearly receipts for the preceding five years. During the year 1882 these ferries which are leased will yield the city a revenue of $60,988.93, while the sum received from those leases paying a percentage upon their annual receipts will, estimating upon the basis of such receipts, be not less than $158,502.14, giving a total rental for 1882 of $219,491.07, which is in excess of the average of $61,221.36 above referred to, shows a marked improvement in the management of this portion of the city property.

RAILROADS.

Most of the leading thoroughfares of the city are occupied by railroads, either surface or elevated, and these companies are in the possession of franchises of great value to themselves, but from which the city receives practically no return. This is a wrong to the municipality which cannot be too severely condemned, and great care should be taken not to extend these franchises or to grant any new ones without adequate compensation. Such franchises should be a source of revenue to the city instead of being held as a gratuity by the corporations.

In my message sent to the Board of Aldermen on January 3, 1881, "the burden of taxation is never to be materially reduced, the city must avail itself of all possible sources of income. Capital is entitled to a fair return for its use, but if the municipality is enabled to afford the opportunity to capital for realizing unusual returns, it should make a market rate of interest, the city which affords the opportunity should share in the benefit."

Not only do the railroad corporations of the city enjoy their franchises without proper compensation to the city, but they use them in such a manner as to make the administration of our streets and avenues extraordinarily difficult. This is particularly the fact during the winter months, when our streets are filled with snow. While they clean that part of the streets where their tracks run, they have for years been in the habit of deliberately encumbering the remainder of the roadway, and making the streets at times absolutely impassable. Owing to the manner in which the laws and ordinances under which they hold their privileges have been enacted, the companies can appeal to the courts to have them aide to enjoin all interference of municipal officers, until, as the matter now stands, the streets that they occupy are, in a severe winter, practically at their mercy, and the people utterly without redress. Remedial legislation should be most earnestly sought at the hands of the Legislature, in order that its proper rights and privileges may be restored to the city. It would not be requiring more than is justly due the city, to ask that the railroad companies be compelled, as they are in Boston, at all times to keep the streets which they occupy free from snow and ice, and to render some measure of assistance in cleaning these streets throughout the entire year.

Up to and including the year 1875 the railroads were in arrears to the city $481,565.31, which the city is now seeking to recover by litigation; and for the years 1876 to 1880, inclusive, they are in arrears $317,665, less $39,000 paid to the city by the Central Park, North and East River Railroad Company by way of compromise during the past year. The receipts from railroads during the year 1881, other than the last mentioned item, were as follows:

Dry Dock, East Broadway and Battery Railroad	$7,414.51
Central Crosstown Railroad Company	1,109.73
Second Avenue Railroad Company	2,397.23
South Ferry Railroad Company	877.33
Houston, West street and Pavonia Ferry Railroad Company	1,000.00
New York Elevated Railroad	34,210.56
Total	$46,010.36

LOCAL SELF-GOVERNMENT AND CHARTER AMENDMENT.

I have heretofore had occasion, in communicating with the Board of Aldermen, to refer to what I believe to be the most pressing of all the necessities of our municipality, that is, that it should be made by legislative enactment a self-governing corporation, and as such protected by constitutional limitations upon the legislative power of the central government at Albany. The greatest of all the problems which confront us in this State, as it is, in my opinion, the greatest problem and the one most fraught with danger for the entire country, is the problem of municipal administration. Certain of the States, as e.g., Illinois and Ohio, have passed general laws for the incorporation and government of cities, and have laid an explicit constitutional inhibition upon all special legislation concerning the charters and affairs of municipalities. To strive for reform in municipal government while admitting the unmolested right of partisan legislative majorities at the State capital to change our charter system at will, is to strive for the impossible. While the City of New York is a body politic, it is none the less a business corporation, possessed of a vast property having interests of imperial magnitude, and the transaction of the affairs of which demands the expenditure of many millions of dollars annually. How its affairs should be managed, now its millions should be expended, are questions which concern the citizens, who stand to the city as creditors to a corporation, and who have a personal stake in the welfare of the community rather than by any external and less interested body. It has been officially reported by a committee of the Legislature, after a thorough inquiry, that "the great evil of our present system of government, that the seat of the legislative control is the proper remedy for bad misgovernment is a serious mistake." The transfer of the control of the municipal affairs from the hands of the citizens of the capital "has, to use the words of the committee, proved to the Governor, "had no other effect than to cause a the transfer of the responsibility and of corruption, and to make the fortunes of our principal cities the sport of schemers, who have, as a rule, escaped, and they add, "using our cities and creaming another with the same direction, in order to transport off to amusements from one man to another, and have so manage the elections of officers with a view only to the selfish purposes of those who put themselves in office for no other purpose than to remain in place (officers who can not otherwise be elected or appointed)." Many provisions of our own charter could not have secured worse results if they had been created with the express design of putting a premium upon incompetency and wrong doing, and making good government as difficult as it was within the power of the Legislature to make it. I am pleased to join with your honorable Board in a request to the Legislature to take the initiative steps for the passage of a constitutional amendment which shall insure to municipalities some proper measure of stability and independence, and in asking for such amendments to our present charter as shall remove the most glaring defects in its administration, and free us from our present helplessness against such of our own officers whose acts are or may be incompetent or corrupt. All executive departments should be under the control of a single responsible head, and in their turn the heads of departments should be subject to the control of the Chief Executive, with full power of appointment and removal in him, the Chief Executive being such in fact as well as in name. This, while fixing responsibility, would secure all the benefits of executive energy and vigor, which is a practical impossibility where there is a multiplicity of executive officers. Boards should be advisory, but be personal and undivided. Collective responsibility is responsibility disinarmed. Double executive office is executive office paralyzed. This is demonstrated in our own affairs, notably in the Departments of Public Works and Public Parks, all of which cause in peculiar need of reconstruction upon a businesslike and practicable plan. No legislation, however, can secure any permanent improvement until the possibility of the repeal by partisan or interested legislative majorities is put out of the question by constitutional provision.

THE CIVIL SERVICE.

While others are endeavoring to formulate a method by which to remedy the existing evils in the civil service of the Union and State, I am prepared to speak emphatically of the need of reform in this respect in our municipal offices. Under existing conditions, and so long as the present method of appointment are permitted to control, it is next to impossible for the city to cut down its pay rolls, for it is to the interest of political parties to keep them as large as possible; and our charter and the special laws relative to the city are peculiarly conducive to the attainment of party rather than of municipal government. Under such conditions, however, which should make ability, attainments, and character the highest claims upon office, I feel satisfied that, excepting only policemen, firemen, and school teachers, the list of city employes might be very materially reduced in number. This may be illustrated from the history of the Comptroller's office, which is fully as well administered now as ever before, and yet there was spent $37,596.50 less in salaries and forty-four fewer persons were employed in 1881 than in 1880.

SPECIAL LEGISLATION BY THE BOARD OF ALDERMEN.

In my inaugural message of last year I took occasion to urge upon the Board of Aldermen the avoidance, as far as possible by them, of special legislation in favor of individuals, and the passage of general ordinances so framed that all persons desiring privileges may have an equal chance to obtain them. My complaints with respect to the improper conditions established by the Common Council. I regret to say that there have been no general ordinances of the kind referred to enacted during the past year. The Board of Aldermen passed no less than three hundred and seventy resolutions and ordinances granting special privileges to individuals, which I felt constrained to veto, for reasons specified by me in my messages to the Common Council. Of the resolutions so disapproved, fifty were passed over my veto. The most prolific source of special legislation has been the franchises for the use of public property to individuals or corporations without proper compensation to the city. I am pleased to say that little of such legislation was done during the past year.

HEALTH.

In my opinion the future welfare of the city depends more largely upon its sanitary condition than upon any other single fact, not excepting that of public education. Our Board of Health is now invested with large powers, designed for the purpose of securing the best sanitary results within the municipality, but I doubt whether the powers granted are yet sufficiently large for the achievement of the desired end.

During the past year the climatic conditions have been very unfavorable to the public health, not only in this city, but throughout the country and in Europe, the mortality has been greatly increased in the number of deaths. It is impossible to make exact comparisons by expressing the deaths in a ratio per thousand, as the true population is never known, and in few cities is there a careful record of deaths. New York has always prided itself on its vital statistics, because its population has been underestimated, while its record of deaths is unrivalled in completeness and accuracy.

Aside from this, there are many causes which conspire to increase the number of deaths in this city, such as its great size and density, temporarily increasing our population, and leave the sick and weak behind to swell the death roll. Many incurable cases are sent here as a last resort to secure the aid of our eminent medical practitioners, although they expected the hope of cure. Our charitable and well organized public institutions also offer inducements which attract the sick and infirm to the city. In addition to these peculiar circumstances, we have a very large temporary population, especially during the winter months. It is believed that a fair comparison would place New York among the most healthy cities in the country. During the past year the increase of deaths cannot be referred to any particular disease or class of disease. Small-pox and typhus fever appeared in epidemic form, the latter disease in Europe, and the former in a considerable number of cases occurred in cities not far from New York. It was not till the third week in March, however, that it was detected here. In the first week cases were recognized in the cheap lodging houses, and it was found that the disease might spread throughout the city and become epidemic. Prompt recognition of the situation and the energetic measures of the Health Department served to avert the danger.

Small-pox has prevailed throughout the country, and the most active measures have been necessary to prevent its spreading through the city. The only difficulties which have occurred arose from the concealment of cases and the refusal of persons to submit to vaccination. I is to be regretted by all sanitary authorities that small-pox can only be prevented from assuming the frightful proportions of the last century by comprehensive vaccination.

The most effective work now being done by the Board of Health is in the execution of the powers conferred upon it by the amended Tenement House act of June 16, 1879. From the records of the department it appears that there are 23,303 tenement houses in the city of New York, and it is estimated that fully one-half of the population of this city are dwellers in these houses, upon the proper construction and appointment of such houses, I believe, more than upon anything else, depends the improvement of our citizens, and the increase in comfort and happiness upon one hand, attended by the decrease of disease and death on the other. It is a universally recognized fact, proved by experience in all civilized countries, that the most happy transformation, both physical and moral, attends the improvement of the dwelling. The home is the nursery of all domestic virtues, and without homes which are protected against the frequent recurrence of disease and death, and which are secured plentifulness of light and air, domestic virtues are almost impossible, and education practically inefficacious to secure any moral improvement in those upon whom it is expended.

I agree with the economists in the belief that "the inability of the homes of the working classes is the starting point of all the miseries, all the vices, and all the calamities of their social condition," and that "there is no reform which in greater measure merits the attention and the devotion of humane men." The policy which secures improved dwellings for the poor puts a premium on personal providence and good citizenship, and the reduction of the death rate of a great city I believe to be a more considerable feat than the liquidation of the public debt or a decrease of the tax rate.

I would advocate, and would be pleased to join with you in requesting the Legislature to provide for, any increase of powers in the Board of Health necessary to secure improvement in these respects, feeling assured, as I do, of the capacity and the economical policy of the officers at the head of this department.

PUBLIC SCHOOLS.

The general desire among all classes of our citizens to take advantage of the benefits of our common schools is the best evidence of the increasing usefulness and popularity of our system of free education. The number of children in daily average attendance is about eleven per cent. of the whole population of the city, that is to say, 133,161. The appropriations for maintaining our schools during the year 1881 were $3,700,000, and heavy a burden upon the taxpayers as the city may seem, it is astonishing when it is remembered that the future of our city is in the hands of our children, and that every dollar spent in free education is spent in the name of and to secure good citizenship, which is the foundation of free institutions. Our Board of Commissioners of Public Schools is a body of gentlemen representing all callings and every shade of religious belief, and in which our citizens have the utmost confidence, as embodying the highest public intelligence, the great experience of public school work, as shown by the fact that they, because they fully realize the value of this most important of our public institutions. That the expense should increase from year to year is but natural, in view of the exceptional rapidity in the growth of our population. During the year 1881 there were employed in our schools 3,573 teachers, at an aggregate salary of about $2,500,000, or two-thirds of the entire sum spent by the Board of Education for the same period, the average salary per teacher being about $700 per annum, which is not extravagant, considering that teaching is, for most of those engaged in it, a life profession; and I venture to assert that in no department of the municipal Government is so valuable service rendered for so small compensation. In my last annual message I called attention to the necessity of providing additional school accommodation in the upper sections of the city, and I then stated that "if the amount of money at my disposal for the purpose of meeting urgent additional wants should be provided on application to the Board of Estimate and Apportionment," following upon this recommendation, I understand the school authorities have erected three new school buildings, one in the Twelfth and two in the Twenty-second Wards, and have greatly enlarged other school houses at an expense of over $200,000, thus affording accommodation for 4,800 additional pupils.

But even this enlargement of the school facilities does not seem sufficient to meet the growing demand. I regret to learn that during the year 1880 more than 9,000 children were refused admission for want of accommodation, mostly in the Tenth, Twelfth, Seventeenth, Nineteenth, and Twenty-second Wards. It is true that many of these children may have been received in other schools, but that there should be one child denied admission to our schools for want of accommodation is a wrong that demands a prompt and effective remedy.

DOCKS.

During the past year I have caused an exhaustive examination to be made by the Commissioners of Accounts into the affairs of the Dock Department. Their report was published in full in the *City Record* of Oct. 25, 1881. While the business management and conduction of the Department of Docks is of great magnitude, and while there is no interest of the city of larger pecuniary importance than the management and control of its water front, the department business has been conducted in a very loose and reprehensible manner. Large defalcations have occurred directly under the eyes of the Commissioners, and were permitted to be made during a period of years, when even ordinary care on the part of the Commissioners in examining their accounts and comparing the amounts with the receipts from the different docks, would have disclosed at once that such defalcations were occurring. This was particularly the case during the period between July 11, 1877, and June 3, 1878, when, to use the words of the Commissioners of Accounts, "the books of the Department were delivered to Bingham, who, however, appears to have been able to make numerous visits to the office for purposes of peculation, the report of accountants shows that which money was taken by him in the eleven months exceeding twenty-five."

The following is a summary of the defalcations which occurred during the terms of office of the respective Boards:

Commissioners John T. Agnew, William Wood, Treasurer	None.
Wilson G. Hunt, Richard M. Henry, Hugh Smith, Treasurer, Henry A. Smith, Treasurer, John Jay, Jr., Treasurer, Jacob A. Westervelt	None.
Jacob A. Westervelt, William Gardner, William Budd, Treasurer	$9.10
Jacob A. Westervelt, William Budd, Treasurer, Samuel H. Wales	None.
Samuel H. Wales, Jacob A. Westervelt, Treasurer, Henry F. Dimock	751.54
Jacob A. Westervelt, Treasurer pro tem., Henry F. Dimock, Treasurer	25,794.31
Jacob A. Westervelt, Henry F. Dimock, Jacob Vanderpool, Treasurer	3,853.71
	11,782.90
	$42,192.56
Of which amount there was received from debtors of the defaulter	510.00
Leaving the loss by Burnham's defalcation	$41,682.56
Of which there has been paid by Commissioner Westervelt	$4,905.00
Commissioner Dimock	4,905.00
Commissioner Vanderpool	5,346.61—$15,096.61
So that the ascertained loss to the city treasury is	$26,585.95

When Burnham, the defaulting bookkeeper, finally disappeared, the books of the department had not been written up for fourteen months. The defalcations occurred between the spring of 1873 and the summer of 1878. The loss to the city was not discovered for a long time, by way of check, up to May 31, 1878, when the practice of examining and initialing them appears to have ceased until Aug. 2, 1878, when it was resumed by Commissioner Vanderpool. The audit book contains no certificate of any Commissioner to the accuracy of the cash balance subsequent to June, 1873, and there is nothing on the books to show that any examination of the cash or accounts has been made by the Treasurer or other Commissioners since then. It would seem that the funds of this department were voluntarily surrendered to the spoiler.

It appears from the report of the Commissioners of Accounts, as well as from the testimony of one of the present Commissioners of Docks before a committee of the Assembly, that the Department of Docks is a source of great pecuniary embarrassment to the city, and that the city over which it has control at grossly inadequate rates of rent, and generally fails to secure to the city that revenue which its water front should properly yield. It has conducted the most important transactions solely upon verbal agreements, and has expended over $7,000,000 in construction and general repairs without keeping any books showing the details of cost. It has built great stretches of bulkhead wall, with regard to some of which its engineer can find no data sufficient to determine the cost, with regard to other of which he can estimate the cost only from certain memoranda, which estimates, however, one of the Commissioners of Docks has declared to be untrustworthy and below the actual cost.

Since the date of the report, from the time of the retirement of Messrs. John T. Agnew, William Wood, and Wilson G. Hunt, down to the present time, is a continuous story of mismanagement and neglect. The money of the city has been wastefully spent, the property leased to irresponsible parties and at insufficient rates, and its affairs turned over to incompetent and dishonest subordinates, until the department has become a blot upon the good name of our city. I therefore concur heartily in the recommendations of the Commissioners of Accounts, who are a gentlemen of wide experience and ripe judgment, and which recommendations are as follows:

That the department be reorganized and placed in charge of a single Commissioner, who shall act under the direction of the Commissioner of the Sinking Fund.

That its duties be restricted to the construction and repair of docks, slips, piers, and bulkhead walls, and their proper care and maintenance.

That the renting of all dock properly be placed in charge of the Commissioners of the Sinking Fund.

That the collection of rents and wharfage be made by the Comptroller.

That the moneys needed for carrying on the work of the department be estimated for by the Department of Docks, and appropriated by the Board of Estimate and Apportionment.

That a commission of disinterested and otherwise competent engineers be appointed by the Commissioners of the Sinking Fund to examine the present work upon the city's water front, and report upon the safety, stability, and economy of the work done, and also of the works now under construction.

STREET CLEANING.

By the passage of chapter 367 of the Laws of 1881, passed in May of that year, the cleaning of the streets of the city was taken out of the hands of the Department of Police, where it had been placed in 1872, and the Department of Street Cleaning, under the control of a single commissioner, to be appointed by the Mayor and confirmed by the Board of Health, was established. At no time during the past twenty years has the city been so generally clean as under the management of the new Street Cleaning Department. The most marked improvement has been shown in those parts of the city which are most densely populated, where the accumulation of ashes and refuse is the largest and most productive of disease, and where the people are least able to afford themselves relief. During the winter and spring of 1881 I made a thorough and exhaustive tour of the city for the purpose of inspecting the condition of the streets; and since the creation of the new department I have made it my special business, repeatedly, from time to time, to make a personal examination for the purpose of ascertaining how the work of street cleaning was being accomplished, and I am fully prepared to say that the improvement in the administration of this department is most marked and gratifying. While, on many occasions, it has been found necessary to report delinquencies of subordinates to the Commissioner, every complaint has received the most prompt attention. Great care has been taken by the Commissioner to sever the work of his department from politics, and to administer it simply upon a business basis. The work of the department has been seriously hampered by the want of cordial cooperation on the part of the police, and because of their failure to enforce the ordinances relative to the throwing of prohibited matter into the streets. The severest strain upon the new department is yet to come, and during the greater part of the present winter the old methods of cleaning the streets will still have to be followed, because it will be impossible for the Commissioner to scatter his new and better methods which have been devised. It is purposed by the Commissioner ultimately to have the greater part of the work done by contract according to the terms of the law, which provides for the direct employment of labor, and to limit the employes of the department to such persons as shall be required to exercise the functions of inspectorship and to perform the ordinary clerical duties. A crib work is now being built at Harlem Island by the Board of Commissioners of Public Correction, inside of which the Street Cleaning Department will dump the least objectionable of the street refuse. A like work is about to be done at North Brothers' Island by the Board of Health for the same purposes, thus affording the Street Cleaning Department a dump in a central and easy of access, and at the same time increasing the area of city property.

PUBLIC WORKS.

In no other way is the rapid progress of the city in material prosperity, wealth, and population more immediately and strikingly reflected than in the public demand for the extension and improvement of the public streets, avenues, and roads, the pavements, the sewerage, and the water supply. The comparative indifference evinced to these matters which prevailed during the long period of depression, when the all-absorbing desire of the people was to lighten the heavy burden of taxation imposed by previous misgovernment and extravagance, has given way to a general demand that such works and improvements which are necessary to preserve and promote public convenience, health and comfort shall no longer be avoided or postponed. Private enterprise and prosperity require a corresponding movement in the municipal affairs, and the avoidance of unnecessary or premature works. The present condition and progress of the works give satisfactory evidence that the public expectations in these respects is realized.

The condition of the pavements has been materially improved during the past year. Eleven and one-tenth miles of the old cobble and worthless trap block pavements were replaced by new and improved ones, pavements in addition to this a very large area of pavements was entirely repaired from curb to curb under the head of repairs, exclusive of the minor repairs made in response to several thousand notices and complaints of merely local defects in the street surfaces.

The up-town boulevards, drives, and suburban roads are now in better condition than at any previous time.

There are yet nearly eighty miles of cobble pavement to be removed and replaced, and even with all the improvements now extending over 335 miles of streets, shall be in perfect order, assiduous attention and labor will be necessary to maintain them in that state. Aside from considerations of public health and convenience, the pavements are too important a factor in the great question of terminal facilities for our commerce to be neglected through inattention or parsimonious economy.

While the sewerage system, comprising 380 miles of sewers, with 4,582 receiving basins, has been kept in fair condition at the comparatively small expense of $116,000, larger means and appropriations are needed for the reconstruction of the old and dilapidated sewers in the lower part of the city. At our one and two-thirds miles of these sewers were rebuilt during the past year.

The new street improvement work in the lower part of the city for the past year, to make additional territory available for public use, includes the grading of about two miles of streets, laying 92,493 square yards of new pavement, building six miles of sewers, and laying eight miles of water-pipes.

One season of drought has passed through a most severe trial in respect to its capacity during the great drought of last summer and autumn. Though a serious calamity was averted by the prompt and vigorous action of the department in regard to the supply of water, and by the exercise of the utmost economy in the use of the present supply, and of taking the most expeditious and effective measures to increase the supply, the possibility of failure to meet all the requirements of our growing population, commerce, and manufactures. So far as the department which has charge of the water supply is concerned, this is all-important subject is insured against the contingency. Mr. Isaac Newton, the Chief Engineer, whom the Commissioner of Public Works placed at the head of the Croton Bureau last March, is assiduously engaged in the study and preparation of plans for bringing a large additional supply from Croton lake by a new aqueduct, for the improvement of the present structures and resources, and the best methods of further suppressing waste and securing the most efficient distribution of the supply. The proposed plans for securing and conveying the city water from the Croton basin have been elaborated, and I am informed that after a careful study they have been approved by the most eminent hydraulic engineers as the