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**Pro bono publico: New Orleans politics and municipal reform in
the Progressive Era, 1912-1926. (Volumes I and II)**

Fitzmorris, Terrence Walter, Ph.D.

The Louisiana State University and Agricultural and Mechanical Col., 1989

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Ann Arbor, MI 48106

Pro Bono Publico
New Orleans Politics and Municipal Reform
in the Progressive Era, 1912-1926

Volume I

A Dissertation

Submitted to the Graduate Faculty of the
Louisiana State University and
Agricultural and Mechanical College
in partial fulfillment of the
requirements for the degree of
Doctor of Philosophy

in

The Department of History

by
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December 1989

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Introduction

"Gettin' no rest till de judgement day"

In October, 1922, the New Orleans Item invited Martin Behrman, the former mayor and the leader of the Regular Democratic Organization (RDO), to commit his personal and public history to writing. For years the Item had been a relentless and often merciless critic of Behrman and his so-called political machine. In 1920, with the help of an assortment of anti-Regular reformers, including Governor John Milliken Parker, and disaffected professional politicians, led by John Patrick Sullivan, the Item drove Martin Behrman and his Regular Democrats from power, ending twenty years of "ring rule" and electing a reform municipal administration under Mayor Andrew McShane. Now weary of the endless and pointless bickering and inept administration of the municipal government under McShane and the commission council, the Item discovered a grudging appreciation for Mayor Behrman and his "reform" Regular Democrats.¹

Over the course of his discursive, though informative, writings, Martin Behrman wondered why so many of the readers and friends of the New Orleans Item opposed him and his

¹New Orleans "Behrman Tells," Item, October 23, 1922. Paul Capdevielle was the first Regular Democrat elected as mayor. Behrman succeeded him in 1904, serving four consecutive terms as mayor.

administration. Behrman believed, with considerable justification, that his administration benefitted the interests of civic and commercial leadership of the city, providing it with effective public services and honest, progressive municipal government. He could only surmise that the social and civic leaders of New Orleans disliked him and his kind of professional politician and could not abide the idea of their social inferiors governing New Orleans.²

The dislike of the social and civic elite for professional politicians and the people they represented was both personal and political, Behrman suggested. The social civic elites of New Orleans, Behrman asserted, considered professional politicians uncouth, corrupt, and unfit to govern. In their view, he wrote, "professional politicians should not have political power and...public places that have power should go to gentlemen of literary learning, students of history, and prominent citizens of large establishments, such as banks, railroads and so forth." It was their belief that "plain men from less fortunate families living on the side streets in small houses, men who spent their whole lives actively in politics, should never be promoted to positions of power in government." Rather, Behrman argued, the "silk-stocking" and commercial elites wanted public office and political power to remain exclu-

²John R. Kemp, ed., Martin Behrman of New Orleans
Memoirs of a City Boss, (Baton Rouge, 1977), 107-08.

sively in their possession, rotating power and position only among men of their own class, education, and moral and political persuasion.³

Martin Behrman's description of municipal politics in New Orleans during the Progressive Era is not without substance or merit. The leading anti-Regular reformers of New Orleans, men like John M. Parker, Charles Allen Favrot, Esmond Phelps, James M. Thomson, and Donelson Caffery formed a self-conscious social and civic elite, bitterly resentful of its declining political power and the ascendancy of professional politicians like Martin Behrman. And, despite its reformist rhetoric and pretensions, it objected to many of the municipal reforms and policies of the Behrman administration, in particular the intrusion of the municipal government in the private and public affairs of business and industry. This self-styled elite rarely won a municipal election, but it exerted a profound, though, at times, detrimental, influence on city politics and the municipal reform movement. For despite its complaints, the social and civic elite retained position and power in the municipal and parochial governments of New Orleans and it used its position and power to satisfy its own personal wants and political interests.⁴

³Ibid.

⁴Matthew J. Schott, "Progressives Against Democracy: Electoral Reforms in Louisiana, 1894-1921," Louisiana History, XX (Summer 1979), 247-60.

Admittedly, the principal leadership of the anti-Regular municipal reform movement came from the "upper crust" of New Orleans society and its beliefs had a significant influence on the disposition of anti-Regular reform. It would be a mistake, however, to assume--and a close reading of the historical record does not suggest--that social prejudice, class distinctions, moral considerations, and anti-democratic sentiment formed the basis of progressive municipal reform in New Orleans. Though the Regular Democratic Organization had supporters among the lower working classes of New Orleans, a recent study has concluded that there was no clear social, ethnic, or occupational distinctions between the leadership of the RDO and the members of the anti-Regular reform movement, suggesting, perhaps, that ethno-cultural issues did not determine the content of municipal politics in the Progressive Era.⁵ The Regular Democratic Organization contained men (and women) of all social classes, economic classifications, educational achievement,

⁵Edward F. Haas, Political Leadership in a Southern City New Orleans in the Progressive Era, (Ruston, 1988), passim. Professor Matthew J. Schott suggested in two published studies and in his doctoral thesis that "social prejudice and moral considerations" formed the basis of antimachine progressive reform. But Professor Schott's definition of progressive reform is too narrow and conventional in light of the immense historical literature on the Progressive Era. See Schott, "John M. Parker of Louisiana and the Varieties of American Progressivism," (Ph.D. dissertation, Vanderbilt University, 1969), passim; "The New Orleans Machine and Progressivism," Louisiana History, XIV (Spring 1983), 141-53; "Huey Long: Progressive Backlash?," Louisiana History, XXVII (Spring 1986), 134-35, see footnote 3.

and political persuasion. The Regular Democrats were, in many ways, more representative of the progressive municipal reform movement than the civic and commercial elite of New Orleans. The RDO did not, as has been suggested, "co-opt" progressive reform out of political necessity. Rather, the Regulars adopted municipal reform out of personal and political conviction, a devotion to the progressive reform principles of the Democratic party, and recognition that municipal reform was good politics.⁶ But it would be a mistake, as well, to believe that city politics in New Orleans during the Progressive Era focused principally on the social differences between working-class politicians, consumed with local, pedestrian interests and dedicated to democratic principles, and a civic-commercial elite, despairing of democracy and dedicated to efficiency, centralized authority, and cosmopolitan issues. The issues and politics of municipal reform transcended social distinctions, centering instead on fundamental questions of representation, the source and character of political and municipal authority, and power and ethics.⁷

⁶Schott, "The New Orleans Machine," 141-44; Haas, Political Leadership in a Southern City, 99.

⁷Richard L. McCormick, "Ethno-Cultural Interpretations of Nineteenth-Century Voting Behavior," Political Science Quarterly, 89 (June 1974), 351-77; McCormick, "The Discovery That Business Corrupts Politics: A Reappraisal of the Origins of Progressivism," The American Historical Review, 86 (April 1981), 247-74.

The Regular Democrats and the civic-commercial reformers were concerned with the issues of expanding and centralized municipal authority, regulation of private and public corporations, completion and expansion of public services, "living wages" and decent working conditions for organized labor, equitable taxation and assessment rates for property holders, and city planning. Though there were (and are) innumerable social implications in all those issues, social distinctions in the form of ethnic and religious differences did not determine why the Regulars and the reformers divided on those issues."

The answer lies, I believe, in the philosophical, ideological differences between the Regular Democratic Organization and the reformers. The Regulars and the civic reformers of New Orleans divided on one of the principal concerns of the Progressive Era, the demand for a more effective, efficient, centralized public authority and the preservation and expansion of democratic self-government. The division was never a clear one. As a rule, the RDO did not fear or oppose centralized municipal authority and, broadly speaking, its

"The conventional view of municipal politics is stated in several sources. For example, see, Allen P. Sindler, Huey Long's Louisiana State Politics, 1920-1952, (Baton Rouge, 1956), passim; George Reynolds, Machine Politics in New Orleans, 1897-1926, (New York, 1936), passim; T. Harry Williams, Huey Long, (New York, 1969), passim; Alan Brinkley, Voices of Protest Huey Long, Father Coughlin, and the Great Depression, (New York, 1982), 15-16. Professor Brinkley argued that Louisiana politics subsisted on "airy platitudes, patriotic homilies, barbecues, and country music".

efforts to centralize municipal government championed home rule and preserved democratic institutions. At times, though, the commitment of the RDO to democratic institutions stymied efforts to establish a centralized municipal government, particularly in its attempts to regulate and rehabilitate the public utilities industry in New Orleans. The civic reformers, on the other hand, believed that the centralization of public power in their hands would promote efficient municipal government, diminish the influence of "unwarranted" political considerations, and bring about a fundamental and just realignment of public and political authority. The civic and commercial elites of New Orleans were never nonpartisans. They, too, sought public power and political advantage. They advocated centralized municipal government only when they could control it, characterizing centralized government under the Regulars as "politicized" and inefficient.

Personalities, organizations, and specific issues, of course, also shaped municipal politics in New Orleans in the Progressive Era. Most students of politics in New Orleans considered the Regular Democratic Organization the southern version of the corrupt, urban political machines of the northeast and midwest. These students portrayed the RDO as a political organization comprised exclusively of working-class, parochial politicians, relentless in its pursuit of patronage and political advantage. These same students de-

pict the Regular Democrats as corrupt and conservative, allied with the interests of the "vicious class" and the interests of alien corporations like New Orleans Railway and Light Company."

There were, to be sure, members of the RDO who came from or represented the working class of New Orleans and who were concerned with "pedestrian" issues. A few owned bar-rooms, drank and smoked heavily, missed Mass on occasion, and at least two of them had financial (and romantic) interests in the infamous red-light district, Storyville. Some Regulars were, for the most part, unschooled, like Martin Behrman, others were unprincipled, like John Sullivan, and more than a few were consumed with political patronage, like Sullivan, Robert Ewing, and Ulic Burke. But these men and conditions were the exceptions rather than the rules. Within the ranks of the RDO, there were many college-educated, middle- and upper-class business and professional men. Men like attorneys Joseph Generally, Chandler C. Luzenberg, and I. D. Moore, businessmen Arthur J. O'Keefe, Edward Lafaye, William Bess Thompson, and Martin Manion. These men were not pliable, "shirt front" businessmen lending respectability, and nothing else, to a corrupt and irresponsible political machine. Rather, they were leaders of the RDO and executive

⁹Williams, Huey Long, passim; Brinkely, Voices of Protest, 15; Edward F. Haas, DeLesseps S. Morrison and the Image of Reform New Orleans Politics, 1946-1961, (Baton Rouge 1974), 8.

members of the municipal government under Martin Behrman, contributing directly to the political success of the Regulars and determining public policy for New Orleans.

Nor were these men and others like them opposed to municipal reform. Martin Manion, for example, endorsed and worked for the municipal regulation of the public utilities industry in New Orleans and advocated woman suffrage. As Commissioner of Public Property, Edward Lafaye developed a comprehensive paving plan for New Orleans and forced the New Orleans Railway and Light Company to reduce its electric rates and to install "modern" street lighting for the city. On the whole, the Regular Democrats supported municipal reform, including the primary election system, the commission form of government, the regulation of the public utilities industry (the Behrman administration did not endorse municipal ownership, principally because the city could not afford to purchase NORLC and because municipalization did not guarantee lower rates and better service), and the centralization of municipal authority under the commission council.

The RDO was also dedicated to municipal public services. During Behrman's tenure as mayor, his administration completed and expanded the sewerage, drainage, and water system, began and completed a public belt railroad serving the port of New Orleans, compelled the Board of Liquidation City Debt, an independent commission controlled by the major bankers of New Orleans, to place city revenues in interest-

bearing accounts (something not prescribed by law), initiated a comprehensive paving plan, and attempted, though did not accomplish, the regulation and rehabilitation of the New Orleans Railway and Light Company. The failure to regulate and rehabilitate the public service industry did not result, however, from an "unholy alliance" between the Regular Democratic Organization and New Orleans Railway and Light Company. Rather, that failure stemmed from the partisan objections of the civic-commercial elite to municipal regulation under the RDO and from the reluctance of the Behrman administration to dictate a settlement.

The rehabilitation issue was not the only "failure" of the Behrman administration. The city administration endorsed, though did not profit from, legal vice, fighting efforts by local citizens and the federal government to close Storyville, giving substance to accusations that the RDO was a thoroughly venial and corrupt political machine. The Regulars were also unable to resolve the city's antiquated financial and assessment systems, leaving the city administration without adequate revenues and opening it to allegations of "politicized" assessment practices and charges of maladministration of the public money.

In essence, then, despite its many accomplishments, the Behrman administration could not convince the civic and commercial leadership of New Orleans that it could govern effectively and honestly. As a rule, civic reformers be-

lieved that the Regular Democrats lacked "popular" support and governed, as one accomplished scholar noted, "through a combination of philanthropy and corruption". The civic-commercial reformers accused the RDO of manipulating the political process, adding thousands of unqualified, even nonexistent, voters to the rolls, intimidating voters through its abuse of tax and assessment practices, and "buying" votes with political patronage and favoritism. Above all else, the civic reformers of New Orleans complained that the Regular Democrats "politicalized" private and public affairs, subjecting private economic interests to public control and regulation and excluding the "better class" of citizens from public affairs.¹⁰

Unwilling to accept their declining political influence, the civic reformers demanded the restructuring of the municipal government and the realigning of political power in New Orleans. They demonstrated for the commission council form of municipal government, preference primary elections, the appointment of most executive public offices, and resisted attempts to eliminate their own positions and powers on the independent municipal boards and commissions. They achieved only modest success, but they managed to influence the structure and content of municipal affairs. Though unable to sustain themselves in elected public office, the

¹⁰Brinkley, Voices of Protest, 15; Schott, "John M. Parker," passim, "Progressives Against Democracy," passim.

civic elite retained their near complete hold on the independent municipal and parochial boards. And, contrary to the conventional understanding, the civic reformers did not desert politics after every electoral defeat. Rather, they organized and politicked through the civic and commercial organizations they controlled, compelling the Behrman administration to temporize its attempts to centralize authority and to further "politicize" municipal affairs.¹¹

Despite those accusations and complaints, the Regular Democrats were genuinely popular, attracting support from most every segment of the community and generally providing effective municipal government. Though the Regulars never willfully or systematically manipulated the voting rolls (as the civic reformers attempted), they did contribute to the "politicalization" of municipal affairs in New Orleans. They, too, urged the restructuring the municipal government and the realignment of political power in New Orleans. The Regular Democratic Organization and the Behrman administration sought greater public authority over the independent municipal boards, the regulation of private economic affairs, and the recognition of diverse political interests in governing New Orleans. Little wonder, then, that the RDO and the Behrman administration had few friends among the civic and commercial elite of New Orleans.

¹¹Schott, "John M. Farker," passim.

Chapter One

"Where the Elite Meet to Eat"

For Walter Denegre and his friends and associates in the Good Government League (GGL), the past twelve years in the political life of New Orleans were bitterly disappointing and terribly confusing.¹ In the years since 1900, when the Regular Democratic Organization (RDO), the so-called machine, reestablished authority over municipal affairs, Denegre and other men of similar social and business backgrounds complained openly about their loss of political influence in New Orleans. Though several of them still held positions of importance in the municipal and parochial governments, in particular on several independent boards and commissions, they were, they believed, unable to determine the content of public policy to their satisfaction.² Men like Denegre, John M. Parker, the leader of the GGL, Esmond Phelps, the Attorney for the New Orleans Daily Picayune, James McIlhaney Thomson, the publisher of the New Orleans

¹Denegre to John M. Parker, January 28, 1912, Southern Historical Collection, University of North Carolina, hereafter cited as Parker Papers, UNC; New Orleans Item, January 5, 23, March 3, 1912.

²New Orleans Item, June 21, 22, 1911; Matthew James Schott, "John M. Parker of Louisiana and the Varities of American Progressivism," (Ph. D. dissertation, Vanderbilt University, 1969), 111-16; Schott, "Progressives Against Democracy: Electoral Reform in Louisiana," Louisiana History, XX (Summer 1979), 247-60.

Item, and Charles Janvier objected to what they called the "politicalization" of public policy and private affairs. In public matters, the reformers complained that the "people" had lost the ability to affect the selection of public officials and to control the government and determine its policies. In the private realm, they wanted to protect private concerns and initiatives from "inimical" political considerations.³ In essence they objected to a system of politics and a structure of municipal government that, as Samuel P. Hays wrote, "enabled local and particularistic interests to dominate" municipal affairs.⁴ These local and pedestrian interests, the reformers believed, dominated municipal affairs because of the decentralized character of municipal politics and government. The ward system, they argued, favored parochial interests by giving those interests an artificial and disproportional advantage on the city council. The aldermen, too, were men of local and limited vision, unable and unwilling to speak and work for interests beyond

³Walter Denegre to Parker, March 28, 1903; Charles Janvier to Parker, October 20, 1903. Parker Papers, UNC.

⁴Samuel P. Hays, "The Politics of Reform in Municipal Government in the Progressive Era," Pacific Northwest Quarterly, LV (October 1964), 157-69. Professor Hays correctly identified the source of the discontent of upper-class reformers like Parker and Denegre, and I have based my assessment of their actions on Hays's seminal essay on the subject. However, Hays's claim that the upper-class complaints formed the basis of municipal reform is incorrect. As J. Joseph Huthmacher, John D. Buenker, Richard L. McCormick, David P. Thelen, and others have shown, municipal reform in the progressive era incorporated more than an upper-class response to industrialism.

those of their own neighborhood or district.⁵ There was no advantage, either, in politicking to replace one set of councilmen with another. By definition, ward representation meant serving local and pedestrian interests. To remedy their disadvantage, the upper-class reformers sought to remove the basis of local representation. "Toward this end," wrote Samuel Hays, the upper-class reformers "sought innovations in the formal machinery of government which would concentrate political power by sharply centralizing the processes of decision-making rather than distribute it through more popular participation in public affairs."⁶

In New Orleans, the charter of 1896, conceived and carried out in the name of municipal reform, succeeded in reducing the number of councilmen, but did not diminish the importance of local interest in municipal affairs.⁷ The new charter continued the standard practice of ward representation, allotting one councilman for each of the seventeen wards (a later revision increased the number to twenty-one).

⁵Hays, "The Politics of Reform," 161-62.

⁶Ibid., 162-63.

⁷Joy J. Jackson, New Orleans in the Gilded Age: Politics and Urban Reform (Baton Rouge, 1969), 312-27; Raymond O. Nussbaum, Jr., "Progressive Politics in New Orleans, 1896-1900," (Ph.D. dissertation, Tulane University, 1974), 87-89; Edward F. Haas, "John Fitzpatrick and Political Continuity in New Orleans, 1896-1899," Louisiana History, XXII (Winter 1981), 7-29; Administrative Survey of the Government of the City of New Orleans (New Orleans, 1922), 46-48.

The charter removed much of the council's command over patronage, placing common city officials under civil service, and creating a civil service commission to administer the new system. The charter also placed the police and fire departments under a separate civil service system and distinct and independent boards. The reformers managed to enhance the power and prerogatives of the mayor (an office traditionally held by men of supposed greater ability and higher social standing than councilmen⁸), granting him more authority over the administration of municipal affairs. The charter authorized the mayor to appoint the commissioners of several executive departments, creating to some degree a coordinated and potentially powerful executive branch of city government.⁹

The new, more "representative" council, however, retained its traditional powers over franchises, budgeting, finances, and approval over appointments to specific boards, permitting local political interests to determine the content of some of the more important aspects of municipal policy. The mayor, too, no matter how independent or powerful, depended on the council and those it served for the

⁸Jon C. Teafor, The Unheralded Triumph City Government in America, 1870-1900 (Baltimore and London, 1984), 42-54.

⁹Jackson, New Orleans in the Gilded Age, 312-27; Nussbaum, "Progressive Politics," 87-89; Henry C. Dethloff, "Populism and Reform in Louisiana" (Ph.D. dissertation, University of Missouri, 1964), 300-01.

practical and political authority to execute his office. Even in a system that centralized power into fewer hands, there was always the danger that truly essential services and obligations could be "politicalized" beyond the reach of the upper-class reformers.

Beginning in the 1880s, then, the city's reform establishment convinced the state legislature to create boards and commissions, independent of the municipal government and removed from public, political considerations, to govern the development, distribution, and funding of such essential services as debt liquidation, water, drainage, health, levee protection, and the management of the Port of New Orleans. These boards had funding independent of the city council and administration. And, as Jon C. Teaforde has shown, "the commissioners who expended these funds could act almost entirely without regard for public opinion, since they served for life [or a term beyond that of any elected official] and owed their appointment to their colleagues on the commission and not to any elected official."¹⁰ And, as Teaforde has also shown for New Orleans and other American cities, the civic-commercial elite dominated these boards, allowing only the mayor or some other executive officer to serve as ex officio members. "Free from the pressures of the public or politics," Teaforde wrote, these independent boards and

¹⁰Jon C. Teaforde, The Unheralded Triumph, 66-82, quotation on 70-71.

commissions attempted to conduct the public business "in accord with their own perceptions of the public interest."¹¹

Despite these apparent advantages, the upper-class reformers were unable to determine public policy free of "political" considerations. There were several reasons why. First, the charter reforms and the special legislation creating the independent boards and commissions did not centralize municipal administration. To the contrary, the municipal reforms of the 1880s and 1890s recognized what Jon C. Teaford called a "complex framework of redistributed authority and balanced power." This new arrangement permitted for "greater centralization and continuing neighborhood power, for coordination as well as fragmentation."¹² Under this framework, the council remained the principal forum for local concerns, distributing services and favors to those at the so-called local level. No longer in a ceremonial position, the mayor became a true executive, possessing authority and power to determine policy and compel compliance with that policy. The urban elite retained immense influence over vital services and concerns, often free of political considerations. Yet, the municipal framework satisfied no one because it accomodated everyone. And it began to fall apart

¹¹Teaford, The Unheralded Triumph, 68-77, quotation on 76.

¹²Ibid., 81.

when services were no longer local and power no longer centralized within separate spheres of interests.¹³

Second, though the reformers were able to reshape the structure of government, they were never truly able to readjust the complex structures of urban politics. Throughout the 1890s and into the twentieth century, electoral reforms designed to reduce and hamper the voters managed to further "democratize" urban politics and government, much to the dismay of the upper-class urban progressives who advocated them.¹⁴ In particular, the direct (and in the South, white and partisan) primary helped restore faith in the political party system. The direct primary, coming in the first decade of the twentieth century, complemented earlier electoral reform measures, dispelling the image of the party as the advocate of vested interests. Indeed, supporters of the direct primary saw it as a "remedy" for the corrupt political influence of special interests, a way of "re-enfranchising" the people.¹⁵ The political parties, particularly at the local level, became everything to everybody, defining partisanship on the basis of shared interests.¹⁶

¹³*Ibid.*, 9, 80-82.

¹⁴Matthew J. Schott, "Progressives Against Democracy," 247-60.

¹⁵Richard L. McCormick, "The Discovery that Business Corrupts Politics: A Reappraisal of the Origins of Progressivism," 267, 269.

¹⁶McCormick, "The Discovery that Business Corrupts Politics," 250-51, 269-70.

Third, by definition, reformers like Denegre and Parker shared few interests with the common voter or politician, especially their notions of politics and, in particular, government. In the years after 1900, Americans redefined their concept of government and the role it played in their lives. According to Robert H. Wiebe, after 1900, Americans wanted a government "broadly and continuously involved in society's operations."¹⁷ The new politics assumed a government vested with broad, flexible powers, capable of responding to the demands of modern urban life. Good government, Wiebe wrote, meant efficient government "not a handful of honest men on low salaries; a rational electorate presupposed the eventual inclusion of all citizens, instead of its restriction to one class; civil service promised increasing government service...rather than its further withdrawal; direct democracy no longer replaced government...but strengthened it; and the harmonious society, now usually composed of interacting groups instead of isolated individuals, depended upon government's presence not its absence."¹⁸

Finally, municipal reform was not limited to the concerns of Parker and the other "political" reformers in the Good Government League. Several reformers within the GGL urged the League to endorse reforms concerning corporate re-

¹⁷Robert H. Wiebe, The Search for Order 1877-1920 (New York, 1967), 160; McCormick, "The Discovery that Business Corrupts Politics," 251.

¹⁸Wiebe, The Search for Order, 161.

gulation, woman suffrage, income tax, and workmen's compensation.¹⁹ But even more important, municipal reform was not restricted to New Orleans's upper-class establishment. Many Regular Democrats, including those in the city government, advocated the restructuring of municipal affairs, expanding of popular participation in government, curbing the excesses of corporate influence in city politics. In a different sense, these men, too, were distressed and confused about political circumstances in New Orleans. The structural revisions of the 1890s and 1900s divided and diluted the power of the municipal government. By 1910, eighteen distinct boards and commissions formed part of the municipal government of New Orleans. According to one survey of the municipal government, the board system encouraged "inefficiency" and delay in public service and allowed those who controlled it to escape "accountability" and "criticism and blame".²⁰ Martin Behrman, the incumbent mayor and the leader of the RDO, believed that several boards, in particular the Board of Liquidation City Debt, the Board of Commissioners of the Port of New Orleans, and the Public Belt Railroad Commission, represented more the private concerns of their members than the public interest. Behrman did not want to dismantle the board system. Rather, the mayor sought to bring it under greater municipal control. To that end, Behrman proposed

¹⁹Schott, "John M. Parker," 112-15.

²⁰Administrative Survey of the Government of the City of New Orleans, 59.

consolidating the boards under the mayor's office and enacting a home rule charter for New Orleans, permitting the city to determine its own development and reform itself.²¹ Faced with opposition from various interests (public and private), Behrman failed to achieve either reform.

The same political reforms that furthered the democratizing of the political processes in New Orleans also furthered the decline of the existing party system, as citizens and special interests found ways other than voting to influence the government. "Interests organizations took over much of parties' old job of articulating popular demands and pressing them on the government," writes Richard L. McCormick. "More exclusive and single-minded than parties, the new organizations became regular elements of the polity." "The result," McCormick concludes, "was a fairly drastic transformation of the rules of political participation: who could compete, the kinds of resources required, and the rewards of participation all changed." The formulation of public policy also changed, requiring the government to "take explicit account of clashing interests and to assume the responsibility for mitigating their conflicts through regulation, administration, and planning." The government of the City of New Orleans was, as things stood in 1911, unable to

²¹Kemp, ed., Martin Behrman, 169-73; Teafor, The Unheralded Triumph, 105-22; Bradley Robert Rice, Progressive Cities The Commission Government Movement in America, 1901-1920 (Austin and London, 1977) xii.

accommodate these changes and new requirements. But both the reformers of the GGL and the reformers of the RDO seemed poised for reform--even if they had to use the words and tactics of the old politics.²²

Late in May, 1911, as the cooler and dryer days of spring gave way to the repressive heat and humidity of summer, the leading contenders (and pretenders) for governor gathered in New Orleans seeking support or encouragement from the GGL and RDO. Neither faction could settle on a suitable candidate. The most appealing candidate was Congressman Joseph Eugene Ransdell, but Ransdell parried every attempt or device to make him a candidate for governor. He wanted nothing to do with Louisiana's intramural and volatile politics.²³

If Ransdell did not want to be governor, there were many other Democrats who did. Among them was the long-time Regular Democrat and the incumbent Secretary of State, John T. Michel. Michel was the leader of the Thirteenth Ward in

²²McCormick, "The Discovery that Business Corrupts Politics," 250-51, 269-70; "The Party Period and Public Policy: An Exploratory Hypothesis," Journal of American History, 66, (September 1979), 279-98.

²³George Q. Flynn, "A Louisiana Senator and the Underwood Tariff," Louisiana History, X (Winter 1969), 5-6; Schott, "John M. Parker," 122-64. Ransdell declined the nomination so he could run for the United States Senate. Ransdell defeated the aging incumbent senator, Murphy James Foster. Ransdell held his Senate seat until 1930 when Huey Pierce Long defeated him. See T. Harry Williams, Huey Long (New York, 1969), 460-80.

New Orleans, a minor political subdivision situated in the lowest part of the city. Michel's tenure as Secretary of State was hardly noteworthy. He was, as one scholar noted, the epitome of the second-class politician, possessing all of the vices of political popularity and none of the virtues of concerned public service. He was unaccustomed to serious campaigning and virtually inarticulate on public issues. He too was, from all indications, uncomfortable with the sentiments and intentions of "progressive reform" in Louisiana, oblivious to the social and political changes within the state since the 1890s. Apparently, Michel believed that he could become governor by securing as many "public" endorsements as possible, convincing voters of his fitness and compelling other candidates to withdraw from the race. Michel simply misunderstood the temper of politics in Louisiana. As we have already noted, the political and electoral reforms of the 1890s and 1900s had furthered the democratizing of state and local politics. No longer did the convention bosses--urban or rural--dictate the calibre of candidates or determine the choice of issues. Those days in Louisiana and New Orleans had given way to a more pluralistic and democratic form and style of politics.²⁴

²⁴Dethloff, "Populism and Reform," 121-54, 320-63; Schott, "John M. Parker," 39-121, 242-76, 317-46, 466-95; Joseph G. Tregle, "Another Look at Shugg's Louisiana," Louisiana History, XVII (Summer 1976), 245-81.

Despite these misgivings and misconceptions, Michel persisted in his attempts to win support from the organized political powers in the state. In June, 1911, anxious for a visible sign of support, Michel demanded a meeting with the leaders of the RDO and Governor Jared Young Sanders. They met at the Grunewald Hotel in downtown New Orleans. Michel insisted on a formal endorsement, but several Regulars, including Mayor Behrman and Robert Ewing, the owner of the New Orleans Daily States and the Shreveport Times, considered Michel's chances of victory remote. Ewing suggested that Michel, like other potential candidates, test his popularity in rural north Louisiana, where the balance of power resided in state politics, before asking the RDO to commit itself to his candidacy. Michel insisted, however, that he be given some assurances of organized support, particularly in New Orleans, before undertaking a statewide campaign. After several more hours of discussion and disagreement, Mayor Behrman agreed to campaign for Michel, but only within the city. Ewing refused to endorse Michel, seeing no discernible advantage in supporting a nondescript "ward boss" from New Orleans for governor.²⁵

Though Robert Ewing saw no political advantage in supporting Michel, Martin Behrman clearly did. As a resident of

²⁵New Orleans Item, June 18, 23, September 2, October 11, November 9, 10, 11, 1911, January 29, 1912. Ewing endorsed Superintendent of Education James B. Aswell, who finished last in the governor's campaign of 1911-1912. Jared Young Sanders remained silent during the campaign.

New Orleans, Michel was familiar to the voters and politicians of the city. Despite his obvious liabilities as a candidate outside New Orleans (a Roman Catholic from New Orleans had not been governor since 1880), Michel could attract a sizeable vote within New Orleans, aiding the other Regular candidates for state offices and displaying the voting strength of the city and the popularity of the RDO. With Michel as their candidate, the Regulars could fashion his platform and conduct his campaign to suit the concerns and interests of the city administration, emphasizing its commitment to progress and municipal--not partisan--reform. Mayor Behrman saw the state elections as a referendum on his administration and its brand of municipal reform. Behrman and the Regulars did not want to surrender those initiatives to John M. Parker and the Good Government League. Michel's candidacy gave Behrman and the Regulars the opportunity to display their appeal to the citizens of New Orleans and to establish their claim to the mantle of municipal reform.²⁶

John Parker and other members of the GGL also saw the state elections as a prelude to the municipal campaign. The old-line reformers believed that the "machine" dominated the political life of New Orleans by controlling state and muni-

²⁶I have based this assessment of Behrman's actions and reasoning on a study of Michel's platform and the Regulars' campaign in New Orleans from September 1911 to January 1912. See also Robert Webb Williams, "Martin Behrman: Mayor and Political Boss of New Orleans, 1904-1926" (M.A. thesis, Tulane University, 1952), 34-35.

cipal patronage, violating state registration and voting laws, and falsely identifying itself with the principles of direct democracy and the Democratic party.²⁷ Since state law and state officials underwrote these advantages, it was essential to the League's understanding of municipal reform to control state government.²⁸ A friendly reform governor could withdraw patronage from the machine and order the purging of the "animated voting rolls". With the help of the governor and a willing state legislature, the GGL could realign city politics by restructuring the municipal government along prescribed lines and by eliminating the partisan primary. With all these reforms in place, the GGL's candidates for municipal office could easily defeat any "ring" ticket, assuring efficient and honest government for the city and eliminating all undue political considerations from the conduct of municipal and private affairs.

Finding acceptable candidates for governor and the state legislature and eliminating the political advantages of the ring were not simple tasks. No one in the leadership

²⁷Parker to James B. Aswell, January 27, 1912, Parker Papers, UNC; Schott, "John M. Parker," 111-16; "Progressives Against Democracy," 247-60; "The New Orleans Machine and Progressivism," Louisiana History, XXIV (Spring 1983), 141-53.

²⁸Since the Unification Movement of the 1870s, New Orleans reformers considered winning state elections an indispensable to reform in New Orleans. T. Harry Williams, "The Louisiana Unification Movement of 1873," Journal of Southern History, XI (August 1945), 349-69. For a more recent and considered interpretation, see Michael Perman, The Road to Redemption Southern Politics, 1869-1879 (Chapel Hill, 1984), 154-55, 158.

of the GGL, including John Parker, had any true practical experience in the electoral politics of the state, and no one in the ranks seemed inclined to seek public office.²⁹ The League leadership, by necessity, had to look outside its membership to find suitable reform candidates for governor and, in several cases, for the state legislature, an expediency not lost on the RDO and the voters of New Orleans. In May, 1911, John Parker and others of the GGL leadership met with Luther E. Hall, an associate justice of the Louisiana Supreme Court, a promising candidate for governor from north Louisiana. After several days of discussion and deliberation, the executive committee of the GGL (Parker and certain select members) tendered its endorsement to Hall. Hall, who had also met with Governor Sanders and "representatives" of the RDO, accepted the support of the GGL without hesitation, but, at the same time, he asserted his own independence and self-sufficiency. He would, he said, accept the portions of the League platform as his own, but he would not exclude or purge other Democrats from his administration or assault

²⁹Jean Gordon to Parker, January 28, 1911, Parker Papers, UNC. Gordon and her sister Kate were the leaders of several "progressive" reform movements, including woman suffrage, child labor, and prohibition. According to Matthew Schott, the Gordons and other upper-class reformers within the social justice movement turned to Parker and the GGL because the RDO would not respond to their pleas for moral reforms and because these reformers harbored social and religious biases against the Regulars and those they served. Schott, "John M. Parker," 118-19.

"home rule" in New Orleans.³⁰ Intelligent and well-spoken, Hall was a seasoned and adroit campaigner and, above all else, a skilled politician. In accepting the nomination of the GGL and endorsing its platform, Hall stood for progressive reform in state and local governments. In welcoming the support of every variety of Democrat, including the New Orleans Regulars, Hall broadened the notion of municipal reform beyond the stilted, partisan constraints placed on it by reformers like John M. Parker.³¹

Though the two major candidates differed vastly in background, temperament, and ability, their platforms were, to some degree, remarkably similar. The GGL and the RDO both advocated a professional, "businesslike" approach to the administration of state and local governments; a general reduction in the size of expenditures; elimination of "useless, unnecessary jobs" and dual office holding; the separation of politics from education; extending the right of suffrage to women on matters of taxation, education, and social welfare issues; constructing a modern system of roads and highways; and permitting local option on the use of alcoholic beverages. The League and the Regulars recognized the

³⁰New Orleans Item, June 1, July 27 and 29, 1911; Schott, "John M. Parker," 112. In his political memoirs, Martin Behrman claimed that Hall and Parker were too different in their politics and temperaments for their political alliance to last. See Kemp, ed., Martin Behrman, 259-65.

³¹New Orleans Item, June 21, 22, July 4, 1911; Walter E. Burke and others, Luther E. Hall, " Louisiana Historical Quarterly, VI (January 1923), 46-55.

need for a wholesale revision of state laws regulating the incorporation and behavior of public utility and private industry corporations. To that end, both factions recommended stricter lobbying laws, hoping to remove or at least temper the influence of corporations on politics and government. Finally, the two sides agreed on the need to reform state laws and practices regarding taxation and assessment.³²

Despite the apparent agreement on the ends of reform, the Regualrs and the GGL disagreed on the means and substance of reform. For Parker and the League, businesslike government meant more than installing "sound" accounting procedures or remodeling the city government to resemble the modern, bureaucratic corporation. As we have seen, it meant a fundamental restructuring of political power in New Orleans and redefining the ends of government to meet their concept of the public welfare. In its platform, the GGL called for a constitutional amendment subjecting all elected public officials to the direct recall of the voters. As the Item explained to its readers, the recall was fundamental to establishing "genuine democracy" in Louisiana and in New Orleans. The recall, its proponents claimed, allowed the people (in this case thirty percent of the registered voters) to rid themselves of corrupt and incompetent public officials, irrespective of the artificial restraints of

³²New Orleans Item, 18, 28, June 1, 13, 21, 22, July 8, September 2, 3, 15, October 12 and 18, November 12, December 22, 1911; January 3, 4, 10, 13, 17, 1912.

partisanship. The recall, like the initiative and the referendum, would, the reformers contended, "re-enfranchise" the people, giving the public direct control over the conduct of public officials and the government.³³

The League also wanted to end the sordid relationship between politics and business, believing that politics corrupted business. The GGL platform called, then, for enacting a corrupt practices act, prohibiting candidates from promising jobs for votes and compelling candidates to disclose the size and source of all campaign contributions. The League assured the public that a corrupt practices act would break the "unholy alliance" between the the RDO and "alien" corporations like New Orleans Railway and Light Company and the Cumberland Telephone and Telegraph Company.³⁴

As a final consideration, the GGL urged the adoption of a commission council charter for New Orleans. The commission system, the Leaguers argued, would guarantee greater efficiency in government and more direct accountability from public officials. Charter revision alone, however, would not restore integrity to public affairs. Political reform must

³³Progressive reformers did not agree on the worth of direct legislation. Some reformers claimed that direct democracy legislation permitted too few people to harass or remove officials for partisan or trivial reasons. Others believed direct democracy laws meaningless, too cumbersome to be effective. See Rice, Progressive Cities, 73-76; Lloyd Sponholtz, "The Initiative and Referendum: Direct Democracy in Perspective, 1898-1920," American Studies, 14 (Fall 1973), 43-64.

³⁴New Orleans Item, June 2, December 1, 1911, January 10, 12-14, 1912; Schott, "John M. Parker," 111-16.

accompany the restructuring of the municipal government. The commission system, then, must accomodate and promote political reform by concentrating political power in the proper hands and removing many unwarranted public considerations from the conduct of municipal administration. The reformers found that accomodation in the nonpartisan primary, a device designed to excise the advantages of party identification.³⁵

The Regulars, too, wanted a more efficient, centralized municipal government, one that also anticipated a reformulation of political authority and public power. Their platform called for the consolidation of the special boards and commissions under the city government and for a home rule charter for the city. For Behrman and the Regulars (Michel had little to say about the platform or campaign in New Orleans), these issues were the essence of municipal reform. Unless the city could free--or at least loosen--the grip of private concerns on public matters, it could never plan and manage its own development. In this regard, the issue of dual office holding takes on greater clarity and significance. Several Regulars held elective state position and also served in some capacity in the municipal government. For example, attorney George Terriberry was a member of the Louisiana State House of Representatives from New Orleans and served as the general counsel for the Board

³⁵New Orleans Item, September 17, 1911; Schott, "Progressives Against Democracy," 254-57; Rice, Progressive Cities, 76-77.

of Assessors (a board composed of the seven elected assessors of Orleans Parish). Representative James O'Connor was the chief clerk for the Commissioner of Police and Public Buildings. The Item and the GGL contended that the Regulars wanted to end the practice of "double dipping" in order to attract more men into their ranks.³⁶

Martin Behrman did not deny that the RDO would benefit from prohibiting dual office holding, but he also asserted that dual office holding created an inherent conflict of interest, especially for members of the independent boards and commissions, pointing out that "dual office holding" cut across partisan, occupational, and class lines. Bernard McCloskey, the chief counsel for New Orleans Railway and Light, was the general counsel for the Board of Commissioners of the Port of New Orleans (the Dock Board) where his brother, Hugh McCloskey, the president of the utility, was the chairman of the board. Robert M. Walmsley, a bitter opponent of the city administration and president of the Louisiana National Bank, was the chairman of the Board of Liquidation City Debt. Through these and other public positions, Behrman argued, private men dominated important aspects of public policy, often without any effective measure of public

³⁶It was not unusual for state legislators to hold two public jobs. The legislature met only once every two years and state government, like municipal administration, was only then becoming a professional occupation. See Jon C. Teafor, The Unheralded Triumph, 98-102.

control.³⁷

The city administration also favored greater regulation of business, especially banking and utilities, but the Regulars wanted the authority to emanate from the city charter and not state law. Too often in the past, the Regulars complained, special, private interests manipulated the state legislature into circumventing municipal authority. The enactment of a home rule charter, the Regulars said, would enable the city government to regulate its own interests free of undue state and private interference.³⁸ The enactment of nonpartisan primary, however, would allow special, private interests to continue their domination over the city polity.

No other single issue more clearly separated and distinguished the two rival factions than the issue of nonpartisan elections. Electoral politics in Louisiana, as elsewhere in the South, operated under the direct party primary system. John Parker and the GGL saw the partisan primary as the epitome of machine politics. In their view, it favored the local professional politicians, catering to the parochial interests they served and permitting the intemperate and unlettered voters to govern the course of public considerations. "If the people of New Orleans don't want nonpartisan election(s)," Parker remarked in 1912, then, "we've lost

³⁷New Orleans Item, June 2, 1911.

³⁸New Orleans Item, June 21, 22, 1911, January 13, 1912. For an account of the often misunderstood relationship between the state legislature and the city government in this period, see Teafora, The Unheralded Triumph, 83-131.

everything we've been fighting for."³⁹

By contrast, the Regulars favored the direct partisan primary for obvious political reasons. The primary system placed a premium on organization, particularly at the neighborhood level where the Regulars were especially strong and local interests best defined. The direct primary system, its proponents contended, favored popular politics, making the candidates, the parties, and the government more responsive to the "will of the people". There was as well, advocates said, a residual benefit to the direct primary system. They saw the primary as a means of curbing private influence and power over public affairs. And, in the Deep South, the party of Jefferson and Jackson, Bryan and Wilson stood as the party against private privilege and interests. Any attempt to dismantle the primary system, then, suggested the

³⁹Parker to James B. Aswell, January 27, 1912, Parker Papers, UNC; New Orleans Item, June 22, 1911, January 10, 11, and 12, 1912; Schott, "John M. Parker," 111-16 (quotation from 111); "Progressives Against Democracy," 254-57; "The New Orleans Machine and Progressivism," 141-53.

return of municipal government by distant, private interests.⁴⁰

Both platforms expressed the essential demands (and limitations) of political reform in the progressive era. Both factions sought to concentrate power in administrative hands and to expand the power and scope of the municipal government beyond the considerations of conventional politics. Both sought to end the decentralized character of municipal government and to end the factionalism that characterized city politics. The GGL believed it could achieve both demands by eliminating local and partisan considerations from public affairs. The Regulars thought they could attain their version of municipal reform by removing the influence of "private" interests from public considerations. But the demands of the modern urban environment--sanitation, health, police and fire protection, gas, electricity, mass transit, and a host of other services--blurred the distinctions between local and municipal issues, partisan and nonpartisan considerations, and public and private good. The considera-

⁴⁰For an insightful interpretation of the "political" significance of the direct primary in the context of the progressive era, see McCormick, "The Discovery that Business Corrupts Politics," 265-67. For an account of the Democratic party under Bryan and Wilson, see John Milton Cooper, Jr., The Warrior and the Priest Woodrow Wilson and Theodore Roosevelt (Cambridge, Massachusetts and London, 1983), 120-29. According to Professor Cooper, the Democratic party under Wilson ascribed to a two-part political philosophy. The first tenet called for the Democratic party to enlist in the cause of "modern service" to the public. The second principle acknowledged the party's traditional faith in the people's ability to govern.

tion of these issues, however, waited on the conventional consideration of politics as usual.

In New Orleans, the League's first appeal to conventional politics was to the district attorney of Orleans Parish, J. St. Clair Adams. In February, 1911, nearly a year before the state elections, John Parker wrote to Adams urging him to empanel a special grand jury to investigate registration and election fraud in New Orleans. "Election fraud," wrote Parker, "strikes at the very foundation of decent government, and your hearty support in the vigorous prosecution of clear cases of violating the sanctity of the ballot will be productive of the great good to the City [New Orleans] and the State." Adams replied that indictments and prosecutions required specific evidence of violations of existing laws. Parker assured Adams that such evidence existed and that the GGL would furnish him with the particulars.⁴¹ The existing registration law, passed in 1908 under the administration of Governor Jared Young Sanders, permitted political parties or recognized "political organizations" to canvass the registration rolls and, if warranted, to compel the Registrar of Voters to erase the name of citizens who

⁴¹Parker to Adams March 15, 28, 1911, John Milliken Parker Papers, Department of Archives, Dupre Library, University of Southwestern Louisiana, hereafter cited as Parker Papers, USL. Parker to Adams, February 14 and April 21, 1911, Adams to Parker, February 15, 1911, Parker Papers, UNC.

had forfeited the right to vote or who had been "fraudulently and illegally registered". Armed with this law, which applied exclusively to Orleans Parish, the GGL set out to prove the Regulars guilty of fraud.⁴²

In April, 1911, Parker and H. Dickson Bruns, the League's resident expert on matters of registration and voting laws, hired Joseph F. Markey, an "irregular" politician from the Third Ward, to scour the voting rolls for fraudulent and improper registrations. After nearly two months of daily investigations at the Registrar's office, Markey furnished Parker with his "preliminary findings". Markey reported that he and his staff had inspected nearly 50,000 registration cards and applications and had "unearthed" over 3,000 instances of improper and illegal registrations. Markey admitted, however, that he could find no pattern to the obvious "fraud" he had detected. Many of the violations centered on voters who had moved within the precinct, ward, or parish and had failed to inform the Registrar's office of their change of address. What Markey found, however, was a bewildering degree of duplication in the parish's records, a pattern of performance not uncommon in most bureaucracies. Despite of the clutter and duplications, the public record showed that the Regulars were routinely honest regarding re-

⁴²Act 98 of 1908, Acts Passed by the General Assembly of the State of Louisiana, 1908.

gistration. In other words, there was no "cemetary" or "red-light district" vote as Parker had believed--or hoped.⁴³

More to the point, there was a relaxed attitude at the Registrar's office toward the literacy and property requirements that were the substance of Louisiana's registration laws. Whether this attitude constituted willful, premeditated fraud is problematic, but Parker and the GGL assumed that it did. Parker wrote to Registrar of Voters William P. Ball, accusing him and his staff of violating the 1908 registration act. "Your records show," Parker wrote, "very many of [the] application blanks filled out by the clerks in your office or by others and signed in [an] entirely different [hand]writing, and evidently by some other person." Clearly, Parker asserted, these transgressions were grounds for erasing the names of those registrants from the rolls. If the Registrar's office did not correct this disgraceful situation, he said, the League would "exact and take our full rights according to the law." The usually temperamental and fiesty Ball, a former police reporter, remained indifferent to the League's taunts until Parker and Markey released their findings to the press. Ball then accused the GGL of fabricating "fraudulent" records in an attempt to smear the Regulars and their candidates. Ball told reporters that Markey and his staff of "vigilantes" interfered with the registration of many citizens and demoralized the public

⁴³Markey to Parker, June 26, 1911 Parker Papers, UNC.

with "loose talk" in the press about rampant fraud and imminent erasures. If the League had any evidence of systematic fraud, Ball asked, why did it not present its evidence before the District Attorney for Orleans Parish.⁴⁴

The same doubts about the propriety and legality of the League's canvass circulated among some of other leaders of the GGL. Esmond Phelps, Charles Payne Fenner, Edwin T. Merrick, and Joseph W. Carroll asked the Attorney General of Louisiana, Walter Guion, to explain, in laymen's terms, what constituted fraud under the registration law; what was the proper and legal method of removing names from the voting rolls; and what safeguards existed to prevent the manipulation of the Registrar's records for partisan reasons.⁴⁵ Guion replied with a trite recital of the various provisions of the 1908 act, neither answering the Leaguers' questions nor providing them with proper counsel. From William Ball's perspective, though, there was no question of the inequities built into the act. According to Ball, the act permitted political mercenaries like Markey and Bruns to "attest" to supposed irregularities and improprieties on the part of

⁴⁴Parker to Ball, May 21, 1911, Parker Papers, USL; New Orleans Item, August 11, 12, 14, 1911; New Orleans Daily Picayune, December 8, 1911. The League's leadership did not limit its actions to removal of voters. According to the newspaper accounts, the GGL urged Lily-White Republicans to switch parties for the state and municipal elections. Parker also called on Registrar Ball to give "galvanized" Democrats preference over new Democratic registrants. New Orleans Item, July 11, 12, 1911, January 2, 7, 1912; Parker to Jared Young Sanders, April 6, 1911, Parker Papers, USL.

⁴⁵New Orleans Item, August 14, 1911.

registrants and the Registrar's office without furnishing any evidence of fraud or nonfeasance. With the help of a compliant, partisan Registrar, any political group could remove voters from the rolls without the guarantee of judicial review. The law placed the burden of proof on the voter, and not on the canvasser. It required any voter whose name was marked for removal to provide the Registrar with affidavits from two bona fide voters testifying to the canvasser's error. If the canvasser challenged the affidavits, the voter could seek a ruling from the Civil District Court, where the voter paid the costs regardless of the court's decision. The expense and inconvenience involved in these proceedings, Ball said, needlessly taxed the resources of the parish and tested the patience of the voters.⁴⁶

The good government partisans, of course, saw matters differently. In their view, the Regulars used lax registration procedures, escape clauses, and assistance provisions to swell their majorities at the polls. The assistance provision of the primary election law, the GGL argued, was a graphic example of the RDO's abuse of the electoral system for its own partisan advantages. The Regulars contended that any voter, even one registered under the education clause, could seek and receive assistance in marking his ballot. The

⁴⁶New Orleans Daily Picayune, December 8, 1911, January 6, 7, 1912; New Orleans Item, November 28, December 11, 12, 20, 1911. Markey and Bruns claimed that the GGL would remove between 10,000 and 15,000 names from the rolls. The GGL succeeded in removing only 200 names.

League, naturally, disputed this claim and asked the Attorney General for an opinion on the matter. Guion responded with an opinion that sustained the Regulars. Any voter registered under the education clause, he said, could seek and receive assistance in filling out his ballot. The question, the Attorney General wrote, was not whether a voter could read or write, but whether he was making a truthful statement when he claimed he needed assistance. District Attorney Adams disagreed with Guion's opinion, arguing that only a physically impaired voter could ask for assistance at the polls, and that he intended to prosecute anyone who violated the assistance clause or any other provision of the primary election law.⁴⁷

Though John Parker and the GGL welcomed Adams's assistance, Parker and the anti-machine reformers preferred a more direct and an immediate remedy to the "illicit" advantages enjoyed by the Regulars. According to Parker, the RDO enjoyed an unfair advantage at the polls. Michel and the other "ring" candidates for state office had over four hundred clerks and commissioners serving them at the polls, the protection of the city administration, and the clout of the Regular Democratic Organization at their disposal. With these and other favorable considerations, Parker said, the Regulars could distort the returns, depriving the League of

⁴⁷New Orleans Item, December 12, 1911, January 24, 25, February 2, 3, 9, 1912; New Orleans Daily Picayune, January 18, 20, 22, 1912.

victory in the state and municipal elections. Since party practices and policy assured the Regulars' advantages, the GGL would have to seek protection on the streets and at the polling places themselves.⁴⁸

Two days before the state elections, the GGL published an advertisement in the newspapers, with Parker's name attached to it, calling for armed volunteers to stand ready to guarantee a fair count and a League victory. Though he had neither written nor signed the message, Parker later agreed to its wording and sentiment. Speaking to the press, Parker told Mayor Behrman that no civil or constitutional authority could deny any American the "right" to carry his rifle or shotgun in full public view. The GGL, he said, stood ready--in the extreme--to ensure and assure an honest vote, a fair count, and the proper expression of the people's will.⁴⁹

Mayor Martin Behrman found the entire episode (indeed, the GGL's entire campaign) misguided and pernicious. Concerns about voting fraud were unjustified and an indication, he said, of the emptiness of the GGL's campaign in New Orleans. Rather than discussing its platform or debating its differences with the RDO, the GGL resorted to vilification. There was no reason, Behrman remarked, to anticipate any irregularities or violence at the polls, and he expected

⁴⁸Polling booths were literally on the sidewalks--banquettes in New Orleans parlance.

⁴⁹New Orleans Item, January 9, 10, 18, 23, 1912; New Orleans Daily Picayune, January 10, 24, 1912.

nothing less than an honest election and a fair count. However, as mayor, he would not permit armed vigilantes to roam the streets of New Orleans under the pretense of guarding the sanctity of the ballot. The GGL, the mayor said, designed its campaign "to stir up bitterness and strife" in the city, masking the shallowness of its version of municipal reform and concealing its inner desperation. The mayor assured the voters of New Orleans that the city administration was capable of protecting its citizens and conducting a peaceful and honest election without resorting to armed irregulars roving the streets. Unlike the GGL, Behrman asserted, the RDO did not revel in personal attacks, appeal to class prejudice, or ignore the contents of its own platform. Instead, he said, the RDO spoke to the issues of municipal reform and administrative experience and competence.⁵⁰

The Regulars did conduct a credible, though limited, campaign, hardly bothering to mention their candidate or pertinent state issues. By design the Regulars focused on local, state, and party elections, campaigning almost exclusively among the numerous precinct and ward organizations, neighborhood improvement associations, union halls, and business and professional societies that characterized city life and politics in the second decade of the twentieth century. The Regulars perforce concentrated on municipal

⁵⁰Ibid.

issues. They campaigned on twelve years of tangible accomplishments, stressing their role in the development of the sewerage, water, and drainage system, public ownership and regulation of essential city services, the return of "fiscal integrity" in the city government, better fire and police protection, improvements in health and sanitation, a greater degree of home rule for the city, and the restoration of the port. By contrast, they depicted the GGL as inexperienced in municipal affairs and as "partisan" reformers, concerned foremost with preserving and extending their own advantages and only coincidentally concerned with municipal reform.⁵¹

The League dubbed the RDO's campaign as provincial and, of course, partisan. As the results in New Orleans bore out, however, the Regulars' campaign reached more people and addressed more concerns than the League's quixotic campaign against registration fraud and assistance clause violations. In Orleans Parish, Michel (the lost man in the campaign) benefitted from the RDO's intelligent campaigning and extensive organization. Outside the city, though, where voter interest was equally high and superbly motivated, Michel suffered from the RDO's reputation as a big-city machine. In the city, eighty percent of the registered voters went to the polls without incident or provocation. Michel received

⁵¹New Orleans Item, June 22, July 1, September 24, 1911; New Orleans Daily Picayune, January 6, 11, 12, 15, 1912; Schott, "The New Orleans Machine and Progressivism," 144.

23,694 votes in New Orleans, an impressive sixty percent of the vote. Michel had a majority in 111 of the 144 precincts in New Orleans, winning every ward except the Tenth Ward. Not surprisingly, Michel's principal support came from the downtown and "back-a-town" wards, the First through the Ninth and the Fifteenth Ward, the home of Martin Behrman. In the Uptown wards, the Eleventh through the Fourteenth, the Sixteenth and Seventeenth (the so-called center of anti-Regular, upper-class reform) Michel outpolled Luther Hall by more than 1,800 votes. Hall, too, benefitted from the high voter turnout. Hall collected 13,896 votes, for a respectable thirty-five percent of the vote. Hall won only nineteen precincts, six in the Uptown wards and thirteen in the wards below First Street.⁵²

In rural Louisiana, Michel barely matched his vote in New Orleans, raising his total to a disappointing 46,201. Hall, on the other hand, amassed another 40,000 votes in rural northern and southern Louisiana. Though Hall led Michel by only 7,200 votes, Michel's prospects for overcoming that deficit in a second primary were nonexistent. Michel was a one-parish candidate. His vote in New Orleans amounted to fifty-one percent of his total, but the city's

⁵²Report of the Secretary of State to his Excellency The Governor of Louisiana, 1910-1912 (Baton Rouge, 1912), np; New Orleans Item, January 26-28, 1912; New Orleans Daily States, January 26-29, 1912. Aswell was not a factor in New Orleans, garnering fewer than 2,000 votes, over half coming from the Irish Channel area of the Tenth Ward.

vote in the gubernatorial election was only thirty-two percent of the state vote. The Regulars could do no more for Michel. It was evident to all, including Michel, that the rural parishes wanted Luther E. Hall. Four days after the primary, Michel conceded.⁵³

The results of the election in New Orleans confused many League supporters and troubled some others.⁵⁴ The GGL was instrumental in electing a reform-minded governor, but Hall owed his election more to the League's country following than to the city reformers. Hall's vote in the city was barely more than a quarter of his total vote. He had few friends in the city and even fewer friends in the city's legislative delegation. In the city, the League elected only four members to the General Assembly, hardly enough to benefit Hall or carry through the GGL's reform agenda. The RDO won a tremendous popular victory, giving Michel an impressive, honest majority, electing nearly its entire legislative ticket, exposing the narrow popular base of the GGL in New Orleans, and giving the Behrman administration a resounding vote of confidence. For some League members, especially James McIlhaney Thomson, the publisher of the Item, the issue was clear. For municipal reform to succeed in New Orleans, the old tactics, the old issues, and the old mem-

⁵³New Orleans Item, January 25-28, 1912; New Orleans Daily Picayune, January 25, 29, 1912; New Orleans Daily States, January 25-28, 1912.

⁵⁴Denegre to Parker, January 28, 1912, Parker Papers, UNC; New Orleans Item, January 23, March 3, 1912.

bership, perhaps the old leadership, too, had to be abandoned.⁵⁵

Soon after the governor's election, the New Orleans Item called on the leaders of the GGL to "reconstitute" the League's city branch along more "democratic lines". Given the results of recent state elections in New Orleans and the past performance of similar reform groups, the Item urged the leadership of the GGL to open its ranks to the "common citizen" and to concern itself with issues that addressed the daily, practical needs and experiences of the people of New Orleans. "Democracy," the Item wrote, "requires that they share in the future councils of the independent and unbossed Democracy which they themselves constitute." To do less would open the League to charges of being another another machine, or worse, of being indifferent to the cares of the ordinary citizen. The present arm of the GGL in the city, the City Campaign Committee (CCC) was, the Item wrote, poorly organized, cumbersome, and undemocratic, and could not conduct a successful municipal campaign in the fall of 1912. Rechartering the League or defining the role of the CCC, as some reformers suggested, would not broaden the reform movement's appeal, but only further narrow its focus and only jeopardize any hope of defeating Behrman in the municipal primary. What was needed, the Item suggested, was a "grass roots" political organization modeled broadly along

⁵⁵New Orleans Item, January 5, March 3, 1912.

the same contours as the RDO, but incorporating the ideals and programs of municipal reform.⁵⁶

At the "grass roots" level, the Item proposed abandoning the CCC's practice of imposing leaders on the ward and precinct organizations. In its place, the Item suggested that the partisans of each precinct and ward choose their own leaders. The proposal, the Item commented, had several advantages. It would open the League to a greater number and variety of people and interests, broadening the GGL's appeal beyond the stale interests and concerns that led to its defeat in the state primary in New Orleans. It would assure voters of the democratic--if not Democratic--character of municipal reform movement. It would introduce men of experience (professional politicians) into the leadership of the GGL, eliminating one of its more serious disabilities. It would galvanize GGL partisans and workers, creating an atmosphere of trust and confidence in the campaign organization. In the state campaign, the Item wrote, the CCC kept its city workers "in the dark" concerning campaign strategy, tactics, and issues. In the state election, the Item speculated, it may not have been necessary for each precinct and block captain to know or comprehend campaign issues and tactics, but in the municipal campaign, ignorance and compla-

⁵⁶New Orleans Item, March 3, 6, 1912. The executive committee of the CCC was Parker, Charles Dechamp, Fred S. Weis, C. R. Westfeldt, Jr., S.S. Labouisse, Edward F. Henriques, D.W. Pipes, Esmond Phelps, Thomas D. Flynn, and Henry Dickson Bruns.

cency could prove "fatal" to municipal reform in New Orleans.⁵⁷

The Item conceded that its proposal could give the municipal reform movement a parochial tilt, perhaps compromising the League's dedication to reform and, no doubt, making it susceptible to the selfish influences of special interests and professional politicians. As a counterweight to the imbalances in its plan, the Item recommended that the current leadership of the GGL appoint a twenty-five man committee, chosen from among the city's professional and commercial "men of standing," to oversee the selection of candidates and drafting of policy for the GGL. These men would give the new arrangement a dispassionate and wider vision of politics and would keep the League in harmony with the tenets of municipal reform in New Orleans and the nation. The twenty-five man committee and the seventeen man "grass roots" caucus would form a new city campaign committee. In turn, the new CCC would select another committee from its own ranks to direct the municipal campaign. This entire arrangement, the Item asserted, would give the GGL the broad, democratic appeal and the organizational cement needed to win popular support and maintain the reform discipline and consistency for the long and exacting campaigns that lay ahead.⁵⁸

⁵⁷New Orleans Item, March 5, 1912.

⁵⁸New Orleans Item, March 3, 4, 5, 6, 1912.

The few "profesional" politicians within the GGL saw merit (and, no doubt, advantage) in the Item's plan. John Caruso, Ulic J. Burke, and Raoul Sere endorsed the proposal, which, they hoped, would give them a measure of influence in the League (Burke and Caruso, as "ward leaders" for the GGL won but four precincts between them in the governor's election, and Sere defeated the Regulars' candidate for the state House of Representatives by only twenty-one votes⁵⁹). Other leaders of the GGL believed the Item's plan served no constructive purpose. George Flynn cautioned against changing the character of the organization "in the middle of the stream," and John J. O'Neill described the plan as "unwieldy" and impractical, and he condemned the Item for conducting the League's business in public. William J. Hennessy believed the plan had some merit but only if the "professional and business interests" dominated the organization at each political and executive level. Samuel J. Kohlman though the plan "worthless" and he urged the League to grant John Parker "plenary power" over the campaign committee and the municipal campaign.⁶⁰

John Parker, too, acknowledged the need to reconstitute the City Campaign Committee and to widen and strengthen the League's political support. Parker refused, however, to admit professional politicians into the ranks of the GGL

⁵⁹Ibid.

⁶⁰New Orleans Item, March 5, 6, 1912.

leadership or to permit the people of the precincts and wards to choose their own leaders. Parker understood, as perhaps the Item did not, that to include these people and interests in the GGL would demean and dilute the social and political content of the municipal reform movement. The GGL wanted to eliminate local concerns from the considerations of municipal politics, not incorporate them into the reform coalition. When Parker spoke of "broadening and strenghtening" the appeal of the GGL, he meant inviting more men from the city's social and corporate elite to join the GGL.

Parker responded to the demand for a more appealing and diverse reform organization by proposing that the existing ward organizations and their leaders--the CCC--select seventeen men from their organization to represent the wards on the "new" CCC. In addition, Parker suggested that he alone select a twenty-five man committee that, with the advice of the new CCC, would set campaign strategy and policy for the League. The selection process would, Parker confessed, take time and study. In the interim, Parker would select sixteen men to assist him in formulating the strategy and tactics for the municipal campaign that would "redeem" New Orleans from ring rule.⁶¹

⁶¹Parker to Luther E. Hall, March 21, 1912, Parker Papers, UNC; New Orleans Item, March 26, 27, April 5, May 5 and 12, 1912. The members of committee of sixteen were from among the civic and commerical establishment of New Orleans. Among them were J. Zach Spearing, Frank B. Hayne, Joseph W. Carroll, C. DeB. Claiborne, Philip Werlein, and Dr. Walter S. Oser.

While John Parker pondered his selections for the permanent committee of twenty-five, the ad hoc committee met to chart the course of the League's municipal campaign. The League's performance in the state elections impressed the ad hoc CCC with the importance of taking the campaign directly to the people of the city. The campaign the CCC planned to take to the people, though, varied little from the one the League conducted in the gubernatorial contest. The CCC's campaign centered on the issue of ring rule, calling for the removal of Martin Behrman and the Regulars from every aspect of municipal government and politics. The CCC's strategy for removing the Regulars and establishing good government was twofold and required the cooperation of the state legislature and of Governor Hall. First, the CCC called for immediate adoption of a commission council charter that consolidated municipal and parochial governments into one and incorporated the nonpartisan primary and the short ballot into the political structure of the city. Second, to offset its "disadvantages" at the polls, the CCC demanded the removal of William P. Ball, the Registrar of Voters, and the continuous "purification" of the voting rolls in Orleans Parish and the vigorous prosecution of those who violated the voting laws of Louisiana.⁶²

⁶²Parker to Aswell, January 27, 1912, Parker to Hall, March 1, 21, 1912, Parker Papers, UNC; New Orleans Item, September 17, 1911, March 1, 2, 26, 1912.

These were not issues, frankly, that would necessarily rally the citizens of New Orleans to the cause of the GGL or, for that matter, assure the reformers of defeating the Regulars in the fall elections. The enactment of a new charter required the consent of the state legislature and, in an appeal to direct democracy, the approval of the citizens of New Orleans. It seemed unlikely that the Regular Democrats who controlled the New Orleans delegation to the legislature would accept a charter that promised to legislate the reformers into office and to "depoliticalize" public affairs. Among the citizens of the city there was no discernible popular demand for charter reform, with most people seeing it primarily as a partisan issue. In the past in New Orleans, partisans used charter revisions to either legislate themselves into office or to prevent another sect of partisans from becoming the dominant faction in city politics.⁶³ And, it seemed unlikely that the majority of the voters, who favored the Regulars, would side with the GGL on a partisan issue like charter reform. Though many New Orleanians wanted a more coordinated administration, the state elections showed that they did not want to exchange democratic practices and principles for promises of greater administrative efficiency and nonpartisan politics.

⁶³Jackson, New Orleans in the Gilded Age, 45-47, 66, 316.

In the first decade of the twentieth century, most major American cities operated under the mayor-council form of government. Critics of that system charged that the councilmanic system served too many masters. It catered to local interests and biases at the expense of the larger needs of the city. It gave local ward politicians and sectarian interest groups power and influence far exceeding their contributions to the community, and it forced those without political standing to rely on informal, often "corrupt," means of influencing the government. In addition, critics alleged that the council system snarled the formal lines of authority, shielded public officials from proper scrutiny and accountability, compromised business and political leaders, and lent itself too readily to political pressure and compromise. The result of these innumerable political and social pressures was a public policy frozen in accommodation and compromise. Managing the affairs of a city was, these critics said, "a plain matter of business, securing the best, cheapest, and most efficient service in the public business." Politics should have little bearing on the administration of the city.⁶⁴

In the place of the ward-council system of government, the advocates of the commission-council plan proposed a

⁶⁴Rice, Progressive Cities, 3-51; James Weinstein, "Organized Business and the City Commission and Management Movement," Journal of Southern History, XXVIII (May 1962), 168-70, 178; New Orleans Item, February 6, April 5 (quotation), 1912.

system of government based on virtual, at-large representation and nonpartisan politics. The proponents of this plan saw at-large, nonpartisan representation as a means of ending the political division and social disharmony that, in their view, plagued modern city life. The commission system concentrated executive and legislative power and responsibility in the hands of a single board chosen without reference to the arbitrary and artificial lines of political and class distinctions. Acting as a legislative body, the councilmen determined municipal policy, the granting of franchises, and the of constructing budgets. Working as independent executives, the commissioners managed specific departments within the city government, carrying out the policies they, as the council, had set. Proponents claimed the system prevented waste and encouraged efficiency by allowing the commissioners to ignore unwarranted political considerations and by providing greater coordination and concentration of authority and responsibility in the administration of public affairs.⁶⁵

Commission partisans argued that the removal of the arbitrary, partisan lines of representation on the city council would convince men of notable standing in the community to seek office in city government. Because of their social and commercial importance, these men would not be dependent

⁶⁵Rice, Progressive Cities, xi, 3-51, 64, 77-78; Weinstein, "Organized Business and the City Commission and and Manager Movement," 169-70, 178-79.

on local, factional interests or behind-the-scenes power brokers for support or direction. Free from the constraints of partisan politics and the temptations of the spoils system, the commission councilmen would of necessity seek the common good. Commission advocates claimed that given the proper guarantees and safeguards, the commission form would restore order, economy, and integrity to public affairs, would initiate expert, professional management in city government, and would eliminate parochial politics as a consideration in governing the city.⁶⁶

Despite the claims of its supporters, there were several important structural and political weaknesses in the commission system. The unification of executive and legislative powers did not necessarily provide for a more centralized, coordinated administration. In theory, each councilman represented all citizens and made municipal policy in conjunction with the other members of the council, assuming responsibility for the management of the entire city government and for each department. In practice, however, each commissioner concentrated on his own department, placing him in direct competition with the other commissioners for the

⁶⁶Rice, Progressive Cities, 30, 65-66, 72-83; New Orleans Item, June 20, 24, 29, 30, 1911, April 12, 1912. Despite its pretensions as a democratic reform, the commission system lacked any significant measure of popular control. Mindful of this deficiency, proponents grafted so-called direct democracy devices on to the commission plan. The best known of these devices was the so-called "trinity of democracy," initiative, referendum, and recall.

city's meager resources and, as a consequence, preventing the council from coordinating the city's policy needs.⁶⁷

The removal of the "artificial" lines of representation did not necessarily end local considerations in determining public policy and did not result in attracting men of "character" to public service. Indeed, opposition to the commission system was not limited to those who criticized it as undemocratic; many anti-machine reformers were skeptical of the commission system, fearing that it might concentrate power in the hands of the bosses and other local interests they opposed. In 1909, when the New Orleans Item called for adopting the commission form as a means of defeating the RDO, John Parker opposed the plan. As Parker explained, at-large elections were merely extensions of the partisan primary system and, as such, would not end political considerations in the selection of public officials. Through their mastery of primary the system and their extensive organization, Parker said, the Regulars also controlled the parochial government, providing them with countless elective offices and appointive jobs. The commission plan, as inaugurated in Galveston and embellished in DesMoines, was strictly a municipal reform, affecting relatively few public officials. For the GGL, any charter revisions, then, had to include the nonpartisan primary and a reduction in the num-

⁶⁷Rice, Progressive Cities, 90-94.

ber of elective officials in New Orleans and Orleans Parish.⁶⁸

What attracted Parker and the leaders of the GGL to the commission plan was how readily they could adapt it to the principles of the nonpartisan primary and the short ballot. By definition, the nonpartisan primary served to eliminate political considerations and partisan voters from the electoral process. Without the party emblem and the other totems of partisan politics to guide them, nonpartisan theorists asserted illiterate and complaisant voters would soon abandon politics, leaving the party organizations without popular support. By reducing the number of elected positions in the municipal and parochial governments, the short ballot reform hoped to eliminate the influence of professional politicians on government. The short ballot reform, in conjunction with the nonpartisan primary, would obviate the need for ticket making and ticket makers, allowing the so-called better class of citizens to seek public office and, so, restore government to the more "substantial and moral" class of people. The commission plan, as Parker and the GGL envisioned it, would serve primarily as a means of defeating

⁶⁸Parker to James B. Aswell, January 27, 1912, Parker Papers, UNC; New Orleans Item, June 20, 24, 29, 30, July 1, 2, 20, 1911, February 3, 1912.

the Regulars and removing them and the interests they represented from the political process.⁶⁹

In September, 1911, fully eight months before the legislative session of 1912, the City Campaign Committee called on the state General Assembly to enact a commission council charter for New Orleans. The CCC did not disclose any specific features of its proposal, but in instructing the legislature in the procedure needed for implementing the commission system, the CCC revealed some of the complexities and shortcomings of its municipal reform plan. The CCC counseled the legislators to enact a "detailed and comprehensive" commission charter that affected every phase of the municipal government of New Orleans. The CCC's plan also urged placing the entire parochial government under the direct authority of the commission government. The CCC's charter was not a simple municipal charter revision at all, but a wholesale restructuring of both the municipal and parish governments and a reorientation of city politics.⁷⁰

Flush with the spirit of reform, the Item endorsed the CCC's plan sight unseen. The Item called the proposal "uncontestably true" and "fundamentally just". Such a plan, the newspaper wrote, held within it the promise of a truly

⁶⁹E. J. Hamley to Parker, March 30, 1912, W.J. Redding to Parker, June 4, 1912, Parker Papers USL; New Orleans Item, June 29, 30, 1911, April 12, 1912; Rice, Progressive Cities, 82-88; John D. Buenker, Urban Liberalism and Progressive Reform (New York, 1978), 118-20.

⁷⁰New Orleans Item, September 17, 1911.

"radical" and democratic departure from the unimaginative and corrupt administrations of Martin Behrman and the Regular Democrats. For the Item, as well as for the Parkerites, there was no question of the true intent and purpose of the commission plan. Its aim was to overthrow the RDO "directly, swiftly, and unmistakably". There were, though, some League members, like real estate executive Sidney St. John Eshleman, who expressed reservations about blindly endorsing the CCC's charter reform measure. Eshleman and others wanted public discussions concerning the commission system and urged the CCC to include provisions calling for home rule, utility regulation, initiative, referendum, and recall. Above all else, they cautioned against portraying charter reform as a partisan weapon designed to restrict the suffrage or undermine the Democratic party.⁷¹

Parker and the CCC had no intention of conducting public discussions concerning its commission council proposal. Immediately following Hall's election as governor in January, 1912, the city affairs committee of the Progressive Union, a businessmen's association more or less evenly divided between supporters of the League and the Regulars, began a series of discussions on the commission council system. The League's leaders "boycotted" the open forum,

⁷¹Parker to James B. Aswell, January 27, 1912, Parker Papers, UNC; New Orleans Item September 17, 1911, January 10, June 22, 1912; Schott, "John M. Parker," 111-16. For criticism of the CCC's plan from other League members, see Gordon S. Orne to Parker, May 20, 1912, Parker Papers, UNC.

accusing the committee's chairman, Philip Werlein, a member of the GGL's inner circle, of using the hearing to further his own political aspirations. Werlein's committee made no recommendations concerning the commission system and discontinued the hearings soon after initiating them.⁷²

Late in March, 1912, the CCC, feeling pressure from the reform press to hold discussions and needing public approval for its plan, announced the formation of a special Committee of Forty to study the commission council proposal. The Item hailed the movement toward public hearings as a "progressive step," and called on all citizens to attend the hearings the committee planned. According to the Item, the Committee of Forty planned to meet in public with experts in the fields of law, finance, engineering, public administration, and government to determine the best plan for the city. In reality, the committee did not intend to conduct open hearings or to meet with experts in municipal government. It planned instead to "educate" the public on the commission system through a series of newspaper articles and editorials and to induce public support through a carefully staged, old-time political rally.⁷³

On the night of April 4, the League sponsored a "mass rally" in support of the commission movement. The rally's principal speaker was Chicagoan John Z. White, a profes-

⁷²New Orleans Item, January 30, 31, 1912; New Orleans Daily States, January 31, 1912.

⁷³New Orleans Item, March 27, 28, April 2, 1912.

sional lecturer and a friend of many of the League's top officials. The Item described the crowd, which it placed at 3,000, as wildly "enthusiastic, discriminating," and yet representative of every class, occupation, institution, and faction in New Orleans. White's speech was more a campaign oration than a dispassionate, informative lecture. He merely recited a litany of the commission plan's familiar virtues. It was left to John Parker to completely and accurately describe the League's commission plan. For Parker, the commission plan was the only form of government that was truly "nonpartisan and nonsectarian" and the only form capable of assuring the defeat of the RDO in the fall elections.⁷⁴

At the end of the rally, John Parker, Donelson Caffery, and Samuel A. Montgomery, whom the Item described as "impartial" proponents of good government, offered a resolution to the audience calling on the Committee of Forty to draft a commission council charter for New Orleans and to press for its passage in the next session of the General Assembly. The audience passed the resolution without dissent or hesitation. But the Item wondered aloud who would actually write the charter bill. The newspaper called on Parker and the Committee of Forty to select a drafting committee composed of citizens whose experience combined "a practical knowledge of local politics and local conditions generally with a

⁷⁴New Orleans Item, April 2, 3, 5, 1912; New Orleans Daily Picayune, April 5, 1912; Parker to Luther E. Hall, March 21, 1912, Parker Papers, UNC.

sound, scientific knowledge of the fundamental principles of civil government." In other words, the drafting committee should include members of the RDO and the GGL.⁷⁵

To some extent Parker agreed with the Item. In a letter to Governor-elect Hall, Parker acknowledged that the charter revision issue was of such importance to progressive reform in the city and state that "every branch of business in the city should be invited to participate." Parker even went so far as to propose that the "strongest and best supporters of the opposition" be asked to take "an active interest in the preparation of the charter". After almost a month of study and discussion, however, no one besides Parker and the Committee of Forty had seen the commission charter bill. As the legislative term approached, James McIlhaney Thomson, the publisher of the Item and his dour editor, Z. Marshall Ballard, lost patience with Parker and the committee. The Item recognized the difficulty facing the committee in drafting a simple, comprehensive charter bill. But the newspaper reminded the committee that the public expected and demanded an adequate allotment of time to digest and revising the League's charter bill. It was one thing for "parlor reformers," academics, and political dilettantes to agree on an ideal reform measure, the Item remarked, but it was quite another thing when precinct captains, ward leaders, neighborhood associations, and the RDO caucus

⁷⁵New Orleans Item, April 5, 1912.

showed an interest in a particular reform measure. No reform, the Item editorialized, no matter how wise or compelling could become law without the skilled efforts of professional politicians and the enthusiastic support of the voters.⁷⁶

As a rule, the RDO, like other political organizations elsewhere in the United States, opposed structural or administration reforms like the commission council that tended to restrict popular participation in municipal politics and government. There was nothing inherent in the commission system, apart from the nonpartisan primary, that threatened the Regulars' organization or jeopardized its standing or control over city politics and government. In fact, in Mayor Martin Behrman's view, given the proper guarantees for popular control, the commission form could give the city a more efficient and coordinated government that could move the city closer to home rule. For the time being, though, Mayor Behrman and the Regulars would reserve their judgment until they knew the specific contents of the League's charter reform bill.⁷⁷

Despite the advanced warnings, the committee's charter bill shocked most people. The charter bill covered 196 type-

⁷⁶Parker to Hall, March 21, 1912, Parker Papers, UNC; New Orleans Item, May 1, 1912.

⁷⁷New Orleans Item, April 7, 1912, January 3, 12, and 16, 1916; Buenker, Urban Liberalism, 122-23, 134-35, 161-62, 209, 215; Huthmacher, "Urban Liberalism and the Age of Reform," 231-41; Rice, Progressive Cities, 90.

written pages, encompassed 104 distinct provisions, and required thirteen constitutional amendments. John Parker, who unveiled the plan in mid-May, announced that the GGL charter bill was a composite of the modern commission charters of Des Moines and Junction City, Kansas. The plan provided for a five-man commission that, of course, possessed both executive and legislative powers. The Commissioner of Public Affairs would serve as mayor and have a vote on the council and general oversight of all municipal departments, boards, and commissions. The four other commissioners, Finance, Property, Safety, and Utility, would administer their separate departments within the municipal government, and, acting with the mayor-commissioner, serve as the common council for the city government. The commission council would perform the duties then assigned to the city council, mayor, fire and police commissioners, comptroller, treasurer, commissioners of public works and buildings, and the city engineer. In addition to these duties and functions, the League's charter bill granted the commission council "plenary" power over all parochial departments, boards, and commissions. The Parker plan authorized the commissioners to appoint the District Attorney, Coroner, all city court judges, the clerks of the Civil and Criminal District Courts (the judges to those courts would be elected), the Civil and Criminal Sheriffs, Recorder of Mortgages, Recorder of Conveyances, and two city assessors. The bill sub-

jected all other municipal and parochial employees (excluding common laborers, the majority of whom were black) to a civil service and merit system. The plan also reduced the mayor's salary from \$10,000 to \$7,500 and scaled down the commissioners' salaries from \$9,000 to \$6,000.⁷⁸

There was no assurance, however, as the League knew, that these provisions would themselves end ring rule in New Orleans. If anything, the bill tended to focus greater power in fewer hands--perhaps from the League's view, the wrong hands. In essence, the reformers had to assure their own election to the commission council. The Parker plan guaranteed, at least to Parker's satisfaction, such an assurance. The Parker charter provided that the voters of New Orleans elect the mayor and the other commissioners in separate, at-large, nonpartisan preferential primaries. In effect, elections in New Orleans (what few would remain under the new charter) would no longer be subject to the state primary law, which, as we have seen, Parker and his followers in the GGL saw as the quintessence of machine politics and corrupt government.⁷⁹

⁷⁸New Orleans Item, May 18 1912; Rice, Progressive Cities, 30. The charter bill reduced the number of assessors from seven to two and made their tenure dependent on the council and not the electorate. That state legislature raised the mayor's salary to \$10,000 in 1910. The issue rankled the anti-Regular press and became part of the GGL's reform program. Kemp, ed., Martin Behrman, 255-59.

⁷⁹New Orleans Item, June 4, 1912; Schott, "Progressives Against Democracy," 255.

The bill attracted little critical attention. Some members of the legislature, meeting before the summer session, wondered if the League charter guaranteed the people of New Orleans a democratic, republican form of government or if the charter proposal permitted the voters an opportunity to vote on its adoption.⁸⁰

The charter bill was, broadly speaking, republican and, in its strictest sense, progressive, but it was patently undemocratic. At the center of the commission movement in New Orleans, as elsewhere in the United States, was the issue of representation and the power to set and carry out public policy. Despite its pretense of greater representation, the Parker charter sought to narrow, not broaden, representation in the city and parish governments. The intent and design of the commission system and the short ballot was to remove the "artificial" considerations of local representation in the formulation and conduct of municipal affairs and to concentrate power and authority in the fewest offices possible. The charter also diminished the role and significance of the voter and citizen in the conduct of municipal policy, removing government and its policies beyond his influence and needs. Under the Parker charter, the voters of New Orleans had but two duties, the election of the commission council (and a few judges) and the ratification of the charter.

⁸⁰New Orleans Item, May 24, June 4, 1912; New Orleans Daily States, June 4, 1912.

Parker was anxious to have the citizens of New Orleans vote on the charter, as long as they did so before the municipal elections in the fall of 1912. Apparently, Parker believed that the passage of the charter bill was but a matter of fact. He convinced himself that his plan had the support of Governor Hall and the state legislature. Parker was mistaken. During the course of the recent state campaign, Hall had remained steadfastly independent and uncommitted to any particular charter reform measure. He made a point of staying clear of most of the city's intramural political issues--and with good reason. As governor, Hall needed all the support he could muster in the legislature and in the local governments. He concluded that his success as governor depended on friendly relations with the legislature, especially with its largest and most cohesive bloc, the Orleans Parish delegation.⁸¹

Contrary to what Parker believed, the GGL did not control the state legislature and it had even fewer friends among the Orleans delegation. In the Senate, eight of the nine senators from New Orleans were Regulars. The sole member of the League, William H. Byrnes, Jr., believed the bill was hopelessly flawed and probably beyond repair. The

⁸¹New Orleans Item, December 16, 1911, March 3, 26, 27, 1912; New Orleans Daily Picayune, March 28, June 15, 1912; Parker to Hall, March 21, 1912, Parker Papers, UNC; W. C. Hardee to Parker, June 4, 1912, Parker Papers, USL; Schott, "John M. Parker," 119-20, 183-84; Williams, "Martin Behrman," 35.

League had a few more supporters in the House of Representatives, but, as in the Senate, the Regulars dominated the important Committee on City Affairs (CCA) that managed all legislation concerning the City of New Orleans. Sixteen of the seventeen members of the committee were Regulars, including its chairman, the hot-tempered Creole, Joseph E. Generally. In short, the Parker charter bill had no executive or legislative support and, most telling of all, its true intent and purpose--the removal of the Regulars and eliminating "political considerations" in municipal affairs--ran contrary to the beliefs and wishes of a majority of the citizens of New Orleans, Regulars and reformers alike.⁸²

On June 8, 1912, Representative Raoul Sere, a Good Government Leaguer from the fashionable Garden District of New Orleans, introduced the Parker charter bill into the House of Representatives. As expected, the Committee on City Affairs took charge of the bill and began hearings on June 12. Parker, accompanied by Esmond Phelps, Charles Payne Fenner, and Frederick Weis, testified on behalf of the Sere bill. Mayor Behrman, John Fitzpatrick, the former mayor of New

⁸²The most notable of the League's supporters to oppose the Parker charter were, in addition to Senator Byrnes, Edgar H. Farrar, "father" of the Sewerage and Water Board and head of one of the city's most prestigious law firms, and Norman Walker, editor of the Daily Picayune. The Daily Picayune was an early critic of the commission system, calling it an artifact of Reconstruction and a threat to municipal democracy. See Daily Picayune, June 14, 15, 1912.

Orleans, Victor Mauberret, an assessor and reputed "king" of the tenderloin district, and City Attorney Isaiah D. Moore appeared against the League's charter bill. The Leaguers were confident and candid, but poorly prepared, and soon grew reckless and defensive under the intense questioning and rebuttals of chairman Generally and Mayor Behrman (Behrman, who sat behind Generally during the hearing, acted more like a member of the committee than as one of its witnesses).

In his opening statement, John Parker told the committee that the city, in effect, suffered from too much democracy. There were, in his opinion, too many elected positions in city government filled by too many professional politicians. These officials, he said, made a burlesque of the democratic process in New Orleans. They corrupted the municipal elections, intimidated private citizens and businessmen, made a "farce" of municipal administration, prevented needed progressive reforms, were profligate with the public money, and, as a consequence, divided and demoralized the people of New Orleans. The only way to end the influence of these corrupt officials and to restore integrity and confidence in city government, Parker said, was to reduce the number of elected officials and to eliminate the influence of politics on municipal affairs. The GGL, Parker confessed

to the CCA, designed the Sere bill to accomplish those ends.⁸³

Generally pressed Parker for evidence that would substantiate his allegations. Parker admitted that the League's canvassers and poll commissioners had been unable to uncover evidence of fraud in the recent elections, and he could not cite a particular instance of corruption or malfeasance in the Behrman administration. Confused and overwrought by Generally's questioning, Parker tried to change the subject. Regardless of the Regulars' perfidy, he said, the citizens of New Orleans demanded the enactment of a commission council charter that promised to rid the city of the curse of ring rule. Generally, however, protested that he and the other members of the CCA saw no indication that the people of New Orleans wanted a charter that encompassed the reforms demanded by the League. Generally reminded Parker that the New Orleans reformers made the commission council plan an issue in the recent state elections in New Orleans and that the voters rejected the League by nearly 10,000 votes. The chairman of the CCA dismissed Parker's testimony as partisan, and he confessed he saw no benefit or merit in a system of government that denied its citizens the power of the ballot and a fair degree of direct representation.⁸⁴

⁸³New Orleans Item, June 8, 12, 13, 1912; New Orleans Daily Picayune, June 13, 1912.

⁸⁴New Orleans Item, June 12, 13, 1912; New Orleans Times-Democrat, June 13, 1912.

Frederick Weis challenged Generally's interpretation of the charter bill and of the League's intentions. The short ballot and the nonpartisan primary, Weis told the CCA, were essential to the success of the commission plan. These two provisions afforded the voter greater freedom of choice in selecting public officials and would, if incorporated in the commission council the party primary, break down the artificial character and considerations of the ward system of politics and government. By simplifying the lines of authority and focusing responsibility in the hands of a few elected officials, Weis reiterated to the committee, the commission system invited greater participation in government by the ordinary citizen. "Our intention," Weis said to "is to make the government of New Orleans a single, concentrated government of five men. We want good government."²⁵

Mayor Behrman did not question that the commission form of government would create a more coordinated municipal government, allowing the city administration to formulate and carry out a more comprehensive municipal policy. The Parker charter, however, created an oligarchy of three men, no doubt, he said, chosen from the "better class" of citizens, who would debate, write, execute, and adjudicate the ordinances of New Orleans. They would decide, free from so-called "political considerations," which people, interests, and issues required their attention. Regardless of its

²⁵New Orleans Item, June 13, 1912.

merits, Behrman said, the plan was unquestionably undemocratic and constitutionally impractical.⁸⁶

The next day, Generally entertained a motion from Representative Thomas Anderson, a Fourth Ward Regular (also reputed to be the "King of the Tenderloin") calling for an unfavorable report for the Sere bill. Sere pleaded with Generally to delay consideration until June 17 when he would offer several amendments removing the provisions concerning the appointment of the parochial officials and the nonpartisan primary. Martin H. Manion, an intensely independent Regular from the Twelfth Ward, supported Sere's attempts at postponing a vote on Anderson's motion. He told Generally that he believed the issue of charter reform too important to dismiss without a "fair assessment". At this point, Generally had had enough. He scolded Sere and Manion for their discourtesies to the committee, then turned his anger on the League. At no time in the past several months since the GGL began preparing this bill, Generally taunted, did the League bother to consult with the people's elected representatives in the state and municipal governments or hold public discussions on its charter reform proposal. Instead, he continued, the League concocted an ill-conceived, poorly drafted bill, fully expecting the Committee on City Affairs, the General Assembly, and the voters of New Orleans to pass this bill without comment or criticism. During the entire pro-

⁸⁶Ibid.

cess, Generally said, the GGL showed no consideration for the people of New Orleans, its elected officers, or, for that matter, the democratic process and deserved no special consideration from the committee. Generally called for a vote. Only Sere and Manion voted against Anderson's motion.⁸⁷

Proponents of the Sere bill chastized the Generally committee for its "purblindness," and predicted that the defeat of the League's charter reform bill would eventually work against the Regulars. "The idea that a great national movement for progressive local government can be deliberately checked with one arrogant resolution by a representative from the Red Light section of New Orleans," the Item wrote, "is contrary to all human experience." The Daily Picayune saw the issue differently. The CCA's vote to give the Sere bill an unfavorable report was well-considered and appropriate. The bill tried to do too much. It was too involved and poorly written, of doubtful practicality, and of questionable constitutionality. The committee's vote did not expose the Regulars as reactionaries, but showed them to be deliberate and realistic lawmakers and politicians. Their aim, the Picayune wrote, was not to arrest the commission movement (as early as February, 1912, the Item reported a ground swell among the Regulars and their supporters for a

⁸⁷Ibid.

commission council), but to defeat a terribly flawed and impractical commission council bill.⁸⁸

Events proved the Daily Picayune correct. The day after Generally's outburst, he met with Raoul Sere, William H. Byrnes, and Robert Roberts, Hall's legislative floor leader in the House of Representative, to work out a compromise, assuring passage of a commission council charter for New Orleans. Generally would allow Sere to withdraw his bill from consideration without formal comment from the CCA. In exchange for this courtesy, Sere and Byrnes, the League's leader in the Senate, agreed to a joint conference committee on the commission council plan. Sere and Byrnes acknowledged that the League's bill was impractical and in need of wholesale revision, and they welcomed the help of the Regulars to salvage the commission plan. The Regulars readied themselves for the conference, but the League's leadership in New Orleans disavowed the commitments of Sere and Byrnes. The League announced it was unwilling to discuss the commission bill with the Regulars. Instead, it planned to introduce into the Senate its own "revision" of the original Sere bill.⁸⁹

The League's revision made only one major concession to the Regulars. It deleted all provisions pertaining to the

⁸⁸New Orleans Item, February 2, June 14, 1912; New Orleans Daily Picayune, June 14, 15, 1912.

⁸⁹New Orleans Item, June 14, 15, 17, 1912; New Orleans Daily Picayune, June 15, 17, 1912.

appointment of parochial officials, but it retained the section subjecting the commissioners to nonpartisan elections. Senator Byrnes was irate over the League's "revised" bill. If the League's leadership in New Orleans was serious about obtaining a practical commission charter and not a campaign issue, Byrnes told reporters, then they would have to remove provisions concerning nonpartisan elections, the reduction of the mayor's and commissioners' salaries, and all other provisions requiring constitutional amendments. Byrnes agreed to introduce the bill into the Senate but promised to work against the bill in committee hearings and on the floor of the Senate.⁹⁰

When the Senate CCA began hearings on June 18, the League leadership, as promised, was in greater numbers, but it was hardly better prepared. The CCA's chairman, the acerbic Henry L. Favrot, told the League's witnesses that their bill was an insult to the General Assembly, the legislative process, and an affront to the people of New Orleans. Is the Senate of Louisiana, Favrot asked, expected to pass a bill into law merely on the word and at the pleasure of forty men from the city's self-proclaimed "better element"? The League ignored the objections of the House of Representatives and, adding insult to injury, ridiculed the efforts of its own leadership in the House to salvage the charter reform bill.

⁹⁰New Orleans Item, June 17, 19, 21, 22, 1912; New Orleans Daily Picayune June 13, 18, 19, 21, 22, 1912.

The GGL's charter bill, he said, scoffed at their principles of democratic rule and sought not a better form of government but rank political advantage.⁹¹

H. Dickson Bruns, appearing for the League, answered that 3,000 citizens of New Orleans who attended the April 4 rally at the Winter Garden Hall testified to the popular support of the Sere-Byrnes bill. Favrot disputed Bruns's claim. The three thousand citizens who attended the rally constituted but six percent of the registered voters of New Orleans, and, if the newspaper accounts were correct, few of the three thousand knew in advance the undemocratic nature of the League's commission charter.⁹² Claiming that the Byrnes bill was inherently more democratic than the "ward-boss" system, John Parker argued that the nonpartisan ballot did not disfranchise the voter, but only the professional politician. Favrot labeled Parker's reasoning as pure sophistry, and promptly shut off debate. Parker, incensed at Favrot's rude treatment of the League's witnesses, told the committee that if the General Assembly defeated the Byrnes bill, he would take the issue to the streets of New Orleans, "crushing" all opposition in the next municipal election. Then, in 1914, with the help of a friendly mayor and a dutiful legislature, he would enact the Sere-Byrnes bill into law. Favrot and the CCA ignored Parker's blustering remarks

⁹¹New Orleans Item, June 19, 21, 22, 1912; New Orleans Daily States, June 19, 21, 22, 1912.

⁹²Ibid.

(Parker often spoke and acted before he thought) and voted to delay action on the Byrnes bill, pending the introduction of another charter reform measure by the Behrman administration.⁹³

A week later, Senator Favrot introduced another commission charter bill into the Senate. The new charter bill, written by City Attorney I. D. Moore and attorneys Joseph Gleason and Hugh Cage, conformed to the basic principles of the commission council system. The bill provided for a five-member council, elected on an at-large basis and vested with the full executive and legislative authority of the City of New Orleans. The new charter enhanced the power of the commission council over the general administration of the city, the civil service commission, the police and fire boards, and the city health board. It deleted all references to non-partisan elections, restored the mayor's (not the commissioners') salary to its earlier and higher figure, and subjected the city's direct democracy provisions to state law.⁹⁴

The new charter plan departed from the Sere-Byrnes proposals on several important features. By design, the administration charter did not grant the council "plenary power" over the numerous boards and commissions that formed a separate, independent branch of city government. The granting of

⁹³New Orleans Item, June 21, 22, 24, 25, 1912.

⁹⁴New Orleans Item, 28, July 4, 6, 8, 1912; New Orleans Daily Picayune, June 26 and 27, July 2, 5, 6, 9, 1912.

plenary power over these boards would have required several complicated and cumbersome constitutional amendments and separate referenda on each proposal. Rather, as we shall see, the Behrman administration sought to gain "plenary" power over the boards and commissions on its own initiative, following the logic of "centralization" so apparent in the commission system. The commission system, as we have seen, by definition and practice, divided executive power and responsibility among the commissioners. In theory, each of them and all of them would execute the collective will of the council, permitting for the development of a more coordinated municipal administration. In practice, however, no one held true executive authority. As early as 1910, if not before, critics and even advocates recognized the failure of the commission system to provide effective executive leadership. It seems likely, though there is no extant documentation to that effect, that Behrman, Moore, and the other authors of the new charter were aware of the systems problems. The 1912 charter vested all executive power formerly held by the mayor and other executives in the commission. But the new charter also created a very powerful and intrusive chief executive in the mayor.

The administration charter, like the Sere bill, granted the mayor overall "oversight" of all city departments and boards. In addition, the administration charter made the mayor president of the Sewerage and Water Board (SWB), the

Public Belt Railroad Commission (PBRRRC), and a voting member of the Board of Liquidation City Debt (BLCD), and the New Orleans Board of Health. Though the mayor had fulfilled these duties under the old charters, the commission charter proposed by the city administration enhanced the power and influence of the mayor, expanding his place and role in city and parish governments; in effect, making him "the co-ordinating agent" for the various departments and commissions in municipal government, speaking to each and for all of their related problems."⁵

Finally, the two charter proposals differed in their approach to the regulation of public utilities, in particular, the regulation of New Orleans Railway and Light Company (NORLC). The GGL was never comfortable with the idea of public regulation of "private concerns," and its initial charter proposal reflected the League's discomfort. The original Sere bill, in fact, did not provide for the direct regulation of NORLC by the city administration. To the contrary, in granting the city the power of expropriation, the Sere bill in effect removed the power of regulation from the city administration, placing regulation under the jurisdiction of the courts. Most utility experts at the time considered expropriation a costly and elaborate legal

⁵"Rice, Progressive Cities, 90-91; Administrative Survey of the Government of the City of New Orleans, 12-13; Act No. 159 Acts of the General Assembly of the State of Louisiana at the Regular Session, 1912.

procedure, an uncertain and regressive manner of utility regulation. Under pressure from the Regulars and from reformers within the League, the leadership of the GGL, abandoned the expropriation provision, leaving the matter of utility regulation to the legislature and the experts."⁶

Though Regulars were more certain of their stance on public regulation, favoring a vigorous regulation of NORLC by the city administration, they were uncomfortable with the idea of defining and confining the city's regulatory powers within the charter. The Favrot charter did not "enhance" the council's powers of regulation, retaining the language of earlier charters. The city administration decided to acquire direct regulatory power over NORLC through legislative statute and municipal ordinance. In brief, the Behrman administration would regulate NORLC by following the precepts of home rule and the logic of the commission council system.

Apart from these distinctions, the Favrot bill hardly differed from the Sere-Byrnes bills, and it raced through both the Senate and the House of Representatives. For the most part, opposition to the Favrot act among the voters of New Orleans was unorganized and outmanned. The Socialist party in New Orleans decried any "structural" device that wittled away minority participation in politics and representation in government. At-large elections, argued Social-

⁶New Orleans Item, June 17, 19, 21, and 22, 1912; New Orleans Daily Picayune, June 13, 18, 19, 21, and 22, 1912; Schott, "John M. Parker," 184.

ist leader T.E. Brennan, favored the well-heeled and the well-known, and virtual representation was a fallacy, a rubric for expressing the domination of the social and commercial elites over the working classes. Among the working classes, only one other group expressed opposition to the commission plan. The Central Trades and Labor Council, a craft association, agreed with the socialists about the intent and effect of the commission council system. The Council, however, made no known attempt to join with the socialists in opposing the act.⁹⁷

Criticism of the commission act was not confined to the working class alone. Among the propertied classes, a nameless "taxpayers' association" joined the socialists and the Council in opposing the Favrot act. The association's complaint was not political or sociological in nature, but legal. According to the association's "brief" filed in the local press, the state constitution required the election of any municipal official whose duties called for the exercise of the "police powers" of the city.⁹⁸ The association alleged that the new charter violated this provision of the state constitution, authorizing the council to appoint of-

⁹⁷New Orleans Item June 28, July 2, 6, 8, August 28, 30, 1912; New Orleans Daily Picayune, June 6, 27, July 2, 5, 6, 9, 13, 26, August 29, 1912; Rice, Progressive Cities, 29, 43, 90-91.

⁹⁸Police powers, of course, refer to the powers inherent in government to exercise reasonable control over persons and property within its jurisdiction in matters concerning their general health, safety, morals, and welfare.

officials whose duties required the exercise of the inherent powers of the city government. These assertions were, of course, without substance since the charter vested the commission council with all powers inherent in the City of New Orleans. The appointment of several officials, like the treasurer or City Engineer, did not violate the state constitution.⁹⁹ The association did not press the issue in the courts and its objection went unnoticed by the public.

The new charter had its more "traditional" detractors, however. The Item, perhaps sensing a campaign issue, lambasted the Favrot act as a cynical and calculated betrayal of the municipal reform movement. The Regulars, the Item, charged, bastardized the commission council movement by deliberately removing the nonpartisan primary provision and by refusing to modernize the municipality's cumbersome and ineffective administrative system. The newspaper claimed that the Favrot charter was not a true commission charter but a clever facsimilie which the Regulars "superimposed" over the old and corrupt ward system of politics. The result of this makeshift reform, the Item concluded, would be the continuation of factional, divisive politics and inept municipal rule.¹⁰⁰

⁹⁹New Orleans Item, July 4, 6, and 8, August 28 and 30, 1912; New Orleans Daily Picayune, August 29, 1912.

¹⁰⁰New Orleans Item, August 30, 31, December 2, 4, 14, 1912; Ethel Hutson, "New Orleans' Experience Under Commission Government," National Municipal Review, 6 (January 1917), 74.

Other critics of the Regular Democrats and the Behrman administration argued that the momentum of the municipal reform movement compelled the Behrman administration to adopt a commission council charter. They argued that the Favrot charter imposed a commission council system on New Orleans. The charter obviously united the executive and legislative branches of the municipal government, provided for the at-large election for the council, reduced the number of elected city officials, and promised, at least on paper, to untangle the lines of municipal authority and to fix the burden of responsibility on the five councilmen. Despite some "painfully weak" provisions, particularly in the area of utility regulation, these "friendly critics" believed that the system would work more or less as promised. In their view, the charter would force the Regulars to select candidates of "new vision," dedicated to the ideals of "public service" and civic advancement. These men, these critics believed, would introduce business ethics and procedures to city government, fostering among the other elected and appointed government officials a sense of common pur-

pose that placed civic advancement above political considerations.¹⁰¹

Still other commentators were less sanguine about the virtues of the commission system. These critics agreed that the commission system would alter the political arrangements in New Orleans, but they feared that those changes would not be for the better. The logic of politics and the commission system, they contended, would compel the Regulars to select businessmen as candidates for the council, eliminatating popular ward leaders from positions of importance and influence in city government and in the RDO. Without popular control at the governmental and political levels, the council and the mayor--and those they represented--would define the public interests to suit their own needs, ignoring the concerns of local interests. These opponents were also concerned that a commission council of businessmen would turn the city government over to a battery of "experts" hired to manage the city's affairs, reducing politics and government to concerns of accountants and lawyers.¹⁰²

Contrary to both contemporary and historical accounts, the Behrman administration did not design the Favrot charter

¹⁰¹New Orleans Item, August 30, 1912; Hutson, "New Orleans' Experience Under Commission Government," 74-79. In 1920, City Attorney Ivy G. Kittredge, an anti-Regular reformer, praised the Favrot charter as a precise and thoughtful piece of legislation. See Ivy G. Kittredge to (Commissioner of Public Utility) Paul H. Maloney, December 20, 1920, vol.14, City Attorneys Opinion, City Archives, New Orleans Public Library; hereafter cited as CAO, CA, NOPL.

¹⁰²New Orleans Item, August 30, 1912.

to compromise the municipal reform movement or to disguise its own intentions. From the beginning of the commission issue, the Behrman administration and the Regular Democrats showed a keen and intelligent interest in the commission system of government. They understood its potential for greater coordination and efficiency in municipal administration. They favored the basic contours of the commission system, the unification of the executive and legislative powers of the city government, the displacing of the old-style city council and the strengthening of the executive. They also grasped many of the limitations and potential dangers in the commission system, especially the plan proposed by John Parker and the GGL. From the start, the RDO and the Behrman administration opposed nonpartisan elections and the appointment of all but a few public officials. At the regular session of the General Assembly, the Regulars did not hide or disguise their opposition to the "partisan" sections of the Sere-Byrnes bills.

They also seemed to understand (or were at least willing to admit) that no commission charter bill could assure the establishment of a fully competent and efficient municipal government or guarantee that any municipal administration would be free from the political and sociological considerations of the modern American city. In a speech before the City Federation of [Woman's] Clubs in 1916 Mayor Behrman spoke to that issue. He acknowledged the many improvements

and the advancements in municipal administration under the commission council charter, and he spoke enthusiastically about the promise for further improvements under the 1912 charter. It was, he said, the practical intelligence and democratic character of the commissioners and the RDO that made the commission system a flexible and responsive part of popular government.¹⁰³

The Favrot charter did accentuate the role of professional businessmen played in the city administration, but it did not compel the leaders of the RDO to recruit them for office. There were no social or occupational barriers for "membership" in the Regular Democratic Organization. Several notable businessmen like William Bess Thompson, Arthur J. O'Keefe, Martin H. Manion, and Harold H. Newman belonged to the RDO, serving the city administration at times in positions of authority and importance. As a rule, even before the enactment of the Favrot charter, the Regulars selected businessmen and other professionals for executive positions within city government. By definition and design, the commission system was essentially executive government; with its adoption by the city, the RDO merely continued with its

¹⁰³New Orleans Item, November 28, 1916.

established practice of choosing professionals and business executives for executive positions in city government.¹⁰⁴

Though the commission reduced the visibility of the professional politicians in city government, it did not diminish their importance or weaken the standing of the RDO in city affairs. Professional politicians like Criminal Sheriff Matthew Long, Michael James McKay, a clerk in the criminal court system, City Attorney I. D. Moore, and Arthur O'Keefe, the deputy Commissioner of Public Finance, served the city under the commission charter as "minor" officials. They held positions of authority and importance in the municipal government, contributing to the formulation and conduct of public policy and lending their own significant measure of professionalism to the municipal government. The commission system did not change Martin Behrman's approach to city government and administration, either. Though he insisted on a public display of solidarity by his colleagues and subordinates, in private Behrman welcomed independent thought and initiative by the members of his administration. Under the commission council, as with past administrations, Behrman relied heavily on each member of the administration in de-

¹⁰⁴Teaford, Unheralded Triumph, 42-66; Haas, "John Fitzpatrick and Political Continuity in New Orleans, 1896-1899," 7-29; Brian Gary Ettinger, "John Fitzpatrick and the Limits of Working-Class Politics in New Orleans, 1892-1896," Louisiana History, XXVI (Fall 1985), 341-67. Despite the contentions of Haas and Ettinger, the RDO appealed to classes other than the working class, and many of its leaders, including Fitzpatrick and Behrman, were "businessmen".

terming public policy. In the purely political realm, he continually sought the sense of the RDO caucus, and, though Behrman was its dominant personality, the caucus remained the governing body of the RDO.¹⁰⁵

As Behrman's statement makes clear and as the evidence at hand suggests, the commission structure made only a modest difference in formulating public policy, and in no way impaired the influence of "politics" on the municipal government. The official correspondence of the Behrman administration and other contemporary accounts, before and after 1912, indicate that "public considerations," not the form of city government, shaped municipal policy on such issues as sanitation, paving, zoning, public transportation, gas and electric service, and public finance. The Behrman administration gave public expression to the concerns of the city, but its voice was not the voice of a single class or of a business elite, but rather a chorus of interests, prejudices, and ideals. The commission system, however, as part of a general movement toward a more accomplished and invol-

¹⁰⁵These statements are based on my reading of the various letters, reports, and legal opinions written during the Behrman administrations, 1904-1920; 1925-1926. See Mayors' Correspondence, Mayors' Letters, City Archives, New Orleans Public Library, hereafter cited as MCML.

ved municipal government, made the city administration a discrete and decisive member of that chorus.¹⁰⁶

The change in the form of government, then, did not affect substantially how the Behrman administration arrived at or carried out municipal policy, or affect the general composition of city government, or alter the influence of politics on the municipal government. The question becomes, then, why the Regulars adopted the Favrot commission charter bill. The standard explanation to this question is that the Regulars, anxious to retain their dominance over city government, adopted a charter that resembled the commission form that allowed them to pacify a majority of the commercial and social elite that demanded a more honest and responsive city government and yet permitted the RDO to continue politics as usual.¹⁰⁷ This account is only plausible if we accept the notions that progressive reforms like the commission council served only the interests of the so-called professional and commercial elite and that the Regular Democratic Organization was a wholly reactionary faction immune to the spirit and necessity of "good government".

¹⁰⁶Hutson, "New Orleans' Experience," 79; Schott, "John M. Parker," 106-07; Schott, "The New Orleans Machine," 141-53; Williams, "Martin Behrman," 63-64. Again, I have based my assessment on the official correspondence of the city government and on its response to several important issues from 1900 to 1926.

¹⁰⁷Hutson, "New Orleans' Experience," 73-79; Rice, Progressive Cities, 98; Reynolds, Machine Politics, 104-06, 255.

The Regulars did not respond to the commission issue out of fear of losing City Hall to Parker and the GGL or from a fawning desire to please the commercial establishment of the city. The Regulars had the support of a substantial majority of the voters of New Orleans, and, as we have seen, the nonpartisan components of the commission system did not jeopardize the political integrity of the RDO. And, although the initial impetus for the adoption of the commission council plan came from the reform press and allied elites, the demand for effective city government was not confined to them, but, as a rule, shared by the entire community. Despite their opposition to the Sere and Byrnes bills, the Regulars displayed a genuine interest in the commission form. The commission idea won the qualified endorsement of two New Orleans newspapers, the Daily Picayune and the Daily States, the Board of Trade, the Progressive Union, several ward and precinct leaders, and a number of neighborhood improvement associations. For these interests and groups, the Favrot charter offered a workable plan that promised them a more accessible, professional, decisive, and capable municipal government than the slow-moving and

amateurish aldermanic system.¹⁰⁸ The party professionals, like Behrman and Robert Ewing (at first), favored the commission idea precisely because it attracted the attention and support of diverse municipal interests and because, as John Parker feared initially, it promised to enhance the power and standing of the city administration. With the support of the city administration and the endorsement of several important components of city politics, the voters of New Orleans adopted the Favrot charter. The new charter took effect in December, after both the parochial and municipal elections of 1912.

¹⁰⁸New Orleans Daily Picayune, August 31, December 2, 1912; New Orleans Daily States, August 20, 1912; New Orleans, February 2, May 1, 1912; Daniel T. Rodgers, "In Search of Progressivism," Reviews in American History, 10 (December 1982), 113-42; Buenker, Urban Liberalism, passim; Buenker, "The Progressive Era: A Search for a Synthesis," Mid-America, 51 (July 1969), 175-93; Jon C. Teafor, "Finis for Tweed and Steffens: Rewriting the History of Urban Rule," Reviews in American History, 10, (December 1982), 133-49.

Chapter Two

In the Land of Dreams

With the defeat of the Sere and Byrnes bills in the House and Senate, the GGL abandoned the legislative session, turning its full attention to the parochial and municipal elections. The parochial elections, scheduled for September, preceded the municipal elections (the first conducted under the commission council charter) by less than a month, and both the GGL and the RDO viewed the parochial elections as the second phase of the municipal elections. Before the parochial campaign began, however, the divisions and concerns of national politics intruded on the municipal elections. Late in June, after the defeat of the GGL charter proposals, John Parker announced his intention of conducting a "June to October" campaign against the "bosses" of New Orleans. But, when questioned about his commitment to the third party movement of Theodore Roosevelt, Parker grew very defensive. He assured his colleagues in the GGL that his relationship with Roosevelt and the Progressive Party would not affect his standing with the GGL or lessen his resolve to bring progressive reform and good government to the city. Two weeks later, however, in July, Parker signed a resolution calling for a Progressive party convention that would nominate Theodore Roosevelt as its candidate for president.

Parker again assured his followers that his pledge to elect Roosevelt as president did not jeopardize or alter his commitment to municipal reform or to the Democratic party in Louisiana. "I am a Democrat," he said, "in state and city politics." There were, though, many other Democrats inside and outside the GGL who thought otherwise.¹

The New Orleans Item could not find a "logical reason" why Parker's decision to support Roosevelt and the Progressive party should bar him from leading the city's independent political reform movement. There was, however, the Item wrote, a very important and compelling "practical" reason why Parker should not remain as the leader of the Good Government League. The Democratic party, the Item reminded its readers, was the dominant political institution in the state and the city; no reform movement, no matter how compelling its message or well-organized its supporters, could succeed outside its ranks. By endorsing Roosevelt, Parker chose to ignore a cardinal precept of Louisiana's otherwise volatile politics. Parker would better serve the cause of municipal reform, the Item wrote, by "subordinating his convictions and his personal loyalty in this respect to the demands of his position at the head of the city's protest against Government by Boss."²

¹New Orleans Daily Picayune, June 25, July 7, 12, 1912; New Orleans Item, July 8, 12, August 13, 1912; New Orleans, Times-Democrat, July 9, 1912; Schott, "John M. Parker," 184-89.

²New Orleans Item, July 12, 1912.

Most members of the GGL agreed with the Item's assessment and they urged Parker to withdraw his endorsement of Roosevelt.³ Leland Moss, a long-time Parker supporter from Lake Charles, pleaded with Parker to remain with the Democratic party. Within the ranks of the RDO, Moss wrote, "your name signed to the Roosevelt call was received with derisive shouts of joy, as furnishing positive proof of all the charges made against you and against the Democratic Good [Government] League in the last fight, as being made up largely of republicans [sic] instead of democrats [sic]. I am sure that your action will materially affect the success of any progressive movement in the city of New Orleans, and I know that the success of any such movement is very dear to your heart." Moss went on to tell Parker that if he deserted the Democratic party and the GGL, he forfeited any chance of reforming the party along lines favorable to the interests of the GGL, and, with it, lost any hope of ending ring rule in New Orleans.⁴

Parker resigned as the chairman of the City Campaign Committee, but remained a member of the GGL. He told the

³Frank T. Guilbeau to Parker, February 6, 1912, J. Austin Fontenot to Parker, July 11, 1912, Parker Papers, USL; W.E. Allen to Parker, July 12, 1912, Parker Papers, UNC.

⁴Moss to Parker, July 9, 1912, Parker Papers, USL. Some members of the League, of course, found no fault with Parker's decision. But only a few League members followed Parker into the Progressive party. See Sidney Story to Parker, July 18, 1912, Parker Papers, UNC; New Orleans Daily Picayune, August 6, 13, 1912.

League's executive committee that he was still interested in the reform movement in the city and would continue active in it irrespective of his party affiliation. He insisted that his principles were those of the true Democrat: white supremacy, federally funded flood control of the lower Mississippi River Valley, and antiring rule. Parker insisted that the Regulars, not he, had deserted the tenets of the Democratic party in Louisiana, and he accused Behrman and the RDO of being "revenue Democrats," concerned solely with patronage and political advantage. God save Louisiana, he wrote, "when [the] Office Holding, Ballot Box Stuffing, Law Deriding Ring of New Orleans sits as the Supreme Court to pass on the qualifications of Independent American Manhood." "In my humble judgment," he wrote to Governor Hall, "every ringster and every man who supported the ring should be made to walk the [political] plank as promptly as possible. The ring would crush you and your policies without a second's hesitation; they have no regard, no loyalty, no principle, and no fealty to party. They are Democrats for office and office only. They have never hesitated to sacrifice the State of Louisiana for their personal aims; they would not hesitate for an instant to ruin the City of New Orleans if it meant their perpetuation in power."⁵

⁵Parker to J. Austin Fontenot, July 11, 1912, Parker Papers, USL; Parker to Executive Committee, Parker to Hall, August 12, 1912, Parker Papers, UNC; Schott, "John M. Parker," 186-87.

Such shrill language and rash behavior characterized much of John Parker's political correspondence and public life, and it is tempting to dismiss his endorsement of Roosevelt and his resignation from the GGL as the actions and words of an ill-tempered and frustrated man. And, to a certain degree, there is some truth to that judgment. But Parker's actions and remarks reveal something more profound than his affection for Roosevelt or his contempt for the Regular Democratic Organization. There were other reasons for Parker's departure from the Democratic party and the GGL. Parker was dissatisfied with the tincture and direction of the modern Democratic party. He distrusted and disliked William Jennings Bryan, Woodrow Wilson (at least the candidate Wilson), and what he considered the "populist" wing of the Democratic party. Bryan and Wilson pushed the Democratic party to the "left," catering to labor, assailing the privileges of business and finance, and threatening to end the Democratic party's dependence on the conservative white South and the financially important (to the New South Democrats like Parker) northeast.⁶ Parker was uncomfortable in this new, "populistic" Democratic party, and his leaving was an indication of his dissatisfaction with the party. The

⁶Moss to Parker, July 9, 1912, Parker Papers, USL; Schott, "John M. Parker," 39-90; Schott, "Huey Long: Progressive Backlash?," Louisiana History, XXVII (Spring 1986), 133-45; Cooper, The Warrior and the Priest, 120-25, 127-30; LeRoy Ashby, William Jennings Bryan Champion of Democracy (Boston, 1987), 41-125.

Democratic party, at home and in the nation, had moved beyond Parker and his variety of New South progressivism.

So too had the state and municipal reform movements. Parker seemed obtuse to the political and social issues and demands that concerned the citizens of Louisiana and New Orleans. Parker stressed only the "political and procedural objectives" of the reform movement, ignoring other, more salient issues. While Parker and the "conservative" reformers preached about the menace of ring rule and advocated ballot reform, other League members and Regular Democrats called for greater regulation of banking, corporations, and utility companies; woman's suffrage; workmen's compensation laws; a corporate and personal income tax amendment; and a revision of the state and parish tax and assessment policies. These issues and demands indicate the extent to which the municipal and state reform movements had moved beyond Parker's narrow and confining definitions of reform.⁷

It would be a mistake to conclude, however, that Parker and the more "conservative" reformers were without influence in municipal politics or the reform movement. John Parker

⁷Schott, "John M. Parker," 112-13, 164-70, 182-88; Schott, "Huey Long: Progressive Backlash?," 138-40. Professor Schott does not "make much of" the interpretations of progressivism that have become "fashionable" in the 1970s and 1980s. His definition of the movement identifies progressivism with "elitist, entrepreneurial, or professional interests groups...who favored varying degrees of support for increased governmental responsibility in dealing with social problems, and advocated increased bureaucratic controls with centralization or concentration of governmental structures to achieve efficient administration."

may have "forfeited" a personal opportunity to direct the course of reform politics in New Orleans, but the "conservatives" still controlled the reform organization and managed to define the new reform issues, like woman suffrage, tax reform, and utility regulation, in terms of ring rule. Municipal politics and reform issues may have moved beyond Parker and the "conservative" reformers, but politics and reform in New Orleans could not move without them.

The parochial campaign began in earnest in late July, (news of Parker's resignation and the unsettling affect it had on the League delayed the selection of candidates and distracted, at least for the moment, the public's interests in the parish races), and, as expected, the League concentrated its campaign on the issue of "ring rule" and pinned its hopes of victory on selecting the "best qualified" candidates and on effectively reducing the voting rolls. Confident of victory, the Regulars hardly campaigned at all. Their only concern was finding the best candidate for District Attorney of Orleans Parish, the highest ranking parochial official in metropolitan New Orleans.

The RDO caucus favored retaining incumbent District Attorney J. St.Clair Adams, a fiercely independent and exceedingly competent man with both social and political connections. Adams wished to return to private practice, however, and so declined the invitation to seek reelection.

The Regulars considered several other candidates but finally settled on Chandler C. Luzenberg, a former DA of Orleans Parish as their candidate.⁸ Luzenberg was a quality candidate and a superior criminal attorney. The Item described him as a "latent" reformer; tough, exacting, honest, and politically impartial. He was, in the Item's words, a man with an exceptional pedigree, "considerable ability, an honorable name in [his] profession, and a pleasing personality". As the ring's candidate, however, Luzenberg was unacceptable to the Item and to unbossed, "independent manhood" of New Orleans.⁹

The GGL nominated its new executive chairman, forty-two year old Donleson Caffery for District Attorney of Orleans Parish. Born in St. Martin Parish in 1870, Caffery attended Roanoke College and the United States Naval Academy. He received a law degree from Tulane Law School, and later served as District Attorney for St. Martin and Terrebonne parishes. In 1900, in a period of Republican resurgence in Louisiana's sugar bowl parishes, Caffery stood as the Republican candidate for governor, though, like Parker, he claimed to be a "Democrat in faith," if not in name. Later, with the help of Parker, Thomas S. Wilkinson, and T. Marshall Miller, Caffery founded the Democratic Good Government League in 1908. Dispite Parker's

⁸New Orleans Item, 17, 18, 19, 1912; New Orleans Daily Picayune, July 19, 1912.

⁹New Orleans Item, August 10, 22, September 15, 1912.

disaffection from the League, Caffery promised to continue the reform program "mapped out by Mr. Parker".¹⁰

Angered at being bypassed by the Regulars, Joseph Generally qualified as a candidate for District Attorney--no mean feat without organized support--and stood for election as an independent Democrat. At thirty-nine, Generally looked older than his years. Scholarly in appearance, Generally was a hardened campaigner with a solid and impressive constituency (the Item called him the "darling of the Creole" community). Generally attended the College of the Immaculate Conception (the forerunner of Jesuit High School), known for its rigorous and classical Jesuit education and as the classroom for future civic and political leaders of New Orleans. As a young man, Generally "read the law," and was admitted to the Louisiana bar. He married Alice Sarpy, the daughter of an old and well-placed Creole family. Generally strengthened his familial and professional credentials when his sister married Lionel Adams (no relation to St.Clair Adams), a prominent attorney who later became Generally's law partner. Generally, then, like Luzenberg and so many other members of the Regular coalition, did not fit the

¹⁰New Orleans Item, July, 12, August 4, 1912; Schott, "John M. Parker," 186-87. Why Caffery did not challenge Martin Behrman in the municipal elections is a matter of some question. Perhaps, like Parker, Caffery believed that the commission system would force Behrman and the other professional politicians to retire. The choice of a mayoral candidate was not nearly as important a choice, then, as the selection of five compatible and progressive businessmen to serve as commissioners.

reformers' description of the crass and unlettered "ringster". Yet, the League's leadership and the reform press discounted Joseph Generally and saw no significance in his candidacy, dismissing him as a spoiler or "dummy" candidate. This appraisal was a harsh and inappropriate judgment, indeed, particularly since the GGL had at one time considered Generally its prime candidate for District Attorney.¹¹

In addition to the candidates for District Attorney, each faction fielded a complete slate of candidates for a battery of parish offices, all proportioned neatly among the various wards and precincts of the city. The most intriguing race, apart from the DA's contest, was the race for Criminal Sheriff of Orleans Parish. The campaign matched three Regulars (all from the Third Ward, as custom and politics demanded) and the League's M. T. Breslin, himself a former Regular. The pre-campaign maneuvering among the Regulars, incumbent Matthew Long and challengers Michael J. McKay and Edward M. Comiskey, testified to the competitive structure of the RDO. Unlike the GGL, whose leadership from necessity handpicked its candidates, the Regulars encouraged (and in some cases, could not discourage) competition, and selected their candidates on their appeal to the ward leaders and the voters. The system favored incumbent office holders, and, at

¹¹New Orleans Item, July 18-23, August 1, 11, 1912; New Orleans Daily Picayune, July 17-22, August 10, 13, 1912.

times, resulted in "bolts" from the RDO. For the successful "bolter," however, there was always room at the RDO's caucus table.

The Regulars nominated Matt Long as their candidate, but there was serious and organized opposition to him within the caucus. Long was a hot-tempered and impulsive man, known for his quick fists and strong-armed tactics around the polling booths. The press intimated some sort of scandal in his office, and not a few Regulars, Mayor Behrman among them, wanted to "dump" Long. Long was a successful campaigner, though, and protege of former mayor John Fitzpatrick, the aging leader of the Third Ward. Challenging Long and Fitzpatrick for control of the ward were two other Irish politicians whose names were synonymous with politics in the Third Ward, the polished and popular McKay and the pugnacious Edward Comiskey.

At fifty-four, McKay was the "quiet man" of Third Ward politics. He was a meticulous and immaculate dresser and he served the criminal district court with equal precision and care for detail. Many Regulars considered McKay the most capable and appealing of the candidates, though many other Regulars believed he was too much a gentleman to be a politician and the Criminal Sheriff. McKay persisted, though, challenging the Regulars and Long without organized support or much money. After weeks of campaigning, however, McKay

withdrew from the race in the name of Democratic party unity.¹²

Edward Comiskey, however, showed a different mettle. Comiskey, too, like Long, was a favorite of "Old Fitz," and with his help won a seat in the state General Assembly in 1908 and again in 1912. When the Regulars settled on Long, Comiskey left the RDO and allied with the League, which, unfortunately for Comiskey, had already endorsed M. T. Breslin as its candidate. The GGL and the reform press were overjoyed with Comiskey's departure from the RDO. Men like Edward Comiskey and his brother James were welcomed additions to the League's faltering ranks. The Comiskeys were hard-nosed and capable politicians and reportedly controlled a sizeable portion of the Third Ward's massive vote. But, instead of celebrating the acquisition of the Comiskeys, the GGL should have taken careful note of Michael McKay's quiet return to the RDO.¹³

The League's leadership, though, seemed bent on distracting itself in another witless assault on the voting rolls and the voters of New Orleans. In May, the new Registrar of Voters, Samuel A. Montgomery, a League stalwart, ordered his staff to conduct a thorough and "systematic re-

¹²New Orleans Item, July, 18-23, 1912; New Orleans Daily Picayune, July 17-22, August 10, 13, 1912. I would like to thank Mr. James F. McKay, Sr. and Mr. John Donellan Fitzmorris, Jr. for their help in defining the character of Michael McKay.

¹³Ibid.

view" of all registration documents, erasing the names of all voters not properly or legally registered. He instructed the canvassers to consider any flaw or discrepancy on an application as an indication of willful fraud. A GGL spokesman justified Montgomery's actions as legal and proper, assuring the voters of New Orleans an honest and fair election.¹⁴

The Regulars acknowledged that duplications and clerical errors existed, but they disputed the notion that such errors constituted willful fraud. The Regulars filed several suits in Civil District Court blocking Montgomery's orders. In the most important suit, attorneys for Anthony Herrle admitted that Registrar Montgomery could strike names from the voting lists, but only in strict compliance with the registration act of 1908. The act permitted the Registrar to erase the names of those voters who had died, been convicted of a felony, or been judged mentally incompetent. Judge Porter Parker, John Parker's brother, agreed with Herrle's demurer and issued a permanent writ preventing Montgomery from removing Herrle's name from the rolls.¹⁵

The League's response to Judge Parker's ruling was swift and harsh in its condemnation. The Item damned the decision as "judicial hocus pocus". "There is no equity and no right," the Item editorialized, "in a judicial order that

¹⁴New Orleans Item, May 9, July 27, 29, August 21, 1912; Schott, "John M. Parker," 119-20.

¹⁵New Orleans Item, August 8, 10, 15, 17, 18, 1912.

prevents by technicality the carrying out of the real intent of the law of the state." Judge Parker's decision, the Item concluded, had stepped beyond the bounds of judicial impartiality and propriety into the realm of partisan politics. As a means of combating "politicalized" judges, the Item called for a constitutional amendment subjecting all state and municipal judges to the direct recall of the voters. Donelson Caffery, however, urged a more direct and immediate approach. Caffery suggested that Montgomery ignore the court's ruling and continue removing the names of voters registered illegally. "The time has arrived," he said, "to serve notice that an injunction by a court cannot rob the people of their rights."¹⁶

Montgomery ignored Caffery's advice and, as expected, appealed Parker's writ to the Louisiana Supreme Court. With the final court ruling not expected until after the parochial elections, the Regulars and several less strident but influential League members met to set the ground rules for the elections. The two factions agreed, at least for this election, that only those voters with valid registration papers and poll tax receipts would be allowed to vote. They also agreed that an illiterate voter registered in error under the education provision could seek assistance in marking his ballot. The agreement changed nothing about the eligibility

¹⁶New Orleans Item, August 14, 17-22, 1912. Montgomery removed only 338 of the 50,000 voters registered in New Orleans.

of the voters, and its political effect clearly favored the Regulars. The agreement acknowledged that the duplication of records and clerical error were not grounds for removing a voter from the rolls and that illiteracy should not bar some one from voting. The agreement also meant that a visible and important segment of the League was disgusted with the tactics and rhetoric of the Parkerites, in effect, questioning the old-line leadership of the GGL.¹⁷

Publicly, Caffery accepted the terms of the agreement, but he was dissatisfied with it. He told a rally of League supporters and interested observers that if on election day the Regulars violated the primary election law, he and the GGL stood ready to act as judge, jury, and, if need be, coroner. The League did not condone violence, he said, but it would not back away from it when faced with a threat of fraud and intimidation at the polls. The League would take every precaution, Caffery blustered, to ensure the safety of its workers and the sanctity of each ballot.¹⁸

In trying to reassert his command of the GGL and rally its supporters, Caffery lost some valuable support. The New Orleans Daily Picayune, which had endorsed Caffery, now censured him as a reckless "fire-eater" and a man unworthy of public office. Since there was no substance to Caffery's

¹⁷New Orleans Item, September 1, 1912; New Orleans Daily Picayune, September 2, 1912.

¹⁸New Orleans Item, 21, 30, 1912; New Orleans Daily Picayune, August 16, 21, 1912.

charge, the Picayune concluded that he designed his remarks to discourage ordinary citizens from voting, enhancing, as he saw things, his own chances of election. The Regulars agreed with the Picayune. The League's leadership, the Regulars contended, had no useful proposals or timely issues to present to the people of New Orleans. The League's entire campaign centered on the tiresome and meaningless issue of ring rule, homespun cliches (Caffery's campaign slogan was "home, family, and the City of New Orleans"), and the fading recollections of nineteenth-century politics. The GGL deliberately engaged in idle talk and veiled threats to excite the public, discourage voters, and provide itself with a convenient excuse for losing the parochial elections.¹⁹

The League's campaign tactics and rhetoric had no visible effect on the "ordinary" voters of New Orleans, but they aroused considerable concern and agitation among the city's commmerical leaders. Even before Caffery made his revealing remarks, a number of prominent businessmen and civic leaders on both sides of the contest expressed their concerns to Mayor Behrman about the direction and demeanor of the parochial campaign. On August 5, they addressed a letter to Behrman detailing their worries and suggesting to the mayor that he appoint a special police force to keep the peace and enforce the voting laws on election day. Soon after deliver-

¹⁹New Orleans Daily Picayune, August 16, 21, 27, 30, 31, 1912; New Orleans Item, August 30, 1912.

ing their letter to Behrman, the group's chief spokesmen, Hugh McCloskey, the president of New Orleans Railway and Light Company, and Edwin T. Merrick, called on the mayor at City Hall. Behrman told them that before committing himself to their suggestion he wanted to consult with City Attorney I. D. Moore about the legal aspects of their plan. The mayor suspected that legal and financial complications would prevent the formation of a "special" police force. But, more importantly, he feared that a special police force appointed by an incumbent mayor might be seen as a partisan "goon squad," giving credence to Caffery's charges and tarnishing the city's reputation.²⁰

City Attorney Moore rendered his opinion a week later. According to Moore, unless there was a "clear and present danger" of violence or a total collapse of the civil authority, the mayor had no power to create an extralegal police force. Until such occurrences, the city administration and the businessmen had to depend on the New Orleans Police Department and the common sense and integrity of the people to keep peace and order on election day.²¹ Moore's opinion delighted the mayor, but McCloskey and Merrick believed Moore's findings overly legalistic and unmindful of the city's serious political troubles. The businessmen appealed

²⁰New Orleans Daily Picayune, 27, 30, 31, 1912; New Orleans Item, August 30, 1912.

²¹Moore to Behrman, August 11, 1912, vol. 5, CAO, CA, NOPL.

to Behrman again, but the mayor, armed with Moore's persuasive opinion, declined to reconsider their request. Undeterred, McCloskey and Merrick went to Governor Hall for assistance. Hall pressed Behrman for an accounting of the situation. The mayor, irked by McCloskey and Merrick's pleas to the governor, told Hall that the businessmen were overreacting to Caffery's idle remarks and, as a consequence, were misinforming him about the political situation in New Orleans. There was, Behrman told Hall, no real threat of violence and no likelihood of fraud occurring at the polls. The city administration was capable of protecting its citizens and preserving the public order without the assistance (or interference) of the state government or a special, politicized police force. The Democratic party in New Orleans, Behrman said, was capable of conducting its own elections, rendering a fair and accurate count, and was willing to abide by the results of those elections.²²

On election day, September 3, the reform press reported "unusually" heavy voting throughout the city, a sure sign, it boasted of the League's impending victory. The Item was surprised and pleased to report that the Regulars were "manifesting an unusual disposition to play it fair". Obviously, the Item wrote, the presence of Governor Hall in New Orleans and the "visible" determination of the League to

²²New Orleans Item, September 1-3, 1912; New Orleans Daily Picayune, September 1-3, 1912.

assure a fair election cowed the Regulars and lessened the chances for violence and fraud at the polls. There was but one serious incident and that, according to the Item, appeared to be more a matter of race than politics. There was, however, nothing unusual or pleasing for the League about the results of the elections. The RDO swept the parochial elections. Chandler Luzenberg, ignored in the press, became the new District Attorney, winning thirteen of the seventeen wards and holding a 5,000 vote lead over Caffery and a 1,500 vote majority over the field of candidates. Caffery won the uptown wards, the Twelfth, Fourteenth, Sixteenth, and Seventeenth, nearly matching Hall's performance in the gubernatorial primary. Generally fared well in the downtown wards, and, though his candidacy did not materially influence the outcome of the election, by eating into the Regulars' "normal" majorities, he gave false confidence to the League's campaign for the commission council.²³

The Regulars' unspectacular but complete victory should have given the League second thoughts about challenging Martin Behrman in the October municipal elections. Instead, the GGL and the Item interpreted the results of the parochial elections as an indication of the League's ultimate victory. The Item even went as far as developing a fanciful

²³New Orleans Item, September 1-5, 1912; New Orleans Daily Picayune, September 3-5, 1912; New Orleans Daily States, September 9, 1912. Luzenberg received 18,719, Caffery 13,689, and Generally 3,575. The Regulars predicted a 1,200 vote majority for Luzenberg.

thesis explaining the reasons for the ring's final defeat, confidently announcing that "the old gods are dead". Over the past four years, the Item wrote, the Regulars' margin of victory in important primary contests had declined dramatically. In 1908, the Regulars gave Jared Young Sanders a 10,000 vote majority in New Orleans, but the reforms and pressures for reform instigated by the League since then had worked to reduce the RDO's majorities for Michael and Luzenberg. It was apparent to all, said the Item, that the people were increasingly dissatisfied and disgusted with ring rule; only the influence of professional politicians and the connivance of the ring's "animated payroll" kept the RDO in power.²⁴

All that would end in October. The League maintained a solid and experienced organization and added to its strength and numbers every day. Men like R.G. "Buddy" Gregory, Robert O'Rourke, and the Comiskeys swelled the ranks of the League and brought new confidence, experience, and, most of all, a large number of active workers and voters to the League's cause. Since May, when Samuel Montgomery became Registrar of Voters, the League had removed hundreds of illegally registered voters from the rolls. For the first time since disfranchisement, the Item reported, the rolls reflected the true composition of the voting population. The Item anticipated, as well, a dramatic rise in the number of men voting

²⁴New Orleans Item, September 5, 1912.

in October, nearly all committed to the purposes of anti-machine reform. In the January primary, nearly 40,000 men voted for one of the three gubernatorial candidates, but in the parochial elections only 33,000 men voted. According to the Item, most all of the 7,000 who failed to vote in September were supporters of the League (they had failed to vote because they were out of town on summer vacation), and could be expected to vote Martin Behrman out of office on October 1. The Item based its conclusion on a survey conducted by the League that showed that 500 men in the Garden District precincts of the Twelfth Ward had failed to vote in the recent elections. If other precincts and wards resembled the Twelfth Ward, and the Item was confident they did, then the GGL had not yet tapped its full complement of voters. The Regulars, on the other hand, as the results of the parochial elections showed, had spent themselves completely.²⁵

The GGL's canvass, of course, proved only that a few hundred residents of Garden District had not taken interest in the parish elections (not an uncommon occurrence in Uptown New Orleans, given John Parker's voting record), and said nothing pertinent about how the rest of the city might vote in municipal election. The Item's inventive analysis was as inaccurate as it was misleading. Of the 40,000 men who voted in the governor's race, only 3,500, not 7,000 chose not to vote in the parochial elections. And, Chandler Luzenberg,

²⁵Ibid.

not Donelson Caffery, suffered more from the voters' loss of interest. Luzenberg's total was twenty percent less than than Michel's vote, while Caffery's vote was but two percent less than Governor Hall's percentage. Joseph Generally, not Caffery, contributed to Luzenberg's relatively poor showing. Generally won ten percent of the vote, most of it coming from the RDO's strongholds. In short, the Regulars had not exhausted themselves, and any talk of their death was greatly exaggerated.²⁶

Realistically, there was no exaggerating the League's growing sense of desperation. The campaign that began more than a year before with much confidence and hope was by early September, 1912 at the point of complete exhaustion. The League approached the municipal elections without an appreciable measure of popular support, without an issue that might swing popular opinion in its favor, without creditable leadership, and without, at least for the moment, anyone willing to challenge Martin Behrman in the municipal campaign. The Regulars were, to be sure, confident of success in the city elections. They had beaten the League in New Orleans in convincing fashion in two major contests, had weathered partisan charges of fraud and venality, had thwarted efforts to legislate them out of office, had suffered only minor and temporary defections, and, most important of all, they had a successful and popular candidate to

²⁶Ibid.

lead their commission ticket, the incumbent mayor of New Orleans, Martin Behrman.

The League began its public search for a mayoral candidate as early as November, 1911. It considered a great many possible candidates, but few men of the so-called "better element" of New Orleans displayed much interest in seeking elective public office, and fewer still relished the task of trying to unseat Martin Behrman. Some League members, particularly Samuel Montgomery, Marshall Ballard, and James Thomson, hoped to draft John Parker as the League's nominee for mayor, but Parker declined consideration, citing a long-standing reservation against seeking public office. Parker believed that his candidacy would introduce undue partisanship into the campaign, diverting attention away from the principal issue of ring rule and municipal reform. Parker also believed that reforms like the nonpartisan primary, the short ballot, and the commission council would discourage professional politicians from seeking office and encourage men of merit and intelligence to pursue public service.²⁷ The choice of a mayoral nominee, then, was not nearly as important as the selection of five compatible and progressive businessmen to serve as commissioners.

²⁷New Orleans Item, November 5, 19, 1911, January 5, February 25, 27, 1912; Schott, "John M. Parker," 98-99, see fn. 17; "The New Orleans Machine and Progressivism," 146, see fn. 11.

Less sanguine than the Parkerites about the ability of businessmen alone to govern the city, the Item urged the League to select "first class intelligent men" who were either themselves experts in law, public finance, municipal administration, or engineering or who were willing to employ experts in governing the city. The League, the newspaper wrote, must select nominees solely on their "moral, social, and political" contribution to New Orleans, "regardless of [the] advantages or disadvantages of birth, education, or wealth". Above all else, the Item advised, the GGL's nominees must be above party and faction and must be able to serve without regard to the "social, family, or personal connections which would influence them away from the line of duty...". Not surprisingly, though, the men most frequently mentioned as possible mayoral candidates were among the social and commerical elites of the city.²⁸

For nearly two weeks after Caffery's defeat, the executive selection committee interviewed and evaluated potential candidates. The committee spokesman, J. Frank Coleman, admitted that perhaps the League had delayed too long in naming its ticket, but the selection committee had encountered some unexpected, though not entirely unwelcomed, difficulties. According to Coleman, the League had so many fine

²⁸New Orleans Item, July 17, August 30, September 5, 1912; New Orleans Daily Picayune, July 23, 1912. Those men mentioned most often were Leon C. Simon, Frank B. Hayne, Crawford H. Ellis, and Leigh Carroll.

candidates from whom to choose that selecting the five "best men" was extremely painstaking and difficult. In addition, the League sought a well-balanced ticket, one that was representative of the League's true composition and that appealed to all classes of voters in New Orleans. This later aspect had proven more perplexing than the selection committee had anticipated, but, though the commission election was only two weeks away, the League was confident of fielding a complete ticket and just as confident, at least in public, of complete victory.²⁹

Privately, however, influential League members were not so confident or anxious to "contest" the Regulars in the municipal elections. In mid-September, Edgar H. Farrar, the prominent attorney and reformer, proposed that the GGL abandon its intention of fielding its own municipal ticket. Instead, Farrar suggested that the League offer to form a bipartisan municipal government with the Regulars. The plan sounded plausible and attracted some consideration from the executive leadership of the GGL. It allowed the League to avoid another humiliating defeat and accorded the reformers representation on the commission council. It also forced the Regulars into recognizing the League as a potential equal,

²⁹New Orleans Item, September 10, 11, 13, 14, 1912; New Orleans Daily Picayune, September 6-8, 10-15, 1912. Later, Coleman confessed that the committee had a very difficult time persuading any of the "best citizens" to run on the League's ticket.

condoning its words and actions over the past year and legitimating the League's agenda for municipal reform.

The executive committee, however, had a number of serious reservations about Farrar's suggestion. In proposing it, the League appeared unwilling to accept the decision of the voters of New Orleans and seemed more concerned with political position than with reform. Even if the Regulars consented to the plan, the professional politicians would continue to dominate the municipal government, nullifying whatever influence the reformers had with the municipal government. As a minority on the commission council, the GGL would not be able to set and direct public policy, but, as part of the administration, the League would be accountable to the public for the general tone and calibre of the city government.

The executive committee was willing to "submit" to a bipartisan government, but it was not willing to share power with Martin Behrman. The League advised Behrman (not directly, but through the reform press) that it would accept a bipartisan municipal administration of three Regulars and two League members, provided, however, that Behrman step down as mayor. The Item termed the League's offer "serious and generous," but Behrman rejected it, calling the proposal "frivolous and insulting". The League's plan, the mayor said, was nothing more than a desperate attempt by the League to fore-

stall a final humiliation at the polls and to finagle itself into office.³⁰

On September 17, three days after the Regulars rejected its "serious and generous" offer for a bipartisan city government, the League announced its ticket. Four of the five nominees were businessmen, but none of the four was from the commercial elite of the city. The fifth nominee, Charles F. Claiborne, was a lawyer, the lone "professional" on the ticket. With the exception of Claiborne, the League's nominee for mayor, none of these men was well-born or particularly well-educated. Though the reform press lionized them as "sound, substantial, [and] eminently qualified" to serve on the council, none of them was an expert in public law, finance, management, or municipal government. Though four of them served in prior reform administrations, their experience in government was limited. These men did not come from the commercial, managerial, or social elite (again excepting Claiborne), but from the ill-defined and volatile social and commercial middle class. And the League chose them, it would seem, not because the dynamics of progressive reform dictated their selection, but because political necessity forced the hand of the GCL. These men alone agreed to run on the League's ticket. They had previous, though limited, campaign experience, and had served in city government before (again

³⁰New Orleans Item, September 14, 17, 1912; New Orleans Daily Picayune, September 14, 17, 20, 1912.

in limited and minor capacities), and they could, or so the League hoped, appeal to every category of voter in New Orleans.³¹

Charles F. Claiborne was not the League's first (or even second) choice for mayor, though from the beginning of the metropolitan campaigns, he remained among the League's prime candidates. Imperious in appearance and manner (he looked and acted like a Creole grandee), Claiborne's qualifications for mayor did not extend beyond his uncommon family heritage (his grandfather was William C. C. Claiborne) and his commonplace association with the antimachine reformers as an "implacable foe of corrupt bosses and dishonest politics". Despite his social pedigree and courtly Southern mannerisms, the reform press portrayed him as a man removed from the shallowness of "club life," who moved freely among all classes and character of citizens and who shared the concerns and understood the needs of the common man.³²

Claiborne's public career and private concerns give little indication that he shared the concerns of the ordinary citizens of New Orleans. As councilman from the Seventh Ward (1888-1892, 1896-1900), Claiborne served as the chair-

³¹New Orleans Item, September 18, 19, 22, 23, 1912; Williams, "Martin Behrman: Mayor and Political Boss," 38.

³²New Orleans Item, September 18, 19, 22, 23, 1912. The League's selection committee wanted Leon C. Simon, a securities magnate, as its candidate, but Simon refused to leave his brokerage firm, Kohn, Weil, and Simon.

man of the budget committee, a committee that did not formulate the budget, but merely sanctioned its priorities and expenditures. Later, as a member of the City Park Commission, he and the other commissioners (all from the social and commercial establishment) were responsible for making the park more accessible and appealing to the public. These achievements were the extent of Claiborne's public career, a career confined to minor pursuits and interrupted by twelve years of inactivity. Claiborne did nothing to dispell these facts. He was a distant and ineffective campaigner, content with repeating the League's antimachine slogans and appealing to "the intelligent and thinking voters of New Orleans". He was, in effect, no match for Martin Behrman.³³

The other four League candidates, Louis Pfister, George M. Leahy, Oscar Schumert, and Andrew J. McShane, were all self-made businessmen and amateur politicians. Louis Pfister was a second generation German immigrant, born in New Orleans and educated in the Catholic school system. He served as a member of the Orleans Parish Levee Board, the city council, and the Public Belt Railroad Commission, under both reform and Regular administrations. As a member of the council and the railroad commission, he urged the active and strict regulation of all public utility monopolies, a common concern of every administration since 1896. George Leahy too was a native of New Orleans, and, like Pfister, served on

³³Ibid.

the city council from 1896-1900. Leahy was the president of the Contractors and Dealers Exchange (the only "exchange" member on the League's ticket) and president of the Security Building and Loan Association. The Item called Leahy a man of "well-balanced, sane, conservative, progressive, and sympathetic qualities," but made no mention of any public conviction apart from his opposition to ring rule. Oscar Schumert, like Leahy, was the president of a savings and loan association. Unlike the other candidates, though, Schumert had no previous political exposure and experience. Andrew J. McShane, a future mayor, was the best known and qualified of the League's candidates. Hot-tempered and fearless (some observers said senseless), McShane began and ended his political career as steadfast antimachine reformer. A serious and sober campaigner, McShane was mindful of the League's disabilities and limited appeal.³⁴

Ideally, these men were not the sort of ticket the GGL selection committee had envisioned or that the League's supporters had expected. With the exception of McShane, none of these men, especially Claiborne, was particularly well-known or, for that matter, recognized by the League membership as a leader in the antimachine movement. Their records of public service and civic accomplishment were stale and unexceptional, and they seemed content to rely on the tired

³⁴New Orleans Item, September 18, 20, 22, 23, 1912; New Orleans Daily Picayune, September 19, 20, 1912.

adages and remedies of the antimachine consensus for their political guidance and support. They were, after all, little more than afterthoughts; campaigning not so much to win the election as to keep the reform movement from falling apart.³⁵

The RDO caucus met the week of September 11 to select its commission council ticket. Amidst rumors of dissent and hard feelings, the caucus promptly renominated Mayor Behrman once again--and for obvious and compelling reasons. In addition to being the recognized leader of the RDO, Behrman was a man of immense personal and political popularity, a hard-working and progressive mayor, and a proven campaigner. Over the course of the week, the Regulars named the other four remaining nominees. As expected, all four were businessmen of substantial social and commercial reputations. Although they were fairly active in municipal politics (one of them had been a Citizen Leaguer and another a one-time candidate for mayor), they were not tied formally to the RDO. Only one of the four had held elective office before, and, like the men on Claiborne's ticket, none of them had direct or appreciable experience in modern city government. Why, then, did the RDO caucus select these men for the commission council? Their selection suggests that the Regulars, like the reformers, were committed to reform in municipal

³⁵New Orleans Item, September 18-23, 1912; New Orleans Daily Picayune, September 19-20, 1912.

government. The modern municipal government demanded executive experience and expert knowledge in the certain specialized fields. But municipal politics required an appeal to the demands of special interests and local considerations. The business executive came closest to fulfilling those demands and requirements. In addition, in selecting businessmen and other executives for office, the Regulars were merely following precedent. Executive office required men with executive ability and experience.³⁶

William Bess Thompson, like Martin Behrman, was born outside New Orleans, and he too was a large and generally unattractive man. But apart from these similarities and his love for the city, William Bess Thompson was everything Martin Behrman was not. Thompson's father was a wealthy cotton factor who provided William with all the advantages and trappings of wealth. Thompson attended New Orleans's exclusive private academies and later graduated from the University of the South in Sewanee, Tennessee. Thompson studied history and political economy under Herbert Baxter Adams and Richard T. Ely at Johns Hopkins University, later receiving a law degree from Columbia Law School. His academic years behind him, Thompson returned to New Orleans to manage his father's cotton firm, adding considerably to the family's already substantial wealth. The New Orleans Cotton Exchange

³⁶New Orleans Item, September 11-13, 15-17, 1912; New Orleans Daily Picayune, September 11, 12, 15-17, 19, 1912; Williams, "Martin Behrman: Mayor and Political Boss," 39-41.

(NOCE) elected Thompson its president first in 1907, then again in 1909. In 1911, after resigning as president of the NOCE, Thompson became president pro tempore of the Public Belt Railroad Commission, a commission he and Behrman planned to bring under the authority and control of the commission council. Thompson's social standing as a member of the Boston, Pickwick, and Southern Yacht clubs did not preclude him or many men like him from endorsing Martin Behrman and the RDO with their votes, money, and service.³⁷

Harold W. Newman, too, was a wealthy and educated businessman and an ambitious politician. He was the son of Morris W. Newman, a banker and broker in utility securities, whose large and commercially active family had at one time controlled a large portion of the city public utility system. Harold Newman attended Tulane University, where he received a law degree in 1904. As a young man, Newman became president of the New Orleans Stock Exchange. Despite his family's existing and former ties with the public utility monopoly, Newman called for a more formal and exacting municipal regulation of New Orleans Railway and Light Company.

In addition to his business activities, rather because of them, Newman became interested in city politics and go-

³⁷New Orleans Item, September 17, 1912; New Orleans Daily Picayune, September 17, 20, 1912; New Orleans Daily States, September 22, 1919; Hutson, "New Orleans' Experience Under Commission Government," 78-79.

vernment. In 1908 Newman left the Democratic party, joining the "Customhouse" wing of the Republican party (provoking the Item to refer to Newman as a "political pharisee"). Newman's sojourn with the Customhouse Republicans lasted but a few days. Later in 1908, Newman rejoined the Democrats, announcing his availability for mayor of New Orleans. Four years later he reestablished his party regularity by endorsing John Michel for governor and supporting the Regulars in the parochial elections. Despite his movement toward political orthodoxy, Newman kept his distance from the Regular professionals. He would accept the RDO's nomination, he said, only if the Regulars assured his complete independence in office.³⁰

Adolph G. Ricks was eighty years old in 1912, by far the oldest candidate, and, besides Behrman, the only other Regular with previous experience in municipal government. Ricks came to America from Germany at the age of ten, settling in Paris, Texas, a cotton community on the Red River. Ricks later moved to St. Helena Parish, then to New Orleans. After the Civil War (Ricks was a Confederate veteran), Ricks joined John Franks in the hides and leather business. From his association with Franks, Ricks branched into brewing and banking. He was the president of the New Orleans Brewing Association, the Mutual Bond and Homestead Association, Title Mortgage and Guaranty Corporation, and the Metropolitan Bank

³⁰Ibid.

and Trust Company. His only other foray into city politics came in 1896 as a member of the Citizens League and the city council.³⁹

Edward E. Lafaye (pronounced laa fi), the Regulars final choice for the commission council, came from an old and respected Creole family. The Lafayes belonged to the most exclusive social organizations and held offices in several prestigious commercial and banking institutions in New Orleans. Lafaye, known throughout the city as E. E., was a wholesale grocer and real estate developer, and, at thirty-two, the youngest and least experienced candidate in the campaign. The Item considered Lafaye a fairly competent and progressive candidate, but far too young and inexperienced for such an important and exacting position in city government. The Regulars' ticket, the Item wrote, possessed outstanding individuals with impressive credentials and solid characters--they were, after all, from the business and social elites of New Orleans. As a ticket, paired with Martin Behrman and the RDO, however, they were but a "shirt front," an admission of the failure of the ward-boss system in general and the Behrman administration in particular to

³⁹New Orleans Item, July 9, 1911, September 17, 1912; New Orleans Daily Picayune, September 19, 1912; New Orleans Daily States, September 22, 1912; Hutson, "New Orleans' Experience Under Commission Government," 78.

provide the type of leadership needed to make New Orleans a modern, progressive city.⁴⁰

The municipal campaign was mercifully short. After almost two years of continuous campaigning, there was little left to say. What was said and debated took place in the newspapers and a few campaign rallies. The reformers took up their familiar chant of ring rule, and the Regulars recited their litany of accomplishments.

Martin Behrman, as the leader of the RDO and as the chief executive of "government by boss," epitomized the failures and inequities of the old politics. The ward-boss system, the Item wrote, allowed likeable but shallow men, like Martin Behrman, to rise above their station and talent, corrupting politics and government by encouraging mediocrity and rewarding incompetence. Behrman, the newspaper said, "never was anything but a small-bore politician and chronic office holder, [who] has demonstrated nothing but temperamental unfitness and utter incompetence in every large affair in which he was personally engaged..." His accomplishments in office were due to the foresight, initiative, and skill of the "better elements" of New Orleans. Behrman and the Regulars were not "evil men," the Item graciously admitted, but were simply unlettered and unremarkable men,

⁴⁰New Orleans Item, December 15, 1911, February 22, September 16, 17, 1912; New Orleans Daily Picayune, September 18, 19, 1912; Hutson, "New Orleans' Experience Under Commission Government," 73-79.

"offensively swollen with the assumed right to control better men holding commission direct from the people" and fundamentally incapable of administering a "great business like the affairs of a city".⁴¹

At issue was not just the selection of the five best individuals or even the better ticket, the Item contended, but the better system of politics and government. The ward-boss system, the Item intoned, encouraged inefficiency and corruption in government, retarding economic progress and depriving the citizens of New Orleans of the benefits of modern city life. It closed government to the people, discouraged participation in politics, and, as a consequence, made a mockery of the democratic process. In the public sphere, ring rule meant a "politicalized" assessment and taxation system, unpaved and dimly lighted streets, uncollected garbage, high utility rates and fares, and poor public service. In the "private sector," political favoritism shown to certain businesses and interests discouraged investment and growth, kept prices arbitrarily high and wages unnecessarily low, and placed the honest businessman under the influence of corrupt public officials.⁴²

The very purpose of the League's metropolitan campaign, the Item concluded, was the elimination of these wrongful

⁴¹New Orleans Item, August 14, 1912; New Orleans Daily Picayune, August 15, 1912; Williams, "Martin Behrman: Mayor and Political Boss," 35-36.

⁴²New Orleans Item, September 21-22, 24-26, 1912; New Orleans Daily Picayune, September 26, 1912.

political considerations and the establishment of a political system committed to public service and democratic principles and ideals. As long as "political" considerations continued to warp the legitimate concerns of the people, New Orleans would never reclaim its position as the "cultural center" of the South or take its natural place among the nation's premier cities.⁴³

Martin Behrman responded to the Item's and the League's criticisms and slurs with a simple recitation of the major accomplishments of his administration. In his only major address of the campaign, Behrman took credit (with sufficient justification) for the financial and physical improvements in the city over the past eight years. Over the course of his two terms, Behrman said, his administration gave the city an improved financial and economic standing, extended the water, drainage, and sanitation system, initiated major improvements to the port, made the belt railroad a reality, paved and lighted many streets, and made city government more accessible, efficient, and expert. There was, in short, the mayor said, no substance to the League's allegations of mismanagement or political favoritism. The issue in this campaign, Behrman concluded, was the difference between the administration's proven ability and record of achievement

⁴³Ibid.

and the League's meaningless sloganeering and its visible inexperience.⁴⁴

Rain marred the final week of the campaign and threatened again the morning of the election. But by mid-morning, the threat had passed, the clouds and rain moving rapidly to the south and east. The rest of the day remained cool and dry, and uneventful. The election was, despite predictions to the contrary, never in doubt. Mayor Behrman and the Regulars won in impressive fashion, outpolling the League ticket by nearly forty-two thousand votes and sweeping all five commission positions. The mayor won all but two wards, losing the Twelfth Ward by three votes and the Fourteenth by only 210 votes. The other Regular candidates also won with comparative ease. Harold Newman, who among the Regulars received the fewest votes, outpolled Andrew McShane, the League's best performer, by more than five thousand votes. Claiborne's performance was an embarrassment. Though he received thirty-seven percent of the vote, roughly the average

⁴⁴New Orleans Item, September 26, 1912; New Orleans Daily Picayune, September 20, 21, 24, 26, 1912; Williams, "Martin Behrman: Mayor and Political Boss," 45, 70-81; Schott, "The New Orleans Machine and Progressivism," 144.

for the League in New Orleans, two of his running mates, Schumert and McShane, garnered more votes than he did.⁴⁵

As the mayor and the new commission council prepared for a new administration, the Item consoled the League and its supporters. The League's defeat in the municipal primary, wrote the Item in a customary postmortem, did not signal the end of the municipal reform movement in New Orleans. Granted, the Item wrote, the League had a number of organizational problems and some serious character flaws, most notably its closed view of municipal reform and its narrow "class" appeal. Its "natural" leader abandoned the movement in mid-course, compelling secondary figures to assume command. The League "compromised" its reputation and credibility by conducting its campaigns on a single and suspect issue, personal slurs, and false accusations.⁴⁶

There were, however, encouraging signs of the permanence and vitality of the municipal reform movement, the Item wrote. Already, there were plans for the creation of a more

⁴⁵New Orleans Item, September 30, October 1-3, 1912; New Orleans Daily Picayune, October 1-3, 1912; Williams, "Martin Behrman: Mayor and Political Boss," 46-47.

Regulars	League
Behrman: 23,371	Claiborne: 13,917
Thompson: 23,039	McShane: 16,216
Lafaye: 22,267	Schumert: 13,962
Ricks: 22,035	Pfister: 13,493
Newman: 21,492	Leahy: 12,686
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112,204	70,274

⁴⁶New Orleans Item, September 30, October 2, 1912; New Orleans Daily Picayune, October 3, 1912; Williams, "Martin Behrman: Mayor and Political Boss," 46-47.

permanent and democratic reform organization. The new, yet unnamed, organization would be a citizens' lobby and a permanent political organization. As a citizens' lobby, the new organization would promote the social and commercial interests of the people of New Orleans. And, as a political organization, it would contest the Regulars for control of the municipal government.⁴⁷

Despite its numerous difficulties and obstacles, the Item remarked, the municipal reform movement achieved most of its objectives. It elected an antimachine reformer as governor, forced the enactment of a commission council charter, and compelled the RDO to nominate and elect businessmen to the commission council. True, the League failed to remove Martin Behrman and the RDO from power. But the League succeeded in defining the issues and influencing the course of municipal politics and government. It learned the limits of "antimachine" reform, the strengths and weaknesses of the Regulars, and something of the true composition of politics in New Orleans. The League may not have "smashed" the ring, the Item wrote, but it surely propelled the RDO in the direction of good government, and, in the process, weakened

⁴⁷Ibid. The new organization did not last. Its "charter" members, Donelson Caffery, J. Frank Coleman, H. Dickson Bruns, Andrew McShane, J. Zach Spearing, and Charles F. Claiborne could not sustain interest in the organization. After a brief effort to rekindle interest failed, the organization collapsed. See New Orleans Item, March 7-9, 1913.

the foundation of ring rule and partisan politics in New Orleans.⁴⁸

The Item's assessment of municipal politics and reform needs qualification. After all, it was the Regulars, not the League, that won all three primary contests in the city, exposing the limited popular appeal of the anti-machine municipal reform movement. The new structure of city government, crafted by the Regulars, promoted the demands for greater public accountability and governmental efficiency without threatening the principles and values of representative municipal government. The election of Martin Behrman and the new council assured the continuing influence of the RDO on the content and course of public policy and municipal reform in New Orleans. But, even more importantly, the election of Martin Behrman and the Regular Democratic Organization assured the continuing influence of every sort of political interest, including that of the antimachine reformers, on the content and course of city politics and municipal reform in New Orleans.

⁴⁸New Orleans Item, October 2, 1912; New Orleans, Daily Picayune, October 3, 1912; Williams, "Martin Behrman: Mayor and Political Boss," 35; Schott, "John M. Parker," 120-12; 186-88, 204, 243-44; Reynolds, Machine Politics in New Orleans, 206-07.

Chapter Three

The Flying Horses

For Martin Behrman and the Regular Democratic Organization, the mandate of 1912 was clear and unmistakable. The Regulars had won three convincing and important primary victories in New Orleans and had restructured the city government to satisfy the demands of popular politics and the requirements for a more effective municipal government. But for Martin Behrman and the RDO the events of 1912 were more than a popular affirmation of the policies and achievements of past administrations. They were, as Behrman and the commission council envisioned them, a mandate for a popular redistribution of political power among a greater array of individuals and interests. The mandate of 1912 also demanded the extension and consolidation of public authority in the hands of the municipal government, allowing for a greater public ordering of "private" concerns, particularly in the areas of essential municipal services like gas, electricity, and transit.

The redistribution of political power and the consolidation of public authority, however, were elusive reforms. The mandate built by Martin Behrman and the RDO was so broad that it lacked a clear and precise definition. As a consequence, the Behrman administration was all things to all

people, incorporating every concern and every interest under the broadest definition of the public interest. The same political and social arrangements that permitted the RDO to construct its coalition and enunciate its mandate also allowed private individuals, independent public authorities, and corporations to challenge or redefine in their own interest the "public" mandate. As a result, an association of interests, both private and public, defined and determined the course of municipal policy in New Orleans. The formulation of public policy in New Orleans in the progressive period was, then, hardly the workings of a calculating, relentless, and indifferent machine. Indeed, the opposite appears to be true. Public policy in New Orleans may not have been efficient, but it was democratic.

Meeting the demands of public policy and sustaining the mandate for municipal reform, of course, fell to the new commission council. When the council met for the first time in December, 1912, it had to reshape the city administration to suit the sense and provisions of the new charter. Though the charter specified the various departments and divisions in city government and defined some of the powers and responsibilities of the government, it left the task of creating the administration to the council. As the charter required, the council assigned four commissioners (under the charter, the mayor was the Commissioner of Public

Affairs) to a particular position.¹ The council assigned A. G. Ricks to Finance, William Bess Thompson to Utilities, Harold W. Newman to Safety, and E. E. Lafaye to Property. Then, with the assignments made, the council adopted its first ordinance, installing the four commissioners, creating all necessary departmental divisions, and prescribing the powers and duties of all city officials and employees. Within a matter of days, the council had "recast" the entire city administration. The recasting of the city administration, however, went beyond the installation of the commissioners or renaming the departments to suit the sense of the commission system.²

In 1900, after several years of intense and often bitter political debate, the city government under the RDO created the Public Belt Railroad of the City of New Orleans (PBRR) to further the flow of commerce from the port and to

¹Act 159, Acts Passed by the General Assembly of the State of Louisiana at the Regular Session, 1912. There were five departments: Public Affairs (mayor), Finance (vice president of the council and acting mayor), Safety, Property, and Utilities. Early in the development of the commission system, most charters did not require candidates to run for a specific commission position. Rice, Progressive Cities, 30.

²Most of the department and division heads were hold-overs from the previous administration. For example, Arthur J. O'Keefe remained a fixture in the department of finance as Deputy Commissioner of Finance, former councilman Alex Pujol became Deputy Commissioner of Public Property for public buildings, and W. J. Hardy remained as City Engineer. Ordinance Number 1, Commission Council Series, hereafter cited as CCS; New Orleans Item, December 2, 18, 1912.

prevent the major railroad lines from dominating the principal industry in the city. The ordinances creating the Public Belt Railroad also established a special governing body for the belt railroad, the Public Belt Railroad Commission (PBRRC). Upon the recommendation of several of the most important commercial exchanges and business associations, the mayor, with the consent of the council, was to appoint eleven of the sixteen members of the PBRRC (the mayor appointed the other five, but those members represented the city and its principal subdivisions). Operating through the PBRRC, the city would construct, maintain, and operate the belt railroad.³

In 1908, after several more years of debate and litigation, the state legislature extended the protection of state law and the state constitution to the belt railroad and the PBRRC. The law, which later became part of the state constitution, authorized the Public Belt Railroad to issue construction bonds secured by revenue generated by the PBRR and underwritten by a special city tax should those revenues

³Ordinances 147 (1900) and 2683 (1904) New Council Series hereafter cited as NCS. Bloomfield v. Thompson, 64 Southern Reporter, 855; Behrman v. Louisiana Railway and Navigation Company, 127 Louisiana, 775; Schott, "John M. Parker," 58; Williams, "Martin Behrman: Mayor and Boss," 64-67. Three members of the PBRRC came from the Board of Trade, two each from the Cotton Exchange, the Sugar Exchange, the Progressive Union, and the Merchants, Dealers, and Lumberman Exchange. Three of the at-large representatives came from above Canal Street and the two remaining commissioners were to represent the areas below Canal Street.

prove insufficient. The PBRR act of 1908, at the insistence of the bondholders, vested "exclusive" control over the belt railroad in the PBRRC and its executive officer, the president pro tempore. (Under city ordinance, the PBRRC selected its executive officer from among those "appointed upon the recommendation of the business exchanges". The president pro tempore, in other words, could not be a direct appointee of the mayor and council.) In effect, as several members of the PBRRC argued, the act of 1908 wrested control of the PBRR from the city administration, making the PBRRC an independent public commission similar to the Dock Board or the Board of Liquidation.⁴

The Behrman administration, with its own proprietary claim to the PBRR, disagreed with that interpretation of the intent and effect of the 1908 law. The city administration contended that the 1908 act gave the city the vested right to operate the PBRR "through and by means of" the PBRRC as organized and established by city ordinances. Those ordinances permitted the city to reorganize or reconstitute the PBRRC as it saw fit. In effect, the Behrman administration

⁴Act 179, Acts Passed by the General Assembly of the State of Louisiana at the Regular Session, 1908; Bloomfield v. Thompson, 64 SR 854-56; Ordinances 147 and 2683 NCS.

argued, the PBRR was not a public corporation, but a department of the municipal government.⁵

The Favrot charter of 1912 furnished the Behrman administration with the opportunity of "reconstituting" the PBRRC and asserting its authority over the PBRR and perhaps other municipal utilities. The charter placed the PBRR under the general supervision of the Commissioner of Public Property, but the commission council, using its "discretionary powers," authorized the Commissioner of Public Utilities (CPU) to take "full and active charge, management, direction, operation, and control" of the PBRR. In short, the CPU, by virtue of his office, would be the president pro tempore of the PBRRC. The current president pro tempore was William Bess Thompson, the Commissioner of Public Utilities.⁶

The response of the commercial exchanges to the restructuring of the PBRRC was swift and critical. In a letter addressed to the entire council, the executive officers of

⁵John F. C. Waldo, assistant City Attorney to W. F. Clarke, Secretary, Editorial Department, Atlanta Constitution, December 27, 1910, vol. 6, CAO, CA, NOPL. Though the Exchanges could recommend appointees to the mayor and the council, neither they nor the PBRRC had any authority over appointments to the board. The laws and ordinances governing the PBRR, wrote City Attorney Ivy G. Kittredge, did not invest the Exchanges or the PBRCC with a "vote or right to determine either the qualifications of or who shall be the members of that Board." See Kittredge to Mayor Andrew McShane, March 11, 1922, vol. 9, CAO, CA, NOPL.

⁶Act 159, Acts Passed by the General Assembly of the State of Louisiana at the Regular Session, 1912; Ordinance Number 1, CCS; New Orleans Item, December 19, 1912; New Orleans Daily Picayune, December 20, 1912.

the Board of Trade, the Progressive Union, and the exchanges called on the council to repeal all provisions of the recent ordinance concerning the PBRRC. Those provisions, the commercial executives contended, violated state and local laws and ran counter to the original understanding of those who furnished the funds for the PBRR. The true intent of the original laws, they wrote, was to prevent any one person or group from determining the policy of the PBRR and to remove the decisions of the PBRRC from the common course of politics.

The new ordinance jeopardized those considerations. It concentrated power over the PBRR in the office of the CPU, reducing the PBRRC to the level of an advisory board whose advice was not sought and whose consent was not needed. As a member of the commission council, the CPU served at the convenience of the other four councilmen and at the pleasure of a host of political considerations. The ordinance, then, did not safeguard the PBRR; it could not clothe any person or body with the necessary wisdom or political independence to operate so vital a public utility.⁷

The Item was more succinct. In its opinion, the commission council was without legal and "ethical" right to operate the PBRR. The Behrman administration, the Item stated, was not interested in public efficiency or in the

⁷New Orleans Item, December 19, 27, 30, 1912; New Orleans Daily Picayune, December 31, 1912.

"rightful centralization" of public power. The administration merely wanted the political advantage that went with controlling the PBRR. The logic of the commission council system and the demands of the age, the Item intoned, required greater efficiency and concentration of power in the hands of the municipal administration, particularly in the area of public utilities. But under the present circumstances, as long as the Regulars controlled city politics, to extend or concentrate authority and power in the municipal government would be a mistake. The best policy for the administration would be to repeal all pertinent provisions of the ordinance and to return control of the belt railroad to the PBRRRC.^a

The city administration consented to hear the objections and recommendations of the commercial exchanges. The executives urged the commission council to repeal those portions of the ordinance dealing with the PBRR. Despite the often clumsy and insulting remarks from the advocates of repeal, the council agreed to set aside the ordinance. The council insisted, however, on replacing the old ordinance with one that satisfied the demands of the city government and that addressed the concerns of the commercial exchanges.

^aNew Orleans Item, December 19, 22-24, 1912; New Orleans Daily Picayune, December 20, 21, 31, 1912.

Both sides agreed to meet soon after the new year to complete discussions on a "compromise" ordinance.⁹

The conference collapsed soon after it began. The city administration offered a new ordinance, which, it maintained, accorded the city a more direct role in the operations of the belt railroad but respected the authority of the PBRRC over the general policy of the PBRR. The representatives for the commercial exchanges rejected the proposal, insisting that the sole purpose of the conference was to ease the way toward repeal. Mayor Behrman was incensed. The city administration sought a reasonable compromise with the PBRRC, but the commission and the commercial exchanges it represented, he said, acted in bad faith. The mayor announced that the council would repeal the old ordinance (thus keeping faith with the commercial exchanges and the belt railroad commission), but would tie repeal to the enactment of the "compromise" ordinance.¹⁰

The new PBRR ordinance passed without opposition. The ordinance made the Commissioner of Public Utilities an ex officio member of the PBRRC, abolished the office of president pro tempore, and created the position of "acting presi-

⁹New Orleans Item, December 30, 31, 1912, January 8, 1913; New Orleans Daily Picayune, December 31, 1912, January 9, 1913. The council selected Mayor Behrman, Thompson, and Commissioner of Public Safety Harold Newman as its representatives; the exchanges chose S. Locke Breaux of the Board of Trade, William B. Bloomfield of the Sugar Exchange, and J. W. Porche of the Progressive Union.

¹⁰New Orleans Item, January 8, 10, 11, 1913; New Orleans Daily Picayune, January 9, 10, 1913.

dent". The CPU would, by virtue of his office and position with the PBRRC, serve as acting president. The ordinance gave the acting president the "active charge, management and control of the detailed operation" of the PBRR. Under the new ordinance, the PBRRC would continue to set general policy, but the CPU-acting president would be the sole executive charged with carrying out the "general directory powers" of the PBRRC.¹¹

In explaining its reasons for enacting the so-called Thompson ordinance, the city government was both candid and disingenuous. The city administration maintained that the ordinance merely followed the logic and objectives of the commission council system. It placed the administration of PBRR under a single municipal executive, vested with powers sufficient to make the belt railroad more efficient and profitable. In another sense, the council agreed that the Thompson ordinance hardly changed the relationship between the city administration and the PBRRC. The CPU-acting president held the same powers and the same responsibilities as the president pro tempore of the PBRRC. As acting president, the CPU was accountable only to the railroad commis-

¹¹Ordinance Number 74, CCS; Bloomfield v. Thompson, 64 SR 856; I. D. Moore to Martin Behrman and the Commission Council of the City of New Orleans, undated (probably February 10, 1915), vol.7, CAO, CA NOPL; New Orleans Item, January 14, 1913; New Orleans Daily Picayune, January 11, 22, 1913.

sion and was charged with carrying out the policies established by the PBRRC, not the city council.¹²

The ordinance clearly advanced the interests of the Behrman administration. It brought the PBRR under the executive authority of the CPU and the control of the commission council. The city administration would direct all aspects of the belt railroad, regulating its development, managing its business affairs, and determining its labor policies. The ordinance also relegated the PBRRC to an advisory role, denying it the opportunity of selecting its own executive officer and giving it only "directory powers". In its application and effect, the ordinance made the PBRR--and by implication, all other public utilities--subject to the authority and power of the city administration, removing it from the control of "private" concerns.

CPU Thompson admitted as much in explaining the council's rationale for passing his ordinance. The purpose of the ordinance, he said, was to preserve the public ownership of the PBRR. The belt railroad belonged to the city, not to the PBRRC or to the bondholders. If the project failed, the city, not the PBRRC, was responsible for the mortgage. But, Thompson revealed, the PBRRC looked on the PBRR as its private reserve and concern. It ignored the inquiries of council and the mayor for information on the conduct of the belt

¹²New Orleans Item, December 19, 1912, January 14, 1913; New Orleans Daily Picayune, December 20, 1912.

railroad, refused to acknowledge the role of the municipal government in the operation and development of the PBRR, and defied the efforts of the city government to reassert its authority over the PBRR. The position of the protesting exchanges and the PBRRC, Thompson said accusingly, "is not only a menace to the successful operation of the commission system, but it is [also] antagonistic to the fundamental principles of any just system of government".¹³

With the passage of the Thompson ordinance, the protest of the exchanges and the PBRRC took another form. William B. Bloomfield, a member of the PBRRC and the New Orleans Sugar Exchange, filed suit in Civil District Court in New Orleans. Bloomfield's attorney, Charles I. Rosen, a former Regular and now bitter opponent of Martin Behrman, argued that with the passage of the 1908 PBRR act, the city council was "absolutely impotent and powerless" to reorganize the PBRRC. The Thompson ordinance, he contended, was illegal because it divested the PBRRC of the "control, administration, management and supervision of the maintenance, operation, and development" of the PBRR, thus violating state and city law and jeopardizing the "pecuniary interests" of the bondholders.¹⁴

¹³New Orleans Item, January 14, 1913.

¹⁴New Orleans Item, January 13, 14, 23, February 24, 1913; New Orleans Daily Picayune, January 14, 23, February 25, 1913; I. D. Moore to Behrman and Council undated (probably February 10, 1915) vol.7, CAO, CA, NOPL; Bloomfield v. Thompson, 64 SR 856.

City Attorney Moore, arguing for the council, disputed Rosen's line of argument. The council authorized and underwrote the construction and operation of the PBRR, he argued, and, in two separate ordinances, created the PBRRC to carry out the policies and operations of the PBRR. State law confirmed the council's prerogative to "reorganize" the PBRRC. The council's recent actions did not "divest" the PBRRC of control over the PBRR but merely exercised the council's authority to reorganize the composition of the PBRRC and to prescribe its duties and obligations in light of change in the form and character of the municipal government.¹⁵

Early in April, after considering the case for more than a month, Judge George H. Theard ruled for the city. The city council, Theard wrote, possessed the authority and power to reorganize the PBRRC and to define its powers and duties. The commission council altered the composition of the PBRRC, eliminating the position of the president pro tempore, creating the position of acting president, and making the the CPU the acting president. Though the council could reconstitute the PBRRC and redefine its powers and duties, exclusive control over the operation of the belt railroad, Judge Theard said, must remain with the PBRRC. The ordinance in question recognized that subtle relationship, "jealously" guarding the commission's authority over

¹⁵New Orleans Item, February 24, 1913; New Orleans Daily Picayune, February 25, 26, 1913.

the general policies of the PBRR. The acting president possessed powers that were only technical and operational, that no commission, by its nature, could perform. The PBRRC, however, retained ultimate power because it held the powers of review and approval over the actions of the acting president.¹⁶

Meeting at the insistence of Mayor Behrman and CPU Thompson and anticipating an appeal of the case to the Louisiana State Supreme Court, the PBRRC refused to recognize the validity of the ordinance and the court's judgment. The state Supreme Court initially declined to hear the case, citing its lack of jurisdiction. But when the New Orleans Board of Trade joined Bloomfield in his suit, the high court agreed to hear the case on its merits.¹⁷

As in the earlier hearing in the New Orleans Civil District Court, the city argued that the ordinance did not wrest control of the PBRR from the PBRRC, but only made a distinction between the "detailed and technical" operations assigned to the Commissioner of Public Utilities and the

¹⁶New Orleans Item, April 2, 1913; New Orleans Daily Picayune, April 3, 1913.

¹⁷When Bloomfield appealed to the Supreme Court, the City Attorney filed a petition claiming the court did not have jurisdiction in cases involving less than \$2,000. Bloomfield claimed that the value of his bonds exceeded \$2,000 because the city ordinance would substantially lessen the market value of his bonds and increase his tax burden. The court found no validity in Bloomfield's argument. Bloomfield v. Thompson 64 SR 659-60, 634-65; Moore to Behrman and Council, undated, vol 7, CAO, CA, NOPL; New Orleans Item, May 26, 1913.

broad, directory powers of the PBRRC. Bloomfield argued, as he had in Civil District Court, that state law precluded the commission council from reconstituting the PBRRC under any circumstances. In a divided decision, the Supreme Court, speaking through Justice Oliver O. Provosty, ruled for Mr. Bloomfield and the Board of Trade. According to the high court, state law and city ordinance required the PBRRC to select its executive officer from among those commission members recommended by the commercial exchanges and appointed by the mayor. Nor could the council make a distinction between the "detailed and technical" operations and the "directory" powers of the PBRRC.¹⁰

The burden of the court's opinion, however, focused on the "political" intentions and effects of the Thompson ordinance. The council, Provosty wrote, sought to wrest exclusive control of the PBRR from the commission, making the PBRR a mere department within city government. Clearly, he intimated, such action violated the original intention of the earlier arrangements and compromised the understanding between the city and the principal bondholders that a special, independent commission would operate the belt railroad. Finally, in what was unquestionably a gratuitous remark, Justice Provosty found it "noteworthy" that the sole beneficiary of the ordinance would be CPU William Bess Thompson. As president pro tempore of the PBRRC, Thompson

¹⁰Bloomfield v. Thompson, 64 SR 854-58.

served at the pleasure of the commission; under the Thompson ordinance, as CPU-acting president, Thompson would be completely independent of the PBRRC. Justice Provosty concluded, then, that the sole purpose of the ordinance was to "emancipate" Thompson from the control of the commission.¹⁹

In declaring the Thompson ordinance unconstitutional, though, the court did not state that the commission council lacked the requisite authority to reorganize the PBRRC, but only that there were severe limitations to the council's powers of reorganization. Those limitations, however, implied that the council retained a measure of control over the PBRRC, its detailed and technical operations and its general directory powers. At the request of City Attorney Moore and "in the public interest," the court sought to clarify its decree annulling the Thompson ordinance. The court declared that its decision annulled the Thompson ordinance "only in part" and only "insofar as" the ordinance undertook to make the Commissioner of Public Utilities the "forced agent" of the PBRRC and only "insofar as" the ordinance divested the PBRRC of exclusive control and vested exclusive control in the Commissioner of Public Utilities.²⁰

¹⁹Bloomfield v. Thompson, 64 SR 857-63. Thompson maintained that certain exchange members attempted to sabotage his administration as president pro tempore by blocking needed reforms in finance and management with "vexatious" delays. Bloomfield claimed that Thompson wanted to and did raid the PBRRC's treasury, burdening operations with a sizeable deficit. New Orleans Item, January 4, 5, 1913.

²⁰Moore to Behrman and Council, undated, vol.7, CAO, CA, NOPL.

The court had not spoken definitively on the city's authority to reorganize the PBRRC, but City Attorney Moore was convinced that "at least inferentially,...the power to reorganize existed." Apparently, William Bloomfield drew the same conclusion. He sought a rehearing on the court's clarifying declaration. The Supreme Court denied him a rehearing, but Bloomfield found remedy in appealing Judge Theard's original ruling to the Orleans Parish Court of Appeals. The Court of Appeals nullified the Thompson ordinance, but it based its ruling on the same grounds as the Supreme Court. "It may well be stated at this time," the court wrote, "that had a majority of the [Supreme] Court been of [the] opinion that Act 179 of 1908 vested absolute and sole control of the Belt Railroad in the Board of Commissioners, exclusive of any further authority over [it] in the City itself,...the Court would in that event have rested its opinion on those grounds, as logically it should have done had such been its view."²¹

"I am firmly of the opinion," wrote City Attorney Moore to the council, "from the several judgments rendered in this case by the Supreme Court of the State and the Court of Appeals, that the right of the council to reorganize the Public Belt Railroad Commission undoubtedly and unquestionably exists, and that these decrees point unerringly to this

²¹Moore to Behrman and Council, undated, vol.7, CAO, CA, NOPL; New Orleans Times-Picayune, April 15, 17, June 16, 17, 1914.

conclusion." But there were, as the courts reiterated often, limitations to the council's powers over the PBRRC. "The power to reorganize the Commission," wrote the Supreme Court in its final declaration in the case, "does not vest any jurisdiction in the Council to appoint the members thereof, or to administer the Belt Railroad Commission otherwise than through a Commission appointed by the mayor with the consent of the Council." If the council decided to reorganize the PBRRC, Moore cautioned, then it must avoid the objections of the courts. The council could not create an ex officio position on the PBRCC; all members of the PBRRC (with the exception of the mayor) had to be named specifically by the mayor and confirmed by the council. The council also had the authority to "prescribe" the powers, duties, and functions of the PBRRC, but only the commission could carry them out. The reorganization of the PBRRC, then, was a matter of public policy--not legislative prerogative. As the courts ruled (and as Bloomfield suggested in his suit), the only proper way for the city administration to influence the development of the PBRR was through appointment and other political considerations--the very action the PBRRC and its allies in the municipal reform movement wanted to eliminate from public affairs.²²

²²Moore to Behrman and Council, undated, vol.7, CAO, CA, NOPL; New Orleans Times-Picayune, October 25, 1914, February 10, 1915; New Orleans Item, February 11, 18, 1915.

Mayor Berhman and the council obviously favored legislative reform, as more than two years of litigation by the administration showed, and they were not averse to using political influence to gain control of the PBRRC. They also understood the dangers inherent in a forced reorganization of the PBRRC. Such action could prompt wholesale litigation (could the mayor, for instance, remove a member of the PBRRC, particularly one nominated by the commercial exchanges?), exhausting the city's resources and diverting its attention from other pressing matters. Forcing the resignations of uncooperative commissioners could open the administration to charges of tampering with a vita public utility for partisan reasons, an accusation to which the Behrman administration was extremely sensitive.

Despite these misgivings, Mayor Behrman announced his intention of reorganizing the PBRRC by forcing the resignations of recalcitrant commissioners and by forcing the PBRRC to recognize William Thompson as the commission's executive officer.²³ Charles Rosen, the counsel for the PBRRC, argued that the mayor and council were without the legal power or the ethical authority to reorganize the PBRRC, and he warned the commission and the public of the administration's desire

²³Late in 1913, after the Supreme Court rendered its initial decree in the Bloomfield case, the PBRRC removed Thompson as president pro tempore. New Orleans Item, December 19, 23, 1913, February 11, 18, 1915; New Orleans Times Picayune, February 11, 1915.

to "politicalize" the PBRR and its commission. Without friends on the PBRRC and sensitive to accusations of political tampering, the Behrman administration could not force the reorganization of the PBRRC. William Thompson, deprived of his position of executive authority on the PBRRC, resigned from the PBRRC, his place taken by an associate from the Cotton Exchange.²⁴

The commercial exchanges were determined to prevent the "politicalization" of the PBRR and the commission. For them the PBRR was a "private" conveyance, one that they and the city established and promoted for their convenience and profit. State law and the state courts protected them, insulating their interests from public considerations. They had, in short, ample private and public power and authority to resist the city government. Their interest was also sufficiently narrow and "partisan" as to not arouse public suspicion or passion. For a majority of the public, it seems, the belt railroad dispute involved two established elites--the private commercial exchanges and the city government--jockeying for political and legal advantage. The public service was not at stake. Sanitation, clean water, streets, and public transit were essential services; large-scale, commercial railroad service was not.

The controversy over the control and direction of the

²⁴New Orleans Item, February 19, 20, 23, 24, 1915; New Orleans Times Picayune, February 19, 20, 23, 24, 1915.

belt railroad and the Public Belt Railroad Commission was not, however, an isolated issue. Rather, the dispute between the Behrman administration and the PBRRRC fit into the larger public controversy over the character, control, and direction of essential public services. Beginning in the 1890s, the commercial classes of New Orleans attempted to define the character and to control the distribution of those services considered genuinely public matters: water, drainage, levee protection, the belt railroad. With the advent of the twentieth century, as inequities in service and costs became more apparent, the citizens of New Orleans demanded that the city government take a more active and direct part in the distribution of public services.

For the city administration to take a more concerted part in the distribution of basic city services, it had to consolidate its political power and extend its governmental authority over those independent boards and commissions that lay beyond its reach. That is, the Behrman administration had to "politicalize" public services. The Behrman administration believed, apparently, that the commission charter and the selection of businessmen to the commission council would allow it to consolidate authority and overcome the objections of the commercial establishment to the "politicalization" of municipal policy and service. Such was the case with the Public Belt Railroad Commission.

The PBRRRC issue, however, did not compel the city ad-

ministration to abandon its reform efforts. Rather, the Behrman government continued its efforts to bring other, in some cases, less well-entrenched, public services under the control of the city government. The success of the administration in this area depended on its ability to command legal and political authority over public services, gain the cooperation of the business and professional classes, and meet the demands of a disparate community. It was in and under the streets (literally) that command and reform were most elusive.

If the city administration could construct and operate an immense public utility like the Public Belt Railroad, could it also operate other public services carried along the city streets? It was a lesson not lost on the Behrman administration or on a variety of "private" interests. Whoever could define the character and direct the course of the public services that traversed the city streets, could determine the course of public policy in New Orleans.

The city government already possessed the "inherent" and constitutional authority to determine the use of the streets. The basis of that authority, the so-called police or inherent powers, wrote City Attorney Moore:

is predicated [on] the repeatedly affirmed proposition that organized government has the inherent right to protect the health, life and limb, individual liberty of action, private property and legitimate use thereof, and provide generally for the safety and welfare of its people; not only does this right exist, but [also] this obligation is imposed upon those clothed with the sovereign power. It is a duty sacred and cannot be

evaded, shifted, or bartered away without violating a public trust.

The City of New Orleans, by virtue of the authority delegated to it in the state constitution, specific legislative acts, and the city charter, also possessed the power to "enact and enforce all laws for the maintenance, advancement, and protection of life, safety, morals, comfort, quiet, welfare, and prosperity of the people". The regulation of the city streets clearly fell under the council's "inherent" power, Moore argued. "The use of the streets or public highways is a right inherent in the people," wrote Moore, but, "the manner and mode of using them may, however, be the subject of proper regulation" by the city council. The rights of private citizens and corporations to use and profit from the use of the streets, the City Attorney's office argued, were always subordinate to the rights of the city to control and regulate the use of the streets.²⁵

The right of regulation, however, was as Moore conceded, circumscribed the provisions of the state and federal constitutions and the authority of the courts--and, he could have added, subordinated to the interests of private citizens. "The power to regulate invests the [council] with a large discretion to determine what measures are necessary to preserve the public interest and protect pri-

²⁵Gilmore to City Engineer W. J. Hardee, March 11, 1909, vol.5, Moore to Thompson, March 26, 1915, vol.7, CAO, CA, NOPL.

vate rights," Moore remarked. But, he added, "to justify the [council] in interposing its authority on behalf of the public, it must appear that the interest of the public generally, as distinguished from a particular class, requires, such interference, and that the means are reasonable and necessary for the accomplishment of the designed purposes and not unduly oppressive on the individual. Thus, the [council] cannot, under the guise of protecting the public interest, impose unusual and unnecessary restrictions upon individual liberty, lawful occupation, or its use of property, or the overthrow of vested rights."²⁶

The city council, Moore explained, could choose the occasion (the exigency he called it) for exercising the police power of the city. But "under our constitutional system, the judiciary determines the subjects and objects upon which the power is to be exercised, and the reasonableness of that exercise". But the courts were incapable of defining the police power of the state with any clarity or precision, preferring to test each case on its merits rather than constructing an abstract, and unenforceable definition of the police power. "Hence," concluded Moore, "the difficulty when we come to discuss the proposition of novel...regulations...and of knowing just what might or might not be considered by the courts to be within the

²⁶Moore to Thompson, March 26, 1915, ibid.

'police powers' [of the city], and as to the reasonableness of [its] regulations."²⁷

For much of the first two decades of the twentieth century, then, the city government of New Orleans could not formulate a comprehensive and coherent policy concerning the commerce and services carried over the city streets. The methodical consolidation and eventual monopolization of the public utilities industry in New Orleans from 1905 to 1916 compelled the Behrman administration to reexamine and, to some degree, restructure its public utilities policy. Beginning in 1912, the city administration sought a more extensive regulation of the public service industry. Confronted by the concerted opposition of both private citizens and public authorities, the Behrman administration achieved only a few modest successes.²⁸

²⁷Moore to Thompson, March 26, 1915, ibid.

²⁸Gilmore to Hardee, January 25, 1906, vol.4, March 11, 1909, Moore to Hardee, November 12, 1909, Waldo to Moore, May 14, June 16, 1910, Moore to Commissioners of Streets and Landings, December 8, 1910, vol.5, Moore to Behrman, October 19, 1913, vol.6, CAO, CA, NOPL.

Chapter Four

September Storms

Late in September, 1912, as the municipal campaign came to an end, William Bess Thompson, the future Commissioner of Public Utilities in the Behrman administration, spoke before a modest crowd of supporters and newspaper correspondents about the difficulties of public utilities regulation. If the City of New Orleans was to become a modern, progressive city, he stressed in his talk, then the next administration (the first under the commission council charter) must demand a more efficient and enlightened management of the public utilities industry. The progressive management of companies like New Orleans Railway and Light Company (NORLC) and New Orleans Gas Light Company (NOGLC) required the city administration to fashion a reasonable and comprehensive policy of municipal regulation that assured service at reasonable cost and protected legitimate investment.¹

The commission council under Mayor Behrman, Thompson assured his audience, had no illusions about the difficulties of formulating and implementing a comprehensive and coherent utilities policy. The mayor, the council, and the RDO, Thompson said (he was, after all, confident of winning the municipal election), were aware of the desperate need

¹New Orleans Daily States, September 26, 1912.

for essential public services throughout the city. But some areas of town, most notably the business and retail sections clustered around Canal Street and the residential areas in the uptown portion of New Orleans, were overdeveloped, while many other less populated neighborhoods lacked sufficient services. The city administration had to resolve two serious problems before it could extend services to those "undeveloped" sections of the city. First, the council had to "persuade" NORLC and NOGLC to extend service to the underpopulated areas of the city, foregoing an immediate and discernible return on their investments in those areas. Second, should NORLC and NOGLC require additional revenues to fund expansion, the council had to convince the residents living in the more populated sections of the city that any increase in fares and rates that funded the expansion of services benefitted them as well. In short, the Behrman administration had to build a consensus that expansion of these services was essential to the development and well-being of the utility companies and to a skeptical city.²

There were, Thompson suggested, even more immediate considerations that had to be addressed before the Behrman administration could devise a comprehensive utility policy. The Behrman administration recognized that neither NORLC nor NOGLC would submit willingly to regulation; indeed, the two utilities had for years ignored the wishes and demands of

²Ibid.

the city government for better service, displaying their contempt for regulation of any variety or capacity. Mayor Behrman and the council did not condone the utilities' open disregard for their obligations, Thompson said, but the city government did not possess the "regulatory" authority to force compliance. New Orleans, like other cities, attempted to regulate the public utilities industry through three separate methods: competition, taxation, and the contract franchise. None of these methods were at all effective, for they did not guarantee service or compel compliance of the terms of the franchise. (Writing to the council in 1905, following the final consolidation of the public services, Mayor Behrman summarized the city's predicament. It was his experience, he said, that the street railways company would appeal to the sanctity of contract when it suited its interests and would seek exemption from the obligations of contract when those obligations threatened its interests. The only recourse open to the city government to compel service was, he suggested, to sue for forfeiture of the franchise, surely an empty and counterfeit public policy.)³

The consolidation and monopolization of the public utilities industry in the first decade of the century accelerated the reexamination of the "regulatory" policy and practices of the city government. The public was increas-

³Ibid.; Martin Behrman to City Council, August 12, 1905, Mayor's Correspondence, Letters Mayor's Office, hereafter cited as MCLCO, vol., 90, CA, NOPL.

ingly dissatisfied with the quality and cost of service, and with the inability of the city administration to compel better service and to regulate costs. Though the public demanded reform, Thompson said, it was confused and disturbed by the welter of reforms urged by students of the public utilities industry. The public's confusion was justified, for there was serious and legitimate disagreement among experts over the most efficient and expedient form of regulation. Students of the public service industry proposed three basic forms of regulation: state government regulation, municipal government regulation, and a combination of state and municipal regulation that served as a transition between regulation and municipal ownership. Each of these reforms promised the effective regulation of the public service industry, compelling the utility companies to furnish essential services at reasonable costs and at a legitimate profit and, as students asserted, ending the abusive practices long associated with utility investment and management.⁴

These reforms also had a residual effect. Each of them promised that it would "depoliticalize" the public utilities industry, reducing, if not eliminating, the corrupt influence of the utility companies on the municipal government and city politics. Advocates of these reforms claimed that a

⁴New Orleans Daily Picayune, September 26, 1912; David Nord, "The Experts versus the Experts," 219-36; Delos F. Wilcox, "Municipal Home Rule and Public Utility Franchises," National Municipal Review, hereafter cited as NMR, 3 (January 1914), 13-27.

select, independent board of regulators could determine the quality and cost of service and set the standards of financial conduct for the utilities companies without reference to politics as usual. What distinguished one form from another was the extent and degree of influence "politics as usual" would have on the regulation of public service utilities. Advocates of state regulation (most of whom were critics of the Behrman administration or managers of NORLC and NOGLC) contended that municipal regulation under the Behrman administration would not remove politics from the regulation of the utility companies but only further "politicalize" and corrupt the public service industry. The Behrman administration, as Thompson explained, viewed municipal regulation as a more forceful and expedient form of regulation, permitting the city government to exert a more direct and immediate influence on rates, fares, and service (Thompson made no reference to labor-management issues) than state regulation. And it dismissed as partisan suggestions that municipal regulation meant the "politicalization" of public service and the public service companies. As Thompson and the Behrman administration understood, the intention of municipal regulation was to bring the public utility companies under the direct and expedient review and control of those

people most affected by them."

The Behrman administration, however, could not dismiss with easy assurance allegations suggesting that it favored municipal "regulation" for its own interests. Critics of the Behrman administration accused it of entering into an "unholy alliance" with NORLC and NOGLC against the interests and needs of the citizens of New Orleans. These critics charged that the Behrman city government stood by idly as the two giant, "alien" corporations (NORLC was an holding company owned by "Yankee" banks and investment houses and NOGLC had its beginnings in the 1870s under the Radical Republicans during Reconstruction) absorbed the smaller, more competitive, locally-owned streetcar and electric companies. The Regulars, opponents alledged, permitted NORLC and NOGLC to ignore or abuse their franchise obligations, tolerated their financial excesses, favored them with scandalously low tax assessments, and allowed the two companies to siphon millions of dollars in bloated revenues from the citizens of New Orleans in return for deficient and, at times, dangerous service. In exchange for these favors, NORLC and NOGLC funnelled thousands of dollars into the political campaign chest of the Regular Democrats, giving them yet another un-

"New Orleans Daily Picayune, September 26, 1912. Though from time to time the Behrman administration considered the benefits of municipal ownership of the transit, electric, and gas services, it dismissed municipal ownership as infeasible given the city's brittle financial conditions.

fair and unscrupulous advantage over the forces of reform.⁶

When the residue of this corrupt alliance became apparent in the form of high rates and inferior service, critics asserted, the RDO and the Behrman administration, anxious to turn the utility reform movement to their own advantage, became the advocates of utility regulation. The Regulars and the city administration, of course, opponents contended, were never serious proponents of utility regulation. In the debate over the commission council charter, the Regulars, at the direction of Martin Behrman and City Attorney Moore, deliberately scuttled the original municipal regulation provision that allowed for the expropriation of NORLC and NOGLC, substituting instead a provision that gave the council only the power to revoke existing privileges. The authors of the original provision claimed that expropriation was the most prudent means of acquiring municipal ownership, and that without the right of ownership the city could never regulate public services. Municipal regulation under the Favrot charter and the Behrman administration, they said, meant the continuation of the abuses of the past and, probably, the "politicalization" of the employees of NORLC and

⁶New Orleans Item, October 30, November 2, 4, 1911, February 22, 1912; Schott, "John Parker," 107-08; Reynolds, "Machine Politics," 48-9; T. Harry Williams, Huey Long, (New York, 1969), 284-5, 200-303; Adam Fairclough, "Public Service," 45-51.

NOGLC.⁷

These allegations were themselves partisan and without foundation, portraying the Behrman administration as both the corrupt master and the slavish agent of NORLC and NOGLC. Nevertheless, several knowledgeable and sympathetic historians of the Behrman administration have accepted these accusations with only a few modest revisions. These historians contend that the Behrman administration was not completely subservient to the two utility companies, but that it enjoyed a "most cordial," indeed almost "too cordial" relationship with them. The rationale for this cordial relationship, they argue, was neither corrupt nor political, but ideological. According to these scholars, Mayor Behrman and his associates in the RDO possessed "an almost naive faith" in the practical and civic virtue of businessmen and the city administration and the Regulars considered their alliance with NORLC and NOGLC as "both natural and in the best interests of the community as a whole". As a consequence, the commission council under the Behrman administration acceded to the wishes of the utility companies in opposing state regulation, ignoring the legitimate concerns of consumers

⁷New Orleans Item, September 25-27, 1912; Ethel Hutson, "New Orleans' Experience Under Commission Government," NMR, 6 (January 1917), 74; Williams, "Martin Behrman: Mayor and Boss," 81-4, 154. The charge leveled at the RDO concerning the expropriation provision was groundless since expropriation was an unsound and ineffective means of achieving municipal ownership. In an expropriation suit, the court, not the council, would set the ultimate price for the utility companies.

and just demands of labor, and defeating efforts to "municipalize" transit, gas, and electric service. *

These contentions too are without foundation, and are based, apparently, on a cursory review of the documentary evidence and political circumstances concerning the regulation of the public utilities industry in New Orleans. The Behrman administration, as we will see, did not form any alliance, unholy or otherwise, with NORLC and NOGLC, and its relationship with the two utility companies, though never antagonistic, was never amiable or "too cordial". Though the Behrman administration relied on the expertise and advice of businessmen in civic and political affairs (businessmen comprised a majority of the new commission council and sat on the major independent boards and commissions of the municipal council), the mayor and the RDO did not profess a naive faith in the ability of businessmen as a class of citizens nor did the administration believe that the business community possessed dispassionate commitment to the general welfare of the community. The events of the past twenty years, in particular the consolidation and, in 1905, the monopolization of public utility service, the steady erosion in the quality of service and the increase in rates, the growing dissatisfaction of consumers and riders, and the constant antagonism between labor and management dispelled any

*Williams, "Martin Behrman: Mayor and Boss," 81-4, 154; Fairclough, "Public Utilities," 49-50.

notion on the part of city officials that the businessmen who managed the public service utilities sought the "best interests of the community as a whole".⁹ These events--and not the corruption of an indifferent political machine or the naive and feckless belief in the civic virtue of the management of NORLC and NOGLC--determined the response of the Behrman administration to the difficult circumstances and problems of public utility regulation.

In the early 1890s, prior to the introduction and development of the electrified streetcar in New Orleans, eight, independent, and relatively competitive street railway companies controlled the mass transit system of New Orleans. By 1901, after the electrification of the streetcar system, there were but two utilities companies, and between them they controlled the electric power companies and the lone gaslight company. By the end of that year, in 1902, there was but one utility company (the gaslight company remained an "independent" subsidiary until the 1920s), and ownership had passed from local businessmen to regional and national holding companies controlled by New York and Philadelphia investment houses. Technology, in the form of the electric streetcar, and innovations in the realm of business

⁹Behrman to the City Council, August 12, 1905, vol. 90, MCLMO, CA, NOPL; Raymond Oscar Nussbaum, "Progressive Politics in New Orleans," 96-124; David Paul Bennetts, "Black and White Workers: New Orleans 1880-1900," (Ph.D. dissertation, University of Illinois, 1972), 393-448.

organization, management, and finance, in the form of the modern corporation, and huge and steady profits from a fortuitous combination of an expanding urban population, declining prices, and a guaranteed fare generated the movement toward consolidation and monopoly in the street railway, gas, and electric industries.¹⁰

Initially, electrification sharpened the sense of competition among the eight companies as large and small companies alike borrowed heavily from "local capitalists" in a hectic, almost frenzied, effort to electrify their operations and to generate higher revenues and greater dividends. Eventually, however, electrification accelerated the movement toward consolidation and monopolization of the public utilities business, for the cost and maintenance of the electrification of the streetcar lines far exceeded the revenue and credit of any individual company or the "local capitalists" of New Orleans.¹¹

The consolidation of the utilities industry began, at

¹⁰New Orleans Public Service Incorporated, Reclassification of Electric Plant, Statements "A" to "I" Inclusive, (New Orleans, n.d.), 15-17, 28-31; Fairclough, "Public Utilities," 45-48; New Orleans Item, April 6, 1919; Alfred D. Chandler, Jr., "The Beginnings of 'Big Business' in American Business," Business History Review, 33 (Spring 1959), 1-31; Charles Hoffman, "The Depression of the Nineties," The Journal of Economic History, XVI (June 1956), 145. The eight street railway companies were: New Orleans and Lake, Crescent City, Canal and Claiborne, New Orleans and Carrollton, Jefferson and Lake Pontchartrain, St. Charles Street Railroad, Orleans and Jefferson, and Orleans Railroad.

¹¹New Orleans Item, April 6, 1919; Fairclough, "Public Utilities," 45-47.

least at first, at home and under the direction of two groups of local investors. Late in 1892, on the eve of electrification, C. D. Wyman and several associates formed the New Orleans Traction Company (NOTC), a quasi-operating and holding company, capitalized at nine million dollars.¹² With this initial issue of stock, NOTC bought the controlling interest in two street railway companies, the New Orleans City and Lake Railroad and the Crescent City Railroad. NOTC "purchased" control of the two "traction" companies by manipulating the purchase of their stock. The stockholders of the two "underlying companies" would not agree to unification unless NOTC gave their stock a "preferred basis of security," turning common and preferred stock into bonds and paying dividends to stockholders in the form of rentals on property leased from the two underlying companies.¹³

The common practice of turning stocks into bonds with guaranteed rates of return added more debt--and little real investment--to NOTC. With the purchase of the two underlying companies, NOTC had no money to electrify the 115 miles of track now under its control. To carry out the electrifica-

¹²NOTC issued capital stock of \$7.5 million (\$5 million in common stock and \$2.5 million in preferred stock) and a bonded debt of \$1.5 million bearing six percent interest. NOTC offered the bonds and the preferred stock at "liberal discounts," issuing common stock as a bonus to those who purchased bonds and preferred stock. Many local financiers took advantage of the opportunity to "earn" dividends on the inflated stock value, an opportunity they soon came to regret.

¹³Ibid.

tion of the streetcar system, NOTC borrowed nearly \$10 million from New York trust companies. The weight of NOTC's domestic and "foreign" debt proved too heavy for it to bear. In 1898 NOTC defaulted on its local debt, failing to pay its "rental dividends" to the underlying companies. To stave off bankruptcy, NOTC bondholders levied a \$1 million assessment against themselves to meet the rental and interests payments to the stockholders of the underlying companies. The assessment prevented the collapse of NOTC, but it did not end the financial crisis facing the company. In February, 1899, investors in the NOTC, under the guidance of Robert M. Walmsley, the president of the Louisiana National Bank and the vice-president of NOTC, reorganized NOTC as the New Orleans City Railroad Company (NOCRC). The NOCRC absorbed the debt and obligations of the NOTC by turning stocks into bonds and offering common stock in NOCRC as a bonus for the purchase of preferred stock and secured bonds in NOCRC. The New Orleans Item estimated that Walmsley's NOCRC pumped an additional \$4.2 million of watered stock into NOCRC.¹⁴ Despite its financial difficulties, NOCRC controlled and electrified a major portion of the street railway system of New Orleans, owned and operated its own "power house" (the New Orleans Power House Company, Limited), and promoted the consolida-

¹⁴New Orleans Item, April 6, 1919; Fairclough, "Public Utilities," 48-49. Between 1893 and 1899, NOTC-NOCRC purchased the St. Charles, the Orleans, the Orleans and Jefferson railway companies.

tion of the electric street railway industry in New Orleans.

The NOTC-NOCRC also served as a model for a second group of local investors eager to consolidate the ownership and operation of the remaining independent companies under a single ownership and management. In the early 1890s this second group of investors, led by the powerful brokerage firm of Isadore Newman and Sons, owners of the New Orleans and Carrollton Railroad Company, began the electrification of the lines of the New Orleans and Carrollton (the oldest line in the city), the Canal and Claiborne, and the Jefferson and Lake Pontchartrain. By 1899, Newman and the other investors had absorbed the Canal and Claiborne line (the Jefferson and Lake remained a subsidiary) and had made plans to buy two "electric light" companies. In 1901, the consortium of investors formed the New Orleans and Carrollton Railroad, Light and Power Company (NOCRLPC), purchasing the New Orleans and Carrollton, the Merchants Electric Company, Limited, and the Edison Electric Company. The Newmans and their partners capitalized the NOCRLPC at \$7.5 million and were careful not to issue securities that exceeded the earning power of the underlying companies.¹⁵

¹⁵NOPSI, Reclassification, 15-17; New Orleans Item, April 6, 1919; Fairclough, "Public Utilities," 46-47. In November, 1900, the Merchants Electric Light Company reorganized as the Merchants Electric Company. The Edison Electric Company was the result of the consolidation of the Edison Electric Illumination Company and the Louisiana Electric Light Company. The merger and absorption of these two companies into the NO&CRL&PC was so successful that preferred stock sold at par and common stock at eighty percent of its face value.

In general, however, consolidation of the utilities industry increased capitalization by geometric proportions. In 1888 capitalization for all New Orleans utility companies did not exceed \$5 million. But, by 1897, at the height of the electrification movement, capitalization stood at \$22 million, and in 1901, on the eve of monopolization, capitalization for both of the major utility companies probably exceeded \$36 million, a sum critics charged exceeded the "actual" value of the investment in the operating companies. The businessmen who fabricated the consolidation of the utility industry in New Orleans defended consolidation as a practical business consideration and as a civic virtue. Consolidation, they claimed, promised greater business efficiency and progressive economies, permitting the utility companies to plan the extension of services, improve the quality and reduce the cost of service, and generate higher profits for the company and dividends for stockholders. (A large proportion of the profits would, presumably, be returned to the community in the form of improvements in service or a decrease in rates. The increase in profits would also be returned to the community in the form of additional investments.) Consolidation would perforce promote the expansion and development of New Orleans, virtually assuring the city of greater tax revenues to fund necessary social services like schools, libraries, roads, street

lighting, and sewerage and drainage systems.¹⁵

The consolidation of the street railway companies, contrary to the public expressions of the new utility managers, did not improve service, lower costs, initiate greater efficiency, practice "progressive economies," or promote the civic and social advancement of New Orleans. The sole design and purpose of merger and consolidation was to gain control of the market; to expand the investment opportunity of local and "foreign" (northeast) capitalists. After the consolidation of the streetcar lines, service remained incidental to revenue and profit. The financial obligations of the new corporations compelled them to ignore the obligations of their franchises (consolidation and merger did not relieve the new companies of the franchise obligations of the underlying companies), curtailing service without the consent of the city council, refusing to honor the "transfer" system, and avoiding their paving obligations. Least of all, consolidation failed to advance the physical and social betterment of New Orleans. consolidation did not win the good will of the people or government of the city. Throughout the 1890s and well into the next century, the utility companies and the public bickered over the quality and cost of services. The companies resisted efforts to improve or maintain the level of services, willfully ignoring the terms and

¹⁵Thomas Ewing Dabney, "Public Services of New Orleans" (typescript in the possession of New Orleans Public Service, Incorporated, n.p. n.d.).

restrictions of their franchises. The city government, operating within the limitations set by law and precedent (and working under both "machine" and reform administrations), achieved only grudging compliance from the streetcar and utility companies, often resorting to expediency and compromise in dealing with public service.¹⁷ The attitude and behavior of the utility companies (and the success of the municipal ownership movement under the Sewerage and Water Board) convinced some influential members of the municipal government that the city should own and operate transit, gas, and electric services.¹⁸

The consolidation of the public service utilities did not result, however, in the municipalization of the street railway and utility companies, but in the loss of local ownership and management, the erosion of public control over the essential services of the city, and the monopolization of those services by a single corporation, itself operated

¹⁷Nussbaum, "Progressive Politics," 114-24; Gavin Wright, "Regulation in American History: The Human Touch," Reviews in American History, 14 (June 1986), 166-67. The two notable exceptions were the city government's response to the two bitter and costly street railway strikes of 1892, which preceded a general strike, and 1902. In both instances, the city administrations of John Fitzpatrick (1892-96) and Paul Capdevielle, both Regular Democrats, compelled the companies to settle the strikes in favor of the union. (In 1892, the companies and the reactionary press dismantled Fitzpatrick's settlement by appealing to the governor to break the strike.)

¹⁸Walter C. Flower to Leonard Darbyshire, October 6, 1897, vol., 72, MCLMO, CA, NOPL; Flower to James Higgins, April 25, 1900; Paul Capdevielle to James C. Henriques, June 25, 1900, vol., 79, ibid.

for the benefit and profit of "alien" stockholders and commercial bankers. Late in the fall of 1901, the New York Security and Trust Company sought the consolidation and control of NOCRC, NOCRLPC, New Orleans Gas Light Company, and the four other independent street railway companies. By early 1902, the trust company had acquired a majority of the capital stocks in the streetcar companies to justify the creation of company to manage its holdings and operate the underlying service companies. In January, 1902, the New York Security and Trust obtained a charter from the State of New Jersey, incorporating the New Orleans Railways Company (NORC) at a mere \$5 million. NORC offered the security holders of NOCRC, NOCRLPC, and the other companies the option of selling their stocks and bonds at a price fixed at five dollars above their local selling price (at the time New Orleans had its own stock exchange) or of exchanging one stock for another. Since NORC preferred exchanging one stock for another, it proposed converting preferred stocks into bonds, discounting its preferred stock, and issuing common stock as a bonus on all exchanges.¹⁹

By early May, with the consolidation plan near completion, the New York investors recapitalized NORC at more than \$72 million. (Estimates concerning the precise recapitaliza-

¹⁹Reclassification, 28; New Orleans Item, April 6, 1919; Fairclough, "Public Utilities," 46-47. Most security holders exchanged their securities for those of NORC. The notable exception was the Newman family, who demanded and received cash (rumored to be in gold) for its holdings.

tion are muddled and confusing, ranging from a low of \$72 million to a high of \$98 million.)²⁰ Under the terms of the recapitalization plan, each of the "constituent" or underlying companies--the streetcar and electric companies and NOGLC--retained its own corporate identity and maintained legal ownership of the franchises and the physical properties. In practice, however, NORC owned and controlled each of the operating companies, holding nearly all the mortgage bonds and the preferred and common stock and operating the underlying companies through interlocking management and boards of directors.²¹

The underlying companies, however, could not generate enough revenue to operate the system and satisfy the demands of NORC's bloated bonded debt. Within two years of the completion of the consolidation and monopolization plans, the New York Security and Trust Company, renamed the New York

²⁰The recapitalization estimates compiled by successor companies show that NORC issued \$40 million in bonds to purchase the securities of NOCRC and NOCRL&PC, make improvements, and buy the securities of the underlying operating companies and NOGLC. Company "records" show that NORC issued \$10 million in preferred and another \$30 million in common stock for a total of \$80 million for recapitalization. The Item reported that NORC spent \$58 million for the purchase of the securities of the underlying and holding companies and floated \$40 million to capitalize NORC. New Orleans Item, April 6, 1919; Fairclough, "Public Utilities," 47.

²¹By 1903, NORC owned ninety-two percent of the stocks and bonds of all underlying companies. By 1916, NORLC, the successor company to NORC, owned all but 222,000 shares in all subsidiaries. Reclassification, 31; Simon Borg and Company v. New Orleans City Railroad Company, et. alia., 244 Federal Reporter 617, hereafter cited as Borg v. NOCRC; New Orleans Item, March 17, 1916; New Orleans Daily States, April 5, 1916; Fairclough, "Public Utilities," 46-47.

Trust Company, petitioned a federal court in New Jersey to place an embattled NORC into the hands of a receiver. The court obliged the trust company, appointing Elwin C. Foster, the president of NORC, as the receiver. Several days later, the federal district court in New Orleans joined the proceedings, appointing New Orleans businessman Pearl Wight as receiver and relegating Foster to the role of "ancillary" receiver.²²

Soon after NORC went into receivership, the new State Attorney General, Walter Guion, brought suit against NORC, contending that NORC violated the incorporation law of the state. The receivers and Guion settled the suit out of court, agreeing to incorporate any successor corporation under Louisiana law and to reduce capitalization to \$60 million--a \$12 million (or \$38 million) reduction in capitalization. The reorganization and refinancing plan, under the supervision of the New York Trust Company, called for the incorporation of a successor company, the New Orleans

²²In September, 1902, union workers for NORC struck the company for more money and an open shop contract. The union immobilized the streetcar system, blocking lines and cutting power lines. Despite these tactics, the union had the support of the public and the city administration. Unable to run its cars or to break the strike, NORC agreed to the demands of the union. Dismayed by the strike and by the pyramiding of stocks by the company, Attorney General Omer Villere brought suit against NORC. He later dropped the suit when NORC agreed to settle the strike and to refrain from issuing more stock. Reclassification, 31; New Orleans Item, April 4, 1916; Fairclough, "Public Utilities," 50-51; Charles G. Carpenter, "The New Orleans Street Railway Strike of 1929-30," (M.A. thesis Tulane University, 1970), passim.

Railway and Light Company, that would assume the financial and contractual obligations of the old corporation. The plan allowed NORLC to issue \$30 million in bonds to secure the bonds of NORC and its underlying companies and to make a series of physical improvements. The new company also issued \$30 million in stock (\$10 million in preferred, \$20 million in common) to buy the remaining securities of NORC and to meet the expenses of promotion in the "formation and organization of this corporation and in acquiring and bringing about the purchase of the property rights and franchises" of NORC and its constituent companies.²³

NORLC, like its predecessor, was both a holding company and an operating company. NORLC did not own a single streetcar, a foot of track, utility poll, power house, or repair shop. NORLC owned nearly every piece of common and preferred stock in each of the underlying, operating companies, controlling those companies through a single board of directors and management staff. NORLC operated the lines and services of the underlying companies by leasing the streetcar lines

²³Reclassification, 31-36; New Orleans Item, April 2, 15, 1915, April 6, 13, 1919; Fairclough, "Public Utilities," 47. Despite the sizeable "reduction" in capitalization of NORLC, several critics, in particular, Dr. Valentine K. Irion, the founder of the Municipal Improvement League, argued that the latest settlement retained \$24 to \$25 million in "watered stock". An audit conducted by Charles E. Wermuth in 1919 was unable to determine the precise valuation of NORC and its constituent companies. But, as Adam Fairclough points out, with a funded debt of \$159,000 for every mile of track and \$9.00 in "investment" for every dollar earned, there is little doubt that a sizeable portion of the stock of NORLC was water.

and other facilities owned by those companies and paying rent in the form of dividends on the preferred and common stock. For example, NORLC owned 98.94% of the preferred and 97.23% of the common stock of the New Orleans City Railroad Company, controlling the voting interests of that company. New Orleans City Railroad owned and operated fourteen separate street railway franchises which it leased to NORLC. In lieu of rent, NORLC paid yearly dividends of \$62,500 on the preferred stock and \$50,000 on the common stock. Those dividends, of course, went to the company that owned the common and preferred stock--NORLC.²⁴

At first, Elwin Foster, the president of NORLC and the receiver for NORC, convinced new the board of directors for NORLC and the public that the latest reorganization had indeed worked a financial miracle, making NORLC into a profitable and efficient venture. In fact, from the start, NORLC was on the verge of collapse. The underlying companies could not produce enough revenues for NORLC to meet its "rentals" and other operating expenses. Between 1905 and 1907, NORLC paid its "fixed charges" and unearned dividends with money secured from the sale of bonds. When the recession of 1907 closed off bond sales, the management of NORLC faced yet

²⁴Simon Borg v. NOCRC 617; New Orleans Item, March 17, May 22, 23, November 26, 1916; New Orleans Daily States, April 4, May 22, 23, July 24, 1916. The NOCRC operated the Tchoupitoulas; Annunciation; Colisium; Dryades; Peters; Magazine; Camp and Prytania; Rampart; Dauphine; Levee and Barracks; Canal; Bayou St. John; Esplanade; and the Lake and Villere.

another financial crisis. Only the acquisition of an emergency loan from the Interstate Bank and Trust Company and the tireless work of Hugh McCloskey, the chairman of the board of directors for NORLC staved off bankruptcy. The loan permitted NORLC to meet its immediate financial obligations and McCloskey's dedication and tight-fisted management allowed NORLC to borrow additional, larger sums from New York and Philadelphia banking and investment houses for the rehabilitation of NORLC and its underlying companies.²⁵

Despite the efforts of local bankers and businessmen, like Hugh McCloskey, the rehabilitation of NORLC and its underlying companies never really took place. In effect, the so-called rehabilitation allowed investment bankers to consolidate their hold on the utility industry in New Orleans and the South. In 1908 the Philadelphia firm of Bertron, Griscom and Company (reportedly with the aid of loans from the Standard Oil Company) began acquiring the capital stock of NORLC. (Bertron, Grison also purchased a sizeable portion of the Consumer's Electric Company, the only remaining inde-

²⁵New Orleans Item, September 26, 1911, February 16, 29, 1912, February 21, 1918, April 13, 1919; New Orleans Daily States, November 11, 1913.

pendent utility in New Orleans.)²⁶ By 1911, Bertron, Griscom (now Bertron, Griscom and Jenks), through its holding company, American Cities Company (ACC) had acquired through purchase eighty-eight percent of the preferred and ninety-seven percent of the common stock of NORLC. With its holdings in NORLC, ACC mortgaged the underlying companies and NOGLC, draining them of their earnings and compelling NORLC to borrow additional funds to meet its "fixed" obligations to its stockholders, namely, the American Cities Company. With the dividends it received from NORLC, ACC purchased control of utility companies in Birmingham, Houston, Knoxville, Little Rock, and Memphis.²⁷

The success of ACC in consolidating its holdings and managing its properties naturally attracted the attention and interest of larger, more resourceful companies. Near the end of 1912, two large holding companies, International

²⁶Reclassification, 37; New Orleans Item, February 14, 16, 1912, November 16, 1913, February 19, 1918, April 13, 1919; New Orleans Daily States, February 19, 1918. In 1903 several New Orleans businessmen, among them Maurice J. Hart, a former councilman with interests in several streetcar companies, and former mayor, John Fitzpatrick, formed the Consumer's Electric Company. The company faltered under the competitive advantages of NORLC, and in 1908 filed for bankruptcy. The courts appointed Samuel Insull as the receiver for Consumer's. Insull attracted investment for outside the city and reorganized the company under the name Consumer's Electric Light and Power Company. The CEL&PC became part of NOPSI in 1926.

²⁷American Cities hoped to exchange its stock for the stock of NORLC, but the offer was complex and unsatisfactory to the owners of NORLC. New Orleans Item, December 12, 13, 1911, February 29, 1912, February 19, 1918, April 13, 1919; New Orleans Daily States, February 19, 1918.

Water Power Company of London (IWPCCL) and United Gas and Electric Corporation (UGEC) began efforts to control ACC and all its underlying companies, including NORLC. The IWPCCL, as its name implies, sought to develop and promote the use of hydroelectric power in the United States, particularly in the southern states with their great supply of water and their even greater need for electric power. Though IWPCCL hoped to generate thousands of hours of hydroelectric power, it had no large and reliable network of buyers for its power. The purchase of ACC would, of course, resolve that problem.²⁸

United Gas and Electric already controlled several utility companies in the northeastern United States and wanted to control more. In the summer of 1912, Bertron, Griscom and Jenks, in need of more capital for its utility ventures, agreed to a merger of its Susquehanna Railway, Light and Power Company, a holding company that held the securities of Consumer's Electric Light Company, and United Gas and Electric Company. The merger would allow Bertron, Griscom and Jenks to "rehabilitate" its holdings and for the new company, United Gas and Electric Corporation, to absorb ACC. The interests of IWPCCL complicated the rehabilitation and absorption of ACC. IWPCCL purchased one-third of the common stock of ACC and held an option on the remaining stock.

²⁸New Orleans Item, November 15, 19, 1912, August 12, 16, 20, 31, 1913; New Orleans Daily Picayune, November 19, 1912.

IWPCL declined to exercise its option, and was content with its position as a "limited partner". UGEC eventually absorbed American Cities, gaining control of an immense network of public utilities, including those operated by NORLC.²⁹

The public and fulsome promises of monopolization, like the promises of consolidation, were never fulfilled. Monopolization did not further the financial and physical rehabilitation of NORLC and its constituent companies or improve services and lower costs or restore public confidence in the public utility industry.³⁰ To the contrary, monopolization accomplished none of those ends. The financial excesses and corporate arrangements of monopolization saddled NORLC with an exorbitant debt (reported to be \$72,000,000), a debilitating set of obligations, and a "foreign" ownership that deprived the New Orleans public service companies of the revenues needed to underwrite the costs of improving service.

²⁹Reclassification, 38; New Orleans Daily Picayune, August 9, 1913; New Orleans Item, August 23, 1912, August 11, 20, November 16, 1913. The franchise of the Consumer's Electric Company prevented its sale or transfer to any competitive company. Since ACC owned and operated NORLC, it could not purchase Consumer's Electric. Bertron, Griscom and Jenks had Susquehanna Railway, Light and Power purchase Consumer's Electric, bringing all utility companies in New Orleans under the control and eventual management of a single corporation.

³⁰In 1916, ACC and UGEC consented to the consolidation of NORLC with its underlying companies. In essence, the plan allowed NORLC to assume actual ownership of the operating companies. Officials for NORLC and ACC explained that the new arrangement merely allowed NORLC to better manage its properties, replacing an informal business arrangement with a formal and structured arrangement. Borg v. NOCRC 244 FR 617-21; New Orleans Item, March 17, April 22, May 22, 23, July 19, November 26, 1916.

Under the monopoly enjoyed by NORLC, the quality of public service deteriorated and the cost of service increased, antagonizing an already skeptical public and galvanizing it and the municipal government to the threat monopoly posed to public service and to local self-government.³¹

In September of 1911, the Consumer's Electric Light and Power Company, without the knowledge or consent of the city council or any other civil authority, raised its rates for electric lighting and power by an average of seventy-five percent. When local merchants and manufacturers complained about the unexpected and, in their view, unwarranted increases, Consumer's Electric, confident of its position, threatened to discontinue service until customers agreed to the new rates. Several merchants and manufacturers contacted NORLC about electric light and power service, but NORLC, ostensibly the principal competitor of Consumer's Electric, denied service to the businessmen, compelling them to sub-

³¹Testimony of Jacob K. Newman, Proceedings of the Federal Electric Railway Commission, vol.1, 566; New Orleans Item, November 11, 1913, June 14, 25, 1914; Fairclough, "Public Utilities," 46, 53. The Behrman and McShane administrations consistently disputed claims by NORLC that its valuation exceeded \$72 million. City officials placed the actual investment and value of NORLC at \$45 million. For a more detailed account of the valuation issue, see Chapters Five, Six, and Ten. For the decline in service, see the numerous letters written to the Commissioner of Public Utilities in Petitions and Coorespondence, Department of Public Utilities, vols. 1 and 2, CA, NOPL. See also John F. C. Waldo to Moore June 30, 1910, vol.5 CAO, CA, NOPL and Moore to Thompson, January 6, 1913, vol.6 ibid.

mit to the rate increases imposed on them by Consumer's Electric. Angered by the actions and tactics of the two power companies, individual merchants and the Merchants and Manufacturers Exchange complained about the quality and cost of electric service to the Progressive Union, an association of businessmen, professionals, and civic leaders.³²

Appearing before the Board of Directors for the Progressive Union, the protesters accused the utility companies of conspiring to drive up their prices in willful violation of the terms of their franchises and in total disregard for the best interests of their customers and the welfare of the city. There was, they argued, no justification for raising the electric rates; the costs of production had remained steady for some time, NORLC and Consumer's Electric already enjoyed "virtual monopolies" in New Orleans, and rates in New Orleans were already higher than in other cities of comparable size and population. The terms of the franchises prohibited them from increasing rates without the consent of the city government, and that consent surely required the good will of the people of New Orleans. Finally, the pro-

³²New Orleans Item, September 8, 13, 15, October 30, November 3, 1911, February 16, 1912. The Progressive Union was, like so many other business and professional associations, quite active in the civic and "political" affairs of the city, though the Progressive Union was careful to avoid partisan politics. In 1913 the Progressive Union reorganized as the Association of Commerce, and, though its membership and leadership remained unchanged, it became an opponent of the Behrman administration. See New Orleans Item, December 14, 1911 and May 4, June 26, 1913.

gress and well-being of the city depended upon the public services provided by the utility companies. High rates for basic services did not promote the expansion of services or the improvement of existing ones. The first priority of the public service companies, then, was service, and only by meeting the demands for quality service would the utility companies prosper. (Neither the board nor the merchants seemed anxious to offer a specific reason why Consumer's Electric and NORLC were compelled to raise their rates.³³ And no one questioned the "authority" of the Progressive Union to behave like the city government in investigating accusations against the utility companies.)

The utility companies denied allegations that they had conspired to raise rates and they asserted that there was precedent--and justification--for raising rates without the consent of customers and the local civil authority. Hugh McCloskey, the president of NORLC and chairman of its board of directors, insisted that NORLC and Consumer's Electric were competitors, intent on providing service to their customers and producing a profit for their stockholders. But neither NORLC nor Consumer's Electric could continue providing service or producing profit without an increase in the

³³It was apparent to most observers and critics of the utilities industry in New Orleans that the financial obligations incurred during the reorganization and consolidation of Consumer's Electric and NORLC forced the increase in rates for electricity and gas. New Orleans Item, February 11-14 1912; New Orleans Daily Picayune, February 14, 1912.

rates charged for electricity. In many ways, McCloskey told the members of the Progressive Union, unrestrained competition and politics were responsible for the present conditions in the utilities industry in New Orleans. When Consumer's Electric began operations, it set its rates below the cost of production, hoping to entice customers to use its services rather than those of NORLC. Its tactic failed, and Consumer's Electric petitioned the federal courts for relief. The federal district court in New Orleans granted a rate increase to Consumer's Electric which placed its rates still below those of NORLC. Political pressure from the Board of Trade and the commercial exchanges for a system of "uniform" rates and fees, forced NORLC to reduce its rates for electric service. Because of the loss of revenue, brought on by unwitting competition and unremitting public pressure, McCloskey said, NORLC was forced to postpone improvements and expansion to meet current needs. With the demand for more and better service increasing, McCloskey contended, neither the city nor the utility companies could survive with rates that impaired service and undermined investment. Service, McCloskey remarked, was secondary to investment; there could be no service without the unqualified

protection of investment and profit.³⁴

Neither the merchants nor the utility companies offered any specific evidence about electric rates and service, and the Progressive Union declined to express an opinion or to pass judgment on the matter. The Progressive Union was concerned, however, with the quality and cost of electric service in New Orleans and it instructed its Municipal Affairs Committee (MAC), chaired by music store impresario Philip Werlein, to make a careful study of service in New Orleans and to compare it with service and costs in other major cities in the region and the nation. Werlein promised to conduct a thorough and judicious investigation, affording every one a fair and considered hearing and providing the MAC with the time and evidence to complete its study and to make sound recommendations.³⁵

The Werlein committee, however, was thorough and judicious to a fault. The committee met infrequently and always

³⁴New Orleans Item, November 3, 8, 9, 12, 1911. McCloskey's rendition is at variance with the public record. Consumer's Electric petitioned the federal court to initiate a rate increase for electric service. When the court approved the increase for Consumer's Electric, NORLC raised its rates without petitioning the courts or the council. Instead, NORLC sought the "approval" of the Board of Trade. Despite its objection to the increases for service, the city administration was unable prevent the increases. Later, though, the Behrman administration learned that Consumer's Electric had overcharged customers and the mayor and council ordered a refund. Consumer's Electric eventually reduced its rates. See New Orleans Item, November 1, 1910, April 26, 1912, April 15, 1913, November 16, 1914.

³⁵New Orleans Item, October 30, November 3, 1911.

behind closed doors. The pace and conduct of the investigation aggravated the merchants and manufacturers. Early in November they formed the New Orleans Electric Rate Association (NOERA) and began their own study. The NOERA did not conduct an exhaustive study of the utility industry in New Orleans, but its observations were perceptive and its recommendations sound. The NOERA acknowledged that service and investment were related, and it conceded that Consumer's Electric and NORLC were entitled to a reasonable rate increase, ranging between ten and twenty percent. The utility companies, however, demanded increases of between sixty and one hundred percent. The explanation for these outrageous demands, the NOERA explained, was simple. Electric and gas rates were not based on the cost of service, but on the cost and demands of investment. The excessive cost of service was, as the NOERA claimed, imposed "from above" by the companies that held the securities of NORLC. The regulation of the quality, extent, and cost of service, then, depended on the regulation of the internal workings of the public service utilities. Clearly, the NOERA declared, no ad hoc association of businessmen possessed the authority or the mandate to regulate the public utilities industry. That responsibility, the association believed, fell to either the state or municipal governments, and it recommended the creation of a public service commission to regulate the

public actions of the utility companies and to assure the well-being of the people of New Orleans.³⁶

The NOERA did not suggest, however, that the Progressive Union or the MAC abandon their efforts while waiting for the state legislature or the city administration to form a public service commission. The merchants and manufacturers recommended that the Progressive Union and the NOERA conduct a joint investigation of the electric rates in New Orleans, hoping to wrest some immediate concessions and relief from NORLC and Consumer's Electric. The NOERA also suggested that the two associations commission a professional survey of the entire utility business in New Orleans as evidence of the need for a public service commission in New Orleans.³⁷

The businessmen who formed the Progressive Union were, on the whole, skeptical about the municipal regulation of the utility industry in New Orleans. In general businessmen were anxious to impose stability and order on the corporate and financial practices of NORLC and its competitors, but they were reluctant to invest such power in a "politicized" public authority like the Behrman administration. They recognized that high utility rates and marginal service

³⁶New Orleans Item, November 3, 8, 9, 11, 12, 1911, February 22, 1912. Werlein defended his methodical approach to the regulation of rates, claiming that it was his belief, impressed upon him by the officers of NORLC, that a reduction in the rates for commercial users would result in a rate increase for domestic customers.

³⁷New Orleans Item, November 11, 12, December 14, 15, 1911, February 22, 1912.

placed the city at a "competitive disadvantage" in attracting new businesses and jobs to New Orleans, jeopardizing the "growth and development" of the city and diminishing the quality of life of its citizens. Convinced that the management of NORLC and Consumer's Electric shared their appreciation of the "public good," the leaders of the Progressive Union suggested that NORLC and Consumer's Electric reduce their rates to the levels before the "recent adjustment".³⁴

The Progressive Union, however, expressed no desire to question the financial policies or the business practices of NORLC and its parent companies, or to acknowledge the relationship between service and investment, or to recommend the creation of a public service commission for New Orleans. The majority of the men who formed and led the Progressive Union possessed many of the same beliefs, interests, and dislikes as the men who managed NORLC and Consumer's Electric. Undoubtedly, many of these men considered regulation an evil necessity that confirmed the rights of private property and assured property a dominant voice in the public discourse. When Hugh McCloskey announced that the rights of the stockholders were his principal concern and that service to the city was secondary to that concern, no one in the Progressive Union challenged him or his statement. When, in early 1912, NORLC "adjusted" its rates for commercial and indus-

³⁴New Orleans Item, November 11, December 14-16, 1911, February 22, April 10, 1912; Schott, "John M. Parker," 112-15, especially footnote 46, 114-15.

trial customers without the knowledge or "consent" of the Progressive Union, few members protested and only one member called for public regulation of NORLC.³⁹

There was, as well, a financial and personal relationship between the Progressive Union and the other utility companies. NORLC was a consistent and generous contributor to the Progressive Union and its successor, the Association of Commerce, and several leading banks, with vast holdings in utility securities, also contributed to the Progressive Union. Several members of the Progressive Union's board of directors had interests in the utilities industry. Hugh McCloskey, the president of NORLC and chairman of its board, along with several other members of the board, were also members and officers of the Progressive Union.⁴⁰ The presence of these men in the Progressive Union impeded the effort of the Werlein committee to investigate the public service industry in New Orleans and jaundiced the attempts to bring the utilities industry under public regulation. Finally, despite their cordiality, the Progressive Union and the Behrman administration were for some time suspicious of

³⁹New Orleans Item, February 13, 16, 29, 1912; New Orleans Daily Picayune, February 15, 29, 1912. When NORLC raised its rates, several members wanted the Werlein committee to broaden its study, and they requested to see the "books" of NORLC. To their shock, NORLC refused to disclose its financial records, and the investigation ended.

⁴⁰New Orleans Item December 14, 15, 1911, February 22, 1912, May 4, June 26, 1913. New Orleans Progressive Union Roll-Call of Members, Directors, and Committees, film 1861, Division of Microfilms and Newspapers, Troy H. Middleton Library, Louisiana State University.

(at times hostile toward) each other. And even among those in the Union who favored the public regulation of NORLC and the other utility companies, there was an open and abiding distrust of the Behrman administration and the Regular Democratic Organization that frustrated the effort of the Progressive Union and other civic associations to influence the policies and practices of NORLC and other utility companies.

The Behrman administration felt frustrated by its relative inability to affect the quality of service or influence the conduct of the public utility corporations that served New Orleans. The administration understood, perhaps better than its critics realized or admitted, the complexity and perplexity of the public utility question. The mayor and the council, as we have seen, recognized the city's desperate need for quality utility service at rates and fares that were reasonable and beneficial to the public and the investors. Efficient and effective public service, the administration reasoned, contributed immeasurably to the growth and development of the city, extending and improving the quality of life in New Orleans. The Behrman administration argued consistently for rates and fares based on the cost of service, but it argued with equal fervor for a reasonable return on "actual" investment. "Reasonable" rates would benefit every one in the city. Reasonable rates made for a more competitive New Orleans, sustained commerce, attracted busi-

ness and industry, advanced the expansion and quality of service, and assured a consistent profit for the company.

The Behrman administration understood, then, the connection between service and investment and it recognized the necessity of promoting service and protecting investment through the public, municipal regulation of both. The city administration under Martin Behrman did not, however, as its critics charged, advocate municipal regulation to either advance its own partisan interests or those of NORLC or to circumvent the demands for municipal ownership. As we shall see, the Behrman commission council advocated public, municipal regulation as the most direct, effective, and democratic means of curbing the excesses of the utility corporations. And, though it seriously considered municipal ownership for gas, electric, and transit service, the Behrman administration discarded the idea as impractical for New Orleans. The Behrman administration considered municipal ownership too expensive; the city could not afford the costs of purchasing or reproducing the gas, electric, and transit systems. (From time to time the council discussed buying or reproducing the gas and electric systems, leaving transit in private hands.) There was no guarantee, either, that municipal ownership would immediately and immeasurably reduce rates or expand and improve service.

Consolidation and monopoly promised the same benefits as municipal ownership--quality service, cheap, competitive

rates, consistent, reliable revenues that could fund the expansion and development of services--without the financial expense or political liability. But, as the needs of the city went unmet and as costs rose, the administration became skeptical of the so-called benefits of consolidation and monopoly. Consolidation and monopolization did not furnish greater and more efficient service or promote the physical and social development of the city. It promoted stock manipulation and contributed to declining services, rising prices, and the increasing disregard for the obligations of franchise and the values of good citizenship.

Despite its skepticism, the Behrman administration had relatively little influence over the course and development of consolidation and monopolization. They simply lay beyond the authority of city government. The Behrman administration had no authority over the formation or conduct of investment banks and holding companies that held their charters from outside Louisiana (or, for that matter, inside Louisiana). The Behrman administration had no legal authority over stock issues and it had no authority to prevent or sanction the purchase of the New Orleans utility system to local or outside investors. It had no recognized authority to set rates and fares except through its limited authority to set the terms and conditions of utility franchises, levy taxes, and

contract for services.⁴¹

Before consolidation and monopolization, regulation of the public utilities industry in New Orleans, as elsewhere in the urban United States, consisted of the enforcement of the obligations of franchise, taxation, and contracts. All were designed to promote the development of public services and protect private investment without compromising the public interest. Even before consolidation, however, though surely not obsolete, conventional methods proved inadequate responses to the question of utility regulation. Though franchises contained specific terms and obligations,--fares, schedules, number of cars at rush hour, paving and lighting requirements, bans on overcrowding--they were often difficult to enforce. The only remedy for chronic or willful disregard for the terms of the franchise was to sue for the forfeiture of the franchise. The utility companies also argued for a literal interpretation of the terms of the franchise (when it suited their interests), asserting that they

⁴¹George T. Bartley, Assistant city Attorney to Moore October 14, 1910, vol.6, Moore to Behrman July 24, 1911 vol. 6, Moore to Thompson, undated (probably between February 13 and 19, 1916, vol.7, Moore to Commissioner of Public Utilities E. J. Glenny, February 28, 1917, vol.8, CAO, CA, NOPL; Unsigned and undated letters to Board of Directors, Progressive Union, Street Railway Union Collection, box 1, Special Collection Division, Howard-Tilton Library, Tulane University, hereafter cited as SRUC, SCDTU; New Orleans Item, February 7, 13, 1912, November 5, 1913, July 27, 1915. In 1900, the city council passed an ordinance regulating the rates of the telephone companies. The issue lingered into the 1920s, when the courts determined that the state had authority over telephone service. See Nussbaum, "Progressive Politics," 111-113; Williams, Huey Long, 153-5, 162-73.

were under no other obligations except those expressly contained in the franchise or contract.⁴²

At times the Behrman administration also argued for a literal interpretation of utility franchises and contracts, especially on issues of scheduling, routing, lighting, and paving. The city administration, however, did not believe that the bonds of contract and franchise were the only sufficient and reasonable methods of protecting the public interests. The Behrman government acknowledged that the public service corporations held exclusive franchises that invested them with many "special legal privileges" but with few expressed obligations. But, the administration argued, the exclusive franchises and the actual monopoly enjoyed by the utility companies contained "corresponding obligations in favor of the taxpayers, who are the principals from whom these [exclusive] rights...originate." The public service corporations, then, "in good faith and [in] enforceable equity...is bound to furnish them with the desired utility and public commodity." Assistant City Attorney John F. C.

⁴²Moore to Behrman July 24, August 14, 1911, vol.6, CAO, CA, NOPL. NORLC and its underlying companies openly and consistently ignored their paving obligations. The city constantly pressed for compliance, arguing that NORLC's rights to use the streets were limited and inferior to the city, and that the franchises required NORLC and the other companies to keep the streets "in good order and condition" and to pay for all costs in paving. Between 1909 and 1916, there were sixty separate opinions from the City Attorney on the paving obligations of NORLC. See in particular, Samuel Gilmore to W. J. Hardee March 11, 1909, vol.5, Moore to Hardee November 12 1909, Waldo to Moore May 14, 1910, CAO, CA, NOPL.

Waldo, writing to City Attorney Moore, believed that the legal privileges enjoyed by the utility companies imposed a special social and political obligation on the companies and on the city government. "The exercise of franchise rights by the public utility corporations is after all, when resolved to its final...analysis," Waldo wrote, "nothing else than a great trusteeship held for the account of the people from whom these rights were originally and conditionally acquired...." The utility companies, he said, were legally committed to hold and administer property and to provide service for the benefit of others (though as trustee NORLC was entitled to a "reasonable, safe" return on its investment), and the city government, by virtue of its political mandate and social trusteeship, was obliged to formulate a public utility policy that served the public good.⁴³

The legal opinions of the City Attorney and his assistants, however, no matter how compelling or resourceful in their arguments, were not the equivalent of law. The Behrman administration, in the wake of monopoly, declining service, rising rates, and at the suggestion of the Item, NOERA, and the city attorney, advocated revising the utility franchise law and establishing a municipal public service commission

⁴³Bartley to Moore, October 14, 1910, (first quotation); Waldo to Moore, April 17, 1911, vol.6, CAO, CA, NOPL.

to regulate the utilities industry in New Orleans.⁴⁴ Mayor Behrman and the council wanted the city government to have the authority to set the standards of service and to regulate the the cost of service without reference to the provisions of specific franchises. The council urged the legislature to place that authority into the hands of either the commission council itself, the Commissioner of Public Utilities, or an elected independent commission. Before the Behrman administration could articulate these concerns into law, however, it had to win the support of its traditional adversaries in the press and the civic reform groups and overcome the concerted opposition of NORLC and its influential supporters. The Behrman administration had to convince the reformers that it was not in league with NORLC, that it was sincere about regulation, and that municipal regulation would not further the partisan interests of the administration or the financial interests of NORLC--a formidable task for even the most masterful of politicians and the most resourceful of organizations.

The New Orleans city government, like most others in the United States, utilized taxation as one of its principal methods of regulating the public utility industry. Critics of the administration charged, though, that the mayor, the

⁴⁴Moore to Thompson, undated (probably between February 13 and 19, 1916, vol.7, CAO, CA, NOPL; New Orleans Item, November 11, 12, December 14, 15, 1911, February 22, 1912, April 8, 17, 18, June 14, 17, 1914; New Orleans Times-Picayune, April 18, 1914.

council, and Board of assessors allowed NORLC and its subsidiaries to avoid their just share of taxes. Low taxes for the utility companies, critics said, would be understandable if NORLC reinvested its revenues in improving service, rehabilitating and expanding the system, and lowering rates. NORLC did not use its revenues to improve the quality of service, but to satisfy the endless demands for dividends by the New York and Philadelphia bankers. For its role in this unethical arrangement, critics asserted, the Behrman administration and the RDO received steady and sizeable contributions to their campaign chests.⁴⁵

There was, to be sure, no such arrangement. From 1913 to 1916, the Behrman administration raised NORLC's assessed value from slightly over \$17 million to nearly \$22 million and it increased the company's tax burden from \$400,000 a year to \$780,000, an increase of almost two hundred percent. The city administration and the giant utility monopoly quarreled continually and publicly over assessment and taxation practices, NORLC complaining that it did not receive the same favorable treatment accorded other "public utilities" and demanding a more favorable, less costly assessment policy based on net earnings. The Behrman administration insisted that its assessment and taxation practices were equitable and impartial and, though on occasion it adjusted the

⁴⁵New Orleans Item, April 15, 1915; Nussbaum, "Progressive Politics," 119-20; Williams, "Martin Behrman," passim; Reynolds, Machine Politics, passim.

assessed value and the taxes of NORLC, it refused to alter its policies and practices to suit the interests of NORLC.⁴⁶

In the spring of 1913, the Board of Assessors for the Parish of Orleans set the assessed value of NORLC at nearly \$23,600,000, an increase of \$6,426,000 over 1912. The tax resulting from the new assessment was in excess of \$400,000. The board gave no specific reason for the increase, but the increase may have represented NORLC's greater "mortgaging power"--a result of its purchase by ACC and UGEC. In any event, NORLC protested to the Assessment Revision Committee (ARC) of the city council what it considered an exorbitant and pernicious tax. A battery of company officials and several leading local bankers appeared before the ARC complaining about the size of the increase (wisely, none of these men questioned the justice of increasing the tax burden of NORLC). The principal spokesmen for this assemblage was banker Sol Wexler, the president of the Whitney Central Bank. Wexler told the ARC that he and the other bankers feared that the increase contemplated by the city would discourage investment in NORLC at a time when it required more investment to fund the rehabilitation of the underlying companies. Mayor Behrman, who was not a member of the ARC,

⁴⁶New Orleans Item, April 10-17, 1913, March 16, 23, 25, April 1, 7, 8, 9, June 25, July 23, 1914, March 25, 26, 1915, March 19, 1916; New Orleans Daily Picayune, April 11, 12, 16, 17, 1913, March 17, 24, 26, 1914; New Orleans Times-Picayune, April 8, 9, June 23, 27, July 23, 1914; New Orleans Daily States, March 19, 1916.

agreed with Wexler, and urged the committee to reduce the assessment to a level where NORLC's tax would not exceed \$400,000.⁴⁷

Despite the apparent influence of the witnesses, the ARC, with William Thompson, Harold Newman, and A.G. Ricks as its members, remained skeptical and divided. Commissioner of Public Finance Ricks and Commissioner of Public Safety Newman doubted the arguments of Wexler and Mayor Behrman, though Commissioner of Public Utilities Thompson found them convincing. Ricks and Newman contended that the changing character and increasing value of the utilities industry justified a substantial increase in the assessment of NORLC. The two commissioners argued that NORLC held an actual monopoly in transit and gas services and a virtual monopoly in electricity (the commissioners were aware of the connection between Consumer's Electric, NORLC, ACC, and UGEC), and that a low assessment was no longer justified in the absence of competition. Equity, they argued, played a role in the Board of Assessor's decision. Since the consolidation of public services, NORLC has sent millions of dollars in revenues to stockholders, ignoring the needs of the public for more and better service. The increase in taxes, then, represented the attempt by the city to recoup some of those revenues, using them to extend and improve city services. There was, they

⁴⁷New Orleans Item, April 10, 1913; New Orleans Daily Picayune, April 11, 12, 17, 1913.

said, no basis to NORLC's argument that the city had treated it unfavorably or that the city's action would dissuade investors. Commissioner Ricks observed that taxes were usually absorbed by customers and never passed on to stockholders. What interested stockholders was earning power, and NORLC earned between six and eight percent on its investment, a percentage that would surely attract investors. Finally, as Commissioner Newman pointed out, in the past few years NORLC had increased its valuation to \$66 million, though its true worth was about \$46 million. If the Board of Assessors applied the proper assessment ratio to the true value of NORLC, its assessed value would be \$27 million instead of \$23 million.⁴⁰

Unconvinced by the arguments of Ricks and Newman, Commissioner Thompson recommended the reassessment of NORLC and a corresponding decrease in its taxes. Thompson urged the commission council, which had the authority to reduce any assessment, to place the assessed value of NORLC at \$21 million, a decrease from the recommendation of the Board of Assessors, but an increase over 1912 of three and one-half million dollars. Mayor Behrman and commissioners Thompson and Lafaye convinced Ricks to agree to the Thompson compromise. Though he remained unconvinced, Harold Newman consented to the will of the majority of the council, stating that

⁴⁰New Orleans Daily Picayune, April 12, 1913; New Orleans Item, April 16, 1913.

the public and the press favored the compromise and that he would not object to it.⁴⁹

The next spring, the Board of Assessors again increased the assessed value of NORLC to \$22 million, requiring the company to pay \$473,000 in property tax. Again, the management of NORLC alledged that the Board of Assessors had treated the company unfairly. S. Reading Bertron, a senior member of Bertron, Griscom and Jenks, complained that the assessors increased the assessment of NORLC by twenty percent, seven times the average increase in assessment. Bertron also asserted that such an increase would impair the ability of NORLC to borrow at competitive rates and, of course, this failure would impede the development and extension of public services in New Orleans. Other officers of NORLC questioned the legality and method employed by the board in determining its rate of assessment. C. K. Beekman of NORLC asserted that the Board of Assessors probably did not have the legal authority to assess NORLC. That authority belonged, he said, to the State Railroad Commission. Bernard McCloskey, the general counsel for NORLC and the brother of Hugh McCloskey, did not question the authority of the municipal government to assess the public utilities that served the city. He did, though, question the formulas used by the

⁴⁹New Orleans Item, April 13, 15-17, 1913; New Orleans Daily States, April 16-17, 1913. Newman and the council won the universal approval for the compromise from several civic associations and from the newspapers.

Board of Assessors. McCloskey remarked that it was the considered opinion of his firm (McCloskey and Benedict) and other attorneys familiar with utility regulation that assessed value should be based on net earnings. NORLC earned \$887,000 in 1913, and at a six percent rate of return, its assessed value should be \$14 million. Despite the justice of this proposal, McCloskey said, NORLC would not press its case in Civil District Court if the council would roll back the company's assessed value to the level of 1912 or \$17 million. Unless the council could guarantee a fair and impartial assessment, NORLC would pursue its rights in the courts.⁵⁰

The commission council dismissed the assertions of the managers of NORLC as wholly self-serving, designed to intimidate the council into reducing the company's tax burden, to alter the basis of regulation, and to discredit the Behrman administration and the principle of municipal regulation. The commission council contended that the increase in the assessed value of NORLC was fair and completely justified by the phenomenal increase in the earnings and bonded debt of NORLC over the past year. The Commissioner of Public Safety, Harold W. Newman, reported that the net, "undisguised" earnings of NORLC exceeded \$1,670,000 (almost twice the amount claimed by NORLC), and, with that type of profit, NORLC in-

⁵⁰New Orleans Item, March 16, 23, 25, April 1, 7-9, 1914; New Orleans Daily Picayune, March 17, 24, 26, April 1, 1914; New Orleans Times-Picayune, April 8-9, 1914.

creased its bonded indebtedness another \$4,000,000, acquiring still more financial obligations (owed to itself in the form of consolidation bonds) and enabling it to misrepresent "profit" as fixed charges. With that sort of earning and mortgaging power, Newman suggested, NORLC would have no difficulty meeting its financial and contractual obligations to the city and still return a "substantial" profit to its stockholders. There was, then, Newman announced, no truth to the warnings that the increase in taxation would result in the loss of services or impede the expansion of services. The warnings had one immediate purpose: to intimidate the council into reducing the taxes of NORLC, freeing it to transfer earnings from services to dividends.⁵¹

The Behrman administration, however, was not easily intimidated. It rejected the appeal of NORLC for a reduction in its taxes, stating that it would not tolerate the loss or curtailment of service or a raise in the cost of service. The councilmen understood as well the implications that lay behind the arguments of NORLC. The company's demands for reducing its tax obligations went beyond its immediate concern for profit and extended to the issue of public regulation. The proposal of Bernard McCloskey sought to tie service to the financial conditions of the company, in effect, exempting NORLC from the obligations of its franchises. If service

⁵¹New Orleans Item, April 7-9, 1914; New Orleans Times-Picayune, April 8, 9, 1914.

depended on the earnings of the company, so easily masked as financial obligations, then NORLC, not the city government, would determine the quality and cost of service. The regulation of public services by municipal franchise, then, would have no substantive authority or meaning.

The city council, too, wanted to move the idea of municipal regulation beyond the rigid formulas of franchise and tax obligations to include the authority to regulate stock issues and to set rates exclusively on the cost of service. The concept frightened the management of NORLC (and the press), and it sought to discredit the idea of municipal regulation by questioning its feasibility and by impeaching the competency of the Behrman administration. The management of NORLC wanted to avoid regulation, but it would accept the distant and casual regulation of the State Railroad Commission rather than face the immediate and exacting regulation of the commission council. In its opposition to municipal regulation, NORLC found willing, though uneasy, allies in the newspapers and the business and civic associations of New Orleans. Once again, the principal challenge to the public authority of the municipal government came from those who wanted to prevent the "politicalization" of public policy and private affairs. Those interests, at times divided among themselves, challenged the municipal government over the regulation of essential services first in the streets

and then in the legislature and the courts."²

In the fall of 1913, the commission council of New Orleans, disturbed by the endless complaints from residents and merchants over the high cost of public service and embarrassed by its inability to manage the public service industry, instructed Commissioner of Public Property Edward E. Lafaye to study the question of the municipal ownership of public services.³ After several months of investigation and

²Ibid. NORLC did not appeal the council's decision to the Civil District Court. In 1915, the Board of Assessors again increased the assessed value of NORLC. The next year, though the assessors reduced its assessed value, NORLC paid \$780,000 in taxes. See New Orleans Item, March 25, 26, 1915, March 19, 1916; New Orleans Daily States, March 19, 1916.

³The debate over municipal ownership predated the controversy over NORLC. Beginning in the 1890s, after years of neglectful private ownership, the administrations of John Fitzpatrick, Walter C. Flower, and Paul Capdevielle municipalized the essential services of water, sewerage, and drainage. The issue won the support of both the civic elite and the broad middle class and united reformers and Regulars alike. Despite its virtues and successes, the movement toward municipal ownership of public services proved highly divisive and only marginally successful. First, there was no agreement on what constituted an "essential public service". Water and drainage were by definition essential, but not so gas and electricity. Mayors Flower and Capdevielle thought that gas, electricity, and transit were essential and should be owned and managed by the city. They could not construct a consensus, however, principally because there was no agreement on how to manage those services. The civic elite wanted essential services managed by "nonpolitical" boards staffed by members of the commercial establishment. The Regulars wanted an elected board staffed by professional, full-time commissioners, arguing that an appointed, self-perpetuating part-time board was undemocratic and ineffective regulation. See Flower to Leonard Darbyshire, October 6, 1897, vol.72; LaVillebeuvre to Charles F. Thayer, March 4, 1901, vol.79, LaVillebeuvre to Carter Harrison, June 12, 1901, vol.80, MCLMO.

study, Lafaye issued only a preliminary report. The report confirmed the earlier findings of the NOERA and the Progressive Union that electric rates were "exceedingly high" and needed to be "substantially reduced" if New Orleans was to remain competitive with other regional and national cities of its size and class and if New Orleans was to improve the quality of life for its citizens. The first priority of the commission council, he maintained, must be the reduction of rates and the extension of service, and he recommended that the commission council pursue those ends without direct reference to its legislative efforts to revise public utility laws and practices.⁵⁴

Lafaye reiterated, however, the urgent need for reform, labeling the current laws and practices as inadequate and harmful and recommending that the council consider two avenues of reform. Lafaye acknowledged that the municipal ownership of electric service was desirable, but he did not believe that it was financially and politically feasible. The cost of purchasing the electrical system was, in his estimation, prohibitive, though, he confessed, he had no solid estimates of the cost of purchasing the system from NORLC. Neither would the city gain anything from reproducing the system. The cost of reproduction, though cheaper than the cost of purchasing the system from the utility company,

⁵⁴New Orleans Item, November 4, 1913, April 8, 17, 18, June 14, 17, 1914; New Orleans Times-Picayune, April 18, 1914.

was an expensive proposition. It would, as Lafaye correctly surmised, take years to fully install the system and revenues may not be sufficient to maintain or expand the system. In either instance, Lafaye asserted, there was no guarantee that a municipally-owned electric light and power system would reduce cost and improve service. The financial obligations and risks were too high and the political and social benefits too remote to justify an experiment in municipal ownership. The council, Lafaye concluded, should consider municipalization only as a last resort.⁵⁵

The regulation of the utilities industry by an independent public commission or by the city council, Commissioner Lafaye suggested, had few financial obligations and the political and social benefits were more immediate. The modern, public regulation of the utilities industry would grant the public an unprecedented degree of authority and control over rates and fares, the quality and extent of service, and the public and private concerns of NORLC. The result would be a perceptible reduction in costs and a visible improvement in services. There were, to be sure, some important reservations about the character and effectiveness of public regulation; that it would legitimate the fraudulent capitalization of the utility companies, permitting the companies to determine the content of public utility policy, and that it would "politicalize" essential city services, holding those

⁵⁵Ibid.

services hostage to the interests of politicians and other special interests. Lafaye did not discount these hazards, for they were real political concerns for many people and were, in part, responsible for the failure of the administration's municipal regulation bill in 1912. He did believe, apparently, that those dangers could be avoided or modified by selecting the type or form of public regulation that conformed to the political needs of the city. He was not able to make that recommendation, however, explaining that even experts were divided on the issue and that it required additional study and deliberation by the council. In the meantime, he would seek a reduction in the rates charged for electric service, predicated the renewal of NORLC's lighting contract with the city on an agreeable and substantial reduction in rates for all domestic and commercial users.²⁶

There were, of course, both risks and benefits attached to Lafaye's report and analysis. The young and able Commissioner of Public Property dismissed the municipal ownership of electric service (and by implication gas and transit) without adequate study or deliberation. Apparently, he did not regard the successes of municipal ownership in Detroit and Cleveland as sufficient evidence that it was a practical and reasonable alternative to private ownership of the utilities industry. For some unexplained reason, Lafaye ig-

²⁶Ibid.

nored the varied and notable achievements of the Sewerage and Water Board and the Public Belt Railroad, both owned and operated by the City of New Orleans and two of the principal accomplishments of the Behrman administration. The Sewerage and Water Board (S&WB) cost \$20,000,000 to complete, operated on a budget comparable to NORLC, employed hundreds of men (NORLC employed close to 4,000 people), and managed to maintain and expand the system on rates that Martin Behrman and the council reduced several times. Operating under different circumstances and on a much smaller scale, the Public Belt Railroad, too, was an example of the benefits of municipal ownership and of the competency of the Behrman administration. It too cost several millions of dollars to complete, and it also provided cheap, efficient service to the port and to the railroad lines serving the city.

The Behrman administration was aware, then, of the practical and social benefits of municipalization, but it was more concerned with the political risks and dangers associated with the municipalization. Despite all its virtues and successes, the movement toward the municipal ownership and management of public services proved highly divisive. The city administration fought openly and constantly with the so-called custodians of the municipally owned utilities, the Board of Liquidation City Debt and the Public Belt Railroad Commission. Though ostensibly committed to the public ownership and management of public utilities, these boards

successfully resisted the administration's efforts to bring the S&WB and the PBRR under more direct public control. Several of the bankers who served on the BLCD also served on the board of directors for NORLC, and were opposed to any effort to municipalize the public utilities industry in New Orleans.⁵⁷ These men and their compatriots in the business exchanges (who controlled the PBRRRC) and in the newspapers accused the city administration of attempting to "politicize" the utility companies and organized efforts to disparage the ability of the Behrman administration to manage gas, electric and transit service. These forces were also extremely influential with the state legislature and the governor, and they would work tirelessly and endlessly to prevent the municipalization of NORLC. The proponents of municipalization, on the other hand, were not as influential and they too were, for the most part, uncomfortable with the prospect of the Behrman administration managing and operating the public services of New Orleans.

The Behrman administration believed, apparently, that municipalization of the public service industry in New Orleans was not politically feasible, and instead it advocated

⁵⁷New Orleans Daily Picayune February 9, 1912; New Orleans Times-Picayune, December 13, 1914; New Orleans Item, December 13, 1914. The bankers who sat on both boards were John Gannon of the Hibernia National Bank and Trust Company, Robert M. Walmsley of the Canal and Louisiana Bank and Trust Company, Lynn H. Dinkins of the Interstate Trust and Bank Company, and Charles Godchaux of the Whitney Central Bank and Trust Company.

the municipal regulation of the public utility companies in New Orleans. There was, however, some uncertainty about the the character and effectiveness of municipal regulation. There was no guarantee that municipal regulation would invest the commission council or an independent public service commission with the requisite authority to compel the public utility companies to provide quality service at reasonable prices. There was the fear that the utility companies would dominate, if not "capture," the regulatory process, turning regulation to their own advantage. There was, as well, considerable apprehension among the opponents and the friends (in their case, misapprehension) of municipalization about the character and tenor of municipal regulation under the Behrman administration. Their common concern was that municipal regulation would grant the city administration plenary power over the financial arrangements and internal management of NORLC, politicizing both vital public services and the workers of NORLC.

The Behrman administration was aware of the concerns and misapprehensions concerning municipal regulation, and it was intent on using the electric rate controversy to dispel those concerns and misapprehensions. The rate controversy went well beyond the issue of adjusting the rates to suit the interests of local merchants and manufacturers and extended to the issue of public regulation. The controversy showed the need for reforming the laws and practices of

utility "regulation," and it gave the Behrman administration the opportunity and latitude to display its competency and to create a coalition in support of municipal regulation. Regretably, it took nearly two years for the city administration to resolve the rate dispute, and it was never able to convince critics of the benefits of municipal regulation or of its own competency and sincerity.

Four months after his initial and preliminary report on electric rates in New Orleans, CPP Lafaye issued another tentative "report," recounting the administration's initial findings and explaining its position on municipal ownership and municipal regulation. The administration dismissed municipal ownership as impractical and it remained committed to the idea of municipal regulation, despite its failure to convince the State General Assembly to enact a municipal regulation bill at the recent regular session of the legislature. Commissioner Lafaye emphasized that the council's primary interest remained the reduction of electric rates for the commercial and domestic consumer. Apparently, Lafaye remarked, NORLC had no intention of discussing a rate reduction with the city administration. The city administration, then, would force the matter by issuing an "ultimatum" (the summer of 1914 was rife with ultimatums) to NORLC, demanding that the company reduce its rates in compliance with a schedule devised by the city administration. At present, Lafaye wrote in his ultimatum, NORLC charged domestic customers

fourteen cents per kilowat hour (kwh) during the "primary" or initial hour of use, then seven cents per kwh after the first hour of use. Commissioner Lafaye directed NORLC to reduce its rates over the next three years. Beginning with the first of September, 1914, NORLC would charge domestic users twelve cents per kwh during the primary hour and six cents during additional hours. In September, 1915, the rates would become eleven cents and six cents; in 1916, ten cents and five cents.⁵⁰

Lafaye's report did not attain universal acceptance. The New Orleans Item complained that the scope of the investigation was too narrow, confining the city's interests only to domestic users and ignoring the blatant discrimination in rates between commerical and domestic use. The Item was also dissatisfied with the rates proposed by Lafaye. The revised rates were generous to a fault, allowing NORLC to extract immense profits from the city without requiring the company to improve and extend services. The Item, however, appreciated the complexity of the problem that the Behrman administration faced. The city did not have the authority to force compliance of the obligations of franchise and it did not have the financial resources or legal authority to purchase the company. It would take at least two years for the city to acquire the resources and the power to buy NORLC

⁵⁰New Orleans Item, July 23, 1914; New Orleans Times-Picayne, July 24, 1914.

(the legislature would have to grant the city the authority to purchase and operate the public utilities and it met once every two years) and it would require several more years to make the municipally owned utilities a "going concern". (The Item did not favor purchasing NORLC if it meant placing public services under the Behrman administration and it was adamant in its opposition to municipal regulation under the incumbent administration.) The city could not afford to compete with NORLC, either. The public utility industry, the Item declared, was no longer a competitive industry, but had become a "natural monopoly," immune to the laws of the marketplace. The city administration, the Item suggested, did not have the means, the resources, or the support to compel the utility industry to reduce rates, encourage use, or extend and improve services.⁵⁹

Two citizens associations, however, believed that the city administration possessed the means, the resources, and the public support to provide the city with efficient and and inexpensive public service and they were not dissuaded by fears of politicized public services. The Municipal Improvement League (MIL) recommended that the commission council sever all relations with NORLC and that the council move toward the municipalization of public services in New Or-

⁵⁹New Orleans Item, July 24, 26, November 10, 18, December 2, 3, 7, 11, 1914. The Item was an inveterate opponent of the Behrman administration, and wanted to portray the administration as inept and disreputable.

leans. Until municipalization became a "going concern," the MIL suggested that the council construct a municipal power plant to furnish cheap electric light and power to the former customers of NORLC. The New Orleans Public Ownership League (NOPOL) was more specific and realistic in its recommendations to the city government. The NOPOL recommended that the council model its plan for the municipalization of gas, electric, and transit services on the S&WB. The council could fund municipal ownership by issuing special municipalization bonds underwritten by gas, electric, and transit revenues and by a special dedication from the city's alimony. A special, independent board, much like the S&WB, would manage and operate public services in the city. The NOPOL recognized that its plan would take several years to complete and that the council would have to develop another means of lighting the public streets and buildings. The NOPOL recommended that the council offer a short-term contract to any legitimate interest to light public property until municipalization was complete.⁶⁰

The management of NORLC agreed to consider the rates and schedule proposed by Commissioner Lafaye, but it could not, it replied, consent to his demands within the deadline set by his ultimatum. In truth, NORLC had no intention of complying with the councilman's demands. In its estimation,

⁶⁰New Orleans Item, July 25, 1914; New Orleans Times-Picayune, July 24, 25, 1914.

neither the Commissioner of Public Property nor the commission council itself possessed the authority to determine the cost and quality of electric service for private domestic (or commercial) use, and it rejected the council's demands and refused to discuss the issue with the council.⁶¹ The commission council, however, had no intention of allowing the company to dictate the terms and conditions of service. The council authorized Commissioner Lafaye to broaden and intensify his investigation and to reconsider the feasibility and practicality of municipalization. Commissioner Lafaye, Mayor Behrman, and a select committee of local civic and business leaders met for nearly one year, interviewing utility experts (among them Samuel Insull), private citizens, and local civic associations and deliberating on the volumes of testimony and recommendations. The committee even heard the recommendations from NORLC, which twice offered to "lower" rates to levels approximating those offered by Commissioner Lafaye earlier in the year. The committee reviewed the offers suggested by NORLC, but remained skeptical about the sincerity and effect of those offers. The committee remarked that it would be more impressed by evidence documenting the claims of NORLC than by criticisms that lower rates were unfair to investment and would not promote the expansion and improvement of services.⁶²

⁶¹New Orleans Item, July 25, August 4, 1914.

⁶²New Orleans Item, August 4, November 22-25, 1914.

The select committee ended its investigation and deliberations early in June, 1915, but waited until July to make its findings and recommendations public. The committee permitted NORLC to preview its findings and recommendations, offering the company the opportunity to accept the findings of the committee or to submit "facts and figures" that might persuade the committee to revise its recommendations. NORLC countered not with "facts and figures" but with offers to lower its rates. The committee rejected the counteroffers as "absurd," revealing that NORLC's proposed rates would result in an increase in the monthly bills of most customers. Satisfied that it had afforded NORLC every consideration, the Lafaye committee released its findings and issued another, though more considered, ultimatum.⁶³

In some ways the report was incomplete and disappointing, making virtually no reference to the dilapidated physical and financial conditions of NORLC. (Apparently, the council believed that such a study was beyond the competence of the committee, for the council commissioned utility expert Frederick W. Ballard to conduct such a survey early in 1915.) The electric and gas plants were antiquated and obsolete, designed to service a limited number of customers and incapable of meeting the increasing demands more efficient and effective electric and gas service. The limited capacity

⁶³New Orleans Item, July 13, 14, 27, 1915; New Orleans, Times-Picayune, July 14, 28, 1915.

of the electric and gas plants and the insatiable demand for dividends allowed the owners and management of NORLC to exploit the needs of its relatively few customers, effectively denying service to residents of moderate and low incomes and retarding the further development of New Orleans. The company lacked the resolve and the resources to modernize its physical plant; the expanding demand for service and new technologies that made wider service possible were unwelcome developments that threatened the profit of NORLC.⁶⁴

In another sense, however, the Lafaye report was a blistering indictment of the practices of NORLC. The committee concluded (to the surprise of no one) that electric light and power rates were "too high" and the quality of service was inadequate. The commission council, the committee reported, could no longer allow rates to be tied to the demands of investment; instead, rates must depend on the cost or "value" of service. Rates based on the cost of service would permit for the expansion of services and the improvement in the quality of life in New Orleans.⁶⁵ The council could not, however, assure the expansion of services without the cooperation of NORLC. The company, despite the enormous benefits and profits it had extracted from the city, showed virtually no consideration for the citizens of

⁶⁴New Orleans Item, July 14, 15, 25, 27, August 20, September 12, 13, 1915; New Orleans Times-Picayune, July 14, 1915.

⁶⁵New Orleans Item, July 13, 14, 27, 28, 30, August 20, 1915; New Orleans Times-Picayune, July 14, 31, 1915.

New Orleans. It flaunted its disregard for the people of New Orleans and ignored the legitimate authority of the commission council. Despite the discourtesies NORLC showed to the council and the committee, the select committee accorded the company every opportunity to influence its recommendations. Instead, NORLC responded with accusations disparaging the intentions and character of the committee and its investigation. The findings and recommendations of the committee, the report stated, though not without provocation, were offered without malice or prejudice.⁶⁶

Those recommendations may have been made without malice or bias, but they were more damaging to NORLC than the recommendations made by Lafaye in July of 1914. The Lafaye committee recommended, of course, that the council not renew the city's lighting contract with NORLC unless the company agreed to reduce the rates it charged the city for lighting public streets and buildings and unless the company reduced the rates for domestic service. The committee also recommended that the council extend the same conditions to commercial customers of NORLC and Consumers' Electric Company, though it did not recommend that the council end the discrimination between commercial and domestic rates. The select committee recommended that the council set domestic rates at twelve cents per kwh for primary use and six cent

⁶⁶New Orleans Item, July 13, 14, 1915; New Orleans Times-Picayune, July 14, 1915.

per kwh for secondary use for 1915-1916, gradually reducing rates to seven cents and four cents by 1917-1918. The committee urged the council to end all discussions with NORLC, giving the company only two weeks to comply with its recommendations. If NORLC failed to comply with every provision of the report, the committee recommended that the council arrange for alternate sources of electric power, either by constructing its own plant or by granting a short-term franchise, and that it begin preparations for the municipalization of NORLC. The council adopted the report without dissension.⁶⁷

Criticism of the Lafaye report, however, was more extensive. The Item praised the committee for its efforts, but ridiculed its proposals for rates and service as regressive. The present system of primary and secondary service, the Item remarked, which the committee did not address, was nearly indecipherable and clearly unfair to domestic and small commercial customers. Though the committee correctly understood the connection between rates and consumption, the rates it proposed would not stimulate consumption or expand services. The rates recommended by the Lafaye committee, the Item argued, would not invite investment and would not induce NORLC to compromise with the council. The Item recommended that the council apply a "cost-of-service" formula

⁶⁷New Orleans Item, July 14-19, 1915; New Orleans Times-Picayune, July 14, 1915.

for determining rates of service. The plan added a specific rate of return--in this case, six percent--to the cost of service, permitting the company to lower cost and expand services while guaranteeing investors a fair profit."⁸

The president of the MIL, Dr. Valentine K. Irion, acknowledged that the Lafaye report was "an important document," but, he argued, the committee temporized on the issue of rates and failed to address several essential issues. The rates offered to NORLC under the Lafaye report were one hundred percent higher than the rates assessed by Cleveland's municipally owned electric light and power company. Cleveland did not have a primary and secondary system (such a plan, Irion said, had "no foundation in reason or common sense") and it did not discriminate between domestic and commercial use, and the city furnished cheap, efficient electric service. The committee concentrated too much, he said, on the rate issue, virtually ignoring the deficiencies in service and the willful disregard for the obligations of franchise. But, most important of all, the Lafaye committee ignored the need for a vigorous, independent, public service commission. Without the authority to fix rates, to set the standards of service, or control the financial and corporate arrangements of NORLC, the municipal government would never be able to determine the character and de-

⁸"New Orleans Item, July 16, 19, 23, 1915.

velopment of public services in New Orleans.⁶⁹

Daniel D. Curran, the president of NORLC, declined to comment on the content of the report until attorneys for the company and its board of directors had the opportunity to review the proposals and demands of the Lafaye committee. Curran, who had become president of NORLC in February, 1915, assured the committee that NORLC would comply with the recommendations of the committee, but only if they were consistent with the interests of the ownership and management of NORLC. For the next several days, the boards of directors for NORLC, ACC, and UGEC met with the chief executives of the Whitney Central and the Hibernia National banks to discuss the Lafaye report. The directors and the bankers promised to give the report thorough consideration. They were, they said, anxious to do the "right thing by all concerned," particularly to its investors and employees.⁷⁰

Near the end of July, three days before the deadline set by the Lafaye committee, Daniel Curran wrote to Commis-

⁶⁹New Orleans Item, July 16, 25, November 13, 1915.

⁷⁰New Orleans Item, July 13-16, 19, 21-24, 1915; New Orleans Times-Picayune, July 14, 16, 21-24, 1915. Curran was born in Ireland in 1855, coming to the United States a few years later. In 1893, after eleven years with several steam railroad companies, Curran became the Superintendent of the New Orleans and Northeastern Railroad. Curran's success in the business world (he lived on Audubon Place, an exclusive and private street in Uptown New Orleans) spilled over to the social world as well. Within a few years of his arrival in New Orleans, Curran joined the Boston and Pickwick clubs, the two most exclusive clubs in New Orleans. For biographical information on Curran, see, New Orleans Item, December 12-16, 1914, January 9, 1915.

sioner Lafaye informing him of the "unanimous" decision of the boards of directors. Curran wrote that the directors of NORLC, ACC, and UGEC were mindful that "the best interest of New Orleans and the best interest of the company are identical; that prosperity of one spells the prosperity of the other," but, he continued, "that which unjustly cripples or injures either has its reflex in a like loss and detriment to the other." Mindful of its obligations to its employees, its investors, and, ultimately, to its patrons, the management of NORLC had no other choice but to reject the schedule of rates proposed by the select committee. Those rates were unfair to "all concerned" and would never result in the expansion or improvement of services. However, Curran continued, the management of NORLC and the board of directors of parent companies recognized the need for a "material" reduction in rates that would satisfy the needs of the city and the demands of investment. Beginning with the first day of September, Curran announced, NORLC would inaugurate a new, flat rate schedule of nine cents per kwh for domestic customers and a primary and secondary scale of nine cents and six cents for commercial users.⁷¹

Commissioner Lafaye responded with another scalding arraignment of the management of NORLC. The Commissioner of Public Property labeled Curran's offer "unacceptable" in

⁷¹New Orleans Item, July 25, 26, 1915; New Orleans Times-Picayune, July 27, 1915.

every aspect. The "decrease" generously offered by NORLC would result in a twenty-five to thirty percent increase in the cost of electric service in New Orleans. Undoubtedly, that increase would not rehabilitate or expand the present electric plant, but would be returned to the investors (ACC and UGEC) as dividends. Curran's proposal, Lafaye declared, was an admission that present rates were too high, that the company could still prosper at reduced rates, and that a reduction in rates would not result in the loss of service. Lafaye suspected, then, that NORLC could expand service and return a substantial profit to investors on rates below those suggested by the citizens committee.⁷²

Curran's proposal admitted to more than just excessive electric light and power rates. It was, Commissioner Lafaye said, an admission of the company's disregard for the legal and political authority of the municipal government and of its indifference to progress and reform. From the start of the investigation, the council and the select committee exhausted themselves in studying every piece of available information, consulted noted authorities on utilities and utility regulation, and reviewed the latest and most progressive literature on regulation. The city and its citizens conducted this investigation with circumspection and at great expense to public and private resources. NORLC, on the

⁷²New Orleans Item, July 19, 26, 27, 1915; New Orleans Times-Picayune, July 27, 28, 1915.

other hand, offered no data or expert commentary, resorting only to assertions that the city government is "unfair to capital" and incompetent to manage public services.⁷³

The city government, Lafaye insisted, possessed the legal and political power to determine rates and it was competent to operate or regulate public services. The municipal government, however, had to seek additional authority and powers to revise the methods of regulation and to diminish or remove the authority of NORLC over the public services of New Orleans.⁷⁴ Lafaye recommended two plausible alternatives. The council could obtain the constitutional authority to build and operate a municipal electric light and power plant (Lafaye still believed that the municipalization of the entire public service system was beyond the financial capabilities of the city), funding construction and maintenance of the plant through taxation and revenues and managing the system through an independent board. If municipalization was not practical, then, Lafaye suggested that the council grant a short-term franchise drawn to meet the council's specifications. Those specifications should include the authority to determine rates on the basis of the cost of service, the right of purchase at "fair value," and the right of council members to sit as voting members of the

⁷³Ibid.

⁷⁴Ibid.

company's board of directors.⁷⁵

Lafaye's remarks and recommendations frightened the owners of NORLC and the newspapermen of New Orleans, particularly Norman Walker of the Times-Picayune and Item,^s James McIlhaney Thomson. Within a few days of Lafaye's pronouncements, James S. Pevear, a senior executive with UGEC and a former president of NORLC, arrived in New Orleans and held a series of lengthy discussions with Curran and the board of directors for NORLC and ACC. Pevear and two local bank executives, John D. O'Keefe of the Whitney Central Bank and Trust and Rudolph S. Hecht of the Hibernia National Bank, were concerned about the municipalization movement in New Orleans. They understood that municipalization had the qualified support of Mayor Behrman and at least two other councilmen. They counseled Curran and his board of directors to accept the contours of Lafaye's plan before the council formally committed itself to municipalizing the electric system. Norman Walker opposed municipalization because he believed that the city could ill-afford a costly and unsuccessful experiment in the municipalization of public services. James Thomson of the Item, on the other hand, had become an advocate of municipalization, but he remained an unreconstructed opponent of the Behrman administration. James Thomson was not concerned that the municipalization of pub-

⁷⁵New Orleans Item, July 22, 27, 28, 30, August 20, 1915; New Orleans Times-Picayune, July 27, 28, 31, 1915.

lic services under Mayor Behrman and the Regular Democrats would fail, but rather that it would succeed, strengthening the political standing and credibility of "ring rule". He, too, urged Curran and the other members of the board of directors to accept the conditions proposed by Lafaye in July, eliminating the possibility of a "politicized" electric light and power system.⁷⁶

Despite the entreaties of the business community and the editorial support for compliance, Daniel Curran and the board of directors for NORLC refused to accept the conditions of the Lafaye report. Instead, Curran and the board instructed the management of NORLC to conduct an "analytical study" of the effects of Lafaye's proposals on NORLC. The study, completed in less than a week, confirmed the initial impressions of management that the recommended schedule of rates was "utterly impractical" and, in fact, harmful to the company and to the city. The study "proved" that the rates proposed by the select committee would reduce revenues by nearly \$500,000, leaving a balance, after taxes, depreciation and replacement of equipment, and improvements, of only \$170,900, a rate of return of less than three percent. The report insisted that NORLC could not survive under such terms, and it recommended rejecting the rates offered by the select committee.⁷⁷

⁷⁶Ibid.

⁷⁷New Orleans Item, August 10, 11, 13, 25, 1915; New Orleans Times-picayune, August 10, 12, 1915.

The study asserted that the company could operate effectively and still meet its financial obligations with slightly lower rates, provided there was a corresponding reduction in taxes and other financial obligations required under the franchise. The report proposed that the city renew its contract with the company for ten years at rates of seven and four cents per kwh. It also suggested that domestic and commercial customers pay nine cents and six cents per kwh for the next sixteen months, when NORLC would reduce its rates to eight cents and five cents for primary and secondary service. President Curran, in a letter to the commission council, insisted that the rate schedule proposed by the company study was "substantially lower than that existing in most (other) cities," and that it was "an unusually low rate for the city of New Orleans, in view of the low per capita and customer consumption, and the great area which the distribution system covers, by reason of New Orleans having such large corporate limits." Curran insisted that the company could not manage its affairs or meet its obligations under lower rates, and, he predicted, he could not foresee the time when rates could be any lower, for the factors that determined the rate of service were "too numerous and separately too uncertain" for a prudent businessman or a conscientious public official to anticipate or manage.⁷⁸

⁷⁸New Orleans Item, August 10, 11, 13, 25, 1915; New Orleans Times-Picayune, August 10, 12, 1915.

Edward E. Lafaye, however, believed that NORLC could manage its business affairs with lower rates and that prudent and competent men could plan and manage the course of public policy. The Commissioner of Public Property dismissed the NORLC proposal as self-serving and unacceptable. Lafaye announced that the commission council had anticipated the response of NORLC and had already begun preparations for municipalizing NORLC and for securing interim sources of electric power.⁷⁹

The newspapers and the business establishment pressured Curran and the other managers of NORLC to settle with the city. Without public support for its initial proposal, NORLC agreed to "compromise" with the Behrman administration. The company agreed to submit to the administration's demands for "unlimited and unrestricted" access to the company books, which city officials believed was an acknowledgment of the city's authority to regulate rates and service. NORLC also agreed to replace the outdated public street lighting system, which the city agreed to purchase after ten years of service at a cost of \$350,000. NORLC proposed that domestic customers pay either a flat rate or a sliding rate scale based on the cost of service plus a "fair rate of return". Commerical users would pay six cents and three cents for

⁷⁹New Orleans Item, August 11, 1915; New Orleans Times-Picayune, August 12, 14, 1915. The council commissioned Frederick Ballard to determine the cost of municipalization.

primary and secondary service, but would not, like residential customers, pay a twenty-five cent charge each month for the privilege of service.⁸⁰

Commissioner Lafaye endorsed the concepts behind the latest proposal, calling them a "radical change" from other proposals offered by NORLC. Mayor Behrman and the council agreed, and instructed Lafaye and his staff of utility experts to review the proposals and to formulate the council's response. Lafaye and his experts recommended that the council accept the proposals of NORLC on a tentative basis until the administration and NORLC arrived at a permanent agreement. Under the tentative arrangement, NORLC would charge domestic users seven cents for the first twenty kwh of service every month, six cents for 21 to 50 kwh, five cents for 51-200 kwh, and four cents for all service over 200 kwh. Commissioner Lafaye recommended the same formula for large and small commercial customers. The formulas and rates proposed by the municipal government would, Lafaye contended, lower cost for every customer and relieve residential and small commercial users of the major portion of the cost of service. Lower rates, he promised, would enable NORLC to expand and improve service, and he urged the company to accede

⁸⁰New Orleans Item, August 26-28, September 8, 13, 26, 29, 1915; New Orleans Times-Picayune, August 28, 1915. The city would pay only three-and-one-half cents per kwh.

to the panel's recommendations.⁸¹

One peculiar item, though, bothered the panel of experts. NORLC recommended eliminating the minimum service charge (fifty cents per month) in favor of a service charge of twenty-five cents a month. The panel feared that the service charge would violate state law against overcharging. It recommended, then, that the council include both fees in the ordinance, requiring NORLC to test the legitimacy of its request in the courts. The council consented to all other recommendations of the panel as well, and passed the Lafayette lighting ordinance in December, 1915.⁸²

The outcome of the electric rate controversy left the city and the Behrman administration in a confident and euphoric mood (Behrman and his commission council were returned office without opposition and it was the last summer of peace in America). Journalist Ethel Hutson, writing in the National Municipal Review, characterized the outcome of the electric rate issue as "a complete victory" for the city and the Behrman administration, producing things of "lasting importance". The Behrman administration had cut the excessive and regressive rates, making it possible for many more

⁸¹New Orleans Item, September 26, 29, 1915, October 25-27, 1915. NORLC agreed to the rates, believing that the guarantee of a service charge would offset lower rates.

⁸²New Orleans Item, December 14, 1915; New Orleans Times-Picayune, December 15, 1915; Ethel Hutson, "New Orleans Lighting Victory," National Municipal Review, V (January 1916), 105-07; Williams, "Martin Behrman: Mayor and Boss," 79. Act 297, Acts Passed by the General Assembly of the State of Louisiana at the Regular Session, 1910.

residents to enjoy and benefit from electric lighting and power. The administration acquired the ownership rights to the public lighting system, giving the city a vested interest in the expansion of service and in the safety and welfare of its residents. In addition to those impressive and permanent achievements, the Behrman administration accomplished two other things of major significance. The commission council showed that it appreciated the public needs and that it could act without regard or reference to partisan advantage. Its actions were at all times disciplined and prudent, displaying the competence to govern and restoring the public trust in government. The administration also displayed a mastery over NORLC, compelling the company to lower rates, expand and improve services, and submit to "regulation".⁸³

The two Lafaye ordinances were not, despite Hutson's journalistic hyperbole, complete victories for the city and they did not accomplish things of "lasting importance". In comparison to the rates charged in other cities, rates in New Orleans after the enactment of the Lafaye ordinances remained high. The demand for electric service increased steadily with the expansion of the size and population of New Orleans, but service remained insufficient. The commis-

⁸³Hutson, "New Orleans Electric Lighting Victory," 105-07. Though the voters returned Martin Behrman and his council to office in 1916, William Thompson did not seek reelection.

sion council's "mastery" over NORLC extended only to the issue of electric rates, and even there the council's ability to affect rates and service depended on factors 'too numerous and separately too uncertain' for prudent and conscientious public officials to anticipate or control. The Behrman administration, as Lafaye pointed out, recognized that the regulation of the public utilities industry could not depend solely on the good faith of NORLC. The municipal government needed the legal authority to regulate every aspect of the public service industry.

The commission council also realized that, despite its prudent behavior and undeniable success in resolving the electric light controversy, it did not enjoy the full confidence of several influential segments of the public. Municipalization of the public utilities would not generate confidence in the Behrman administration, but only fears and accusations of the "politicization" of vital city services (James McIlhaney Thomson was more concerned that municipal ownership would succeed, not fail). The logical and practical response to these needs and fears, of course, was the creation of a municipal public service commission. But, as we shall see, the same interests and fears that prevented the municipalization of NORLC emasculated municipal regulation. And, aided by the effects of the Great War, those same interests and fears demoralized and nearly bankrupted muni-

cipal reform in New Orleans."⁴

⁴Hutson, "New Orleans Lighting Victory," 105-07.

Chapter Five

War and Reform

The regulation of the public utilities industry, wrote the editor of the New Orleans Item near the end of the electric rate controversy, was a simple matter of business. After all, the newspaper wrote, no one of any civic or political consequence was disturbed that local businessmen and bankers had lost control of the public service companies and that ownership and management had passed to northern investment institutions and utility holding companies. Those issues were of no lasting importance to the "intelligent" and dispassionate citizens of New Orleans. All that the people of the city demanded was quality service at reasonable rates and fares and the guarantee that the company reinvest a "fair" portion of its earnings back in the city in the extension and modernization of services and the retirement of debt.¹

Ordinarily, the Item wrote, the independent and competitive structure of the American business system would assure the people of efficient and effective service at reasonable cost. But the public service corporations were not ordinary companies. The public utility companies that served New Orleans were, as in other American cities,

¹New Orleans Item, December 13, 16, 1914.

"natural monopolies," completely indispensable to the public and private lives of the people of New Orleans, unaffected by the restraints of the marketplace, and, for all intents and purposes, governed by public ordinance. There was, the Item remarked, no intrinsic danger to the social and political integrity of New Orleans from a corporate structure of interlocking directorates and giant holding companies. The only true danger to the integrity of New Orleans came from the "unnatural" and corrupt relationship between the utility companies and the municipal government. The only way to break that alliance was to remove the utility industry from municipal politics. The disinterested regulation of the public utility industry by an independent, nonpartisan commission would eliminate the financial and corporate abuses associated with a politicized public monopoly like NORLC.²

The regulation of the public service industry was not, as the New Orleans Item asserted, a simple matter of business, but a matter of an inherent political significance--and a matter of considerable political debate. The utility companies were to a large extent "public corporations". Municipal and state ordinance defined the right and manner by which these companies did business, and every aspect of

²Ibid. In its editorials, the Item blamed the Behrman administration, not NORLC, for the corrupt utility problem in New Orleans. For a different view, see McCormick, "The Discovery that Business Corrupts Politics," passim.

the industry affected the public interest. Regulation, then, served a public, as well as a private, interest. Regulation promised to maintain private control and management of the utilities industry while permitting greater public direction over the development and distribution of public services.³

"As in so many other aspects of American politics," writes Thomas K. McCraw, the foremost student of regulation in America, "the fundamental controversy underlying the history of regulation has been an ongoing need to work out the inevitable tradeoffs between the good of the whole society, on one hand, and the rights of the individual, on the other." In political terms, McCraw writes, "regulation is best understood as a political settlement, undertaken in an effort to keep peace within the polity." The politics of regulation, however, was anything but peaceful. The advocates of regulation were deeply divided over the best means of regulation. Many students of regulation favored state regulation, arguing, as did the Item, that the state government was better equipped to regulate the public service industry because it had greater authority and resources, was more disinterested, and was less political. An equal number of "utility experts" endorsed municipal regulation, claiming

³Thomas K. McCraw, The Profits of Regulation Charles Francis Adams, Louis D. Brandeis, James M. Landis, Alfred E. Kahn, (Cambridge, 1984), 301-02; McCraw, "Regulation in America: A Review Article," Business History Review, 49 (Summer 1975), 158-83; McCormick, "The Discovery that Business Corrupts Politics," 271.

that municipal regulation was more direct and democratic than state regulation.⁴

Proponents of state regulation acknowledged that cities had a perfect right and obligation to regulate those utilities that were wholly local. Few public utilities, however, these experts argued, were purely local. Public service was rarely confined to the corporate limits of the cities and generally extended into other governmental jurisdictions. The business and corporate realities of the utilities industry also extended beyond the authority and ability of the municipal government to manage effectively. Municipal regulation would impose a financial hardship on the city government, as well. Many cities, like New Orleans, were already overwhelmed by debt and could not afford the money to employ the battery of attorneys, accountants, utility experts, and support staff necessary for a permanent, effective, and incorruptible public service commission.⁵

The municipal regulation of public utilities, critics alleged, would, as well, threaten the stability of the pub-

⁴McCraw, Prophets of Regulation, 302; McCormick, "The Discovery that Business Corrupts Politics," 258-59; Delos F. Wilcox, "Supplement to the National Municipal Review: A Correct Public Policy Toward the Street Railway Problem," NMR, 9 (April 1920), 253; Nord, "The Experts versus the Experts," 221.

⁵John Morton Eshleman, "State vs. Municipal Regulations of Public Utilities," NMR, 2 (January 1913), 15-16; Wilcox, "Municipal Home Rule and Public Utility Franchises," NMR, 3 (January 1914), 13-16; J. Allen Smith, "Municipal vs. State Control of Public Utilities," ibid., 42-43; Nord, "The Experts versus the Experts," 228-29.

lic utility companies and compromise the integrity of the municipal reform movement. Municipal regulation, opponents asserted, was inherently corrupt and politically dangerous. Political considerations and public sentiments too often controlled the policies and actions of the municipal governments, making it more politically expedient to lower rates than to protect and encourage investment. Municipal regulation, then, would compel investors and management to exert every available force, including bribery and crude political manipulation, to protect their interests and goals.⁶

Beyond those rudimentary fears, proponents of state regulation argued, the investors and management of public utility companies saw municipal regulation as the prelude to municipal ownership and the unjust confiscation of private property. Regulation, these experts contended, was simply an imperative of technology and a response to the innovations of business and finance. It was never intended, they said, as a means of advancing reforms aimed at redistributing the social and political wealth and power of the community. And, critics said, municipal regulation would actually undermine democratic reform in the cities. It concentrated an unjustified expression of power in the hands of public officials incapable of properly regulating the interests of investors,

⁶Smith, "Municipal vs. State Control of Public Utilities," 34-35; Nord, "The Experts versus the Experts," 221-23, 228-29.

management, and citizens.⁷

State regulation of the public utilities industry, on the other hand, had none of the liabilities of municipal regulation. State jurisdiction and authority extended beyond the city limits, preventing the public utility companies from escaping "meaningful" regulation because they did business in more than one county or parish. The state government, admittedly, had more financial and administrative resources at its disposal than the municipal governments, and state regulation would relieve the cities of the tremendous financial obligation of regulation. Moreover, state regulation would remove the public service companies from municipal politics. Placing regulation in the hands of an independent, nonpolitical board of experts would preserve the stability and solvency of the utility companies and guarantee the integrity of the municipal reform movement.⁸

The advocates of municipal regulation acknowledged that the modern public service industry was no longer a simple enterprise controlled by local management and funded by local bankers and businessmen for the benefit and enrichment of the municipal community. Regional and national financial institutions, like American Cities Company and United Gas and Electric Corporation, now controlled and managed the municipal service companies for their own interest and pro-

⁷Ibid.

⁸Ibid.

fit. The influence and resources of these national utility corporations far exceeded those of any municipal government, making regulation more difficult, but all the more essential for the millions of urban and suburban residents.⁹

Despite the realities of the new corporate power and chronic disabilities of municipal government, the proponents of municipal regulation were unmoved by the arguments of state regulation. The structure and management of the public utility corporation had changed over the past ten to fifteen years, but, argued municipal regulation advocates, the services furnished by the utility company remained urban and local, and the company remained dependent on local ordinance and revenues for its existence and well-being. In the modern city, where utilities are "absolute necessities," touching on every facet of urban life, the people of the city must retain the authority to determine the character and quality of service and possess the right and authority to contract for service. If the people of the city were to retain that right and authority, regulatory authority should not be shifted to a "distant authority not politically responsible to the people of [the] city and not thoroughly acquainted, by residence in the city, with local conditions and needs."¹⁰

⁹Wilcox, "Municipal Home Rule and Public Utility Franchises," 13-16; Nord, "The Experts versus the Experts," 224-225.

¹⁰Wilcox, "Municipal Home Rule and Public Utility Franchises," 16-17.

It would be a mistake, as well, to assume that the municipal governments were incapable of sustaining effective regulation. Many cities, like New Orleans, possessed a powerful and highly developed city government with sufficient authority and resources to manage the public service industry and to direct it along "rational and progressive lines". In those cities with an active and progressive government and population, it was unlikely that the public service companies and their allies in banking and business would dictate public utility policy. Municipal regulation did not threaten the financial stability of the public service industry or the political integrity of the municipal reform movement. In fact, state regulation, critics claimed, seemed the greater threat to private interests and the public welfare. State regulation, its critics alleged, tended to ignore the interests of minority stockholders, the demands of labor, and the needs of consumers. State regulation, especially in the form of an independent, "nonpolitical" board, opponents asserted, was a move toward "unnecessary" centralization of authority, menacing the integrity of municipal government and the democratic process.¹¹

For the advocates of municipal regulation, then, the

¹¹Wilcox, "Municipal Home Rule and Public Utility Franchises," 13-16; Smith, "Municipal vs. State Control of Public Utilities," 42-43; Eshleman, "State vs. Municipal Regulation of Public Utilities," 15-19; Lewis R. Works, "State vs. Municipal Regulation of Public Utilities," NMR, 2 (January 1913), 24-30; Nord, "The Experts versus the Experts," 221-233.

regulation of public utilities was more than just a simple matter of "private" business or the bureaucratic response to advancements in technology and business administration. Nor was it a simple matter of removing the public service companies from the control of municipal governments. Rather, the proponents of municipal regulation tended to see regulation in political and sociological terms. (Few serious advocates of state regulation considered regulation in simple terms, devoid of social and political consequences. The local press and other popularizers of the regulation issue simplified, in some cases bastardized, the social and political complexity of regulation for popular consumption.) Local regulation, these advocates believed, was more representative of the social needs of the people, assured greater accountability from the public and private administration of the utilities industry, and furthered the aspirations of municipal home-rule government. It promoted the "active and intelligent" interest of the voters and it reaffirmed the relevancy and expediency of democratic ideals in the modern, corporate world.¹²

In New Orleans, however, politics was never academic or simple. Though the advocates of state regulation spoke in terms resonating the arguments of the experts, their principal concern was the political consequences of municipal regulation. They believed that state regulation, despite its

¹²Ibid.

apparent weaknesses and failings in other settings, was preferable to municipal regulation, no matter what its virtues, under the Behrman administration. They feared above all the "politicalization" of public services and the public utility company, which they saw as a menace to the interests of the "active and intelligent" citizens of New Orleans and to their idea of democratic municipal reform.

The Behrman administration, too, was concerned with the political consequences and implications of regulation. In its view, state regulation was wholly inadequate to the public service needs of the city and detrimental to its political independence. State regulation clearly favored the interests of NORLC, placing it beyond the reach of the elected municipal officials of New Orleans and isolating it from the concerns and needs of the ordinary citizen and customer. State regulation, especially under an appointed, "independent" commission, would allow "private" business and social interests--the BLCD, the Association of Commerce, the business exchanges, and, of course, NORLC--to determine the public utility policy of New Orleans, contrary to the mandate the voters gave Martin Behrman in 1912.

The Behrman administration was also aware of the severe limitations of its mandate. Despite years of political agitation against it, NORLC had managed to avoid any significant degree of regulation. The commission council still did not possess the authority to regulate the external and in-

ternal affairs of that "public" corporation. The council could not set fares and rates or determine the standards of service except through a series of binding (except, it seemed, on NORLC) and regressive franchise ordinances. More importantly, the city administration did not have the confidence of a large portion of the so-called commercial and civic elite. Indeed, as we have seen already in a number of public debates (the Favrot commission council charter, the Public Belt Railroad Commission, and the Sewerage and Water Board), the public and private elite of New Orleans, for a myriad of social and political reasons, opposed and impeded the municipal reform policies of the Behrman administration. That same public and private elite opposed any utility reform measure suggested by the Behrman administration, compromising the utility reform effort and delaying the regulation of NORLC. The Behrman administration, overly sensitive to criticism and facing another municipal election in the fall of 1916, agreed to an ill-advised compromise measure that divided and diluted regulatory authority and, in effect, allowed NORLC to escape regulation.

In May, 1911, the New Orleans Item, disturbed by the consolidation of the public utility companies under NORLC and ACC, called for the creation of a public service commission, independent of the municipal government and the Regular Democratic Organization, to regulate the public and pri-

vate affairs of the New Orleans Railway and Light Company and its subsidiaries. Apparently, nothing came of the Item's plea, and the issue remained dormant for nearly a year.¹³ By February, 1912, however, with utility service deteriorating and cost rising, the demand for greater public regulation of NORLC became more organized and influential. The Item reported that many members of the city council, the Behrman administration (the commission council charter did not take effect until December, 1912), the legislative delegation, and a number of civic and neighborhood associations favored the creation of municipal public service commission to regulate the utilities industry in New Orleans. And, the Item reported, most citizens approved granting the public utilities commission plenary power over the public service companies.¹⁴

While the Item saw the need for a public service commission with near plenary powers, it could not endorse any form of utility regulation that the Behrman administration and the RDO favored. The newspaper again called on the business community to recommend the creation of a state public service commission, independent of the city government and governed by an independent, nonpartisan panel of businessmen.¹⁵ The Progressive Union responded to the Item's, call

¹³New Orleans Item, May 9, 20, 1911, February 7, 1912.

¹⁴New Orleans Item, March 28, 1912, July 27, 1915.

¹⁵New Orleans Item, February 7, 13, 15, 28, 1912; Fairclough, "Public Utilities," 49.

and, after a tense and protracted debate over the relative merits of municipal ownership and public regulation, drafted a bill that satisfied the requirements laid down by the Item.¹⁶

The bill created an independent state public service commission, appointed by the governor and funded by the municipal government of New Orleans. The bill did not grant the commission the "precise and plenary" powers over NORLC called for by the Item. Rather, the bill more closely resembled the desires of the more conservative municipal affairs committee of the Progressive Union. The public service commission would have no authority over consolidations, valuation, or rate of return. It did have the authority to "set" rates and fares and to determine the "quality" of service.¹⁷

The draft attracted formidable opposition at the regular session of the General Assembly in the summer of 1912. Governor Luther E. Hall, who apparently misunderstood the content and intention of the bill, thought another "public service commission" unnecessary and costly. The state railroad commission already possessed the authority and the funding, Hall said, to regulate the public services of New Orleans. The creation of a separate and independent board would dilute the authority of the state government and drain its meager resources. Despite the glib assurances from the

¹⁶New Orleans Item, February 16, April 24, May 21, 1912; New Orleans Daily Picayune, February 15, 1912.

¹⁷Ibid.

Item and the municipal affairs committee that the so-called Provosty bill did not dilute state authority or sap the state treasury, the Hall administration remained opposed to the bill throughout the session.¹⁸

The Behrman administration and a majority of the city's legislative delegation also opposed the bill, but for more intelligent and substantive reasons than those given by Governor Hall. Senator Henry L. Favrot, chairman of the Senate Committee on City Affairs and author of a "minority" report on the Provosty bill, argued that the bill favored the interests of NORLC and its principal stockholders and that, in removing regulatory control from the civil authorities of New Orleans, the bill was clearly unconstitutional and undemocratic. An "independent" state commission of businessmen, nominated by other businessmen and serving without the approval of the people, Favrot suggested, would be more inclined to favor property rights over the rights of consumers and franchise rights over franchise obligations. In effect, state regulation would be sanctioning the interests of NORLC and ignoring the interests of the people.¹⁹

The bill, contrary to the arguments of its sponsors, Favrot contended, violated the state constitution and ignored the several precedents established by the courts. The

¹⁸New Orleans Item, May 21, July 18, 29, 31, August 2, 1912; Official Journal of the Proceedings of the Senate of the State of Louisiana, 1912 (Baton Rouge, 1912), 580.

¹⁹New Orleans Item, June 12, 14, 1912; New Orleans Daily Picayune, June 12, 1912.

city, he argued, possessed exclusive authority over the regulation of its public utilities and streets and it could not legally relinquish that authority to any private interest.²⁰ (The bill also violated provisions of the constitution providing for the election of all local officials who exercised the "police powers" of the state.²¹) But, more importantly, the bill was, Favrot said, "demonstrably undemocratic". It demeaned the moral intelligence of the people and their government and violated the principle of home rule.²²

Proponents of the Provosty bill lambasted the Favrot report, labeling it as partisan and reactionary. The Behrman administration was not interested, they asserted, in regulating NORLC or in promoting the public and social needs of the city. Municipal regulation under the Regular Democrats meant the complete politicization of public services and the continuation of excessive costs and abysmal service. The administration's call for an elected municipal public service commission, they charged, was not a call for democracy, but an attempt to block reform aimed at ending the abuses of a

²⁰See, for example, Canal and Claiborne Street Railroad Company v. Crescent City Railroad Company, 6 Southern Reporter 849 (1889); New Orleans and Carrollton Railroad Company v. Crescent City Railroad Company, 12 Federal Reporter 308 (1881); New Orleans City and Lake Railroad Company v. City of New Orleans, 11 Southern Reporter 77 (1892).

²¹Board of Public Utilities v. New Orleans Railway and Light Company, 82 Southern Reporter 281.

²²New Orleans Item, June 12, 14, 1912; New Orleans Daily Picayune, June 12, 1912.

politicized and corrupt utilities company and its allies in the municipal government.²³

With the civic and political leadership of the city divided, the legislature postponed consideration of the so-called provosty bill, returning it to the calender and, in effect, killing it. Undoubtedly, NORLC and its associates in the New Orleans banking establishment pressured the legislature to "kill" the Provosty bill. But they were opposed to any form of public utility regulation, especially municipal regulation, and no doubt would have fought against any municipal regulation bill that the Behrman administration had prepared. The Behrman administration, too, "pressured" the legislature into postponing consideration of the Provosty bill, but, unlike the management of NORLC and the Hibernia and Whitney banks, the city government was not opposed to public regulation. Mayor Behrman and many other Regular Democrats believed what they said about the Provosty bill, and they worked to defeat it. The bill was, to be sure, ill-prepared and violated several conspicuous and important provisions of the state constitution. It was, as well, a weak and insufficient piece of legislation, denying the public service commission the authority to regulate the

²³New Orleans Item, March 28, July 18, 29, 31, August 2, 1912; New Orleans Daily Picayune, July 18, 1912. The Behrman administration prepared a municipal regulation bill, but did not introduce it to the legislature. Apparently, the city administration preferred concentrating on enacting the Favrot commission charter.

more salient aspects of the public service industry, most notably, capitalization, valuation, and rate of return. Finally, the bill was sectarian, more concerned with "preventing" the city government and the RDO from "politicizing" NORLC than with the regulation of the public utilities. The bill was, then, as Favrot suggested, partisan and reactionary.²⁴

By the spring of 1914, at the height of the electric rate controversy, public sentiment began focusing on issues of monopoly and valuation and their relationship to the cost, quality, and development of public service. Still, as in 1912, the civic and social leadership of New Orleans, though more concerned with the intrinsic questions of regulation, was preoccupied with preventing the "politicization" of the public service industry. In April, the Municipal Improvement League, (MIL) a civic reform association dedicated to utility regulation and led by Dr. Valentine K. Irion, authored another state regulation bill that repeated the provisions and reasoning of the Provosty bill of 1912. The MIL bill created a separate, independent board, appointed by the governor and empowered to set rates and the standards of service. The bill would, if enacted, Irion promised, reduce the cost of service and eliminate the corrupt influence of NORLC over city politics. State regulation, Irion said,

²⁴Senate Journal, 1912, 580; Schott, "John M. Parker," 114-15, especially, footnote 46.

would place the issues of cost and service beyond the reach of NORLC and its allies in city government. It also would prevent the Behrman administration from manipulating public services and from "politicizing" the workers of NORLC.²⁵

The New Orleans Item agreed, but contended that a progressive public service commission must do more than merely preventing the Regular Democrats from manipulating the workers of NORLC for partisan and political reasons. The public service commission must have regulatory management over capitalization, valuation, and rate of return. That sort of control, the Item argued, would protect the legitimate interests of investors, consumers and employees, and the public. Capitalization that did not represent the "actual" value of the company cheapened the value of investment, cheating the legitimate investors of an honest return on their investments and placing illicit profit above public

²⁵New Orleans Item, January 30, April 14, May 5, 10, 21, June 24, 1914; New Orleans Times-Picayune, May 10, 12, 1914. According to Dr. Irion, the MIL formed sometime in 1913 because of the "crying need for [the] proper regulation of [the] public service corporations" in New Orleans. The men who formed the MIL were "professional men" and businessmen, who represented the "great and respectable middle classes, neither capitalists nor laborers". The goal of the MIL was the proper and just regulation of the utility companies. The MIL believed that regulation was "at heart" a political question, requiring it to become involved in local and state politics as a nonpartisan. Proceedings had at the special meeting of the Commission Council, City of New Orleans, August 17, 1918, Portfolio 1, Proceedings of the National War Labor Board, Troy H. Middleton Library, Louisiana State University, Baton Rouge, hereafter cited as "Special Meeting," PNWLB, LSU. I would like to thank Professor Paul Pas-koff for helping me secure the records of the NWLB.

service. Bloated capitalization also meant excessive rates and pitiful service. Utility revenues went to satisfy the demands of fictitious investment, denying the operating companies of the resources necessary to improve and develop services. Excessive capitalization, too, denied the city government the opportunity of controlling and directing the development of the city. As long as revenue and profit stood as a barrier to service and development, the Item remarked, New Orleans would remain a regressive and "politicized" city.²⁶

The Behrman administration agreed with the assessment of the Item, and it, too, called for the creation of public service commission with "plenary" authority over the public utility companies of New Orleans. The commission council, however, favored the creation of an "independent" municipal public service commission. The city administration proposed creating a five member commission consisting of the Mayor and the Commissioner of Public Utilities and three other members chosen by the mayor upon the recommendation of the business "exchanges". The three "laymen" would serve without pay and, presumably, without deference to the administration and NORLC. The bill, drafted by the City Attorney's Office, the Commissioner of Public Utilities, and the Commissioner of Public Property, authorized the municipal public service commission to regulate all public utility companies in the

²⁶New Orleans Item, May 10, 11, 1914.

city, in particular, the gas, electric, transit, telephone, and telegraph companies. The bill gave the municipal public service commission the power to regulate capitalization, valuation, and rate of return, permitting the city government to fix rates, extend and improve service, and determine the physical and social development of the city with due and just regard for the interests of investment, management, and consumers.²⁷

Commissioner of Public Utilities William Thompson defended the bill and the motivation of the Behrman administration before the legislature. The bill, he explained, did not threaten private property or "politicize" vital city services or the employees of the utility companies of New Orleans. Municipal regulation was, Thompson said, an intelligent and established policy, endorsed by utility experts, investors, and the business community. The bill simply gave the city the authority and the means of setting the quality, extent, development, and cost of service by allowing it a voice in determining the public value of service and the degree of profit. Valuation and rate of return were not the exclusive concern of the management and investors of the

²⁷New Orleans Item, April 29, June 9, 1914. Newspaper accounts are vague on specific provisions and powers of the municipal commission and there is no extant copy of the bill. It is reasonable to assume, perhaps, given the difficulty the city administration experienced with the PBRRC in 1913, that the Behrman government would want the "lay" members of the commission to serve at the discretion of commission council.

utility companies, for those issues clearly affected the public interests and determined the public welfare. Only the municipal government, Thompson said, could fairly judge those issues because the municipal government was the only authority representative of the public interests and welfare of the people of New Orleans. Immediate and direct accountability lessened the possibility that a municipal public service commission would "politicize" public services.²⁸

Despite Thompson's poised and considered assurances and the endorsement of the Association of Commerce, the Manion bill (Representative Martin H. Manion, a member of the RDO from Uptown New Orleans, sponsored the bill) did not reach the floor of the House of Representatives. Neither did the state regulation bill. Though committed to the regulation of the public utilities industry, the civic and political leadership of New Orleans was, quite obviously, divided and, despite their common concern, unwilling to compromise. Some time after the regular legislative session, in November, 1914, the Behrman administration asked Governor Hall and the Speaker of the House of Representatives, Lee E. Thomas, to

²⁸New Orleans Item, June 16, 1914; New Orleans Times-Picayune, June 16, 1914. The board of directors for the Association of Commerce reviewed and endorsed the municipal public service commission bill, stating that it was superior to the bill drafted by the MIL or urged by the Item. Several notable and influential men served on the board of directors for the Association of Commerce. They were Edgar Stern, Samuel W. Weiss, E. L. Gladney, Frank Dameron, Leon Simon, M. B. Kreeger, Albert Mackie, C. H. Willard, and Gender Abbott.

commission a joint executive-legislative commission to study state and municipal regulation and to make its findings and recommendations available for the regular legislative session in 1916.²⁹

The New Orleans Item cautioned the commission against recommending a partisan public service bill. The Item admitted that any commission regulating the public utility system in New Orleans must be familiar with the city's "unique" financial, social, and political conditions and it must be sympathetic to those conditions. A public service commission, the Item remarked, must also be representative of the "unique" financial, social, and political interests of the city. Those facts alone, the newspaper said, precluded any member of the commission council or the RDO from sitting on a municipal or state commission. The commission council and the voters of New Orleans were not, to be sure, representative of those "unique" interests and were, consequently, unsuited for determining the membership of the public service commission. Municipal regulation under the guidance of the Behrman administration or under the guise of democracy would, the Item concluded, upset the "delicate" political balance between the reformers and the machine politicians. State regulation under the guise of municipal

²⁹Official Journal of the Proceedings of the House of Representatives of the State of Louisiana, 1914, (Baton Rouge, 1914), 368, 389, 769; New Orleans Item, June 19, 24, July 2, November 24, 1914.

regulation, the Item believed, would maintain the "balance" of power between the Regular Democrats and the municipal reformers.³⁰

The Behrman administration, too, believed that a public service commission had to be representative of the "unique" political and social interests of New Orleans and had to maintain the proper balance between private and public interests. Neither the Provosty bill nor the original MIL bill granted the public service commission the authority sufficient to represent the interests of the city against NORLC and NOGLC and neither one balanced the representative political interests of the city. The Manion bill, on the other hand, proposed establishing a representative and balanced public service commission. The bill granted the commission the authority and resources to regulate NORLC and NOGLC and accorded the city administration, business (though not labor), and the public a voice in establishing public utility policy for the city. Opposition to the Manion bill and to the joint executive-legislative commission convinced the Behrman administration that compromise and balance were pointless. And it abandoned the idea for an independent mu-

³⁰New Orleans Item, November 24, 1914. The Item confessed that the incumbent commission council was representative of the "unique" social and political interests of the city. As members of any political body associated with Martin Behrman and the RDO, however, those "unbossed" councilmen were susceptible to unwarranted political pressures. Subsequent councils, as well, may not have the same social, professional, or political integrity as the present council.

municipal public service commission in favor of the regulation of public utilities by the commission council.

Early in 1916, Commissioner of Public Utilities William Bess Thompson began a series of private discussions and correspondences with City Attorney Moore on municipal regulation under the commission council. In response to Thompson's inquiries, Moore outlined the regulatory powers and limitations of the city government. In brief, Moore wrote, though the city could compel service and fix rates, it could only do so within the terms of its franchises with NORLC and under the reasonable limitations of its police powers. As the law and its practices stood at the moment, Moore said, the council did not have the exclusive power to set rates, fares, valuation, or capitalization. The experiences of the past several years and the impending consolidation of the underlying companies under NORLC, he wrote, only reemphasized the "necessity for a municipal [public] service commission" invested with the authority to regulate the public affairs of NORLC.³¹

After several more weeks of close study and direct consultation with Moore, CPU Thompson went before the full commission council with recommendations for creating a municipal public service commission. Thompson urged the council to

³¹Moore to Thompson, undated (probably between February 13-19, 1916), vol.7, CAO, CA, NOPL.

abandon the idea of an "independent" municipal public service commission. Instead, Thompson recommended creating a municipal service commission within the Department of Public Utilities, staffed by utility experts and administered by the Commissioner of Public Utilities under the direct supervision of the commission council. In essence, the city council would serve as the municipal public service commission for New Orleans.³²

Politics lay behind Thompson's recommendations--though not the sort imagined by the New Orleans Item and the other critics of the Behrman administration. The commission council charter of 1912, whether by design or through omission, did not specify the authority and responsibilities of the commission council or the Commissioner of Public Utilities over the public utilities of New Orleans. Thompson and the council wanted to assure that the elected officials of the municipal government had the authority and prestige to determine public utility policy. A municipal public service commission directed by the Commissioner of Public Utilities and controlled by the council guaranteed the municipal government the authority to determine public utility policy. "Independent" municipal utility commissions, composed exclusively of businessmen (like the PBRRC), often compromised the public authority of the commission council, subjecting

³²New Orleans Item, May 3, 23, June 7, 14, 1916; New Orleans Daily States, May 3, June 13, 1916.

public policy to the excessive demands of private business and political interests. "Independent" boards were, as well, indifferent and incompetent, serving on a part-time basis and usually without any technical knowledge of regulation or experience in public law, administration, or finance.

The Behrman administration, on the other hand (at least from Thompson's point of view), was more tolerant of the concerns of private interests and more competent and experienced in governing New Orleans than anyone in the business community. The Manion municipal public service bill was an indication of the administration's concern for balancing the interests of the business community with the public demands for an authoritative and competent regulation of public services. The bill acknowledged the role of private interests in formulating public policy by giving the large business associations a discernible, though modulated, voice on the public service commission. But the business and civic leadership of New Orleans, except the Association of Commerce, attacked the Manion bill as partisan and questioned the sincerity and competency of the Behrman administration. In Thompson's eyes, then, compromise with the so-called civic and commercial elite was impossible.

Compromise also seemed unnecessary. Despite the campaign against municipal regulation, the Behrman administration enjoyed the confidence of the majority of the voters of New

Orleans and "commanded" the alligiance of most of the city's state representatives and senators. Apparently, the administration convinced most citizens that municipal regulation was a reasonable, authoritative, and expedient means of regulation and that the commission council possessed the experience and competence to regulate NORLC. The commission council, then, endorsed Thompson's concept, instructing him to draft legislation authorizing the council to regulate the public utilities of New Orleans.³³

For the next several weeks, Thompson and City Attorney Moore pieced together a municipal public service bill. The draft gave the municipal public service commission the power to subpoena records, compel testimony from witnesses, hear and adjudicate consumer complaints, fix rates and schedules, force extensions of services, determine a fair valuation, assure a reasonable rate of return, and establish any policy or practice that promoted and protected the public welfare. The bill gave the Behrman administration "near" plenary authority over NORLC. The council readily approved the bill, introducing it to the legislature at the beginning of the regular session in the summer, 1916.³⁴

Sponsored by State Representative John Nix, the administration bill also attracted intense opposition from the anti-Regular reformers of New Orleans. As in the past, their

³³Ibid.

³⁴New Orleans Daily States, May 19, 1916; New Orleans Item, June 18-20, 1916.

opposition to municipal regulation stemmed from a fear of the "politicalization" of public services and the public service industry. Their arguments against municipal regulation strained common sense and exposed a pernicious and irrational side to anti-Regular municipal reform. Percy Saint, for example, an attorney and a member of the Louisiana State House of Representatives from Uptown New Orleans, labeled the Nix bill a fraud and naked power grab, permitting NORLC to escape regulation, yet enabling Behrman and the Regulars to extend and strengthen their grip on the "vital" public services of the city.³⁵

The Item agreed with Saint. It was obvious to all "unbossed" and "intelligent" citizens, the Item asserted, that the RDO and the Behrman administration were not serious about regulating the utility companies. In the past twelve years, the newspaper wrote, Mayor Behrman and the Regular Democrats had allowed NORLC to go virtually unchecked. The past three city administrations had permitted NORLC to consolidate its control over the producing companies, ignore its franchise obligations, and exact exorbitant profits from the city. Now, prated the Item, after years of controversy and agitation over NORLC, the Behrman Democrats suddenly demanded the plenary authority to "regulate" the utilities of New Orleans.³⁶

³⁵New Orleans Item, June 15, 21, 1916.

³⁶New Orleans Item, June 15, 1916.

The current commission council was competent and progressive, the Item admitted, but it was uncharacteristic of previous "ring" administrations and it was unlikely that the RDO would renominate the same sort of commission ticket for the fall elections. (If the Regulars renominated [without Behrman, of course] the same sort of ticket, then, the Item revealed, it would endorse the concept of a municipal public service commission, replete, of course, with the proper safeguards and restrictions.) Still, the newspaper reminded its readers, the "machine that stands behind [the commission council], and limits its usefulness to a large degree, is a hungry and ambitious institution more than likely to sacrifice reform for power and patronage."³⁷

Perhaps because of the abusive criticism leveled at the Nix bill, the House Committee on City Affairs (HCCA) held hearings on the bill a week ahead of the scheduled date. The only witness at the hearing, at least according to the press accounts, was CPU Thompson, the "author" of the bill. The HCAC's action, naturally, prompted charges of "railroading" from the critics of the bill. The HCCA ignored those allegations, giving the municipal service bill an unqualified favorable recommendation. On the floor of the House of Representatives, however, the Nix bill encountered resistance;

³⁷New Orleans Item, June 15, 1916. In a later editorial, the Item reversed its position on supporting municipal regulation, arguing that municipal regulation went against the "overwhelming preponderance of American experience in regulating public utilities." See Item, June 21, 1916.

this time from another, even more determined quarter, the New Orleans Railway and Light Company. In a letter addressed to Speaker of the House Hewitt Bouanchaud, attorneys for NORLC complained that the Behrman administration, for its own partisan purposes, used its immense political influence with the HCCA to stifle debate and to manipulate the passage of the Nix bill, and they urged the House of Representatives to recommit the bill for a full and more judicious hearing before HCCA.³⁰

Commissioner of Public Utilities Thompson disputed the attorneys' version of events. The city administration, he protested in a published statement, did not have to coerce the HCCA into giving the Nix bill a favorable recommendation. The bill had its own intrinsic value and had the support of several important civic and political organizations. A favorable recommendation for the Nix bill did not preempt further debate on the bill or preclude consideration of other public service bills. The attorneys and management of NORLC, Thompson said, could hardly feign ignorance or surprise over the contents of the Nix bill, or suggest that they were "uninvited" to public hearings, or question the integrity or motives of the Behrman administration. City

³⁰New Orleans Item, June 14, 15, 1916; New Orleans Daily States, June 13, 1916. In their letter, attorneys Bernard McCloskey, John Patrick Sullivan, and Charles F. Buck, Jr., implied that the Behrman administration wanted to "capitalize" on the recent controversy over public utilities to gain control over the 3,700 men and women who worked for NORLC and NOGLC.

Attorney Moore and he, Thompson explained, met with the attorneys for NORLC and ACC as the administration prepared the Nix bill. At the conference, Moore and Thompson explained each provision of the legislation, permitting the attorneys the chance to express their opinions and to raise objections. At no time during the conference or any time before the HCCA hearing (a period of seventeen days) did NORLC object to the content, tone, or purpose of the bill.³⁹

Daniel Dennis Curran, president of NORLC, disputed Thompson's claims. Curran claimed that the attorneys for NORLC attended the conference with Moore and Thompson only to learn the purposes and means behind the administration's public utility policy. The attorneys were not there to participate in drafting legislation, Curran said, and they had no authority to bind NORLC to any bill or policy, something the Behrman administration knew in advance of the meeting.⁴⁰

In addition, Curran went on to say, when the municipal officials introduced the Nix bill to the HCCA, the board of directors of NORLC informed the commission council that it was "emphatically and unanimously" opposed to the bill and to the policy of municipal regulation. In their letter to City Attorney Moore on June 9, the NORLC attorneys informed

³⁹New Orleans Item, June 14, 16, 21, 1916; New Orleans Daily States, June 14, 16, 21, 1916.

⁴⁰New Orleans Item, June 16, 1916; New Orleans Daily States, June 16, 1916.

the commission council that the board questioned the wisdom of municipal regulation. The financial communities in New Orleans and New York, the attorneys said, were fearful that municipal regulation would impair future financing and investment. Investors and managers were extremely skeptical about municipal regulation, particularly when the municipal public service commission was highly politicized. Such a piece of radical legislation would, unquestionably, disturb the financial stability of the company and have a corresponding effect on the political equilibrium of the city. Curran then reminded the Behrman administration that NORLC was willing--and had been since 1914, he said--to accept regulation by some state agency, preferably the State Railroad Commission. State regulation fit the national standards, he said, and was familiar and acceptable to management, investors, and consumers, and would not disturb the order and rhythm of the utilities industry or the business of municipal government.⁴¹

The Behrman administration favored municipal regulation precisely because it would disrupt the established order of the utilities industry and because it would, to some degree, realign political authority in New Orleans (regulation by an independent state board would curb some of the excesses of the utility industry, but would not "realign" political authority in the cities). The management of NORLC understood

⁴¹Ibid.

the implications of municipal regulation and did all it could to prevent its adoption. And it endorsed state regulation to avoid the financial and political costs of municipal regulation. In addition, Curran's indictment of the city administration and the HCCA was unwarranted and self-serving. The president and management of NORLC knew of the council's intention of drafting the Nix bill, but it made no public comment on its objection to municipal regulation. It participated in a formal conference with municipal officials and learned firsthand the content of the Nix bill, and still it made no public protest. Even after its board of directors went "on record" opposing the bill, NORLC chose not to contest the bill until after the HCCA had endorsed it. NORLC, then, had every reasonable opportunity to influence the course of the NIX bill, but chose to remain silent only later feigning injury.⁴²

The Behrman administration and the HCCA acted with unnecessary haste in considering the Nix bill before the scheduled time, but there was no effort to deceive the public or opponents about the content of the Nix bill or to "steamroll" the bill into law. The uninitiated public knew the general contents of the bill weeks before the HCCA deliberated on it and the commission council discussed the bill in public on separate occasions. As any reasonably in-

⁴²New Orleans Item, May 3, 23, June 7, 9, 14-16, 1916; New Orleans Daily States, June 7, 9, 14-16, 19, 20, 1916.

formed citizen knew, the recommendation of the HCCA did not prevent the House or the State Senate from considering other utility regulation bills or from amending the Nix bill. In fact, even after the House passed the Nix bill by an overwhelming majority, the General Assembly considered two separate bills authorizing the state regulation of the municipal utilities of New Orleans and finally consented to amending the original Nix bill.⁴³

In the Louisiana State Senate, NORLC and the other critics of municipal regulation lobbied against the Nix bill, proposing instead that the legislature place NORLC under the "supervision" of either the State Railroad Commission or an independent state public service commission. The spokesmen for NORLC (there were six of them who appeared against the Nix bill) told the Senate Committee on City Affairs (SCCA) that municipal regulation was a dangerous and radical doctrine that frightened investors and threatened private property. The Nix bill gave the Behrman administration a regime already biased against business, the authority to set arbitrary limits of capitalization, valuation, and rate of return, force the extension of services into undeveloped and unprofitable sections of New Orleans, and in general inter-

⁴³New Orleans Item, May 3, June 14-16, 1916; New Orleans Daily States, May 3, June 13, 19, 1916. Following the passage of the Nix bill, Representative Percy Saint introduced a bill creating a state-municipal public service commission for New Orleans. In the Senate, George Williams sponsored a bill drafted by attorneys of NORLC granting the State Railroad Commission authority over NORLC and NOGLC.

fere with the policies and management of a private corporation. The investors and management of NORLC, its spokesmen said, appreciated the business and political justification for regulation, but for obvious reasons they objected to regulation by a politicized municipal commission. State regulation, by contrast, was a "fixed doctrine" compatible with the political, economic, and constitutional tenets of the free enterprise system. The company would submit to state regulation, preferably under the State Railroad Commission, but it would accept regulation by an independent state public service commission.⁴⁴

Appearing for the city administration, Mayor Behrman and Commissioner of Public Utilities Thompson assured the SCCA that municipal regulation was no radical doctrine and no threat to private property or public services. Municipal regulation under the Nix bill, they said, would allow the citizens of New Orleans, through their elected representatives, to manage their own essential needs, chart their own development, without compromising or diluting their authority and integrity or threatening private investment. The bill did not contemplate governing the internal, private affairs of NORLC (valuation, rate of return, and rates and

⁴⁴New Orleans Item, June 15, 19-21, 1916; New Orleans Daily States, June 21, 1916. The men who represented NORLC were its principal executives and attorneys. They were Hugh McCloskey, chairman of the board of directors, Francis C. Homer, president of ACC, Bernard McCloskey, general counsel, and attorneys Henry Favrot, Charles Buck, Jr., and John Patrick Sullivan.

fares were, they argued, hardly private concerns), but did intend to compel service and establish rates and fares in line with the city's ability to pay. The bill gave the city administration no direct or indirect control over the employees of NORLC, and the administration had no intention of using its regulatory powers to manipulate customers and workers. The only threat posed by municipal regulation and the Nix bill, they said, was to NORLC's "monopoly" over the cost and development of public services in New Orleans. The SCCA agreed with Behrman and Thompson, recommending the Nix bill but with one dissenting vote.⁴⁵

The administration was confident that the Senate would approve the Nix bill, claiming that it had the votes to pass the measure on the first ballot. Instead, the Behrman administration, overly sensitive to the intemperate criticism of its political rivals and ever susceptible to the necessities of city politics, agreed to a series of amendments that divided and clouded the regulatory authority of the city.⁴⁶

The compromise, offered by two rural parish senators (but surely authored by the attorneys of NORLC and arranged by its business associates with the city banks and on the Board of Liquidation), called for the creation of an independent state board of public utilities, consisting of the Commissioner of Public Utilities and four other citizens of

⁴⁵New Orleans Item, June 21, 1916; New Orleans Daily States, June 21, 1916. The vote was 12 to 1.

⁴⁶New Orleans Item, June 25, 1916.

New Orleans chosen by the governor. The new Nix bill empowered the Board of Public Utilities (BPU) to enact "all just, reasonable, and adequate rules and regulation for the supervision and regulation" of NORLC and NOGLC. The BPU could determine "reasonable and just rates," adjusting those rates and fares in relation to the net earnings and dividends of the two companies. It could, as well, "encourage" the utility companies to reinvest profits back in the companies in the form of debt repayment, physical improvements and replacements, and business economies and efficiencies. The BPU could require the utility companies to extend their services into those areas of the city "sufficiently populous to insure a reasonable revenue" to the companies. Finally, for the purposes of setting the cost of service, the BPU could determine the "fair value" of all "facilities dedicated to the public use". The Behrman administration consented to the compromise amendments and the bill became law without much difficulty or delay.⁴⁷

The law was far from adequate. It ended the discredited practice of fixing rates and fares by individual contract and ordinance, though, in effect, it allowed the utility companies to continue fixing rates and fares. The act required the BPU to establish a "sliding" scale of rates and

⁴⁷Act 36, Acts Passed by the General Assembly of the State of Louisiana at the Regular Session, 1916; New Orleans Item, June 23, 1916; New Orleans Daily States, June 22, 23, 1916; New Orleans Times-Picayune, June 23, 1916.

fares based not on the "cost of service" but on the profits, dividends, and valuation of the companies. In adjusting the rates and fares for NORLC, the BPU also had to consider the earning capacity of the entire company, permitting the company to charge higher rates or fares for one service to offset lower earnings in another service. The law, however, did not give the BPU the authority to set the rate of return or to limit the earning capacity of the companies.

In determining the valuation of the two utility companies, the BPU had to follow a complex and controversial formula. In formulating the "fair value" of NORLC and NOGLC, the BPU had to consider the original cost of construction, the current market value of all bonds and stocks, the earning capacities of the underlying companies, the depreciation of equipment, the cost of reproduction, and "developmental and going concern value". Such an equation would add tens of millions of dollars to the valuation of the two companies (bloating its fixed financial obligations) and millions of dollars in revenues and profits. By contrast, the BPU could only "encourage" innovation and modernization, allowing obsolete equipment and debt to figure into the determination of value and rates. The BPU could not, unfortunately, even encourage the extension and development of public services. Under the revised Nix act, the BPU could not compel either NORLC or NOGLC to extend services to areas that did not have the population to guarantee a return on

investment. In essence, then, the compromise diluted the regulatory power of the municipal government, allowing the companies to determine the character and development of public services in the city.^{4a}

The amended Nix act further weakened the regulatory authority of the municipal government by dividing it between the commission council and the independent Board of Public Utilities. The BPU was, in theory, independent of the municipal government, but the Commissioner of Public Utilities served as the chairman of the board, the City Attorney was its legal counsel, and the city administration alone determined the budget for the board. The act clearly restated the council's "unassailable" authority over rates, franchises, and service. But just as clearly, the act invested the council and the BPU with the authority to "supervise and regulate" NORLC and NOGLC. There was, as well, considerable public speculation that the Nix act was unconstitutional, that it violated provisions of the state constitution and the municipal charter of New Orleans that required the election or selection by the commission council of any municipal official exercising the reserved powers of the

^{4a}Act 36, 1916. The act also gave the utility companies the "right to appeal to any Court of competent jurisdiction to test the legality, validity, constitutionality, or reasonableness of any order, decree, rule, regulation, or ordinance" of the commission council or the BPU. The companies did not have this right under the original Nix bill.

state or municipal governments. The Board of Public Utilities clearly fell into that category.⁴⁹

Why, then, did the Behrman administration abandon one of its major legislative and political initiatives without apparent reason or provocation? Critics of municipal regulation and the original Nix bill claimed that the Behrman administration submitted to the compromise out of political desperation. Public sentiment, they insisted, was suspicious of municipal regulation and of the Behrman administration. Municipal regulation concentrated too much power over property and service in the hands of the city's elected municipal officials. Elected municipal officials were hardly disinterested public administrators but rank politicians, susceptible to too many political pressures to effectively and dispassionately manage the public service needs of the city.⁵⁰

In New Orleans the political dangers of municipal regulation were compounded by the presence of a voracious political machine bent on controlling every feature of the public and private lives of the people. The "intelligent" and "sober" citizens of New Orleans recognized the Nix bill as a transparent "power grab," designed solely to further the

⁴⁹Moore to Edward J. Glenny, Commissioner of Public Utilities, February 28, August 3, 1917, August 8, 24, November 26, 1918, John F. C. Waldo to Moore, August 24, 1918, vol.8, CAO, CA, NOPL; New Orleans Item, December 5, 1918; New Orleans Daily States, December 5, 6, 1918.

⁵⁰New Orleans Daily States, June 22, 23, 1916; New Orleans Item, June 23, 1916.

political ambitions of the Regular Democratic Organization and the Behrman administration. These citizens exposed the corrupt features of municipal regulation under the Nix bill, eroding its legislative support and forcing the RDO and the administration to abandon their scheme and to submit to a compromise bill. The new Nix bill, the product of the best legal and business minds in the city, allowed the true representatives of the people--the civic and commercial leaders of New Orleans--to regulate NORLC and to check the ambitions of the Regulars and the Behrman government.⁵¹

Later, after the failure of the BPU to regulate NORLC, these same sober and intelligent citizens invented another explanation for the Nix compromise. According to this version, the Behrman administration conspired with NORLC and its allies in the business community to prevent the regulation of the public utilities industry in New Orleans. Apparently, the original Nix bill was nothing more than an elaborate ruse designed to prevent the passage of a more exacting state regulation bill. The Behrman administration had no intention of regulating NORLC and it offered the original Nix bill only to arouse the considerable opposition to municipal regulation, gulling critics into accepting amendments the administration knew were insufficient and unconstitutional.⁵²

⁵¹Ibid.

⁵²Ethel Hutson, "New Orleans' Experience," 79.

Neither of these two highly partisan and illogical accounts is, to say the least, an accurate explanation of the genesis of the Nix bill or of the reasons behind the compromise. The Behrman administration did not agree to the Nix compromise out of political desperation and it was not inclined toward a cynical and impolitic alliance with the management of NORLC. The Behrman administration was, as we have seen already, a sincere and consistent proponent of municipal regulation. In the years prior to 1912, the administration, using precedents set by previous administrations, regulated the public utility industry through the customary methods of franchise, taxation, and contract. Though the municipal government never abandoned those practices, consolidation and monopoly made them inadequate, placing the utility companies beyond the control of municipal authority. Modern regulation theory and practices promised to restore public control over essential services without compromising the tenets of private enterprise or incurring the large debt and tax obligations associated with municipal ownership. Municipal regulation, with its ties to home rule and centralized authority, appealed to an administration bent on determining both public services and municipal policy.

Political necessity, however, advised the Behrman administration to accomodate public utility policy to the legitimate interests of the business and reform elements of the city, sharing with those interests visible authority

over public service policy. The Manion bill of 1914 extended public control over the modern public service industry, according the municipal administration and the business and civic leaders an "equal" share of authority over public service. The civic leadership of the city, in particular the Item and the MIL, opposed the Manion bill, insisting that the Behrman administration merely wanted the jobs and power that flowed from municipal regulation. In 1914, without experience or success in the regulation of the public utility companies, the commission council did not believe that it could manage the regulation of public services without the active support of the business and civic leadership of New Orleans.

Over the next several years, however, the commission council learned that it could regulate some of the actions of the utility companies without the assistance of the organized and vocal business and reform elements. Between 1914 and 1916, the city council, acting as its own municipal public service commission, addressed several public service issues. Though the administration performed reasonably well in those areas, its inability to influence matters of capitalization, valuation, and rate of return stymied efforts to compel service and establish fair rates. In 1916, faced with growing demands for better, cheaper services and drawing on the lessons of the past five years, the administration drafted the Nix bill, giving the commission council exclu-

sive authority over NORLC. Dividing regulatory power as the civic reformers suggested only compromised the force of regulation and relinquished authority over public matters to private concerns.

Those private concerns, however, were part of the commonwealth of interests that energized the public life of New Orleans, and in the end proved too powerful for the Behrman administration to resist. The Behrman administration, then, did not seek compromise because it lacked conviction, but because compromise promised to do more than conviction. It promised to bring private and public concerns and interests into concert and to bring a measure of peace to the public life of the city. The revised Nix bill promised both service and regulatory reform, something not truly possible without the cooperation of NORLC, the civic reformers, and the commission council. The management of NORLC agreed to the compromise because it removed exclusive regulatory control from "municipal" authority and because it allowed the company to determine valuation, profit, and the extent of service. The anti-Regular reformers were satisfied with the revised bill because the BPU was, with one exception, independent of the city administration, allaying their fears of a powerful municipal government and, more to the point, giving them a formal and potent voice in determining public service policy. The Behrman administration accepted the compromise because it guaranteed service and because it

reformed public utility policy, expanding and strengthening the authority of the commission council over that policy.

The compromise, however, could not fulfill its promises and it collapsed under the weight of politics and the strain of war. The compromise did not allow the management of NORLC to determine the value, rate of profit, and character and pace of the development of the public service industry in New Orleans. The municipal population demanded additional services at prices nearly too low to support existing services, while the financial market, operating under the demands of a wartime economy, demanded higher returns on its investment. Fares and rates were already set by municipal franchise and ordinance, and municipal officials were reluctant to increase fares and rates without imposing more exacting restrictions on the utility companies. The Behrman administration, faced with the growing financial and political crisis in the utility industry, questioned the necessity of an independent public service commission, ignoring its recommendations and refusing to meet its financial requests. Several high-ranking municipal officials, particularly commissioners Lafaye and Glenny and City Attorney Moore, questioned the expediency and wisdom of the Nix act, viewing it as an impediment to the regulation of the utility companies of New Orleans. The act--and the political compromise that stood behind it--simply could not restore the financial and civic integrity of the utility industry in New Orleans

or invest the municipal government with the political authority to manage public services. But, if the act and compromise could not resolve the long-standing financial and political problems of municipal regulation, then, perhaps, America's entry into the Great War might provide the financial and political resources to end the stalemate and to suggest a democratic solution.⁵³

Old cities like New Orleans, wrote the editorialist for the New Orleans Item in the spring of 1918, tended to be politically and socially "self-centered, clanish, and, in a sense, provincial". Old families and old ideas had for years commanded the commercial and civic life of the city, retarding the financial and social development of New Orleans. In more recent years, however, under the leadership of Mayor Behrman and the new men of the commission council, there were indications that the city was discarding its old parochialism and was embracing the spirit of progress and reform. Prior to 1917, however, the municipal reform movement lacked a sense of urgency and common design. The war, more than any other event in the city's recent past, gave the municipal reform movement a sense of moral and practical necessity and purpose, quickening its pace and sharpening

⁵³Moore to Glenny February 28, August 3, 1917, August 8, November 26, 1918, Waldo to Moore, August 24, 1918, vol.8, CAO, CA, NOPL.

its focus.⁵⁴

The war that would make the world safe for democracy would also advance democratic, progressive reform at home. The war effort and the public good required that the municipal administration suppress social vice and promote social hygiene (see below Chapter Seven), sanction and secure woman suffrage (see below Chapter Seven), restructure relations with business and labor, and redesign the structure of municipal politics and government (see below Chapter Nine). Those issues, of course, predated the war, but the wartime emergency, the Item suggested, gave them a greater sense of poignancy. But the war not only rekindled the spirit of reform, it also tested the resiliency of the municipal reform movement. The war tested the public and private resources of the city, demanding of those resources more and better public services, better living and working conditions, higher wages, recognition of the rights of labor, incentives and subsidies for business, and a more direct and responsive involvement of the municipal government with the private and public lives of the people of New Orleans. The first test was not long in coming.⁵⁵

Early in 1918, the management of NORLC announced that the company was near bankruptcy. The financial and contractual conditions imposed on the company by the wartime emer-

⁵⁴New Orleans Item, March 11, April 25, 1918.

⁵⁵New Orleans Item, April 25, 1918.

gency and by a misguided form of regulation prevented the company from meeting its financial obligations or refinancing itself. Unless the company received the financial assistance of the federal government and an increase in rates and fares from the commission council of New Orleans, then it would either lapse into receivership, curtailing services and laying off personnel, or cease operations altogether, plunging New Orleans into an economic and social crisis.⁵⁶

There was no question that the wartime emergency contributed to the financial troubles of NORLC, worsening its condition and hastening the impending crisis in the company and in the national public utilities industry. Though designed to preserve private capital and to restrain inflation, the fiscal policies of the Wilson administration did just the opposite. Federal policy prompted heavy borrowing from the banking industry, exhausting the credit supply and driving up the costs of essential materials and services to unprecedented levels. The war was particularly hard on the public utilities industry, which survived and prospered on a constant flow of credit and a cheap, abundant supply of raw materials and labor. Though its gross revenues rose in 1917 by \$540,000, NORLC reported that its operating expenditures for the same year increased by \$604,000, a four per cent rise in one year. The enormous increase in the cost of fuel, labor, and finance nearly paralyzed the company, reducing

⁵⁶New Orleans Item, February 20-21, 1918.

its earning capacity and jeopardizing its standing in the financial market.⁵⁷

The war, however, was not solely responsible for the financial and political problems of NORLC or the public service industry. The immense problems of the public utilities industry--overcapitalization, absentee ownership, the fixed term franchise, and a perverse, seemingly corrupt, involvement in municipal politics--predated the war. In the early years of the twentieth century, investment bankers seized control of the public utilities industry. These bankers, anxious to promote and profit from the electrification and consolidation of the companies they controlled, overcapitalized the companies, turning stocks into bonds and dividends into "fixed" interest. Old debt and obsolete equipment was never retired or amortized, but simply recapitalized and allowed to "earn" dividends. Overcapitalization, however, did not benefit the public service industry. It actually impaired credit, making future financing more difficult to obtain and more expensive to manage. It also prevented the

⁵⁷Proceedings of The Federal Electric Railways Commission, (Washington, 1919), vol. 1, 538, 555, vol. 3, 2138-40, 2174-77, 2182-92, 2271; "Exhibit C, Information relative to [the] New Orleans Railway and Light Company System, December 31, 1917, Brief on Behalf of New Orleans Railway and Light Company, October 4, 1918," Portfolio 2, Proceedings of the National War Labor Board, hereafter cited as PNWLB, Troy H. Middleton Libray, LSU; Delos F. Wilcox, "Problem of Reconstruction With Respect to Urban Transportation," National Municipal Review, 8 (January 1919), 33, 36; David M. Kennedy, Over Here: American Society and the First World War (New York, 1980), 94, 101-03.

operating companies from expanding and improving services, eroding public confidence and further impairing the credit of the companies.²⁰

Despite the deteriorating financial and physical condition of the public service companies, legal and business obligations required them to pay huge dividends on their preferred and common stock. The preferred and common stock of the operating companies were held by large holding companies, which, in turn, were owned by still larger companies or by investment banks and insurance companies. The holding companies did not own any physical property, but, by holding the preferred and common stock, they controlled and managed the operating companies. The holding company system made possible the consolidation of lesser companies and the expansion and improvement in services, providing the capital and management to keep the underlying companies solvent and operating. The holding company system, however, based its management of the operating companies on the volume of their securities and on the frequency of refunding and exchange. In brief, profit came not from prudent financing, careful management, or exemplary service, but from manipulating the bond and stock issues. Operating companies were stripped of all resources and incentives for improvements, no longer responsible for their own actions and no longer responsive

²⁰PFERC, vol. 1, 554-555, 562; vol. 2, 1203-04; vol. 3, 2136-37, 2161, 2266-67; Wilcox, "Problem of Reconstruction," NMR, 34-35.

responsive to the needs of the community."⁹

Industry spokesmen, however, defended the early development of the public service industry, arguing that the municipal and state governments shared the blame for the deplorable condition of the public utilities industry. At the beginning of the modern public utilities industry, spokesmen claimed, few people in either management or government had a "proper conception" of the best means of financing, operating, or regulating the public service industry. The principal blame, however, lay with the character and policies of public regulation. Early in the history of the modern public utilities industry, public officials insisted on fixed, competitive franchises that compelled the utility companies to needlessly expand and "improve" services, but required them to operate and survive on a limited, fixed revenue. Industry spokesmen asserted that the fixed-term, fixed-revenue franchise impaired the credit of the industry and, ultimately, resulted in the neglect and deterioration of services. The term franchise became worthless at expiration, and, without the guarantee of renewal or reimbursement, franchise owners were forced to extract a profit high enough to return their initial investment and to give them a fair rate of return. The fixed-term franchise also fixed rates and fares and prevented the utility company from adjusting its revenues to

⁹⁹PFERC, vol.1, 537-55, vol.2, 1,203-04, 1,221, 1,271; vol.3, 2,173, 2,269-70; Wilcox, "Problem of Reconstruction," 35.

meet the changing conditions of the economy and the demands of municipal regulation. Consequently, service deteriorated and the companies faced bankruptcy.⁶⁰

The financial and legal limitations imposed on the industry by an inapposite form of regulation, industry spokesmen argued, forced the utility companies to find ways of negating or avoiding the provisions of their franchises. In effect, then, despite the fulminations of politicians and civic associations, the utility companies were providing the best service possible. The industry could, with adequate financial assistance, the appropriate legal flexibility, and good will of the people correct the abuses apparent in the system and restore service to prewar standards.⁶¹

In New Orleans, as elsewhere throughout the United States, it was the public utilities industry, not the municipal authorities, that had depleted the local utility companies of the resources to sustain services, manipulated the legal and political circumstances to serve their own inter-

⁶⁰PFERC, vol.1, 63-65; vol. 2, 1223; vol. 3, 2137-38, 2161, 2166-67, 2268, 2270; James E. Allison, Report on the Street Railway Service of the City of New Orleans Made to the Committee on Transportation Facilities of New Orleans, (New Orleans, 1917), 3, 6-7, Louisiana Collection, Howard-Tilton Memorial Library, Tulane University; Valerie Jean Conner, The National War Labor Board Stability, Social Justice, and the Voluntary State in World War I, (Chapel Hill, 1983), 68-69.

⁶¹Bentley W. Warren, "Argument and Brief Submitted to the Federal Electric Railways Commission on Behalf of the Committee of One Hundred Acting for the American Electric Railway Association," PFERC, vol. 3, passim. Warren was the General Counsel for the American Electric Railway Association.

ests, and jaundiced public sentiment against them. NORLC was "notoriously" overcapitalized and operated virtually without regulation. Most of its revenue went to sustain its heavy debt, leaving virtually nothing in reserve to improve or extend services. For years the company flaunted its disregard for the strictures of its municipal franchises, and it labored continually and successfully to prevent or dilute municipal regulation. The character of the public utility industry and the policies of its management--not the wartime emergency--precipitated the crisis in the industry and exhausted the good will of the people of New Orleans.

The Behrman administration responded to the "latest" crisis at NORLC by reexamining the feasibility of municipal ownership and by asserting the direct authority of the municipal government over the public services of the city. The wartime emergency rekindled interest in municipal ownership of public utilities. The new proponents of municipal ownership, like the New Orleans Item, argued that private ownership was inept, profligate, and corrupt. It extracted enormous and illicit profits from the city, denying it adequate, quality service and preventing it from planning and determining its own development. Municipal ownership, the Item asserted, was less costly, more efficient, and more democratic. It would result in lower fares and rates, provide more and better services, lower and equalize taxes, and end the corrupt monopoly of private interests over public affairs.

The dangers of municipal ownership still existed, but they were minimal and insignificant when compared to the substantial dangers of private ownership. The Item urged the city administration to make preparations for the municipalization of the entire NORLC system, including the properties of the New Orleans Gas Light Company. The commission council, already considering the benefits of municipal ownership, complied with the Item's request and instructed Edward J. Glenny, the Commissioner of Public Utilities, to study all aspects of municipalization.⁶²

The barriers erected to municipal ownership by the utilities company and by the wartime emergency were many and formidable, however. The municipalization of NORLC and NOGLC required the Behrman administration to conduct a comprehensive legal and financial study that convinced the legislature, the Board of Liquidation City Debt (the bankers of New Orleans), the general business community, and the common citizens of New Orleans of the necessity, wisdom, and expediency of municipal ownership. The management and ownership of NORLC and NOGLC would, undoubtedly, contest any reduction in the purchase price that threatened the "integrity" of their investment, delaying and, most certainly, increasing

⁶²New Orleans Item, February 20, 21, 23, March 18, May 23, October 10, 1918; PFERC, vol.3, 2282. The state legislature enacted legislation in 1918 authorizing the "municipalities" of the state to own and operate electric streetcar and power companies. Act 128, Acts Passed by the General Assembly of the State of Louisiana at the Regular Session, 1918.

the cost of municipalization. The taxpayers of New Orleans would, in all likelihood, question the wisdom and practicality of municipalization. Municipal ownership would require the city government to spend millions of dollars, borrowed at wartime interest rates, in purchasing, improving, and operating public services. And municipalization would not guarantee an immediate reduction in rates or a discernible improvement in services. In brief, it would be extremely difficult to create and maintain a political consensus influential and patient enough to sustain the municipalization of public services in New Orleans.⁶³

The Behrman administration possessed the influence and the patience to sustain a consensus on municipalization, but it did not have the resources or the time to invest in creating one. Even under the best conditions, municipalization was an expensive and protracted undertaking, requiring the municipal government to invest immense amounts of money, energy, and time into the process. Even in the best of times, the condition of city finances prevented the Behrman administration from seriously considering municipalization. The war played havoc with city finances. The inflation spawned by the war required the Behrman administration to raise assessment rates, but city revenues never kept pace with the cost of running the city, compelling the adminis-

⁶³New Orleans Daily States, February 20, November 7, 1918; PFERC, vol.1, 540-49, 556, vol.3, 2148, 2160, 2215.

tration to curtail, not expand, services. The war confounded city finances in other ways. The war drove up interest rates and allocated investment capital to legitimate war-time projects. Simply put, municipalization bonds were unlikely to attract investors, and, even if the administration found a willing lender, the city could not afford to borrow the money.

The war--and the administration of Woodrow Wilson--did not accord the city administration the time to municipalize public services in New Orleans. Secretary of the Treasury William Gibbs McAdoo convinced President Wilson that the utility industry was essential to the war effort and the federal government must not let the war weaken the public service industry. The industry, McAdoo wrote, was "closely connected with and [is] an essential part of our preparation and successful prosecution of the war..." Given the local nature of the utility industry, McAdoo continued, the federal government must insist on local responsibility and accountability for the industry. President Wilson agreed with McAdoo. It was essential, wrote the president, that the public utilities be kept at "maximum efficiency," and that the federal government should do whatever was "reasonable" to sustain the utility companies, primarily by encouraging the municipal governments to respond promptly and positively to the immediate needs of the companies and the community. The president and Secretary McAdoo suggested that the feder-

al government would, under the right conditions, furnish loans to the cities to keep the utilities operating. Municipal authorities, then, would guarantee the continuation of service and prevent the financial collapse of the public utilities industry--at least for the duration of the war.⁶⁴

Encouraged by the administration's assurances, batteries of attorneys and lobbyists representing the public service industry descended on Washington, seeking guaranteed loans and calling for the establishment of a federal loan agency to subsidize the faltering utilities industry. The management of the public service corporations believed that an ingestion of federal money would save the companies from defaulting on their financial obligations, eliminating the likelihood of costly reorganizations. The companies saw, too, that the federal government would require security for its loans, forcing the municipalities to raise rates and fares and preventing them from pursuing any policy that might impair the credit and performance of the utility companies. Despite the objections of several prominent senators and congressmen to the idea of bailing out the public utilities industry, Congress enacted legislation creating the War

⁶⁴William Gibbs McAdoo to Wilson, February 15, 1918, Wilson to McAdoo, February 18, 1918, as found in "In the matter of Arbitration Between Division No. 196, Amalgamated Association of Street and Electric Railway Employees of America of New Orleans, Louisiana and New Orleans Railway and Light Company," July 1918, Appendix, Exhibit A, PNWLB, LSU; New Orleans Item, February 22, May 31, June 1, 1918; New Orleans Daily States, February 28, June 1, 1918.

Finance Corporation, authorizing it to extend loans to banks and industries deemed "good risks" and "essential to the war effort". One of its first applicants was the New Orleans Railway and Light Company.⁶³

In May 1918, several officials of NORLC and the American Cities Company, including the chairman of the board of ACC, Francis T. Homer, appeared before the applications committee of the WFC. The executives of the two companies recounted for the committee the desperate financial condition of the New Orleans public utilities company and they asked the WFC to grant the company a loan of 5.2 million dollars. Despite weeks of persistent lobbying by the management of the two utility companies, the committee rejected their request, explaining that the WFC did not have the authority to grant loans directly to companies like NORLC and ACC. The applications committee informed the utility executives that the WFC could, with the proper guarantees, extend a loan to either the City of New Orleans or to a local bank on behalf of the company. Before the WFC would consent to such a loan, however, NORLC had to demonstrate that it was properly managed and in reasonable financial condition and the commission council of New Orleans had to underwrite the loan by

⁶³McAdoo to Wilson, February 25, 1918, Arthur S. Link, ed., The Papers of Woodrow Wilson, hereafter cited as PWW, (Princeton, 1984), vol. 46, 442-43; William P. G. Harding to Wilson, July 12, 1918, ibid., vol. 48, 597-99; PFERC, vol. 3, 2154; New Orleans Item, February 21, March 2, May 7, November 19, 1918; New Orleans Times-Picayune, February 27, 1918.

raising the rates and fares of the company.⁶⁶

Company officials maintained that the railway and electric divisions of the company were, despite their financial problems, "well and honestly managed, and well maintained and operated," and saw no need for an increase in rates and fares for the moment. Apparently, though NORLC wanted and sought an increase in rates and fares, the company did not want to involve the Behrman administration in determining the size and duration of the increases. An increase in fares and rates would require weeks of public discussion, delaying the loan process and accentuating the need for greater public control over rates, valuation, and expenditures. An investigation by the WFC, however, found the New Orleans utilities company a potential "bad risk," and the directors of the WFC wanted the Behrman administration to guarantee the loan. William P. G. Harding, the managing director of the WFC and a member of the Federal Reserve Board, informed the management of NORLC and the city administration that the WFC would not consider a loan to the utility company until the WFC and the Behrman administration had come to a "definite

⁶⁶Committee on Applications, Minutes of Meeting, May 28, 29, 1918, "Application of American Cities Company and New Orleans Railway and Light Company," vol. 1 War Finance Corporation, Record Group 154, National Archives (hereafter cited as WFC, RG 154); William P. G. Harding to Martin Behrman, May 31, 1918, ibid.; New Orleans Daily States, May 18, June 1, 1918; New Orleans Item, May 23, 24, 31, June 1, 1918; Conner, The National War Labor Board, 83-84.

understanding regarding increased revenues" for NORLC.⁶⁷

Mayor Behrman dispatched Commissioner of Public Utilities Edward J. Glenny and City Attorney I. D. Moore to meet with the WFC, assuring the federal officials of the administration's "full cooperation" and explaining to them the legal processes and possible political impediments in increasing utility rates and fares. Mayor Behrman informed the WFC that the city administration recognized the "necessity of assisting public utility properties to render the services contemplated in their franchises," and that the commission council would honor any reasonable request or recommendation that allowed NORLC to continue operating. The mayor also assured the people of New Orleans that the administration would make a thorough and deliberate assessment of the financial condition of NORLC, confining the increase to the requirements of service and protecting "the genuine public interest to the government's fullest extent of power."⁶⁸

The request and recommendations offered by NORLC, however, were hardly reasonable. The company asked the WFC to loan it in excess of five million dollars at five percent interest, secured by a one cent fare increase (one-half cent

⁶⁷William P. G. Harding to Martin Behrman, May 31, 1918, WFC, RG 154; "Exhibit C...Brief on Behalf of New Orleans Railway and Light Company, October 4, 1918," Portfolio 2, PNWLB, LSU; Allison, Report on the Street Railway Service of the City of New Orleans, 3; New Orleans Daily States, May 18, 22, 1918; New Orleans Item, May 22, 23, 24, 26, 1918.

⁶⁸New Orleans Daily States, May 22, 27-28, 31, June 1, 1918; New Orleans Item, May 22, 26-27, 31, June 1, 1918.

for repayment of the loan and one-half cent for improvements to service), reducing services, ending the transfer system and discount fares for school children (and free rides for the Catholic clergy and religious), and several minor economy measures. It seemed unlikely that the WFC would lend such a substantial sum of money to a minor utility corporation that federal investigators had already characterized as a poor risk. The WFC was not in the business of rehabilitating or refinancing utility companies, but in preventing them from collapsing and damaging the war effort. Even if the WFC agreed to loan NORLC five million dollars, a one cent increase could hardly be deemed the proper security for such a huge debt. In theory the six cent fare increased revenues by only twenty percent, an increase of \$800,000 a year. With the other economies, the company could expect an increase of 1.6 million dollars, a sizeable savings but hardly enough to satisfy the WFC. For in reality, the six cent fare would not yield a twenty percent increase in revenues, and there was no guarantee that the company could economize or that the city would accept a reduction in services. Moreover, there was considerable public opposition to any increase in the

cost of public services.⁶⁹

From the start, the local press, long critical of the Behrman administration, doubted the wisdom of the administration's policy and questioned the expediency of the six cent fare. The utility policy of the Behrman administration, the New Orleans Item remarked, was, as ever, nearsighted and extravagant. The city administration pledged millions of dollars in additional revenues for NORLC, permitting the company to borrow millions more in public funds so it could continue operations and avoid another costly refinancing and reorganization. The NORLC did not deserve the assistance of either the federal War Finance Corporation or the people of New Orleans. The company was, as everyone knew, grossly overcapitalized and shamelessly mismanaged, requiring management to send millions of dollars in illicit dividends to New York and Philadelphia banks and allowing property and services to disintegrate. With the assistance of the Behrman administration, the company avoided any meaningful degree of public regulation, insulating itself against

⁶⁹PFERC, vol.1, 539, 557, 560; Wilcox, "Problem of Reconstruction," 38-39; Wilcox, "Effect of Fare Increases Upon Street Railway Traffic and Revenues," NMR, 9 (October 1920), 633-35; New Orleans Item, May 28, 29, 31, 1918; New Orleans Daily States, May 27, 29, 1918. Railway experts predicted that the six cent fare would substantially reduce the number of riders, offsetting the superficial benefits of a one cent increase. Any increase over one or two cents, moreover, would be financially and politically damaging to the utility companies. The management of NORLC claimed that the six cent fare brought a thirty percent increase in New Orleans, but conceded that it did not permit the company to meet its financial obligations and improve services.

public scrutiny and accountability. Now, after years of prodigal fianancing and behavior, the company claimed that unless it received the immediate assistance of the federal and municipal governments it would default on its financial obligations and cease operations.⁷⁰

There was, as ever, the Item remarked, no truth to the dire predictions of NORLC, and there was, as well, no apparent benefit to rescuing the company from a disaster of its own making. An emergency federal loan and a raise in the costs of services would not prevent a thorough and permanent collapse of NORLC. The federal government was unwilling and unable to loan NORLC the sort of money that would allow the company to meet all its finacial obligations, attract new investment, and avoid collapse. The loan would be small and the WFC would expect repayment with interest. The one cent fare increase would not help the company in refinancing and reorganizing itself, either. The six cent fare would not generate enough money to help NORLC repay the WFC loan or meet its crushing debt, operate the system, and attract new investment. Ultimately, the company would default on its debt and continue operating under a private receiver until the stockholders agreed on a suitable refinancing plan. In any event, the Item concluded, the city would have spent millions of dollars on preserving public services and would lose millions more in the rehabilitation of NORLC. It urged

⁷⁰New Orleans Item, May 23, 24, 26, 27, 1918.

the Behrman administration, then, to avoid another public humiliation and to "municipalize" NORLC and NOGLC.⁷¹

Mayor Behrman, however, under pressure from the Wilson administration and from the public to keep NORLC operating, dismissed the idea of municipalization as premature and committed the administration to the six cent fare and a more direct and vigorous regulation of NORLC. The municipal administration wanted to avoid any crippling interruptions in service, and saw the fare increase as an effective and reasonable means of preserving public services. Above all else, however, the commission council wanted to prevent NORLC from lapsing into receivership. Unlike the Item, the Behrman administration believed that receivership threatened the progress and welfare of the city. The principal obligations of any receiver were to preserve the investment of the stockholders and to reduce the obligations of service that permitted the company to continue operating until the stockholders refinanced and reorganized the company. Both of these duties could run counter to the interests of the city, minimizing the regulatory authority of the municipal government and curtailing public services.⁷²

The one cent fare increase was, unquestionably, the "simplest solution," and it offered the Behrman administra-

⁷¹New Orleans Item, May 22-31, 1918.

⁷²New Orleans Item, May 22, 26-27, 31, 1918; New Orleans Daily States, May 27, 28, 31, 1918, January 5, 1919; PFERC, vol.2, 1,263-64; Moore to Behrman, undated, (but probably between May 22 and 31, 1918), vol.9, CAO, CA, NOPL.

tion its only opportunity to reconstitute public utility policy in New Orleans. The Nix bill authorized the commission council to regulate fares and rates without regard for the fixed charges provisions of the franchise ordinances and utility contracts the city had with NORLC and NOGLC. The council could, then, by simple ordinance, set fares and rates and avoid the delay and expense involved in granting a new franchise. The one cent increase was, as well, reasonable, equitable, and politically acceptable. The war had pushed up the cost of doing business, and a fare increase seemed thoroughly justified given the wartime economic circumstances. If NORLC discontinued service for any length of time, the loss of services would effect businesses and the quality of life throughout New Orleans. The Behrman administration could, as well, justify a modest increase in fares because the war had pushed up wages and salaries (even city employees received a raise during the war) and commuters could, with little hardship, absorb the increase in carfare. Politically, a fare increase was acceptable because the administration and public saw it as a temporary, wartime measure that would expire with the end of the war. Of more importance, however, the Behrman administration viewed the fare increase as an opportunity to rectify the deficiencies in the Nix act and to expand and enhance the council's power over NORLC and NOGLC.⁷³

⁷³Ibid.

As expected, the WFC refused the request of NORLC for five million dollars, citing, as it did before, that the WFC charter prohibited it from loaning money directly to NORLC and that the loan request far exceeded the immediate needs of the company. The WFC again informed the officers of NORLC that it would consider a smaller loan negotiated through New Orleans banks and underwritten by the city government.⁷⁴ Disappointed and desperate, the management of NORLC had no other choice but to seek the assistance of the Behrman administration. Within a matter of a few hours following the ruling of the WFC, Daniel Dennis Curran, president of NORLC, wrote to Mayor Behrman and the commission council, requesting their help in obtaining a federal loan for NORLC.⁷⁵

In his letter, Curran emphasized the importance of NORLC to the growth and prosperity of New Orleans, arguing that the prosperity of the company was indispensable to the further progress and wealth of the city. In the past eight years, he wrote, NORLC furnished the city with outstanding service and added "materially" to the welfare and development of the city. The company provided cheap, efficient gas,

⁷⁴Committee on Applications, "Minutes of Meetings, May 29, 1918;" William P. G. Harding to Behrman, May 31, 1918, vol.1, WFC, RG 154; New Orleans Item, May 29, 31, 1918; New Orleans Daily States, May 29, 30, 1918.

⁷⁵Curran to Martin Behrman and the Commission Council, May 31, 1918, Appendix, Exhibit A, Portfolio 1, PNWLB, LSU; New Orleans Item, June 1, 1918; New Orleans Daily States, June 1, 1918.

electric, and transit service and returned millions of dollars to the community in services, improvements, wages and salaries, civic and charitable contributions, and taxes. In the past three years alone, Curran said, NORLC spent over three million dollars in improvements to services, and, in 1917, paid almost \$500,000 to the city in property taxes. NORLC and NOGLC employed nearly 4,000 people, many of whom deserved substantial wage and salary increases.⁷⁶

Despite the many improvements and an overall increase in revenues, Curran remarked, NORLC faced severe economic problems that threatened to bankrupt the company and, possibly, end services. The economic dislocation brought on by the war--not past mismanagement--was responsible for the company's troubles. The wartime emergency drove up the costs of essential materials and services, making it impossible for the company to meet its "fixed" financial obligations and requiring it to delay or forego needed replacements and improvements. Those conditions alone, Curran insisted, compelled the management of the company to seek the aid of the federal government and the Behrman administration, and he requested that the commission council investigate his claims, satisfying itself that the war alone was responsible for the financial crisis at NORLC.⁷⁷

The commission council convened at a special session to

⁷⁶Ibid.

⁷⁷Ibid.

consider Curran's proposals and to listen to Mayor Behrman's explanation and suggestions. The mayor testified to the importance and urgency of crisis at NORLC. The mayor was convinced that NORLC was incapable of resolving its financial problems by itself, that it required the assistance of the Wilson administration in Washington and the municipal government of New Orleans. The management of the company was, for the most part, Behrman suggested, responsible for the financial and physical conditions of the company, but the war worsened those conditions, inflating the cost of operation, consuming private investment, and jeopardizing public services. The company was, the mayor reported, unable to continue operating under these conditions, but neither municipalization nor receivership was an acceptable answer. The Wilson administration designated the public utilities industry an essential wartime industry and made the municipal and other local governments responsible for its continuing operation and essential welfare. If the commission council temporized or failed to take the appropriate action, NORLC would probably cease operations, conveying to a candid world "a failure in the commerce of this city of the first magnitude".^{7a}

^{7a}Martin Behrman to Commission Council of New Orleans, June 4, 1918, Appendix, Exhibit B, In the Matter of Arbitration Between Division No. 194, AASEREA, July 1918, Portfolio 1, PNWLB, LSU; New Orleans Item, June 4, 1918; New Orleans Daily States, June 4, 1918, January 5, 1919.

A candid city administration, however, could not in good conscience dismiss the past mismanagement of NORLC. Mayor Behrman insisted that before the council consider Curran's proposals it impose certain conditions and qualifications on NORLC that would "safeguard and protect the interest of the people of this community". The mayor made six recommendations, and he insisted that NORLC submit to each of them before the council agreed to raise carfare. Behrman proposed that three members of the commission council, the mayor and the commissioners of Public Utilities and Public Property, become permanent, voting members of the board of directors for NORLC, according the Behrman administration a direct and influential role in formulating the broad corporate policy of the company. Behrman also proposed that the mayor select (subject to the approval of the board of directors) the general manager of NORLC, giving the city administration an indirect hand in managing the physical property of NORLC.⁷⁹

Sitting on the board of directors and appointing the general manager of NORLC was of little intrinsic importance unless the council could free itself of the Nix act and resolve the issues of valuation, rate of return, and service. The Behrman administration was aware of the numerous deficiencies in the Nix act and it saw the fare increase issue

⁷⁹Ibid.; "Proceedings had at a special meeting of the Commission Council of the City of New Orleans held on Saturday August 17, 1918," Portfolio 1, PNWLB, LSU.

as an opportunity of rectifying those problems. Before the Behrman administration consented to any fare increase, NORLC had to submit to a "complete and full" survey of all properties, determining "for all future time" the legitimate valuation of the company. The Nix act required the Board of Public Utilities (and the commission council) to use three standards for determining the "fair value" of NORLC: original cost of construction, the earning capacity of the securities, and the costs of reproduction.⁸⁰

Clearly, those standards favored NORLC, bloating its valuation out of proportion to its actual value. The city administration, mindful of the injustice of those standards, refused to abide by them, proposing instead that the commission council (not the Board of Public Utilities) set valuation on the "actual cash value" of all properties, irrespective of outstanding capital issues. In other words, Mayor Behrman wanted the commission council to "squeeze" out all watered stock, relieving much of the financial crisis of the company and, ultimately, reducing the cost of service. The mayor's recommendations, however, went beyond reducing rates and fares, but had two other, more significant, purposes. Behrman believed that his recommendations would permit the city government to reorient the public utility industry toward service, rather than profit, and it would allow the city government the time to give "serious" consideration to

⁸⁰Ibid.

public ownership. The last three recommendations were designed to accomplish those ends.^{a1}

The mayor proposed that the commission council, after determining the "actual cash value" of NORLC, also set a fixed purchase price for the company. And that the council reserve for the city the right to buy NORLC at any time during the war or for the two years immediately after the war. During the "option period," the commission council would, in addition to determining rates, fares, and wages, also set the rate of return, fixing it a six percent. Finally, if the council failed to exercise its option to purchase NORLC, the administration would forfeit its right to select the general manager, determine wages, and limit the rate of return. However, the commission council would retain its seats on the board of directors and require NORLC to return its "excess" profit to the city.^{a2}

At first, there were few--if any--critical responses to Mayor Behrman's proposal. The business establishment, in particular the banking and legal associates of NORLC, were unusually silent. And the New Orleans Item, the severest critic of the Behrman administration, was lavish in its praise of the plan. It characterized the proposal as "busi-

^{a1}Ibid.

^{a2}Ibid. Behrman's final proposal guaranteed NORLC a rate of return no less than seven percent, but required the company to give the city fifty percent of any return between seven and eight percent and seventy-five percent of any return above eight percent.

like" and "substantially sound in principle," offering a just solution for every interest, especially to the stockholders (ACC and UGEC) of NORLC, who faced a costly receivership unless they cooperated with the administration in reorganizing and rehabilitating the company. The editor and publisher of the Item were pleased and surprised by the content and tone of Behrman's recommendations, given the the administration's previous reliance on older, less enlightened notions of public utility regulation. The plan, the Item said, signaled a shift in the administration's policy toward NORLC and marked a fundamental change in its philosophy of politics and municipal government.⁶³

There was, to be sure, nothing truly surprising or novel about the proposals offered by the Behrman administration. And, almost needless to say, the plan hardly represented a radical transformation in the policies and political philosophy of the Behrman administration. Since early in 1912, the Behrman administration had been considering many of the proposals offered by Mayor Behrman in June, 1918. The municipal regulation bills proposed by the Behrman administration in 1912, 1914, 1916 authorized the municipal government to adjust rates and fares, assure a reasonable and adjustable rate of return, and determine a "fair and just"

⁶³New Orleans Item, June 4-6, 1918.

valuation.⁸⁴ Between 1916 and 1918, as the crisis within the public utilities industry became more apparent and acute, the Behrman administration became disenchanted with the Nix act compromise, and, as the deficiencies of the act became more apparent, the administration looked for ways of repealing its provisions.⁸⁵

In the early summer of 1917, the city administration, beset with complaints about railway service and demands from NORLC to curtail services, commissioned a critical survey of the entire public transportation system. The study, conducted by James E. Allison, a railway expert, recommended that the commission council be accorded representation on the board of directors of NORLC and that the mayor appoint the general manager for the company. Given the right circumstances and with the proper guarantees, Allison insisted, the joint management of the company would assure a higher quality of service and greater, more efficient profit. Allison also argued that a guaranteed, though flexible, rate of return would convince stockholders of the safety of their investment and induce them to expand services and return a portion of their profit to the community. These guarantees would, above all else, make the interests of the company

⁸⁴Moore to Thompson, undated (probably between February 13-19, 1916) vol.7, CAO, CA, NOPL; New Orleans Item, March 28, 1912, April 29, June 9, 16, 1914.

⁸⁵Moore to Commissioner of Public Utilities E. J. Glenny February 28, August 3, 1917, August 8, November 26, 1918, Waldo to Moore August 24, 1918, vol.8, CAO, CA, NOPL; New Orleans Item December 5, 1918.

identical with those of the community, ending years of mutual suspicion and restoring the faith of the people in public services and public administration."⁶

Predictably, the management of NORLC was critical of the tone and content of Behrman's proposals. In a letter to the commission council, NORLC president Daniel Curran complained that the municipal government ignored the damage done to NORLC by the war and that it refused to consider the company's needs and proposals. The war had disrupted the normal financial and business operations of the company, and the company now faced bankruptcy and receivership unless it found alternative sources of investment and income. In normal times, reorganization under a private receiver would be preferable to public rehabilitation, but the war prevented the private reorganization of the company. Moreover, receivership during the wartime crisis, Curran suggested, would only result in higher fares and a reduction in services, jeopardizing the prosperity of the community and compromising the nation's war effort. In short, the company could not continue operating unless it received federal aid and an increase in local revenues. And neither was available to the company unless it submitted to the regimen forced on it by

⁶⁶Allison, Report on the Street Railway Service of the City of New Orleans, 7-8.

the war and the Behrman administration."⁷

Despite its reservations about public rehabilitation, Curran announced, the management of NORLC would submit to the administration's plan--with one critical exception. The company would welcome the mayor and the commissioners to the board of directors and it would agree to limit the rate of return to six percent. But it would never consent to a permanent public valuation by the Behrman administration, nor would it agree to any valuation based solely on "actual cash value". Such a formula, Curran charged, undermined the interests of the stockholders and threatened the future, private rehabilitation of the company and the development of the community."⁸

Though Curran's assessment was, to say the least, self-serving, it was not an idle criticism. As Curran asserted, the plan offered by the Behrman administration ignored the adverse effects the war had on the public utilities company, and instead concentrated on issues that were, in effect, unrelated to the wartime emergency. Though the Wilson administration insisted that the municipal governments take responsibility for the industry, public management, an agreed upon rate of return, and a public rehabilitation of the industry were not necessary to assure the continuing operation of the

⁷Curran to Behrman June 10, 1918, Appendix, Exhibit C, In the matter of arbitration between Division No. 194 AASE-REA and NORLC, July 1918, Portfolio 1, PNWLB, LSU; New Orleans Item, June 10, 1918.

⁸Ibid.

company. From the standpoint of the management of NORLC, then, the administration's demands were unwarranted and insidious. The board of directors did not determine the financial or business policies of the company (it was a court of last resort in labor disputes, though), and, from the view of management, the presence of the Behrman administration on the board of directors tended only to "politicize" the crisis. Circumscribing the valuation and the rate of return only deepened the crisis and made the private rehabilitation of the company more costly.⁸⁹

In these matters, however, the Behrman government acted not from ignorance or self-interest, but with a sense of purpose. As Mayor Behrman explained in defense of his proposals, the federal government made the municipal government responsible for the continuing operation of NORLC. The city was, in effect, lending its "full faith and credit" to the company, requiring its citizens to bear the burden of higher fares. It seemed only just and fitting that the council "manage" the public affairs of the company, imposing the conditions that assured the permanent rehabilitation of the company and that established the strictest regulatory authority over its public affairs and obligations.⁹⁰

Like many other progressive reformers and public servants, the commission council of New Orleans saw the war as

⁸⁹Ibid.

⁹⁰New Orleans Daily States, June 13, 1918.

a time and an opportunity to address those problems that, for one reason or another, escaped resolution in the years that preceded the war. Indeed, the Behrman administration acted from the basic premise of the progressive politics: "the conviction that government should actively pursue the public interest in a society whose private sector seemed increasingly indifferent or hostile to that interest." The Behrman administration was not interested simply in remedying the immediate problems of NORLC, though it understood the necessity of preventing the collapse of service. Nor was the municipal government interested in simply managing the business affairs of the company for the duration of the war. The mayor and the council, instead, saw their presence on the board of directors as an opportunity to manage the public rehabilitation of NORLC. The Behrman administration believed--perhaps naively--that public rehabilitation meant a thorough and fair reduction in the valuation of the capital "investment" in the company, lower rates and fares, greater efficiency and accountability from the corporate management, and more reliable service. The council also believed that public rehabilitation gave greater authority to public regulation and made municipal ownership possible.⁹¹

The Behrman plan was, of course, not without its flaws

⁹¹Lafaye to Behrman and the Commission Council, December 30, 1918 as quoted in the New Orleans Daily States, January 5, 1919; New Orleans Item, July 1, 3, 1918; New Orleans Daily States, June 13, July 1, 1918; David M. Kennedy, Over Here, 97.

and ambiguities. It was apparent from the discussions on rehabilitation that the one cent fare could not fund the refinancing and reorganization of the company and other increases would be necessary. The Behrman plan, remarked Rudolph S. Hecht, the executive vice-president of the Hibernia National Bank, a large holder of NORLC securities, would not attract the intelligent investor. No prudent investor, he said, "with sense enough to have money to lend," would invest in NORLC under the Behrman plan. It did not provide adequate protection or incentive for investors and would prevent the thorough "overhaul" necessary to rehabilitate the company. Nor would management accept any valuation formula that ignored the accrued and legitimate interests of investors. In short, the management of NORLC would contest the public rehabilitation of the company at almost any cost.⁹²

That cost did not include federal loans, however. When the Behrman administration agreed to the one cent fare increase, the management of NORLC applied immediately for a loan from the War Finance Corporation. The company asked for and received a loan of one million dollars to pay the interest on the securities of several underlying companies and make improvements. NORLC pledged \$1.6 million in bonds as security and promised to repay the loan with interest and

⁹²New Orleans Item, June 12, July 1, 3, 1918; New Orleans Daily States, June 13, July 1, 1918.

not to borrow except for current expenses. The WFC voted to extend the money to the company, contingent on an increase in revenues. Commissioner Lafaye, speaking for the Behrman administration, proclaimed that the loan now afforded the administration and the company the time and incentive to reorganize and rehabilitate the company. But others were less sanguine. Speaking for investors and management, Rudolph Hecht cautioned that the WFC loan would not "solve the financial difficulties of the company, but... only tide it over the immediate emergency".²³

Neither Lafaye nor Hecht was correct. The momentum and character of the war did not accord the Behrman administration and the management of NORLC the time and latitude to rehabilitate the public utilities industry as they had planned. Rehabilitation went beyond resolving the financial difficulties of the electric street railway industry or correcting the deficiencies of public administration and regulation. But included the issues of a "living wage," collective bargaining, the closed shop, race, and "the rights of the community". Until the Behrman administration and NORLC resolved those and other issues, the rehabilitation of the public utilities industry in New Orleans would remain an

²³Committee on Applications, Minutes of Meeting, June 25, 26, 1918, vol.1, WFC, RG 154; Typescript of Indenture between New Orleans Railway and Light Company and the War Finance Corporation, July 30, 1918, Portfolio 1, PNWLB; New Orleans Daily States, July 11, 1918; New Orleans Item, July 11, 1918.

elusive reform.

Chapter Six

On Neutral Ground

In December, 1917, John G. O'Kelley, the Federal Fuel Administrator for New Orleans, wrote to Commissioner of Public Utilities Edward J. Glenny and to Nelson H. Brown, the general manager of NORLC, asking them to recommend ways of reducing the coal consumption of the giant utilities company. Meeting with O'Kelley in early January, Glenny and Brown informed the Fuel Administrator that the surest and simplest method of reducing coal consumption without inconveniencing the public or compromising the war effort was to reduce the number of streetcars serving the city. By eliminating unnecessary streetcar service, they asserted, the company would save hundreds of tons of coal each week, preventing interruptions in electric light and power services and, by consolidating lines, actually enhancing streetcar service. O'Kelley endorsed the idea, and Glenny and Brown set out immediately to put their idea into practice.¹

¹New Orleans Item, January 11, February 4, 1918; New Orleans Daily States, January 3, 13, 17, February 1, 4, 5, 1918. The Fuel Administration began operations in August, 1917 under the direction of Harry A. Garfield, the president of Williams College. Kennedy, Over Here, 123-24; Burl Noggle, Into the Twenties The United States From Armistice to Normalcy, (Urbana, Illinois, 1974), 62; Robert D. Cuff, "Harry Garfield, The Fuel Administration, and the Search for a Cooperative Order During World War I," American Quarterly, 30 (Spring 1978), 39-40, 46-47.

The council and NORLC agreed to reduce a number of cars on specific lines during "off hours" and to consider eliminating and consolidating lines feeding into Canal Street. At the end of the first month of the new schedule, company officials claimed that rerouting saved 110 tons of coal a week (twenty-four tons on Sundays alone). NORLC president Daniel D. Curran claimed that despite the reduction in the number of cars, there was "no decrease in service to the public other than the elimination of...wasteful and duplicated services". Despite reservations about several aspects of the rerouting plan, Commissioner Glenny believed that the reduction in car services had saved fuel and had improved services. Though he regretted the minor delays and other inconveniences associated with the rerouting plan, Fuel Administrator O'Kelley expressed his satisfaction with the overall success of the plan and encouraged the administration and the company to continue their efforts.²

Despite the obvious advantages of the Glenny-Brown rerouting plan, there were, as well, several aspects of the plan that troubled the Behrman administration and the other public and private leaders of the city. Neighborhood associations, merchants, and, most especially, the Carmen's union were angered by the implications and repercussions of the rerouting plan. Neighborhood civic associations, partic-

²New Orleans Daily States, February 5, 7 8, 10, 16, 1918; New Orleans Item, February 7, 1918.

ularly in the Seventh, Ninth, and Twelfth Wards, complained to the Board of Public Utilities (an action that irked the commission council) that the company had arbitrarily rerouted lines and curtailed service long before federal officials sanctioned a reduction in service. In the Garden District (Twelfth Ward), a group of citizens, led by Paul H. Maloney, filed a petition with the BPU calling on NORLC to restore car service to their neighborhood and offering to defray some the cost of restoring service. The board of directors for the Dryades Building and Loan Association filed suit against NORLC and the Commission Council (but not the BPU), claiming that NORLC had, in violation of its 1912 franchise with the city, consolidated the Peters and Dryades Street lines. Though the court upheld the position of the company and the city, the Behrman administration was truly disturbed by the response of the public. But no more so than by the response of the Carmen's union.³

The carmen took their protest directly to Commissioner Glenny. Since the end of 1916, they noted, NORLC, in violation of its franchises with the city and in contravention of its contract with the union, had been reducing service and

³New Orleans Daily States, January 3, 13, 17, February 5, 22, 28, March 11, 1918; New Orleans Item, January 11, February 4, 6, 19, 23, March 11, 12, 1918; New Orleans Times Picayune, February 23, 1918. Judge Porter Parker dismissed the suit, remarking that the "evidence clearly shows that this rerouting did not originate with the railways company, but was done as a conservation measure by a public official".

consolidating lines. The company justified its actions as wartime economy measures, designed to eliminate waste, conserve energy, and to keep vital services operating at "maximum efficiency". The company was not interested, the carmen insisted, in conservation or efficiency, but in reducing its own cost and maintaining its rate of profit and in eliminating jobs and crippling the labor movement. The rerouting plan, then, the union charged, only gave the company the license to exploit the community further and to assault and weaken the labor movement in New Orleans.⁴

Despite the apparent justice of many of the complaints against the rerouting plan, the Behrman administration was unwilling to repudiate it completely. The rerouting plan and other conservation measures (heatless Mondays, for example) significantly reduced coal consumption in the city and allowed the company to increase and improve electric light and power services. There were, in addition, other long-term benefits to the plan. In 1913, the Behrman administration, in response to numerous complaints about deteriorating railway service, conducted a study of the entire street railway system. The study, done under the supervision of Commissioner of Public Utilities William Bess Thompson, recommended

⁴Gus Bienvenue to W. D. Mahon, International President of the Amagamated Association of Street and Electric Railway Employees of America [AASEREA], November 16, 1916, W. V. Seber to Union membership, November 21, 1916, Street Railway Union Collection, hereafter cited as SRUC, box 1, Special Collections Division, Howard-Tilton Memorial Library, Tulane University; New Orleans Daily States, February 14, 1918.

the consolidation of several streetcar lines and the creation of a "loop" system on Canal Street. The commission council, under pressure from Canal Street merchants and neighborhood civic associations, delayed consideration of Thompson's recommendations, pending the investigation and recommendations of street railway experts. The investigation, begun in the summer of 1917 under the direction of James E. Allison, a St. Louis railway expert, confirmed Commissioner Thompson's initial findings and recommendations. Despite expert analysis and recommendation, the Behrman administration could not overcome the concerted, politicized opposition to consolidation and rerouting. The fuel crisis, then, provided the administration with an opportunity to accomplish what peacetime politics would not permit.³

The city administration was, however, fully aware of the hardships faced by most citizens. In addition to the interminable delays in traffic, New Orleanians, like most other Americans, were beset by rising food and clothing

³Waldo to Moore, June 30, 1910, vol.5, Moore to Thompson, January 6, 1913, vol.6, CAO, CA, NOPL; unsigned to Thompson, February 19, 1915, Ninth Ward residents to Thompson, May 5, November 17, 1914, September 7, 1915, West End residents to Thompson, January 8, 1916, Napoleon Avenues residents to Thompson, February 9, 1916, Central Carrollton Improvement Association to Thompson, March 21, 1916, William V. Seeber to Thompson, November 21, 1916, Department of Public Utilities, Petitions and Correspondence, vol.1, CA, NOPL; New Orleans Item, Daily States, Times-Picayune, October through December, 1914; Allison, Report on the Street Railway Service of the City of New Orleans, 3-7, Louisiana Collection, Howard-Tilton Memorial Library, Tulane University.

prices, higher rents, shortages in housing and fuel, and self-imposed rationing (meatless Mondays, wheatless Wednesdays). At the end of 1916, food prices in New Orleans had increased thirty-five percent over 1915, and the cost of living had jumped nearly twenty-six percent. By early 1918, the Item reported that food prices in New Orleans had increased 127% over 1914. And, between December, 1917 and December, 1919, the cost of living in New Orleans had risen another thirty-four percent.⁶

Real wages, however, particularly among the unskilled and semi-skilled worker, had not kept pace with the rising cost of living. Street railway workers, especially the conductors and carmen who operated the streetcars, suffered even more than the common "day laborer". Between 1900 and 1907, under a succession of one year contracts, wages for street railway workers of NORLC changed very little, ranging from fifteen cents an hour in 1901 and to twenty cents in 1907. The 1910 contract, the second in a line of three year contracts, raised wages from twenty-one and a half cents an hour to twenty-two and three quarters cents, an increase of one and a quarter cents an hour. Between 1910 and 1913, NORLC increased wages by one quarter cent each year, giving

⁶New Orleans Item, May 19, 1913, October 4, 26, November 4, 1916, January 2, February 1, 3, 1918; Paul H. Douglas, Real Wages in the United States 1890-1926, (Boston, 1930), 55. According to figures compiled by the Bureau of Labor Statistics, despite a sufficiency of federal law and a battery of regulatory agencies, the cost of living rose 70% between 1916 and 1918.

senior employees twenty-three and one quarter cents an hour in 1912-1913. And, in 1913, the company and the union signed a five year contract, agreeing to pay "regular time" conductors and operators twenty-four cents an hour for the first three years of the contract, twenty-four and a quarter in the fourth year, and twenty-four and one-half cents in the final year of the contract. By contrast, "platform men" (conductors and operators) in other Southern cities, like Dallas, Atlanta, Shreveport, Louisville, and Charleston, all made more money than the platform men in New Orleans. And, in many cases, unskilled and semi-skilled workers employed by NORLC made more money than most carmen.⁷

John Stadler, the president of the carmen's union in 1918, denounced the increases as "meaningless" and as an indication of the pathetic working conditions at NORLC. Since 1913, he said, the company had been consolidating

⁷"Minutes of the Hearings in the Street Railway Cases," July 20, 1918, 1, 46-47, 49; Portfolio 1, PNWLB, LSU; Contracts between Local 194, AASEREA and New Orleans Railways Company and New Orleans Railway and Light Company, 1902-1907, 1910, 1913, SRUC, box 13, SCD, H-TML, TU; "Before the National War Labor Board Employees versus New Orleans Railway and Light Company On re-Hearing Brief On Behalf of the New Orleans Railway and Light Company," October 4, 1918, 2-19, Portfolio 2, PNWLB; New Orleans Item, May 15-30, June 1-5, 1913; New Orleans Daily Picayune, May 24, 25, June 1, 5-7, 1913. The carmen wanted a one year contract, paying them twenty-five cents an hour and requiring them to work a nine hour shift in a ten hour day. They also wanted to eliminate the no strike clause and to compel NORLC to discharge any worker dismissed from the union. The men received none of those demands, but they earned the praise of the local press. The Item characterized the union men as mature, determined, conservative, and, above all, "amendable to reason" and simple justice.

lines and rerouting cars, contrary to the demands of the public and the instructions of the Behrman administration. The removal of cars and the consolidation of lines not only inconvenienced commuters and evaded franchise obligations, but also threatened jobs and compromised on the labor movement. In rerouting lines, the company was, in effect, reducing the number of men assigned to regular hours shifts, forcing the carmen to accept part-time pay, and, consequently, lowering income and forcing men to leave work and the union. "The men are simply unable to make ends meet," he said. Unless the company offered the union a "living" wage and better conditions, many union workers would, of necessity, resign from the company and seek employment in some other, more rewarding and satisfying line of work."

Stadler's criticisms and warnings could only have disturbed and dismayed the Behrman administration. John Stadler was, after all, the president of one of the largest and, undoubtedly, the most visible labor union in the city--a union with a storied past and a deep and abiding relationship with the Regular Democratic Organization, dating back to the General Strike of 1892." Stadler had not only denounced the

^aNew Orleans Daily States, May 13, 15, 18, 1918.

^bAt every important juncture of its development, the union had the support of the Regulars, who prevented management from using the police powers of the state or city to break the movement. See John Fitzpatrick to Hugh McCloskey, May 23, 24, 31, November 7, 1892, Fitzpatrick to Joseph Lemon, November 8, 1892, Paul Capdevielle to William Mehle, October 2, 1902, MCLMO, vols.67 and 82.

the rerouting plan as harmful to the public good and order, but, by implication, also accused the Behrman administration, a principal architect of the rerouting plan, of being either indifferent to the social repercussions of the plan. And, even more menacing to the public good and the social order, was Stadler's promise of mass resignations if NORLC and Behrman administration (the mayor and two other commissioners were about to assume their seats on the board of directors of NORLC) did not meet the wage and contract demands of the union.

Contrary to the accusations leveled at the Behrman administration, then and now, it was not unsympathetic to the interests of organized labor. Nor did it act on the belief that those interests were irrelevant to the public rehabilitation or regulation of NORLC. The administration often encouraged the interests of organized labor, but would not permit organized labor--or management--to disrupt public services or in any other way threaten the public order or the social good of New Orleans. The administration considered service the primary obligation of both management and labor, and it saw the resolution of the wage and contract dispute as indispensable to the rehabilitation of the company.¹⁰

¹⁰For an opposite point of view, see George M. Reynolds, Machine Politics in New Orleans, 1897-1926 (New York, 1936), 139-43; Adam Fairclough, "The Public Utilities Industry in New Orleans," 49-51.

In June, 1918, Martin Behrman addressed the NORLC board of the directors for the first time as one of its newest members and executive officers. The mayor acknowledged the myriad of important and pressing problems the company faced. But, he told his new colleagues, their most important priorities must be establishing a fair and just wage and settling contract differences with the street railway union. The union wanted a substantial pay increase and several significant reforms and concessions from the company, but the company had its own set of concerns and also had serious financial difficulties. Any settlement, then, would require patience, understanding, and an attentiveness to the common concerns of the company, the union, and the community. The mayor encouraged the board and the management of the company to begin those discussions at once and, most importantly, in earnest.¹¹

The management of NORLC actually needed little prompting from Martin Behrman; it was prepared to grant a modest pay increase, but it was determined as well not to concede to the union's list of demands. Those demands were, even by past standards, truly remarkable. The union insisted that the current wage scale was far below regional and industry standards, a disparity compounded by the ever-rising cost of living in New Orleans. Working conditions, in particular the

¹¹New Orleans Item, June 12, 13, 1918; New Orleans Daily States, June 12, 13, 1918.

ten hour day and the part-time schedule, were unacceptable. Justice and necessity, then, impelled the union to seek a substantial increase in pay and a decrease in hours. The union also insisted that the financial condition of the company was irrelevant and that industry standards and local economic conditions alone should determine the size of the wage increase. The union demanded, then, that the company pay motormen and conductors forty-five cents an hour for a nine hour day and time and a half for work over nine hours.¹²

Those were not the only demands the union made. In 1917 the local union received permission from the "international" office to begin recruiting nonunion workers in the electric and "gas house" divisions for membership and to include them in all wage and contract agreements. Over the next year or more, local union leaders persuaded the unskilled and semi-skilled workers of the electric and gas divisions, many of them black, to join the carmen's union. The union advised the company of its activities, and insisted that the new wage and contract agreement include all workers in the gas and electrical divisions, granting them the same percentage increase as the carmen. The wage increase proposed by John

¹²New Orleans Item, May 15, 18, June 17, 18, 19, 1918; New Orleans Daily States, May 7, 13, 16, 18, June 17, 18, 1918.

Stadler would exceed two million dollars.¹³

Union membership, perhaps more so than money, was the essential issue, and the union wanted provisions in the contract assuring it control of the work force and, in effect, the character of the work place. The carmen insisted on a two year contract, preventing the company from locking the union into wages or agreements outdated by changing economic conditions. More to the point, the union demanded that NORLC agree to a formal and detailed grievance procedure that protected the worker against the anti-union activities of management. And, most important of all, the union demanded that NORLC recognize the union shop, agreeing to dismiss any eligible worker who refused to join the union.¹⁴

The management of NORLC was not surprised by the character of the union's demands, and it was, as expected, opposed to every feature of the proposals. It acknowledged that the men deserved a pay increase, but it argued that the union's demands were excessive and out of proportion with prevailing regional and industry standards and conditions and beyond the ability of the company to pay. The cost of living in New Orleans, management asserted with no apparent sense of irony, had been "overestimated" by the union, and

¹³William B. Fitzgerald, First vice-President, International AASEREA, to John Stadler, May 14, 1918; William D. Mahon to Gus Bienvenue, June 17, 1918, box 2, SRUC, SCD, HTML, TU; New Orleans Daily States, May 7, 13, 16, 31, June 10-14, 17-19, 1918; New Orleans Item, May 13, 18, June 12-14, 17-18, 1918.

¹⁴Ibid.

did not justify the sort of increase demanded by the carmen. The wage increase demanded by the union would only further exhaust the meager financial resources of the company and would absorb the WFC loan and the six cent fare, either forcing the company to default on its loan and requiring the Behrman government to increase fares and rates. In addition, to include nonunion workers in the wage agreement would violate the charter of the Carmen's union and antagonize the craft union workers already under contract with NORLC. And, management insisted, the company would never relinquish control over the conditions of employment and would never submit to demands for a union shop.¹⁵

Company management assured the union that it would seek a reasonable wage increase for the motormen and conductors, but it refused to negotiate (for the moment) any of the other issues raised by the union. Rather, the company suggested that the union submit its proposal to include "non-union" workers in the agreement to the International leaders in Chicago or to the Orleans Parish Civil District Court, in either case damaging the credibility of the local union.¹⁶

President John Stadler, too, refused to negotiate the issue of union membership. He accused NORLC of misrepre-

¹⁵New Orleans Daily States, June 17-19, 1918; New Orleans Item, May 29, June 17-19, 1918; Typescript Exhibit dated September 19, 1918, "Brief on Behalf of New Orleans Railway and Light Company," October 4, 1918, Portfolio 3, PNWLB, LSU.

¹⁶New Orleans Item, June 19-20, 1918; New Orleans Daily States, June 19-20, 1918.

senting the legitimate rights of the local union and of trying to disguise its own intentions. The local union, he said, and not NORLC, was the principal judge of the qualifications of its membership. The local began recruiting gas-house and electric workers with the approval of the International office, and it notified NORLC of the new composition of the union long before contract discussions began. The company had no reason, other than corrupt self-interest, for refusing to bargain with the local union. The company's reasons were, Stadler intimated, simple and obvious. NORLC simply did not want to pay its employees (other than top management) a representative wage or salary and it did not want to relinquish its exploitive grip on labor. Until NORLC recognized the AASEREA as the representative of the gas and electric workers, there would be no further "discussions".¹⁷

In a manner of speaking, negotiations were never truly suspended, but carried on in public discussions and private correspondence. Mayor Behrman reminded the union and NORLC of their joint commitment to public services, and he insisted that they reopen their discussions, submitting any major disagreements to mediation by the federal National War Labor Board (NWLB). The company, much to its later regret, readily agreed to the mayor's suggestion, but the local union balked at the idea of a mediated settlement. But, after consulting with the International leadership, who assured the local

¹⁷Ibid.

that the NWLB would grant workers a "substantial increase," the local union consented to Behrman's proposals. The local agreed to negotiate issues of membership, employment, and the union shop with NORLC and to submit the wage issue to the NWLB. NORLC, too, expressed its willingness to compromise, confident that it could dilute proposals for the union shop and that the NWLB would grant an inconsequential pay increase.¹⁸

Representatives of the company and the union met continually for a week, devising two separate agreements. The "primary" agreement, a preliminary, though binding, contract, concentrated on eligibility, grievance procedures, and provisions for a union shop. In essence, the primary agreement acknowledged the authority of the local AASEREA to set eligibility standards for its membership and, in part, determine the character of the labor force. Under the terms of the primary agreement, the conditions of the contract would extend to all eligible gashouse and powerhouse employees. Those employees not presently eligible would be covered under the contract until the AASEREA ruled on their eligibility. If the International chose not to embrace those non-union members of the gashouse and powerhouse divisions (an

¹⁸Behrman to National War Labor Board, June 19, 1918, Portfolio 1, PNWLB, LSU; Mahon to Stadler, June 15, July 11, 1918, Mahon to Bienvenu, June 18, 26, 1918, box 2, SRUC, SCD, HTML, TU; New Orleans Item, June 13, 14, 17-19, 21-23, 1918; New Orleans Daily States, June 13, 14, 17-19, 22, 23, 1918.

unlikely event given the commitment of the local AASEREA to unionizing unskilled and black workmen), then those workers could form separate unions. NORLC and NOGLC would then use the 1918 contract as the basis for contracts with the new unions.¹⁹

The primary agreement also promised to restructure disciplinary and grievance procedures, giving the employee and the union a more open and formal means of contesting company discipline and expressing discontent. The company insisted, however, that grievances had to be resolved within the individual divisions of the company and always "in favor of the maintenance of the organization and discipline of the company". And, though the employee and the union had the right of appeal, there was no appeal beyond the board of directors. The company also retained the "unrestricted right" to discharge any employee for just cause--legitimate union activity was not just cause. Despite the intimidating language of this provision, in effect it provided for compulsory arbitration of disputes, according the carmen and other union members a right previously withheld from them.²⁰

¹⁹Agreement and Supplemental Agreement entered into between the New Orleans Railway and Light Company and the Amalgamated Association of Street and Electric Railway Employees of America, Division No. 194 of the City of New Orleans, State of Louisiana, July 1, 1918, Portfolio 1, PNWLB, LSU; box 13, SRUC, SCD, HTML, TU; New Orleans Item, June 26, 28, 1918; Carpenter, "The New Orleans Street Railway Strike of 1929-30," 17-19; Fairclough, "Public Utilities," 50-51.

²⁰Ibid. The most common grievance concerned promotion. The agreement ended that dispute by making seniority the sole standard for promotion.

New Orleans Railway and Light Company and the local also agreed to a union shop. All current employees of NORLC eligible for membership with the AASEREA would be required to join the union after the new contract went into effect. New employees were, as well, required to join the union following a probationary period of sixty days, and no member of the the AASEREA would be expected to work with any non-union worker except in emergencies.²¹

The "supplemental" agreement was, by comparison, brief and direct. The union and the company simply agreed to submit the dispute over wages to the NWLB and to abide by its decision. Mediating the wage issue and reconciling the union and NORLC to the decisions of the NWLB, on the other hand, was more intricate and difficult than either the union, the railway company, or the Behrman administration anticipated. Mediation of the dispute took more than four months, involving a lengthy rehearing and producing a controversial revision of the initial wage award. And the decisions of the NWLB contributed to the collapse of NORLC and hampered the Behrman administration in its efforts to bring about a public rehabilitation of NORLC.²²

²¹Ibid. The carmen agreed to work nine hours within a twelve hour shift. To avoid disputes over part-time pay for full-time work, the company agreed to pay motormen and conductors time and a half for any "run" of work under six hours and regular time for "runs" between six and nine hours. The union also promised not to strike or engage in any work stoppage that might "materially cripple any service rendered" by NORLC.

²²Ibid

The decisions reached by the National War Labor Board, however, were in part the result of the diverse interests of labor and management and the intense rivalries within the Wilson administration. Organized labor and management, of course, sought to use the NWLB to their own advantage, and would not consent to government arbitration of vital, vested interests. Organized labor opposed any effort to set a minimum wage standard, fearing that it would become the acknowledged maximum wage. Business, on the other hand, feared setting standards too high, fueling inflation, further "destablizing" the economy, and strengthening the position of organized labor. The Wilson administration, for its part, was badly divided and uncertain about its authority and ability to establish a common, fixed labor policy. It was, as well, intent on preserving the integrity of the peacetime executive departments and committed to the policy of "voluntary cooperation".²³

The Wilson administration, then, carefully defined and restricted the power of the NWLB. The NWLB could not intrude on the labor policies of the permanent, peacetime executive departments and agencies unless a department or agency violated an established principle of the NWLB. The board could mediate most other labor-management disputes, but even in

²³William B. Wilson to Wilson, August 5, 1918, 181, August 5, 1918, 206-07, Wilson to William B. Wilson, August 28, 1918, 367, vol. 49, Arthur S. Link, ed., The Papers of Woodrow Wilson (Princeton, 1985); Valerie Jean Conner, The National War Labor Board, 30-31, 50-67.

those cases its authority was severely limited. The board could not "arbitrate" a dispute unless management and labor agreed to arbitration and the board arrived at an unanimous decision. In those cases, its decision was binding, but it had no means of forcing compliance with its decision. If labor or management wanted the board to mediate a disagreement, the board could recommend a settlement. But, as in the case of "arbitration," either side could refuse to accept the recommendations of the NWLB. In effect, then, the NWLB had no actual power, save that of "moral suasion".²⁴

The principles laid down for the NWLB reflected the same inner tensions and conflicting interests, and signaled only a "modest advance" in labor-management relations. Labor and management pledged that there would be no strikes, lock-outs, or other actions that might impair the war effort, in effect compelling them to negotiate or mediate their differences. Management acknowledged the right of labor to organize and to bargain collectively, and agreed that no employee would be dismissed because of union membership or for any

²⁴William B. Wilson to Woodrow Wilson, March 8, 1918, vol.46, 578-80, Robert W. Wooley and Matthew Hale to Wilson, April 19, 1918, vol.47, 376-79, William B. Wilson to Wilson, April 29, 1918, vol.47, 461-65 in Arthur S. Link, ed., The Papers of Woodrow Wilson (Princeton, 1984); "Proclamation by the President of the United States, National War Labor Board," Portfolio 1, PNWLB, LSU; Conner, The National War Labor Board, 30-31; Robert D. Cuff, "Herbert Hoover, The Ideology of Voluntarism and War Organization During the Great War," Journal of American History, 64 (September 1977), 358-72; Cuff, "The Politics of Labor Administration During World War I," Labor History, 21 (Fall 1980), 546-69.

legitimate union activity. The NWLB principles preserved the union shop where it already existed, In an existing open shop, however, unions could not force workers to join a union or coerce management into accepting a union shop. Finally, the NWLB would guaranteed all laborers, regardless of their union affiliation (or sex), a living and equitable wage, taking into account, of course, local wage standards and economic conditions.²⁵

In June, the NWLB, under the direction of co-chairmen William Howard Taft and Frank P. Walsh, began deliberations on the wage award issue. Industry spokesmen testified that few, if any, railway companies could survive the sort of wage increases contemplated by the unions and the NWLB unless there was a corresponding increase in fares. Wartime conditions and adverse public regulation, rather than industry mismanagement, were responsible for the street railway crisis, Neither the local communities nor the federal government would acknowledge their proper responsibility

²⁵"Principles and Policies to Govern Relations Between Workers and Employess in War Industries for the duration of the War," Portfolio 1, PNWLB, LSU; SRUC, box 14, SCD, HTML, TU; New Orleans Item, April 15, 1918; Conner, National War Labor Board, 29-30. Several railway companies entertained the idea of hiring women as conductors and motormen as war-time replacements for men serving in the armed services. Union officials, however, complained that management was not concerned with helping women but with using women to reduce wages and demoralize the union. Eventually, the union consented to the idea, insisting, however, that women work under the same conditions and at the same pay and that they be required to join the union. See J. B. Lawson, Chairman General Executive Board International AASEREA, to all locals, August 21, 1918, box 2, SRUC, SCD, HTML, TU.

toward the industry. Local regulatory authorities refused to increase rates and fares because local political considerations were too overpowering for them to resist. Federal policy was, as well, harmful. Though the president possessed the authority to regulate the industry and increase fares, he relied on a flawed policy of local regulation and voluntary cooperation. The only sensible policy, spokesmen said, called for direct federal aid to the industry and tying the wage increase to a corresponding increase in railway revenues.²⁶

The two chairmen informed President Wilson that the NWLB would grant a substantial increase to street railway employees, advising him that the increases, though justified, would bankrupt many companies, disrupting services and threatening the war effort. Taft and Walsh suggested "with all the emphasis possible" that Wilson increase railway rates or ask Congress to give him that authority. Wilson refused to alter his policy. He believed that direct federal aid to the utilities industry was an unwise policy, and he continued to place great trust and faith in local government and voluntary cooperation. The board soon abandoned efforts to tie wage increases to increases in rates and fares. Late in June, the board announced its decision.

²⁶Conner, The National War Labor Board, 68-72. Attorneys for the railway industry argued in addition that the NWLB could raise rates independent of the President's authority to assume control of the industry.

Neither the financial condition of the railway companies nor their need for additional revenues would have any relevant bearing on the wage awards granted to street railway employees. The only pertinent issue was the determination of a fair and living wage for railway workers that would sustain them in the midst of the increasing cost of living.²⁷

Early in July, 1918, three days after the carmen and NORLC agreed to refer their wage dispute to the NWLB for "investigation and readjustment," representatives of the company wrote to the board asking for an immediate hearing and a favorable "readjustment". Consumed with the issues of a "living wage" and direct federal aid to the railway industry, the NWLB delayed its hearings until later in July, but counseled the union and the company to anticipate high wage awards. The board began hearing arguments in the New Orleans case on July 20.²⁸

The Carmen's union, represented by International president William D. Mahon, general counsel James H. Vahey, and local president John Stadler, spoke first. The railway company will argue, the union representatives said, that the

²⁷Taft and Walsh to Wilson, July 1, 1918, as cited in Wilson to Tumulty, July 5, 1918, vol.48, 526-27, The Papers of Woodrow Wilson; New Orleans Item, June 24, 25, 1918; New Orleans Daily States, June 25, 1918; Conner, National War Labor Board, 68-88.

²⁸Curran to Taft and Walsh, July 3, 1918, Francis T. Homer and H. Genexes Dufour to NWLB, undated, W. Jett Lauck, Secretary, NWLB to Curran, July 8, 1918, Lauck to Behrman, Curran, Stadler, and others, July 13, 1918, Portfolio 1, PNWLB, LSU; New Orleans Item, July 14, 1918; Conner, The National War Labor Board, 50-88.

wage increase demanded by the union was unjustified, that economic conditions in New Orleans were not as acute as the union portrayed them, and that any sizeable increase in wages would inhibit the company's ability to maintain service, resulting in the collapse of NORLC. The wage demands, union spokesmen said, were justified for three principal reasons. Since 1916, the employees of the railway department of NORLC had been subsisting on twenty-four and a half cents an hour, a standard lower than many cities in Louisiana and the South. The company had, as well, reduced the number of cars in service, consolidating runs, and forcing many men to work "overtime" in order to make ends meet. Many of these men had invested many years of service, acquiring seniority with the company and the union, and they were unwilling and, in many cases, unable to change jobs. The majority of the better paying jobs in New Orleans required men of specialized skills; most of the carmen and other men represented by their union were not skilled workers, but fell into the category of "semi-clerical" workers.²⁹

²⁹"In the Matter of the Arbitration Between Division No. 194 the Amalgated Association of Street and Electric Railway Employees of America of New Orleans, Louisiana and the New Orleans," July, 1918, Portfolio 1, PNWLB, LSU, hereafter cited as "Arbitration Between AASEREA and NORLC," 1, 2, 9, 10; "Minutes of the Hearing in the Street Railway Cases, July 20, 1918," 1, 49, ibid.; Contracts between AASEREA, Division No. 194 and New Orleans Railways Company and New Orleans Railway and Light Company, box 13, SRUC, SCD, HTML, TU.

The second reason, the union contended, was even more compelling than the first. Since the beginning of the Great War, the cost of living, even in warm-weather cities like New Orleans, had increased over ninety percent, while "real" income for the carmen had not increased since 1910. Simple economic justice and the vital necessity of the railway industry to the war effort and the development of New Orleans justified the demands of the carmen for a substantial increase.

Finally, though the financial condition of the company was not relevant to establishing the wage award, the union argued, NORLC had the resources and the earning capacity to fund the wage increase and to maintain services. Admittedly, the war skewed the financial and investment arrangements of the company, forcing it to seek federal aid from the War Finance Corporation, but on the whole it remained solvent and successful, despite warnings of its imminent collapse. Though the WFC loan prevented NORLC from defaulting on certain securities, the people of New Orleans, not the stockholders, underwrote the loan. These additional revenues, in the form of a six cent fare and a reduction in services, amounted to nearly one million dollars, all coming at the expense of the people of New Orleans and the employees of NORLC. Though it claimed it had no money to maintain service or to pay its workers a fair wage, NORLC continued, despite the war, to pay huge dividends to its stockholders and tre-

mendous salaries and fees to its management and retainers. In short, the union suggested, the company could, without question, pay the wage increase authorized by the NWLB.³⁰

H. Generes Dufour, the general counsel for NORLC, agreed with the union that the NWLB should consider the financial condition of the company in determining the wage award. The company, Dufour told the NWLB, was in serious financial difficulty, mostly as a result of the rigors of the wartime crisis, but to some degree from the failure of government to properly assess the needs of the public service industry, particularly in the South. The war increased the cost of operation, including labor, and absorbed the investment capital normally reserved for private enterprise. As a result, though gross earnings increased \$744,000 from 1914 to 1917, operating cost rose \$1,200,000 over the same time. The added cost of operation compelled the company to seek government assistance. The WFC loan would not resolve the financial difficulties of the company, but only prevent

³⁰Charles E. Thomas to Taft, July 21, 1918; Auditor's Report, New Orleans Railway and Light Company System, June, 1918; Exhibit A, Brief on Behalf of New Orleans Railway and Light Company, October 4, 1918, Portfolio 2, PNWLB, LSU; Comparative Payroll Statement, New Orleans Railway and Light Company, undated, ibid. According to the data furnished to the NWLB by NORLC, the company paid nearly \$2,000,000 in interest and dividends for 1917, but that figure may be inaccurate and misleading. Many of the company's "fixed" charges--rentals and leases--were, in fact, dividends paid to itself. See Simon Borg and Company, et. alia. v. New Orleans City Railroad Company, et alia., 244 Federal Reporter 617. Curran earned \$23,500, railway manager Nelson Brown \$5,000, NOGLC president Lee Benoist \$6,000, and attorneys retainers totaled \$22,700 a year.

it from defaulting on certain outstanding bonds. Though the loan was contingent on the six cent fare, the stockholders, along with the people of New Orleans, would guarantee the WFC loan.³¹

The six cent fare would, as well, guarantee the carmen a fair and reasonable wage. The company, Dufour informed the NWLB, would devote only a portion of the six cent fare to redeeming the WFC loan. The other portion it would dedicate toward a wage increase for the carmen. After consulting with city officials (the Behrman administration had just given city employees a fifteen to twenty percent wage and salary increase) and studying the wage scales in other cities, management offered the union a twenty-five percent increase, raising wages for carmen to thirty-one cents an hour and giving other "union" employees between a ten and fifteen percent raise. But the union insisted on a eighty-three percent increase for the platform workers and a portional increase for all other employees, totaling in excess of two million dollars. A wage award of that calibre would leave NORLC with a deficit it could not erase with any reasonable increase in revenues or economies and promised the thorough

³¹"Arbitration Between AASEREA and NORLC," ibid., 1-3.

collapse of the public utilities industry in New Orleans.³²

If, on the other hand, the union relented in its wage and contract demands and accepted the proposal of the company, Dufour asserted, the carmen would make more money than motormen and conductors in most other major southern cities. In the process, the carmen would be preserving the jobs of hundreds of their fellow workers and assuring the integrity of industry and labor in the South. The "natural advantages" of the southern climate and the "radical difference in the economic and industrial [racial] fabric in the South," Dufour informed the board, justified a lower wage scale for the southern labor. "Upon this fundamental economic fact," he said, "rests Southern industry and commerce." The lower, Southern wage enabled the utility industry to compete successfully for investment and to provide public services at reasonable and profitable prices. "It would prove destructive of the South's economic situation if any artificial con-

³²Ibid., 4-6. Commissioner of Public Property Edward E. Lafaye testified that municipal employees were "generally satisfied with the wage increase granted to them by the Behrman administration, regarding it as a "living wage" sufficient to meet the rising cost of living in New Orleans. Though Lafaye acknowledged that carmen made less than most municipal workers, he considered NORLC's offer "fair". Dufour capitalized on Lafaye's remarks, reminding the NWLB that "It is a well-known fact that employees of municipalities throughout this country are, so far as wages paid them be concerned, regarded as favored employees and are never, as a rule, underpaid." "Statement of Edward E. Lafaye, Commissioner of Public Property of the City of New Orleans in connection with the Arbitration Before the United States War Labor Board of the Wage Scale to be Paid Employees of New Orleans Railway and Light Company, July, 1918," Portfolio 1, PNWLB, LSU.

dition were brought about by mere fiat of establishing uniformity in the wage scale throughout the country." In other words, imposing a higher, uniform wage scale on southern labor would hinder the development of the South's "natural advantages," retarding industrial and economic progress, and threatening racial accommodations and peace in the South.³³

A week after the close of the hearings, the NWLB rendered its decision. Before publizing its findings and specifying the wage awards, however, the NWLB admonished the union, the industry, and the municipal authorities against exploiting the wartime emergency for their own advantage. The war, the chairmen declared, "is not a normal period of industrial expansion from which employers should expect unusual profits or employees abnormal wages;...it is an interregnum in which industry is pursued [by industry, labor, and government] only for common cause and common ends." The pursuit of those common ends, nonetheless, necessitated a substantial increase in the wages paid to the carmen and allied union workers. By the same token, the war threatened the electric railway industry with insolvency, and, though the industry was guilty of past mismanagement and questionable financial practices, it surely merited the assistance of the federal and local governments. The NWLB recommended, then, that Congress and the president consider legislation remediateing its financial problems and creating a federal agency

³³Ibid., 6-11.

to assist in its reform.³⁴

Consideration of any sort of "remedial" legislation, of course, would take months and the would require the approval of a wary Congress and a president intent on maintaining the integrity of local authorities. For the present, then, local communities and authorities were solely responsible for remedying the problems of the electric street railway business. The NWLB called on the Behrman administration to increase railway fares to meet the requirements of the wage award. In considering the fare increase, the board advised, the administration should disregard the past sins of NORLC. "Over capitalization, corrupt methods, exorbitant dividends in the past," the chairmen wrote, "are not relevant to the question of policy in the present exigency. In justice, the public should pay an adequate war compensation for a service which can not be rendered except at war prices." Those war-time fares, however, should not be governed by the demands of stockholders or management, but by "the immediate pressure...to keep street railways running so that they may meet the local and national demands for their services."³⁵

The NWLB divided the wage award into three, graduated

³⁴"Resolution Adopted by the National War Labor Board," July 31, 1918, Portfolio 1, PNWLB, LSU; Docket No. 98, "Findings of Joint Chairmen as Arbitrators in re Employees versus New Orleans Railway and Light Company, July 1918, ibid., hereafter cited as "Findings of Joint Chairmen," box 14, SRUC, SCD, HTML, TU; Committee on Public Information, The Official Bulletin, August 3, 1918, Portfolio 3, ibid.; New Orleans Item, August 1, 26, 1918.

³⁵Docket No. 98, "Findings of the Joint Chairmen," ibid.

classifications. The award was retroactive to July 1 and was effective over the duration of the war. The board granted experienced platform workers in large metropolitan areas, where the cost of living was considered at its highest, a wage of between forty-eight and fifty cents an hour. Those carmen working in smaller, presumably less expensive cities would earn up to forty-five cents an hour, and in cities with a recognized lower cost of living, the board awarded motormen and conductors forty-two cents an hour. Carmen working for NORLC fell into this third category. They would receive thirty-eight cents an hour for the first three months of the award, forty cents over the next nine months, and forty-two cents thereafter. The board considered other railway workers and the employees of the gashouse division covered under the "primary agreement" in a separate decision. Those workers, many of whom were unskilled and black, received increases between seventy-one and 180 percent, elevating their wages above those of the many skilled, white workers.³⁶

In general union leaders were satisfied with the award, though they were disappointed that the board placed New Orleans in the third classification. The board's reasoning, at least according to the Official Bulletin, the journalistic organ of the United States Committee on Public Informa-

³⁶Ibid.; Conner, The National War Labor Board, 77-81; New Orleans Item, August 1, 10, 12, 1918; New Orleans Daily States, August 10, 1918.

tion (the Creel Committee), was climatic and economic. "In New Orleans the wage was fixed lower than in other larger cities," the Bulletin wrote, "the reason being the climatic conditions, which made possible the omission of the items of fuel and heavy clothing from the cost of living budgets." Apparently, the board did not give consideration to the oppressive heat and humidity that characterized and distinguished New Orleans weather. The NWLB acknowledged, though, the distinctive character of the Southern economy. The wage award granted to the New Orleans Carmen's union recognized and justified the lower wages paid to southern workers--with one notable exception. The board, for some unaccountable reason, granted unskilled black workers an increase that paid them wages equal to those of white men. Apparently, the board, at least for the moment, did not fathom the social and economic implications of its ruling. But NORLC did. And with its assistance, the board moved to correct the "unintended" consequences of its decision.³⁷

The management of NORLC was, to say the least, dismayed and alarmed by the board's decision, and it asked for an immediate reconsideration and readjustment. In a series of

³⁷Docket No. 98, "Findings of Joint Chairmen", Portfolio 1, PNWLB, LSU; Curran to Taft and Walsh, August 10, 1918, ibid.; Official Bulletin, August 3, 1918, Portfolio 3, ibid.; New Orleans Item, August 10, 1918. For the initial response of the union see, Gus J. Bienvenue to W. Jett Lauck, August 16, 1918, Portfolio 1, PNWLB and William D. Mahon to Stadler, August 21, 1918, box 2, SRUC, SCD, HTML, TU.

letters to the board, NORLC president Daniel Curran reiterated the company's initial arguments for a "reasonable" wage award and explained the damaging economic and social consequences of the board's decision. That decision, he wrote, was "unjust and unfair" and completely "out of proportion with the necessities of the case". The wage award authorized by the board exceeded the company's ability to pay, threatening its financial stability and jeopardizing its loan with the WFC. If the board did not readjust its initial decision, NORLC would be required to pay an additional two million dollars for labor, which current revenues could not meet. The company would then be forced to cut services and demand fares and rates that neither politics nor business could justify.³⁰

The award also compensated unskilled, "common" workers beyond their value and contribution to the company, Curran said. This later aspect of the award would only serve to "demoralize" the carmen and the other skilled workers with NORLC. It would, as well, disrupt labor throughout the city and the region. This "common" class of laborer, Curran informed the board, was of the "same class as Southern farm labor, [and was] composed almost exclusively of negroes....

³⁰Curran to Taft and Walsh, August 8, 10, 1918, Portfolio 1, PNWLB, LSU; New Orleans Item, 1, 2, 10, 12, 14, 15, 29, 1918; New Orleans Daily States, August 1, 2, 10, 14, 1918.

It is patent," Curran warned, "that a disturbance of the labor conditions in this city and in the agricultural districts of this state will result from the above conditions."³⁹

It was evident, as well, that Curran's warning disturbed the NWLB. The board, anxious to avoid any labor unrest and eager to "harmonize" all interests, dispatched two field investigators under the supervision of W. Jett Lauck, the executive secretary of the NWLB, to New Orleans to examine Curran's claims. The field investigators remained in New Orleans for about two weeks, conducting "interviews" with company management, union officials, and civic leaders (there is no evidence that the two investigators spoke with the mayor or members of the commission council). From these "interviews" they concluded that there was some merit to Curran's assessment. There was no immediate possibility that NORLC would collapse under the wage award. But with the commission council bending to political pressure not to increase carfares, there was the danger that the railway company would suspend some operations and "lay off" workers.

³⁹Ibid. For the most obvious and compelling reasons, most black workers for NORLC displayed no public dissatisfaction with Curran's remarks. A few black workers, however, ignored convention, complaining in writing to President Wilson and the NWLB about the naked racial prejudice woven into the appeal of NORLC. Their protest, however, was muted with resignation. The southern white man, they said, would submit to paying any "colored laborer" a wage equal to the white man. See Nemis Paper to Wilson, September 6, 1918, W. Celles to Taft and Walsh, September 11, 1918, Portfolio 1 PNWLB, LSU.

And, with many common "colored" laborers earning wages under the award in excess of their merit or due, there existed the chance for a "great deal of strife and industrial unrest" in New Orleans. The report suggested that the board review its decision, modifying it with the intention of "harmonizing" the financial, social, and political interests of New Orleans.⁴⁰

The report convinced the NWLB to review and reconsider its initial decision in the New Orleans case. The board then temporarily suspended the award for all workers except motormen and conductors, and it scheduled a rehearing for early October. Union representatives vigorously protested the suspension, arguing that NORLC would use the suspension to negate its contract agreements with the union. The union also pointed out, with some justification, that NORLC had not yet produced any tangible evidence that the wage award was damaging to the company or demoralizing to the workers and the community. The suspension of the award was, there-

⁴⁰Lauck to Curran, August 12, 1918, Report Arthur Sturgis and M. Joseph Chiesa to W. Jett Lauck, August 31, 1918, Portfolio 1, PNWLB, LSU. In many respects, the report reflected the interests of NORLC, repeating its arguments for reducing the size and scope of the wage award and suggesting that NORLC already paid black workers an adequate wage. The report also accused the Behrman administration of succumbing to organized labor and opposing to the six cent fare. The report ignored the opposition of the Board of Public Utilities and other so-called middle-class reformers to the fare increase. It also ignored NORLC's demands for an immediate increase as a means of avoiding public rehabilitation. For different view, see Conner, The National War Labor Board, 81-82.

fore, unjust, and would, the union leaders insisted, damage the men's morale and could disturb the public order.⁴¹

The board, already predisposed toward revising the wage award, refused to lift the suspension and, after some delay, proceeded with the rehearing.⁴² The New Orleans Railway and Light Company filed a lengthy and detailed brief with the NWLB, seeking, as the brief explained, only "simple justice" and arguing that the wage award was "unworkable and excessive". NORLC contended, as it had throughout the entire proceedings, that the wage award was beyond the company's ability to pay. Working with current revenues, the award would produce a deficit estimated at \$2,526,000, \$1,700,000 coming from the railway division alone. Even with the most generous and feasible fare increase and the most reasonable reduction in services, under the present wage award the company faced huge deficits. And, the company insisted (with no justification), political conditions in New Orleans made it nearly impossible for it to secure any substantial fare increase. The regulation of public utilities in New Orleans

⁴¹Walsh to unknown, August 30, 1918, Lauck to Curran, August 30, 1918, Lauck to Stadler, August 30, 1918, Stadler to Lauck, August 30, 1918, Lauck to E. M. Nolan, undated, Lauck to Curran, September 19, 1918, Portfolio 1, PNWLB, LSU; Mahon to Stadler August 21, 1918, box 2, SRUC, SCD, HTML, TU; Stadler to Lafaye, September 19, 1918, Lafaye to Stadler, September 19, 1918, box 14, ibid.; New Orleans Item, September 20, 1918; New Orleans Daily States, September 20, 25, 1918.

⁴²Walsh to unknown, August 30, 1918, Lauck to Curran, August 30, 1918, Lauck to Stadler, August 30, 1918, Portfolio 1, PNWLB, LSU.

was wholly inadequate and thoroughly politicized. The Nix act, which was to govern the regulation of public utilities in New Orleans was, in fact, a dead letter. The Behrman administration dismissed the Board of Public Utilities as unnecessary and subjected the provisions of the act to political expediency. Simply put, the municipal government was unwilling to increase carfares because it feared a backlash from consumers and organized labor.⁴³

A sizeable reduction in the wage award, however, would permit the company to maintain services, meet its financial and contractual obligations to investors and employees, without demoralizing either of them, and allow the Behrman government the political latitude to increase fares. For the reduction to satisfy and harmonize all interests, it had to extend to all classifications and divisions of workers, skilled and unskilled, gas, power, and railway. Skilled workers for NORLC, the company suggested, were immune to the seasonal and occupational reverses that tormented skilled labor in other fields of work. The union wage scale, design-

⁴³Before the National War Labor Board, Employees vs. New Orleans Railway and Light Company On Re Hearing, "Brief on Behalf of the New Orleans Railway and Light Company, October 4, 1918," 2, 19, Portfolio 2, PNWLB, LSU, hereafter cited as "Brief On Behalf of NORLC,". The brief estimated that the six cent fare would result in a deficit of \$636,000, the seven cent fare \$170,000, and the eight cent fare \$110,000. Management suggested that it could "operate" under the award if it abandoned many services and eliminated whole departments of the company. For example, the company could dismiss the entire maintenance crew (600 men) and 150 carmen. Obviously, management said, considerations of that sort were impossible.

ed to protect the skilled laborer from those seasonal and occupational reverses, did not apply to the skilled employees of NORLC, and their award, the brief argued, should be reduced to a figure below the prevailing union scale.⁴⁴

The wage award accorded to the unskilled, common black laborer, NORLC argued, was unjustified and potentially damaging to the economic and social fabric of the community. The award given to the common black laborer placed him on a par with motormen, conductors, and railway supervisors, all of whom were white and more skilled. "In dealing with [the] problem of Southern industry," the company reminded the NWLB, "this Board cannot ignore the fact that there is a different scale of living between the negro [sic] and the white man generally and that the character of this [black] labor is such that an increased wage will not improve the standard of living but will merely result in idleness and dissipation." A high wage for black workers encouraged absenteeism and resulted in a decline in productivity, forcing the company to hire more men, draining the rural parishes of productive farm laborers, swelling the city with uninitiated citizens, and placing a greater strain on housing, sanitation, and other vital city services.⁴⁵

Though not nearly as damaging and dangerous to the city's economy and social order, the wage awarded to the

⁴⁴"Brief on Behalf of NORLC," 4-11.

⁴⁵Ibid., 8-9.

motormen and conductors, too, threatened vital public services and the industrial peace of the city. Even with a reduction in the awards to skilled and common workers, with present revenues or with a six cent fare, the current wage scale for the carmen exceeded the company's ability to pay. Nor did the platform men merit the sort of wage authorized by the NWLB. The carmen did not perform specialized, skilled work, as they insisted. Rather, it was, at best "semi-clerical" work, requiring only average intelligence, judgment, and coordination. Yet, under the present wage scale, motormen and conductors were making more money than experienced railway supervisors and skilled mechanics, fostering discontent among labor and draining the company of precious resources and skilled workmen.⁴⁶

The company recommended that the board rescind its initial award, replacing it with the wage scheme used by the Railroad Administration. Under such a system, carmen would receive a maximum of thirty-four and a half cents an hour, common workers twenty-six cents, and skilled labor an increase of between thirty and forty percent. The Railroad Administration system, the brief contended, guaranteed company employees a just settlement and allowed the company to maintain services and to meet its financial obligations. Without an immediate and favorable revision, NORLC would collapse

⁴⁶Ibid., 7-13, 16.

into bankruptcy and probably cease operations.⁴⁷

The response of the NWLB was neither immediate nor completely favorable. The board, anxious to protect the WFC loan and to tie the wage and fare increases together, delayed announcing its decision for nearly three weeks, only further complicating and aggravating an already tense and bitter debate over the necessity and character of a fare increase. Only after the Behrman administration "resolved" the rate and fare controversy, did the NWLB announce its decision. The original award for motormen and conductors would remain unchanged. The NWLB acknowledged, however, that the awards for unskilled and skilled workers were made in "error". Unskilled, black workers would earn a minimum of thirty-eight cents an hour, almost doubling their current wages. The revised award granted skilled (presumably white) workers a ten cent increase, provided the increase did not surpass the prevailing union wage scale.⁴⁸

⁴⁷Ibid.

⁴⁸Winthrop More Daniels to Wilson, October 1, 1918, The Papers of Woodrow Wilson, vol. 51, 242-48; Behrman to Lauck, October 23, 1918, Lauck to Behrman, October 23, 1918, Lauck to Bienvenue, October 24, 1918, "Revision of Award of the Joint Chairmen as Arbitrators in re Employees versus New Orleans Railway and Light Company, October 24, 1918," Arthur Sturgis and M. Joseph Chiesa, Examiners National War Labor Board to New Orleans Railway and Light Company and to Local 194, AASEREA, November 20, 1918, Portfolio 2, PNWLB, LSU; SRUC, SCD, HTML, TU; New Orleans Daily States, October 21, 23-26, December 18, 1918; New Orleans Item, October 21, 23-25, November 15, December 18, 1918; Conner, The National War Labor Board, 82-83.

The revision pleased no one and did not, as one scholar recently suggested, "harmonize" the competing economic and political interests of New Orleans. The management of NORLC, for the moment, refused to accept the revised award, protesting that it, too, would bankrupt the company. Union representatives also complained, calling the new award "a grave and serious injustice" that would force the skilled workmen to accept wages designed to compensate and satisfy unskilled, common laborers. The board rejected the appeals of the company and the union, insisting that the new awards were generous and fair and that the new fare and rate ordinance enacted by the Behrman administration provided NORLC with sufficient income to maintain services and fund the wage increases.⁴⁹

The wage awards granted to the carmen and to the other workers were, at least by the standards of New Orleans, fair and generous. And the fare and rate increases enacted by the municipal administration at the insistence of federal au-

⁴⁹Francis T. Homer to Philp H. Gadsden, Representative of the American Electric Railway Association, War Board, October 26, 1918, Gadsden to Lauck, October 28, 1918, Stadler to Lauck, November 1, 1918, Stadler to Charlton Ogburn, Examiner, National War Labor Board, November 6, 1918, Stadler to Taft and Walsh, December 2, 1918, Homer to Dufour and the National War Labor Board, December 6, 1918, "Appeal to the National War Labor Board for Revision of the Award, October 27 [24], 1918, an Interpretation given by Messrs. Chiesa and Sturgis," November 21, 1918; "Opinion on Appeal," December 14, 1918, National War Labor Board, "Response to Employees' Appeal, Employees v. New Orleans Railway and Light Order in re Appeal from Examiners Interpretation of Revision Award," December 17, 1918, Portfolio 2, PNWLB, LSU; Conner, The National War Labor Board, 83.

thorities, too, seemed sufficient to fund the wage increases and to refund the WFC loan. Federal policy was, however, generous to a fault, "ordering" wage and rate increases that neither the company nor the city administration seemed willing to absorb. The awards prompted NORLC into curtailing services, dismissing workers, and contemplating receivership as a means of avoiding the consequences of the wage settlement and public rehabilitation. The union and the city administration, understandably, objected to the dismissals and elimination of services. The union threatened to delay the efforts of the Behrman administration to increase rates and fares (a threat the administration took seriously), unless the council tied the rate increases to a thorough, public rehabilitation of NORLC. Fearing the collapse of the city's economy, the Behrman government cabled the Wilson administration, requesting him to take over the operation of NORLC, freeing the city to pursue, in a logical and expedient fashion, the public rehabilitation of the company. The federal government refused the city's request. The local and regional character of the utility industry and the peculiarities and dissimilarities of public utility law, Wilson informed the mayor, prevented the formulation of a common policy, allowing the federal government to operate the railway industry. However, Wilson wrote, "It is imperatively necessary that local and state authorities should take [the] action necessary for [the] immediate relief" of the public

utilities industry.⁵⁰

Despite its assertions respecting and encouraging the independence and authority of local governments, the public utility policy of the Wilson administration, denied them the authority to pursue the public rehabilitation of the utilities industry and, as a consequence, discouraged immediate relief. Federal policy was, in the first place, inconsistent and confusing, the result of a protracted debate within the Wilson administration.⁵¹ The Behrman administration, anticipating either federal management or municipal ownership, delayed relief to NORLC, worsening the company's financial crisis. The wage awards granted by the NWLB, given without

⁵⁰Behrman to Joseph Patrick Tumulty, Behrman to Wilson, August 12, 1918, Wilson to Tumulty, August 13, 1918, The Papers of Woodrow Wilson, vol. 49, 240-41; New Orleans Item, August 13, 14, 1918. For an indication of how the Behrman administration perceived the threat of the organized labor--and other interests--to public rehabilitation, see "Statement of Edward E. Lafaye, Commissioner of the Department of Public Property of the City of New Orleans in connection with the arbitration Before the United States War Labor Board," July, 1918, Portfolio 1, PNWLB, LSU.

⁵¹The debate revolved around the issues of direct federal aid and "management" of the public utilities industry. Those who favored such a policy, like NWLB co-chairman William Howard Taft, Secretary of the Treasury William Gibbs McAdoo, Secretary of Commerce William Cox Redfield, and WFC chairman William Procter Harding, urged President Wilson to create a railway administration empowered to manage the electric street railway industry. Others, like ICC chairman Winthrop More Daniels, believed that federal management was a "dangerous policy," further burdening the federal treasury and undermining the authority of the local governments. See, as examples of the debate, Harding to Wilson, July 12, 1918, The Papers of Woodrow Wilson, vol. 48, 597-99; Daniels to Wilson, August 5, 1918, ibid., vol. 49, 183-84, Wilson to Daniels, August 7, 1918, ibid., 204, Wilson to Redfield, August 7, 1918, 207, Daniels to Wilson, September 2, 1918, 420-22.

regard for the financial condition of the company or the city, made public rehabilitation under the six cent fare impossible, forcing the Behrman administration to accomodate higher rates and sustaining to those who opposed the public rehabilitation of New Orleans Railway and Light.⁵²

In the beginning of August, 1918, after months of exhaustive and inconclusive debate, Daniel D. Curran called on Mayor Behrman and the commission council to suspend their investigation into the financial condition of the company and to extend immediate and unqualified relief to it. The wage award granted by the NWLB, he said, coupled with the increasing cost of business, would, if left without remedy, create a deficit of nearly three million dollars. Unless the council granted the company substantial increases in railway fares and gas and electric rates, the company could not meet its financial obligations, including the WFC loan and the NWLB award, causing it to cease operations.⁵³

Over the next several days, representatives of NORLC met with the officers and membership of several important business associations, including the New Orleans Clearinghouse, a consortium of bankers, and the Association of

⁵²New Orleans Daily States, August 13-15, 18-19, 1918; New Orleans Item, August 13-15, 18-19, 1918.

⁵³Curran to Behrman and Council, August 14, 1918, Portfolio 1, PNWLB, LSU; New Orleans Item, August 14, 1918; New Orleans Daily States, August 14, 1918.

Commerce, the conservative successor to the more progressive Progressive Union. H. Generes Dufour, appearing before representatives of the Clearinghouse and several exchanges, maintained that with sufficient funding and proper regulation the company could erase its huge deficit, provide adequate service, and avoid the dangers and embarrassment of bankruptcy. For the increases to be effective, he argued, they had to be sufficient and equitable; large enough to sustain operating expenses and shared by the entire community. He recommended, then, a two cent increase in carfare, a twenty-five percent hike in gas and electric rates, and a five percent reduction in railway services. The business associations required little coaxing. Convinced that it was the obligation of the commission council to meet the crisis "squarely, courageously, patriotically, and without delay," the businessmen called on the council to discontinue its investigation and to grant NORLC the increases it requested without qualification.⁵⁴

The Association of Commerce, unlike the commodity exchanges and the New Orleans Clearinghouse, was not content with petitioning the commission council. The Association of Commerce, with financial and personal ties to NORLC, offered a specific plan that gave NORLC the sort of increases it demanded, removed regulatory control from the commission coun-

⁵⁴New Orleans Item, August 15-16, 1918; New Orleans Daily States, August 15, 1918.

cil, and provided for the private rehabilitation of the company. The plan, authored by former Commissioner of Public Safety Harold W. Newman, provided for a seven cent fare and a thirty percent increase in gas and electric rates. The proposed increases offered by the Behrman and Wilson administrations were designed to meet specific wartime demands and obligations and were, by and large, unconcerned with the financial condition of NORLC. But the increases recommended by the Newman committee and the Association of Commerce, on the other hand, were permanent rates, adjusted to meet the financial condition and obligations of the company and designed to assist in the private rehabilitation of NORLC.⁵⁵

Moreover, the Newman plan provided for the appointment by the commission council of a permanent, independent and "nonpartisan" board to regulate the rates and fares of the public utilities company. The new board would replace the ineffective and discredited Board of Public Utilities and would, presumably, better preserve the interests of the business community and NORLC. With rates and fares finally secured, private investors, with the "encouragement" of the Behrman administration, would reorganize and refinance NORLC in a proper and businesslike fashion, providing for adequate

⁵⁵"Typescript of Resolutions of [the] Commerical Exchanges and Home Labor Organization to Commission Council," August 16, 1918, Portfolio 1, PNWLB, LSU; New Orleans Item, August 16-18, 1918; New Orleans Daily States, August 16-18, 1918. Newman left the Behrman administration in late in 1917, protesting the mayor's stand on the closing of Storyville. See below pages .

public service and guaranteeing sufficient protection for investment.⁵⁶

The commission council met in extraordinary session on Saturday, August 17, to listen to the request of NORLC for an immediate, unconditional increase in rates and fares. The council also welcomed suggestions and commentary from supporters and critics of the proposed increases, particularly from those who either endorsed or opposed the Newman plan. Attorney H. Generes Dufour, as he had so often, presented the case for the company. Dufour recounted for the council essential character and obvious needs of the company. Public utilities were "absolutely essential to modern life," and without them the city's economy would collapse. These utilities were also vital to the overall war effort; without them essential wartime industries and projects, like the proposed Industrial and Navigation Canal, would collapse as well.⁵⁷

The war also disrupted the normal course of business, Dufour continued, driving up prices, exhausting traditional sources of credit, and compelling the company to seek alternate sources of revenue. The federal government, one of the

⁵⁶Ibid. Among those guarantees was a provision calling for an investigation by the Association and the new board of the NWLB wage award. The intent of the provision was, of course, to reduce the size of the award and diminish the authority of the union over the company and its workers.

⁵⁷"Proceedings had at a special meeting of the Commission council of the City of New Orleans held on Saturday, August 17, 1918," Portfolio 1, PNWLB, LSU (hereafter cited as "Special Meeting"); New Orleans Daily States, August 17, 1918; New Orleans Item, August 17, 1918.

two possible sources of credit and revenue available to the company, not only failed to respond to the critical needs of NORLC, it also contributed to the company's worsening financial condition. The Wilson administration refused to grant NORLC the funds necessary to maintain services and meet its financial obligations. And the National War Labor Board, without regard for the financial condition of the company, granted a wage increase to workers that even in the best of times could only bankrupt the company.²⁸

The only other source of revenue left open to NORLC, Dufour assured the commission council, was the people of New Orleans. In seeking the increase, the company had provided the Behrman administration with sufficient evidence, legitimating its claims and enabling the administration to make a fair and complete assessment of those claims. Despite the public pressures, the municipal government, in good conscience and with the best interest of the city in mind, cannot delay or qualify the increase in revenues. There were no legitimate reasons for delay or qualification. Without an immediate increase the company would collapse, defaulting on all its financial and contractual agreements, ruining many of its smaller creditors ("widows, orphan asylums, and trust funds"), and damaging the economy of the city for years to come. Further qualification was, as well, unnecessary. NORLC had already agreed to the mayor's regulation and

²⁸Ibid.

rehabilitation plan, assuring the council adequate authority over the public services companies. Should the council require additional assurances, however, Dufour suggested placing the rate and fare increases on a trail basis, repealing them should they prove no longer necessary.⁵⁹

Few critics of the Newman proposal actually questioned the need and justice of some sort of fare and rate increase. It was obvious that the company needed additional revenues to fund the NWLB wage award and to repay the WFC loan, and it was equally apparent that consumers should share in meeting the cost of operations. The principal opponents of the Newman plan--the carmen's union, the Board of Public Utilities, and the newspapers--objected to the financial conditions and the political consequences of the proposal. These critics maintained that there was no compelling reason for the commission council to suspend its investigation and to grant NORLC an immediate and unqualified increase in rates and fares. A thorough investigation, they assured the council, would reveal that the rates and conditions proposed by the Newman plan were excessive and harmful, compelling the public to pay for the entire cost of operations, with no corresponding guarantee of improved services, and allowing the company to avoid the consequences of public rehabilitation and regulation.⁶⁰

⁵⁹Ibid.

⁶⁰Ibid.

Under the Newman plan, critics charged, the rate and fare increases assessed by NORLC would fall heaviest on the working man and woman, requiring them to pay a disproportionate share of their income to transportation and the other vital public services. Such increases would transform public utilities into private conveyances and conveniences for those who could afford to pay for them. It was apparent, as well, that the proposed increases would extend beyond the wartime crisis, becoming more or less permanent rates and allowing management to employ public funds to refinance the company without rehabilitating it.⁶¹

After hours of nearly endless discussion and debate, the commission council tabled the Newman proposal. As Mayor Behrman explained, the council understood the concerns of NORLC and the business community, but it did not share their sense of urgency. The Ballard investigation, commissioned by the council in June, was nearly complete. Undoubtedly, its findings would enable the council to formulate a permanent and just solution to the utilities crisis in New Orleans. There was, then, the mayor announced, no need for a "quick fix".⁶² Unfortunately, for Mayor Behrman and the commission council, the Ballard investigation dragged on for several more months, never permitting the Behrman administration to enact a "permanent" solution to the utilities crisis and

⁶¹Ibid.

⁶²Ibid.

contributing to the demands for a "quick fix".

Late in September, 1918, William Proctor Harding, the Managing Director of the War Finance Corporation, wrote to Martin Behrman demanding that "quick fix". Direct and uncompromising, Harding reminded the mayor and the council of their promise to raise revenues for NORLC. Without a sizeable increase in rates and fares, NORLC faced bankruptcy, jeopardizing the security of the WFC loan and exposing the council's "bad faith". Meeting in emergency session, the mayor and the council entertained proposals from the WFC calling for an immediate increase in fares and rates. As agents for the WFC explained, a six cent fare and a thirty percent increase in gas and electric rates would enable NORLC to meet its loan obligations, the NWLB award (soon to be reduced), and, ultimately, provide the company with a modest surplus.⁶³

Though it had no other reasonable choice but to consent to the WFC demands, the council attached several conditions to the ordinance increasing fares and rates. Drafted by the City Attorney's Office and introduced by Commissioner of Public Utilities Edward J. Glenny, the ordinance recounted in some detail the origins of the fare and rate increases,

⁶³W.P.G. Harding to Behrman, September 30, 1918, "Minutes of Meeting," October 1, 2, 1918, WFC, RG 154; New Orleans item, October 1, 2, 1918; New Orleans Daily States, October 1, 2, 1918. Economists for the WFC estimated that the fare and rate increases would generate an additional \$2,400,000 for 1918-1919, while expenses for the same time would increase another \$2,200,000.

emphasizing their wartime character and suggesting that the Wilson administration was responsible for its adoption. The ordinance allowed NORLC and NOGLC to collect the new fares and rates only over the term of the WFC loan. And required the companies to dedicate the increases solely to retiring the loan and subsidizing the NWLB award (the wage award expired with the end of the 1918 contract). In addition, the new ordinance authorized the commission council to "regulate" fares and rates on the basis of the valuation set by the Ballard investigation, nullifying the valuation provisions of the Nix act and reiterating the full authority of the commission council over the regulation of public services in New Orleans. One week later, despite the objections of the union and the Board of Public Utilities, the commission council formally enacted the Glenny ordinance. It went into effect immediately.⁶⁴

Opposition to the Glenny ordinance was immediate and, for the most part, ineffective. Wilbert Black, a union representative, filed suit in Civil District Court against NORLC, attempting to prevent the company from collecting the fare increase (the union planned separate suits against the increase in electric and gas rates). The suit contended that the Glenny ordinance was illegal, arguing that the municipal government had no legal authority under its charter or the

⁶⁴Ordinance No. 5257, CCS, CA, NOPL; Behrman to Harding, October 9, 1918, vol.2, "Minutes of Meeting," WFC, RG 154; New Orleans Item, October 2-4, 8-9, 1918.

laws of the state to regulate fares, and that the increase in fares represented an unjust and unconstitutional tax on the people of New Orleans. Civil District Court Judge Hugh C. Cage ruled against the union, arguing that the commission council possessed the "full authority" to regulate the quality and cost of public services. In effect, then, Cage's ruling questioned the legitimacy of the Nix act and the authority, to say nothing of the existence, of the Board of Public Utilities.⁶⁵

The Board of Public Utilities recognized the implications of the Black decision, and it acted quickly to assure its existence and to "preserve" its authority. The board acknowledged that the authority of the commission council was unquestioned in matters of contracts, franchises, routes, and schedules. But, under the provisions of the Nix act, and contrary to the opinions of the City Attorney and the decision in the Black case, the council had no authority over the regulation of rates and fares. That authority, board members asserted, lay clearly and exclusively with the board. And they called on the Behrman administration to rescind the rate and fare provisions of the Glenny ordinance and to underwrite the board in a suit defining the authority

⁶⁵Black v. New Orleans Railway and Light Company 82 Southern Reporter 81; New Orleans Daily States, October 3, 9, 10, 16, 22, 31, November 25-27, 1918; New Orleans Item, October 9-10, 16, 31, November 25-27, 1918.

of the council and the board under the Nix act.⁶⁶

The city administration, convinced of its own authority and anxious to pursue an independent course, encouraged the Board of Public Utilities to test its authority under the Nix act. The administration insisted that it could not participate in a suit against itself, and it suggested that the BPU initiate its own suit, asking the state government to represent it in court. The BPU, constrained by the opinions of the city attorney and without independent resources, complied with the council's recommendations. Early in December, the BPU issued an "ordinance," canceling the rate and fare increases enacted under the Glenny ordinance, and ordering NORLC to surrender all "appropriate" documents concerning the fare and rates increases. Officials for the company, citing the opinions of the city attorney, refused to obey the order, contending that the board had no regulatory authority that the company was bound to respect.⁶⁷

⁶⁶Moore to Martin Behrman and the Commission Council, November 26, December 9, 1918, vol.8, CAO, CA, NOPL; "Special Meeting," Portfolio 1, PNWLB, LSU; Black v. New Orleans Railway and Light Company, ; Board of Public Utilities in and for the City of New Orleans v. New Orleans Railway and Light Company, 82 Southern Reporter 280; New Orleans Daily States, December 5, 6, 16, 18, 1918, February 13, April 1, 2, June 7, 10, 1919; New Orleans Item, December 5-6, 1918, April 1, 2, May 6, 1919.

⁶⁷Board of Public Utilities v. New Orleans Railway and Light Company, 81 SR, 281; Moore to Glenny, February 28, 1917, August 3, 1917, August 8, 1918, November 28, 1918, December 9, 1918, John F. C. Waldo to Moore, August 24, 1918, vol.8, CAO, CA, NOPL; New Orleans Item, December 5, 10, 1918; New Orleans Daily States, December 5, 10, 1918.

Acting on orders from Governor Ruffin G. Pleasant, the state Attorney General filed suit on behalf of the board, seeking to repeal the Glenny ordinance and to establish the full and complete authority of the board over public services in New Orleans. At a preliminary hearing, NORLC questioned the constitutionality of the Nix act, arguing that the act violated provisions of the state constitution requiring the election of all municipal officials "exercising the police [inherent] powers or administering the affairs" of the city. The Civil District Court ruled against the BPU, reaffirming the authority of the commission council to regulate the cost of service and declaring the Nix act unconstitutional. In nullifying the act, the court agreed with the contention of NORLC that the Board of Public Utilities was a municipal board invested with the inherent powers of the city. The Louisiana constitution required that the people of New Orleans select all municipal officials and boards exercising the police power of the city, and prevented the legislature from abating or abridging those powers.⁶⁸

On appeal, the state Attorney General argued that the City of New Orleans, as a "creature" of the state, enjoyed its inherent powers at the sufferance of the state legislature and that the legislature could, as it desired, con-

⁶⁸Board of Public Utilities v. New Orleans Railway and Light Company, 82 SR 281-283; New Orleans Item, January 6, 7, 10, 11, 1919; New Orleans Daily States, January 3, 6, 10, 11, 1919.

tract, expand, or withdraw those powers. In this instance, the legislature delegated the inherent powers of the state to the state Board of Public Utilities, clothing it with the "auxiliary municipal powers" to regulate the public utilities of the city. The Louisiana Supreme Court acknowledged the authority of the legislature to delegate its reserve powers as it desired, but, the court ruled, when the legislature chooses to delegate those powers, it must respect the bounds placed on it by the Louisiana constitution. In all matters concerning New Orleans, the constitution required the election of all officials invested with the inherent powers of the city. There were no exceptions. Whether the BPU was a state board holding "auxiliary" municipal powers or a municipal board, the state government had no authority over its selection. And, since neither the legislature nor the governor had the power to "breathe existence" into the board, the act had no vitality and the remainder of its provisions were without authority.⁶⁹

The decision of the Supreme Court reaffirmed the "full authority" of the municipal government over the public service utilities of the city, reuniting public regulation under a single authority and freeing the administration from the ruinous valuation and rate of return provisions of the

⁶⁹Board of Public Utilities v. New Orleans Railway and Light Company 82 SR 281-83; New Orleans Daily States, January 3, 6, 7, 10, 11, April 1, May 6, 1919; New Orleans Item, January 6, 7, 10, April 1, 2, May 5, 1919.

Nix act. Freeing the city of the excessive valuation and rate demands of NORLC, however, proved more difficult than restoring full regulatory authority to the municipal government. During the summer of 1918, as part of its plan for the public rehabilitation of NORLC, the Behrman administration hired Frederick W. Ballard, a utility expert from Cleveland, to conduct a valuation survey of the physical and financial properties of NORLC. The council instructed Ballard to determine the cost of rehabilitating NORLC under "normal" economic conditions. Ballard's poor health and the tedious quality of the survey delayed completion of the survey until November. The city administration delayed releasing the survey until late in December, giving itself time to digest the report and to suggest corrections.⁷⁰

Ballard established the valuation of NORLC and NOGLC at \$32,739,193, more than \$20,000,000 less than what management claimed as "fair and adequate" valuation. The report, as critics of NORLC and the Behrman administration concluded, revealed the personal and corporate bankruptcy of private ownership of public services and the dangers of "quasi regulation". The Ballard report, the newspapers suggested, confirmed what every one already knew: the financial problems of NORLC did not stem from the economic dislocation of the war or from the profligate wage awarded to employees.

⁷⁰"Special Meeting," Portfolio 1, PNWLB, LSU; New Orleans Item, June 22, July 2, August 17, October 24, December 6, 14-16, 21, 25, 1918.

Rather, those problems were the result of decades of corporate mismanagement, financial exploitation, and politicized public regulation. The solution to those problems obviously lay in a thorough and uncompromising reorganization and rehabilitation of the company and the depoliticization of public service regulation. In exposing the problems of the public service industry and suggesting a solution to the crisis, the Ballard report, the Item wrote, was an important move toward a "more satisfactory control of the public service question".⁷¹

The Behrman administration, on the other hand, was completely dissatisfied with Ballard report. The Ballard valuation differed dramatically with other, recent assessments conducted by the State Board of Affairs (the equalization board) and by two "utility experts" employed by NORLC. The discrepancies between the Ballard report and the other valuations were too glaring to ignore, suggesting that Ballard had either misunderstood or ignored the council's instructions concerning the sort of valuation it desired. In any event, the administration recognized that a low valua-

⁷¹F. W. Ballard and Company, "Valuation of the Property of New Orleans Railway and Light Company, Property in All Parishes, Final Summary All Departments," November 30, 1918 (hereafter cited as Ballard, "Valuation of NORLC"); New Orleans Item, December 31, 1918, January 1, 5, 7, 1919, May 7, June 3, 12, 30, 1920; New Orleans Daily States, December 31, 1918, January 2, 1919. An unidentified valuation for the NWLB estimated the valuation of NORLC at between \$37 and \$38 million. See "Actual Valuation, New Orleans Railway and Light Company," undated, Portfolio 3, PNWLB, LSU.

tion would force NORLC into receivership, compromising the public reorganization and rehabilitation of the utilities industry in New Orleans.⁷²

In an effort to stave off receivership, the Behrman administration sought a second opinion. Commissioner Edward E. Lafaye commissioned General G. W. Goethals, the chief engineer of the Panama Canal and the principal architect of the New Orleans Industrial and Navigation Canal, to conduct another, more acceptable valuation. Though more inclusive than the Ballard survey, the Goethals valuation was hardly more acceptable to the city administration. In making his assessment, Goethals simply split the difference between the Ballard and NORLC valuations. As the general explained in his report, Ballard disregarded many business intangibles, fixing the valuation for rate making purposes only. Though the administration could use the Ballard figures for rate making, it could not use them to reorganize and rehabilitate the company. The method of valuation employed by the experts for NORLC was too generous to the company, setting its valuation on the cost of reproduction at wartime prices. Though the administration could rehabilitate NORLC at the price set by company experts, the cost to the consumer was completely

⁷²New Orleans Daily States, January 3, 5, 1919; New Orleans Item, January 3, April 6, 13, 1919. The Board of Affairs placed the market value of NORLC and NOGLC at \$47 million in 1918, while the firms of Ford, Bacon and Davis and J. H. Perkins placed its valuation at between \$55 and \$57 million.

prohibitive. In an effort to find some neutral ground, then, Goethals recommended a figure of \$44.8 million for rate making and a generous rate of return for both "old" and "new" money.⁷³

Several days later, Commissioner Lafaye reported his own findings to the council, suggesting a blueprint for the public rehabilitation of the company. It was obvious, Lafaye told the council in his last public act as Commissioner of Public Property (he would resign several days later), that the valuation offered by NORLC was excessive and unrealistic, and he recommended that the council reject it out of hand. He also recommended that the council disregard the valuation set by Frederick Ballard as incomplete. The city administration, Lafaye reminded the council, had never been interested in establishing the valuation of NORLC for rate making purposes only. Rather, from the start, the council considered valuation as part of a process that would reorganize and reorient the public utilities industry, assuring service based on the public needs, rewarding sound, efficient management, protecting legitimate investment, and attracting the additional investment required to fund the rehabilitation of the industry.⁷⁴

Though an advocate of municipal ownership, Lafaye considered it inexpedient, and he counseled the administration

⁷³New Orleans Item, January 3, 5, 1919; New Orleans Daily States, January 5, 1919.

⁷⁴New Orleans Item, January 5, 8, April 6, 13, 1919.

to reject municipalization. Instead, Lafaye recommended that the commission council take a "direct" and "supervisory" role in the rehabilitation, management, and regulation of NORLC and NOGLC. Lafaye proposed, then, that the council grant NORLC an "indeterminate" franchise to operate transit, electricity, and gas, guaranteeing the companies an assured rate of return on a "fixed" valuation, and adjusting rates and fares within the limits set by the rate of return. As the first step toward assuring the rehabilitation of NORLC, Lafaye proposed establishing the valuation of NORLC at \$38.3 million and setting the rate of return at five percent for 1919.⁷⁵

The Lafaye plan, though, was not the first step toward the rehabilitation of the company, nor did it succeed in preventing NORLC from declaring bankruptcy and seeking the protection of the federal courts. On January 8, Daniel D. Curran informed the commission council that the American Cities Company had filed a petition in federal district court, asking Judge Rufus E. Foster to place NORLC in receivership for failing to meet its financial obligations to the stockholders of ACC. Judge Foster consented to the peti-

⁷⁵Ibid. The proposal also allowed the council to adjust the valuation over the years, permitting the company to issue additional stock with the approval of the council. The plan increased the rate of profit to six percent in 1920 and seven percent in 1921. Lafaye urged the administration to sever its relationship with NORLC by resigning from the company's board of directors. In April, Mayor Behrman and the other councilmen resigned from the board. New Orleans Item, April 14, 1919.

tion, appointing John D. O'Keefe, the executive vice-president of the Whitney-Central Bank, as receiver for the company, instructing him to "preserve, manage, and operate" the three utility divisions as an unified corporation.⁷⁶

The public response to receivership was, of course, mixed. The Daily States asserted that though the Behrman administration worked "patiently, intelligently, and earnestly," to resolve the utility crisis, receivership meant that the city administration lost the opportunity to direct the reorganization and rehabilitation of the company. A more astute assessment came from the New Orleans Item. Receivership would not prevent some form of public rehabilitation of NORLC. Undoubtedly, the newspaper suggested, receivership would further complicate and delay the reorientation of the industry, but it also enhanced the opportunity to reorganize the company along the progressive principles of scientific management and public regulation. The complications the Item foresaw, however, delayed the public rehabilitation of the company for another three years, disrupting the "good order" of the city and contributing to the defeat of the Behrman administration in 1920.⁷⁷

⁷⁶New Orleans Item, January 9, 10, February 5, 1919; New Orleans Daily States, January 8-10, 1919. Press accounts described O'Keefe as a man of "unusual ability," realistic, resolute, and, above all, independent of NORLC. In fact, O'Keefe was a member of the board of directors for NORLC, and the Whitney-Central was one of the largest creditors of NORLC.

⁷⁷New Orleans Daily States, January 10, 1919; New Orleans Item, January 9, 10, 1919.

Pro Bono Publico
New Orleans Politics and Municipal Reform
in the Progressive Era, 1912-1926

Volume II

A Dissertation

Submitted to the Graduate Faculty of the
Louisiana State University and
Agricultural and Mechanical College
in partial fulfillment of the
requirements for the degree of
Doctor of Philosophy

in

The Department of History

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December 1989

Chapter Seven

Readjustment and Reform

The period of economic and political readjustment that followed the Armistice of 1918 had a profound, though enigmatic, effect on the public regulation and rehabilitation of New Orleans Railway and Light Company. The policy of readjustment initiated by the Wilson administration saw the disassembling of the federal wartime administrations and boards and, as one reliable student suggested, the eroding of the concessions won by organized labor during the war.¹ During the period of readjustment, the management of NORLC, under the direction of Receiver John D. O'Keefe and the protection of the federal court, assailed the rights and concessions won by the union in 1918. Their actions triggered a lengthy and divisive strike, eventually compelling the union to accede to the demands of management. The strike damaged the reputation and credibility of the Behrman administration, though, in fact, the administration did much to bring about a peaceful and reasonable solution. Still it was not enough to satisfy the partisan reform press of New Orleans, which blamed the strike on the failed public utilities policy of the Behrman administration.

¹Adam Fairclough, "The Public Utilities Industry in New Orleans: A Study in Capital, Labor, and Government, 1894-1929," Louisiana History, XXII (Winter 1981), 45-65.

The war and readjustment, the city newspapers and other critics charged, exposed the failure of partisan municipal regulation and the incompetence of the Behrman administration. During the war and readjustment, the Behrman commission council ignored the provisions of the Nix act, politicizing municipal regulation and allowing federal agencies and the interest of NORLC to determine public policy. Operating with the protection of the city council and the approval of the federal government, NORLC curtailed street-car service, permitting the company to avoid its franchise obligations and antagonizing commuters and employees. The wartime economy and the financial mismanagement of the company (ignored, if not condoned, by the Behrman administration) nearly bankrupted the company, compelling the city administration to raise rates and fares to underwrite a federal loan and to meet an increase in wages ordered by the federal National War Labor Board.

The Armistice did not see a restoration of services or reduction in cost, but the bankruptcy of the company and an increase in fares. Nor did it see the reestablishment of public authority over NORLC, but its further deterioration. Exhausted by the war and motivated by partisan advantage, the Behrman administration refused to participate in the rehabilitation of NORLC, allowing the company to set the conditions for its reconstruction and regulation.

There was a measure of truth in the complaints of the

city press, but it misread the intentions of the Behrman administration. Though exhausted by the ordeal of war and "reconstruction," the commission council offered a series of temperate and workable proposals for the rehabilitation of NORLC aimed at restoring and strengthening municipal authority. But the Behrman administration did not possess plenary authority over the rehabilitation process, nor did it enjoy the respect of Receiver O'Keefe or the confidence of the city newspapers. And the politics of readjustment, like municipal politics in general, served both private and public concerns, giving them a hand in shaping public policy and tempering public authority in the name of private rights and restraining private interests on behalf of the public good.

The policy initiated by the Behrman administration in 1918, despite the criticisms of a partisan press, ended the streetcar strike of 1920 and brought about the public rehabilitation of NORLC and the "restoration" of municipal regulatory authority over the public utilities industry in New Orleans. Though carried out by the "reform" administration of Andrew McShane (see Chapter Eight), the Behrman policy scaled down the valuation of NORLC, aligned rates and fares with the cost of service, limited the rate of profit, permitted the municipalization of public utilities, and recognized the municipal government as the exclusive "regulatory" authority of public services in New Orleans.

Near the end of 1919, on the eve of the first anniversary of the November Armistice, William D. Mahon, the president of the AASEREA, wrote to union leaders and members, cautioning them against antagonizing management during the period of "readjustment". Management, he said, obviously considered readjustment an opportunity to reassert its control over labor, regaining the rights and concessions it lost before and during the war. Union workers should respond to every complaint and demand of management, then, with circumspection and vigilance, never permitting the companies to blame the decline in services and the rise in prices on the union and never relinquishing fundamental rights. John Stadler, the outgoing president of the New Orleans AAESREA, reiterated Mahon's message to the local membership. He urged the carmen to persevere in their work, reminding them of their service and contract obligations and of the anti-union sentiment of Receiver John D. O'Keefe.²

The concerns of the union leadership were legitimate. During the period of receivership and readjustment, the quality of service deteriorated further and working conditions remained intolerable. Receiver O'Keefe managed the company for the benefit of the stockholders, curtailing service wherever possible and maintaining revenues at any expense. The brunt of his economies, predictably, fell on the

²Mahon to Locals, November 10, 1919, Stadler to Members of Local Division 194, box 2, SRUC, SCD, HTML, TU.

customers and employees of NORLC. O'Keefe was, as well, a devoted company man. He was a member of the board of directors of NORLC, an executive officer of one of its principal creditors, the Whitney-Central Bank, and he was openly critical of the policies of the Wilson and Behrman administrations and bitterly resentful of the concessions granted to the union. From his perspective, it was the misappropriation of authority and power by the government and the union during the war, and not the financial mismanagement of the company, that led to the collapse of NORLC. It was his task as receiver, then, to readjust and reapportion that authority and power to suit the interests of the company. His first major opportunity came in the spring of 1920.³

Early in June, after several months of preliminary discussions (conducted in the newspapers), the carmen's union and Receiver O'Keefe began negotiations for the 1920 contract. The union, citing increases in the cost of living and poor working conditions, demanded a "substantial" increase in wages and a similar reduction in hours. The union wanted an increase of thirty-five cents an hour, raising wages from the forty-two cents granted by the National War Labor Board in 1918 to seventy-seven cents an hour. The men also demanded an eight-hour day, a six-day week, and time and a half for Sundays and all holidays. The total wage award for all

³New Orleans Item, January 9, 1919; Stadler to Membership, June 4, 1919, box 2, SRUC, SCD, HTML, TU; Fairclough, "Public Utilities," 53.

union workers, including common day labors and gashouse workers, was \$3 million.⁴

Receiver O'Keefe acknowledged that the carmen deserved a wage increase, but, he argued, the union demands were unrealistic and unjustified, demanding much, conceding little. He told the carmen, however, that he would agree to a "substantial" increase in wages and a modest change in hours, provided the union submitted to certain conditions. First, the union had to reduce and revise its wage demands. The wage demanded by the union exceeded industry and regional standards, and, more importantly, exceeded the ability of the company to pay, threatening it with complete collapse. The company could, though, offer a sliding scale that increased wages from forty-two cents to fifty cents an hour, provided the men agreed to a nine hour work day and agreed not to oppose the increase in fares the company needed to fund the pay raise.⁵

The pay increase and the readjustment of power, though, required other, more demanding conditions. O'Keefe would not agree to any pay raise or reduction in hours unless the union agreed to exclude common day laborers--a majority of whom were black--and gashouse employees from the contract. The common worker, O'Keefe insisted, did not share any of

⁴New Orleans Item, March 1, 8, 10, May 17, 31, June 6, 7, 1920; New Orleans Daily States, May 17, 23, June 6, 7, 1920.

⁵New Orleans Item, June 7, 10, 22, 29, 1920; New Orleans Daily States, June 7, 15, 23, 1920.

the concerns or meet any of the standards of carmen's union. The employees of New Orleans Gas Light Company, many of them skilled and experienced workers, were thoroughly dissatisfied with their standing within the carmen's union and demanded separate contracts. The union's demand to continue representing these workers was unreasonable and detrimental to the reorganization of the company, elevating the union to the status of management and preventing the stockholders from employing the economies necessary to rehabilitate the company. O'Keefe would not continue discussions until the union consented to his demands and would not agree to a pay increase until the commission council assented to an increase in carfares."

Neither the council nor the union acceded to O'Keefe's demands. The commission council was, understandably, suspicious of any petition from NORLC asking for additional revenues. Though the Behrman administration entertained the receiver's request for a fare increase, the council delayed consideration of the proposal until a more "appropriate" time. Mayor Behrman informed the council that a seven cent fare would serve no more "useful purpose" than the six cent fare. At the time of the six cent ordinance, the mayor said, the company assured the council that the increases in fares and rates would prevent receivership and further the reha-

"New Orleans Daily States, June 10, 14-15, 23, 27, 1920; New Orleans Item, June 15, 22, 29, 1920; Fairclough, "Public Utilities," 53-54.

bilitation of the company. The increases did neither. Receiver O'Keefe, the mayor said, insisted that the seven cent fare would do what the six cent fare could not do. But, Behrman continued, there was no guarantee that an increase in fares would allow the receiver to meet expenses and rehabilitate the company. Without those and other assurances from the receiver, the council should not agree to any increase in fares and rates. Without dissent, the council postponed consideration until a later date.⁷

The union, however, refused to suspend discussions or to postpone consideration of O'Keefe's demands. James Rodgers, who replaced John Stadler as president of the local union, characterized O'Keefe's remarks as false and misleading, intending to deceive the people and demoralize the union movement. The receiver maintained that wages had to match regional and industry standards, the increase in the cost of living, and the demands of employment. But the wage scale suggested by the receiver, Rodgers argued, did not meet with the standards he had announced. The carmen's job required skill and concentration, as well as dedication to the safety and comfort of the passengers, something, James Rodgers insisted, the receiver consistently ignored. More to the point, however, the receiver sought to use the wage issue as an ultimatum against the union, forcing it to relinquish control of its membership and denying representa-

⁷Ibid.

tion to those who needed it most. The union would not, Rodgers insisted, abandon its members at any price. To eliminate those men from the contract would violate their trust, diluting the strength of the union and ending, no doubt, in the destruction of the union movement.^a

Over the next several days, discussions degenerated badly. Though each side offered revisions in the wage scale, neither side would compromise on the fundamental issue of union representation. And, despite the intercessions of city and federal authorities, the union membership voted overwhelmingly to strike on July 1.^b In the interim, the Behrman administration and federal officials arranged for a series of conferences between Receiver O'Keefe and the union leadership. Receiver O'Keefe spoke briefly, reiterating the difficulties facing the company. He could not operate--much less rehabilitate--the company under the wage and contract provisions demanded by the company. The union had to reduce its wage demands and relinquish its control over personnel and management decisions. Agreeing to those concession, he said, would permit him to manage the company more

^aNew Orleans Daily States, June 15, 17-20, 22, 1920; New Orleans Item, June 18, 20, 29, 1920. Rodgers admitted that some skilled workmen withdrew from the AASEREA. But, as he pointed out, the 1918 contract allowed those skilled workers to join unions that represented their craft.

^bNew Orleans Daily States, June 23-27, 29, 1920; New Orleans Item, June 24, 26, 30, July 1, 1920. The union revised their wage demands to sixty-five cents an hour. The receiver countered with a sliding scale of forty-six, forty-eight, and fifty-one cents an hour. The strike vote was 2,414 to twenty-five, with twelve abstentions.

efficiently, furthering its recovery and rehabilitation. Without those concessions, O'Keefe argued, the company would collapse.¹⁰

The union representatives disputed O'Keefe's remarks. The union, they said, only wanted what the NWLB and the management of NORLC agreed to in 1918. The NWLB refused to consider the financial condition of NORLC in setting the wage awarded to the carmen. Instead, the board based wages on the cost of living and the prevailing regional and industry standards. There was no compelling evidence to suggest, the union contended, that conditions and circumstances had changed at all to warrant a change in policy. Regarding union eligibility, the union asked only to continue representing the same classification of workers under the same terms and provisions agreed to in 1918. The union did not seek then or now to supplant management, but only to preserve the contractual and personal rights of the men it represented.¹¹

With discussions at standstill and the strike rapidly approaching, Mayor Behrman appointed a special, nonpartisan committee of business, labor, and civic leaders, chaired by former commissioner Harold W. Newman, to investigate the

¹⁰Ibid.

¹¹New Orleans Daily States, June 28-30, 1920, July 1, 15, 1920; New Orleans Item, June 28, 30, July 7, 1920. The discussions did not advance much beyond the restating of well-known positions, except to establish that a wage of sixty-five cents would pay the carmen \$150.00 a month and would require a ten cent carfare.

issues and demands raised by the union and the receiver and to suggest ways of mediating a settlement. Initially, the committee did little more than "reexamine" the evidence and lecture the union about its obligations to "public service" and the "public order". Newman appealed to the union to delay the strike until after the Fourth of July holiday, permitting the committee to study the issues and recommend a settlement. A strike, Newman scolded the union, would not serve the public interests, and he warned the union that the city government would be within its rights to enjoin the union from striking. "There can be no strike," Newman said, mimicking Calvin Coolidge, "against the public wishes."¹²

Mayor Behrman and union representatives were in a more conciliatory mood. The mayor, too, counseled the union to delay the strike, suggesting that delay would allow the administration and the special committee the time to decipher the conflicting testimony and to propose a workable solution. Union representatives insisted that the membership would not submit to veiled threats or vague promises, but probably would consent to a delay if the special committee would guarantee a monthly wage of \$150.00, a nine hour day, and a six-day week. Union eligibility and representation, however, were not negotiable. Nonetheless, the Newman committee ignored the mayor and the union, calling on the union

¹²New Orleans Daily States, June 30, 1920; New Orleans Item, July 1, 2, 1920.

to postpone its strike in the interest of the public good and the public safety. Without the guarantees it sought and in response to the obtuse policy and rhetoric of the Newman committee, the union rejected the demand that it delay the strike.¹³

The strike began at daybreak with the completion of the last "nightrun". Later that morning, O'Keefe secured a court order from Judge Foster, enjoining the union from any "violent" action taken against the company, its officials, workers, or property. As a precaution against labor violence, Judge Foster ordered federal marshals to ride the streetcars of New Orleans, "augmenting" the New Orleans Police Department and further assuring the safety of passengers and the protection of property. He would not use federal troops, he said, unless there was "actual" violence.¹⁴

The injunction and its companion order augmenting the New Orleans police with federal marshals were unnecessary, more an indication of O'Keefe's intentions than of the union's "tendenacy" to violence. The injunction was not, as it asserted, aimed at preventing violence, but rather at blaming the union for the disruption of service and the inconvenience to passengers. The union recognized the damage violence would do to its cause and standing with the community, and it worked diligently and, for the most part, suc-

¹³New Orleans Daily States, July 1, 2, 1920; New Orleans Item, July 1, 2, 1920.

¹⁴Ibid.

cessfully to prevent the violent disruption of service. The court order, too, was disingenuous. The carmen's strike against the receiver for NORLC, operating under the protection of federal bankruptcy laws, was not a strike against the United States government. There was, then, no legal justification for employing federal marshals as "private" security. And, federal marshals did not "augment" the New Orleans Police Department for the simple reason that the Behrman administration did not use the police force to keep the streetcars operating.¹⁵

The union seemed unmoved by the tone and content of the court's injunction and order. The union paraded and picketed against NORLC, but, at the same time, it sought to reopen negotiations with Receiver O'Keefe, first through the Newman committee, then through Judge Foster. The Newman committee refused to discuss any issues or arrange for discussions with John O'Keefe until the men returned to work. The union, of course, declined the offer, and instead sought an interview with Judge Foster. Foster arranged for O'Keefe to meet with union representatives, but O'Keefe's remarks angered union leaders, further complicating a serious problem and revealing O'Keefe's true intentions.¹⁶

In an emotional and caustic speech, Receiver O'Keefe called on Judge Foster to declare NORLC an open shop, in-

¹⁵Ibid.

¹⁶New Orleans Daily States, July 2, 9, 13, 1920; New Orleans Item, July 3, 10, 1920.

sisting that the local carmen's union and its national sponsor should forfeit their standing as the bargaining agents for the employees of the traction, electric, and gas divisions of NORLC. These unions and their officers, O'Keefe claimed, were a "bar to progress and service," conspiring to take over the management of the company, preventing its proper financial reorganization and rehabilitation, and threatening the stockholders with financial ruin. The origins of this conspiracy were recent and clearly visible. With the nation preoccupied with war and the company near financial exhaustion as a result of that war, O'Keefe said, the unions and their allies in local and national governments, exacted huge wage awards from the company and wrested control of the company from management. The wages granted by the National War Labor Board exceeded every rational industry and social standard and damaged irreparably the financial condition of the company, forcing the company into receivership.¹⁷

The provisions and conditions of the 1918 contract, extracted from the company under duress, O'Keefe asserted, were even more ruinous. The union, contrary to its bylaws, incorporated workers into its ranks who were ineligible for membership, compelling the company to include them in the wage award and according them the privileges of union representation. In addition, the contract of 1918 wrested control

¹⁷New Orleans Daily States, July 2, 9, 13, 1920; New Orleans item, July 3, 10, 1920.

of the company from its managers and gave it to the union. Under the terms of that contract, labor imposed a closed shop on the company, forcing management to relinquish control over personnel, discipline, promotions, and grievance procedures. Despite these immense privileges and powers, the local, at the insistence of the national union, now sought to expand its power over management by imposing another exorbitant wage demand on the company and its customers and absorbing the clerical staff into the union. The company, O'Keefe predicted, could not survive, let alone reorganize, under such conditions. And, though O'Keefe promised to recognize the men's right to organize and bargain collectively through a representative of their own choosing, he refused to deal with the AASEREA or its local affiliate and asserted his right to contract with whom ever he chose.¹⁰

The union, of course, denounced O'Keefe, labeling him as anti-union and censuring his remarks as contemptable lies calculated to prejudice the public against the union. The wages awarded to the union in 1918, its representatives said, did not exceed either industry or Southern standards and did not surpass the company's ability to pay. In fact, the wage awarded to the carmen and other union workers fell below industry and regional standards and barely matched the cost of living in New Orleans. And, company executives convinced the NWLB to revise a portion of the wage award,

¹⁰Ibid.

reducing the scales paid to unskilled, common labor. Company executives also managed to fanagle reductions in services and increases in revenues from the city, providing them with ample savings and resources to fund the wage award. In brief, then, there was no truth to O'Keefe's assertions that the union dictated the wage award and, as a consequence, contributed to the collapse of NORLC.¹⁹

Nor was there any truth to the allegations that the union dictated the 1918 contract, supplanting management to the detriment of the union, the company, and the city. The management of NORLC freely participated in the contract discussions and, though it had had reservations about several aspects of the union's proposals, management eventually agreed to every provision of the "primary" agreement. The receiver, union representatives charged, willfully misconstrued the intent and effect of the 1918 contract. The union did not reconstitute its membership to supplant management or to establish a closed shop. Rather, the union merely extended representation and organization to those workers who were, prior to 1917, unorganized and without representation. The contract of 1918 did not impose a closed shop on NORLC (the NWLB guidelines prevented the union from doing that), but a union shop, requiring eligible workers to join the union and preventing the company from dismissing workers for

¹⁹New Orleans Daily States, July 2, 3, 12-15, 22, 1920; New Orleans Item, July 3, 1920.

legitimate union activity. The other personnel provisions did not threaten the authority and integrity of management, but simply and clearly accorded the employees of NORLC greater, more formal protection against the unfair labor practices of management. It was this regressive and profligate management--and O'Keefe's administration perpetuated it--that formed the greatest obstacle to the social progress and industrial peace of New Orleans.²⁰

Management was also uncompromising and determined to break the strike and the union. O'Keefe rejected the union's offer to return to work under the 1918 contract while a special arbitration board and the Behrman administration determined the size of the wage and fare increases. O'Keefe also convinced Judge Foster (who did not require much convincing) to issue a special order, declaring that the men had "quit" their jobs in the wage and contract dispute and directing O'Keefe to "restaff" the railway division and to restore normal operations with "all convenient speed". In effect, the order locked out the union and set aside the 1918 contract. The order recognized the right of employees to organize and to bargain collectively through a representative of their own selection, but it also asserted the right of the receiver to contract with whom he pleased. In hiring his new staff, the receiver was to give preference to "former" employees, permitting them to return to work under

²⁰Ibid.

the NWLB wage scale and "restoring" their seniority. The order tied any wage increase to the financial condition of the company and to an increase in the fares. The receiver and the court, then, would alone decide the size of the wage increase. Seniority, as well, was no longer the sole standard for promotion and advancement within the company. Promotions would be determined on the basis of tenure of service and ability, and would be granted at the discretion of the receiver. Foster also rescinded the grievance provisions of the 1918 contract, leaving all personnel matters to the discretion of management.²¹

Judge Foster tried to assure the striking carmen that his order was a temporary contract, permitting the receiver to continue operating the streetcar system and affording the carmen every reasonable protection. Once back to work, the carmen, through their own bargaining agent, and the receiver could negotiate a new contract and could work toward a reasonable wage increase. O'Keefe did not seek to destroy the union or to deny its members a living wage, Foster said, but sought only to rehabilitate the company in the most judicious and economical manner. O'Keefe could not rehabilitate the company in a reasonable fashion unless the union "readjusted" its demands for a wage increase and relinquished its

²¹New Orleans Daily States, July 3-4, 8, 11-13, 1920; New Orleans Item, July 3-4, 8, 12, 1920. O'Keefe set July 12 as the deadline for "rehiring" striking carmen. After that date, he would show no preference for former employees. Only one former employee, H. J. Bellocq, applied for his old job.

complete control of the labor force to management.²²

The union saw no reason to agree to Foster's so-called contract. The order offered scant protection to workers, allowing the receiver to use wages, hours, and promotions to discipline workers and to emasculate the union. Though it "recognized" the right of employees to organize and to bargain collectively, the order did not compel management to bargain with their chosen representative. In fact, the order did not obligate the receiver to contract with any union representative. Without the protection of a union contract, with specific obligations for management and provisions for a "living wage," the union saw no reason to return to work. In short, "no contract, no work".²³

The union's response and vote outraged Foster, and he reacted in anger. The issue, he told reporters, was no longer a matter of wages, hours, and conditions (these concerns were important, though secondary to the issues of membership and representation), but a question of the fundamental right of contract. "The real question now at issue is," he said, "are the courts of the United States to be governed by the Constitution and laws of the United States in their decisions or be subjected to the dictation from any organized group of men." The resolution of this question, Foster an-

²²New Orleans Daily States, July 3-6, 15; New Orleans Item, July 3-7, 1920.

²³New Orleans Daily States, July 4, 6, 9, 1920; New Orleans Item, July 6, 7, 9, 1920. The union voted 1,500 to one to reject Judge Foster's order.

nounced, was "paramount and superior to any temporary inconvenience the public may suffer".²⁴

The settlement of the strike did not depend, as Judge Foster believed, on resolving the fundamental right to contract. But, rather, on adjusting and accomodating the private interests of the carmen and the company (the dictation of organized groups of men) with the interests of the public (themselves an association, a commonwealth of private interests). The strike would end, not in the courtroom, but in the boardroom of NORLC, the lunchrooms of union halls, the editorial rooms of the New Orleans newspapers, the meeting rooms of neighborhood civic and political associations, and, perhaps most important of all, the public rooms of City Hall.²⁵

The car strike of 1920 was a costly affair, both financially and politically. Each day of the strike (it lasted nearly a month) cost the motormen and conductors over \$5,600 in wages and benefits, far exceeding the "strike benefits" they obtained from the AASEREA and other sympathetic unions. The local union spent money of its own in support of its

²⁴New Orleans Item, July 8, 13, 1920.

²⁵Despite the ex cathedra pronouncements of jurists like Foster, most students of American law did not recognize the freedom of contract as a catholic and infalliable doctrine. The courts had long recognized the authority of the states to alter or nullify contracts. For a most able analysis on this subject, see Melvin I. Urofsky, "State Courts and Protective Legislation during the Progressive Era: A Reevaluation," The Journal of American History, 72 (June 1985), 63-91.

members and in an attempt to win public and political support for its cause.²⁶ For NORLC, the strike was even more expensive. The interruption of streetcar service, of course, saw a dramatic and threatening loss in operating revenue. The New Orleans newspapers claimed that the strike cost NORLC between \$20,000 and \$30,000 a day in lost revenue and nearly \$20,000 in wages for "replacement" workers.²⁷

The strike cost NORLC and the union more than money. The strike cost NORLC whatever public confidence it may have possessed, discrediting, if only temporarily, its anti-union policies and practices and compelling it to accept mediation and compromise. And though the union enjoyed the support of the public, the Regular Democrats, and the press, the strike forced the union to accept a compromise mediated by a special board and approved by Judge Foster that negated several concessions won by the union during the war. The Behrman ad-

²⁶The union received nearly \$13,600 from the AASEREA and other contributors and it spent \$12,700 in managing the strike. See "Expenses of Strike of 1920," and William D. Mahon to J. B. Lawson, August 7, 1920, box 2, SRUC, SCD, HTML, TU; New Orleans Item, July 1, 1920; New Orleans Daily States, July 12, 13, 1920.

²⁷New Orleans Item, July 1, 2, 7, 10, 11, 13, 1920; New Orleans Daily States, July 1, 6, 11-13, 17, 1920. Receiver O'Keefe claimed that some 1,300 men applied for the jobs vacated by the striking carmen. O'Keefe's claims were exaggerated for political effect. O'Keefe wanted to give the impression that the company enjoyed the complete confidence of the public, which, as we shall see, it did not. The State of Louisiana also spent a good deal of money on the strike--and for political effect only. Governor John M. Parker, the intractable opponent of the Behrman administration, in an attempt to embarrass the mayor and the commission council, sent state troops to New Orleans to aid the city government in keeping the peace.

ministration also paid dearly for the strike. The strike came at the beginning of a very bitter municipal election campaign and contributed to the impression that the Behrman administration was incapable of resolving the public utilities crisis or of governing the city.

At the beginning of the strike, John O'Keefe promised the customers and stockholders of NORLC that there would be no interruption in normal operations. It was a promise he could not keep. On July 1, the first day of the strike, there was no commercial streetcar service (the union kept its pledge, however, to deliver newspapers and other forms of mail), requiring commuters to find other ways of getting to work or to the store. The public seemed prepared for the first day of the strike (at least that was the impression the press wanted to give a concerned and weary public), but soon after grew tired of the abbreviated schedules, the innumerable delays, and the hazardous nature of public transportation. On the second day of the strike, the Daily States reported that management had restored service on only four lines, three above (west) and one below (east) Canal Street, virtually paralyzing traffic and resulting in missed appointments, unmade sales and purchases, and leaving the public overheated and overwrought. Streetcar service, the Daily States reported, was not only inadequate and inconvenient, but also dangerous. The management of NORLC replaced the striking carmen with inexperienced workers, given virtually

no training and no supervision. In a single day, more than two weeks into the strike and with fewer than 100 cars "on line," these "trainees" were involved in more than thirty accidents, resulting in more intractable delays and a few "minor" injuries.²⁸

Two weeks into the strike, it was apparent, at least to the New Orleans press, that O'Keefe was "losing" the strike. Public sentiment, the newspapers reported, favored the carmen and blamed O'Keefe, Foster, and the stockholders of NORLC for the strike. The public was convinced that O'Keefe and the ownership of NORLC orchestrated the streetcar strike for its own selfish interests. It was apparent that O'Keefe and the management of NORLC intentionally maneuvered the union into striking for better wages and working conditions, hoping that the strike and the courts would break the union movement. It was equally apparent, the press reported, that NORLC hoped to use the wage dispute to exact higher fares and rates from the public, rehabilitating the company with public funds yet avoiding the consequences of public rehabilitation.²⁹

O'Keefe and the management of NORLC did not really "lose" the strike. The union simply won over public sentiment to its side. The union avoided "radical" demands and

²⁸New Orleans Daily States, July 1, 6-9, 11-13, 15, 21, 1920; New Orleans Item, June 26, 30, July 2, 3, 7, 1920.

²⁹New Orleans Daily States, July 12-15, 1920; New Orleans Item, July 10-13, 1920.

threatening rhetoric, eschewed violence, and sought conservative associates and counsel. Throughout the strike, the union and its friends spoke only of conserving their interests and of maintaining their rights. These tactics impressed critics and won supporters for the union. Charles I. Rosen, an inveterate opponent of the Behrman administration and its pro-union "tendenacies," complemented the union and exonerated it from blame. Clearly, he told reporters, the carmen were not "bolsheviki" or members of the outlawed IWW. The carmen were not bent on socializing the public utilities industry in New Orleans. They sought only a living wage and the right to organize--rights recognized by conservative and patriotic Americans like William Howard Taft and Rufus E. Foster.³⁰

Though O'Keefe had not really lost the strike, by the end of the second week he had clearly surrendered the initiative. Not to the union, but to the Behrman administration

³⁰New Orleans Daily States, July 13, 1920. The union even won the support of several members of the Orleans Democratic Association, the municipal political organization of such conservatives as John M. Parker, John Patrick Sullivan (an attorney and lobbyist for NORLC), and Andrew McShane, the ODA candidate for mayor in 1920. The most prominent ODA member to support the carmen was James Comiskey of the Third Ward. Comiskey's endorsement of the union may have been prompted by Third Ward politics. Before Comiskey gave his endorsement, Arthur and Michael Mitchell, RDO precinct leaders from the Third Ward and longtime opponents of Sullivan, Parker, and Comiskey, called on the people of the ward to endorse the union shop and to refuse to ride on "scab" car lines.

and the civic and business leadership of the city.³¹ At the end of the second week, the Behrman administration filed a petition with Judge Foster, asking him to rescind his order. In its petition, the council argued that the position of the receiver concerning the union was untenable. The union and the company had a longstanding relationship, dating back to at least 1908 and continuing to this day. The union sought merely to retain the rights and concessions it had acquired over the years; rights and concessions agreed to by the management of NORLC. The lockout of striking union workers, the council suggested, was unjustified as well. It provoked confrontation and, in effect, prevented the union from offering or accepting any reasonable compromise. Rescinding the order would end the strike, restoring the relationship between the union and the company, encouraging the men to return to work under the existing contract, and providing the opportunity for compromise.³²

Judge Foster agreed to consider the petition and to hold "public" hearings on it. Clearly, the petition favored the union and no doubt O'Keefe and Foster would have rejected it. But they did not have to reject it. Several days after the council filed its petition, the Newman committee

³¹On July 15, O'Keefe offered a "new" proposal that merely reiterated earlier pronouncements and demands. The union and most responsible public and private leaders rejected the offer as meaningless. New Orleans Daily States, July 14-20, 1920; New Orleans Item, July 14-20, 1920.

³²New Orleans Daily States, July 16-17, 20, 1920; New Orleans Item, July 20-21, 1920.

offered another plan, one that clearly favored the receiver. The Newman committee proposed that the men return to work under Foster's order, ending the strike and requiring the men and the receiver to submit their differences to arbitration. The Newman plan called for Judge Foster to appoint a three member committee of "Special Masters," authorized to determine, subject to Foster's approval, wages, terms and conditions of the contract, union recognition and eligibility, the necessity and extend of fare and rate increases, and the conditions for the rehabilitation of NORLC. The decisions of the Special Masters were not binding and could be appealed to the federal courts.³³

O'Keefe accepted the terms of the Newman plan (except the proposal dealing with the rehabilitation of NORLC), but the union rejected the idea of returning to work under Foster's order and relying on a special committee composed exclusively of Foster's appointees. Over the next several days, then, a special "conference committee"³⁴ worked to find a plan acceptable to the union and the receiver. The committee suggested that the men return to their jobs without a contract, working, however, under the same conditions, wages, and protections of the 1918 contract and NWLB award.

³³New Orleans Daily States, July 21, 23, 1920; New Orleans Item, July 21, 22, 1920.

³⁴Martin Behrman, O'Keefe, Newman, James E. Edmonds, publisher of the Times-Picayune, J. B. Lawson and William Byrnes of the union, and Reginald H. Carter of the United States Labor Conference made up the conference committee.

The conference committee also recommended that the union and the company each select one member of the Special Masters, allowing Mayor Behrman to choose the third (and presumably impartial) member of the arbitration board. The Special Masters would be authorized to consider and decide questions of union recognition and eligibility, wages and hours, contract conditions, and fare increases. And, over the objections of the receiver and despite the opposition of the Behrman administration, the conference committee instructed the masters to devise a plan for the rehabilitation of the company. The decisions of Special Masters were not binding, allowing the union and the receiver to challenge and reject any unwelcomed recommendation.³⁵

The union leadership and Receiver O'Keefe agreed to the recommendations of the conference committee, permitting the striking carmen to return to work and restoring full service within a matter of days. As the men returned to work, the special selection committee of the mayor, Receiver O'Keefe, and union attorney William Byrnes met to select the Special Masters. After deliberating three hours a day for three days, the selection committee chose Charles J. Theard, the president of the Citizens Bank and Trust Company, president pro tempore of the Sewerage and Water Board, and a close friend of Mayor Behrman, George H. Terriberry, an admiralty

³⁵New Orleans Daily States, July 23, 27, 1920; New Orleans Item, July 23, 1920.

lawyer, an executive with the Association of Commerce, and a member of the Newman Committee, and John P. O'Leary, president of the Jefferson Construction Company and a RDO co-leader of the Fourteenth Ward (O'Leary replaced George Glover, a contractor, who declined to serve). Judge Foster approved the selections, and the Special Masters began their deliberations a week later.³⁶

At the opening session, the Special Masters established the principles that would guide their deliberations. First, the masters announced that they would not give consideration to "unsubstantiated" statements. The receiver and the union, then, would be required to submit written, factual evidence and testimony "substantiating" their contentions and allegations. Second, regarding wage and fare increases, the masters would rely principally on the policies of the National War Labor Board. The financial condition of NORLC was irrelevant to the issue of a pay increase. Questions of its ability to fund a wage increase would have no bearing on the recommendations of the masters. If the cost of living justified an increase, the masters said, they were prepared to award one to the carmen and to all other eligible workers. The Special Masters would, as well, structure any wage award to meet industry, regional, and local standards, and would apply the same formula for skilled and unskilled

³⁶New Orleans Daily States, July 27-29, August 3, 1920; New Orleans Item, July 27, August 3, 1920.

workers used by the NWLB in its revised award of October, 1918. And, though the wage awarded to the carmen and other workers would not depend on the company's ability to pay, the masters would consider tying the wage increase to a corresponding increase in rates and fares.³⁷

The Special Masters heard testimony and accumulated "documented" evidence for nearly three weeks. The union presented statistical evidence and "expert" testimony showing that the wages paid to the carmen under the 1918 wage award had not kept pace with the cost of living during the period of readjustment. The union also contended that the wage increase offered by the receiver failed to meet the standards set by the NWLB in 1918, disregarded the recommendations of the Federal Electric Railway Commission for a "living wage," shortened hours, and humane working conditions for all electric street railway employees, and ignored the wishes of Judge Foster that the men earn at least \$150.00 a month.³⁸

John O'Keefe acknowledged that the carmen deserved an increase in pay and that, with the proper guarantees and "adjustments," the company was prepared to offer a just and living wage. However, the wage demands of the union were, as

³⁷New Orleans Daily States, August 3, 1920; New Orleans Item, August 3, 1920.

³⁸New Orleans Daily States, August 3-4, 6, 11, 19, 1920; New Orleans Item, August 3-4, 11, 18, 20, 1920. President Wilson, at the insistence of several members of his cabinet, commissioned the Federal Electric Railway Commission in 1919. The hearings and recommendations of the FERC cover several thousand pages and three volumes.

in 1918, excessive and harmful, exceeding the cost of living in New Orleans, industry and regional wage standards, and the company's and public's ability to pay. With a corresponding fare increase, however, the company could offer the carmen a respectable pay increase that met every reasonable standard."³

The proper guarantees and adjustments that O'Keefe alluded to concerned union representation and eligibility and the elimination of the so-called closed shop provisions found in the 1918 contract. William Byrnes and the other union representatives argued that the union alone possessed the authority to set eligibility requirements and that without that authority the union movement would collapse. Union spokesmen also pointed out that the change in the "composition" of the union had no effect on the relationship between the union and the company. The union represented the same sort of workers that it had in 1908 when it began its relationship with NORLC. Despite the contentions of the receiver and the new General Manager of NORLC, Arthur Kempster, the 1918 contract did not alter the relationship between NORLC and its workers. And the contract did not create a closed shop, as the new management contended, and it did not pre-

³"New Orleans Daily States, August 3-4, 6, 11, 19, 1920; New Orleans Item, August 3-4, 11, 18, 20, 1920. O'Keefe proposed that the council grant the company an eight cent fare, but only a portion of the two cent increase would be used to "fund" the wage increase. The company would dedicate the other portion to improving services.

empt the prerogatives of management.⁴⁰

The new management of NORLC, nonetheless, argued that the changes in the character of the union and the terms of the 1918 contract altered the traditional relationship between management and labor and contributed to the financial collapse of the company and now threatened its plans for reorganization and rehabilitation. In his testimony before the Special Masters, General Manager Arthur Kempster insisted that the recent changes in the union and the closed shop provisions of the 1918 contract "alienated" the employees from the company, causing them to be dishonest in their relationship with the company, impairing service and endangering the community. The closed shop, he told the masters, was "obnoxious, unfair, and un-American," and its elimination alone would restore control of the union movement to the local carmen and control of the company to local management. With the restoration of these traditional and normal relationships, management could assure the workers just wages and fair working conditions, the stockholders a fair return on their investments, and the city excellent service at a reasonable cost.⁴¹

⁴⁰New Orleans Daily States, August 16, 1920; New Orleans Item, August 8, 16, 21, 25, 1920.

⁴¹New Orleans Daily States, August 20-24, 1920; New Orleans Item, August 20-25, 29, September 2, 1920. According to the union leadership, O'Keefe hired Kempster after he had helped break a streetcar strike in Seattle. The union also accused Kempster of hiring special strikebreakers from St. Louis, Chicago, and Mexico. Kempster and O'Keefe denied the charges.

Two weeks after concluding the investigation, the Special Masters filed their report with the federal district court, releasing their recommendations to the public the same day. The report began by emphasizing the public nature and social obligations of the public utilities industry. The masters reminded the company and the union that they were engaged in a business

impressed with a public service, and that without regard to the rights and obligations that exist between them as parties to this contract, they owe to the public the duty and obligation to provide and render safe, adequate, continuous, and efficient public service, and to that end they have entered into these mutual covenants with full recognition of the paramount rights and interests of the public and of the obligation to fully and sincerely co-operate to meet the public's requirements.

Meeting the public's requirements, however, also meant satisfying the private needs and interests of the carmen and the company. The carmen and the other employees of NORLC were entitled to a "fair and just" wage and to the right to organize and bargain collectively through a representative of their own choice. Similarly, the company was entitled to an adequate and reasonable return on all legitimate investment and to the reasonable and legitimate protection of its property. "The attainment of those ends," the masters wrote, "constituted the moving and controlling consideration for

this agreement."⁴²

The masters recommended, then, a graduated wage scale, paying the carmen forty-nine cents an hour for the first six months of the contract, fifty-two for the second half year, and fifty-five cents for the last full year of the contract. Skilled and unskilled workers covered under the NWLB award and 1918 contract would receive proportional increases, raising some wages by as much as ten cents an hour. Under the terms set by the conference committee, the wage award was retroactive to July 1, and could be, like all other recommendations of the Special Masters, appealed to the federal district court. In addition, though the Special Masters refused to tie the wage award to a fare increase (and they had no authority to bind the Behrman administration to any ex parte agreement), they nonetheless recommended that the commission council "fund" the award by granting NORLC an eight cent fare.⁴³

The public character of the street railway industry, the Special Masters continued, required the receiver and the company to recognize the legitimacy and the limits of each

⁴²"District Court of the United States For the Eastern District of Louisiana No. 15,960 In Equity In the Matter of Receivership of New Orleans Railway and Light Company Report of the Special Masters," box 14, SRUC, SCD, HTML, TU, hereafter cited as "Report of the Special Masters"; New Orleans Daily States, September 21, 1920; New Orleans Item, September 21, 1920.

⁴³"Report of the Special Masters," ibid.; Byrnes to Rodgers, September 21, 1920, box 2, ibid.; New Orleans Daily States, September 21, 1920; New Orleans Item, August 26, September 21, 1920; Fairclough, "Public Utilities," 54.

other's private rights. The union must acknowledge the right of management to the full and complete control of the corporation and that that necessitated the enforcement of employee discipline "under such reasonable and proper rules [it] may from time to time establish". Management, on the other hand, was obliged to recognize and accept the rights of labor to organize and to bargain as a union. With those principles in mind, then, the masters recommended that Receiver O'Keefe sign a contract with the local division of the AASEREA and that the contract include all classes of workers covered under the 1918 contract. The masters recommended, as well, that the receiver and the union use the 1918 contract as the basis for a new agreement, with two important changes. The masters proposed eliminating the 1918 grievance procedures, replacing them with a system of appeals through management. In addition, the masters recommended that management alone determine promotions, making ability and merit the measure of advancement within the company with seniority only a minor consideration.⁴⁴

The receiver and the union filed exceptions to the recommendations of the Special Masters with Judge Foster. O'Keefe told the judge that the wage settlement proposed by the masters went beyond the company's and city's ability and willingness to pay. The wage schedule recommended by the Special Masters exceeded the offer made by the company by an

⁴⁴Ibid.

additional \$250,000 a year and would require a ten cent fare, which neither the company nor the city could tolerate. The receiver remained adamant in his opposition to the local and national AASEREA and to the inclusion of "ineligible" workers in the carmen's contract. O'Keefe would remove his objections to the AASEREA (but not to the "ineligible" workers), however, if Judge Foster removed all "closed shop" provisions from the 1920 contract and not just those recommended by the Special Masters.⁴⁵

The union also had three principal objections to the recommendations of the Special Masters. The carmen believed that the wage award offered to them was fair, and they agreed to accept it. They objected, however, to the proportional wage recommendations for all other union workers, claiming that those recommendations actually decreased the wages of skilled and unskilled workers in the electric and gas divisions and, in effect, deprived them of union eligibility and representation. The Special Masters, the union told Judge Foster, tied the wage award to the fare increase, making the wage award dependent on the company's "ability" to pay and making the municipal government and the patrons of the street railway responsible for pay increases. That proposal, the union argued, was contrary to the principles established by the NWLB in 1918 and reiterated by the Special

⁴⁵New Orleans Daily States, September 22, 26, 29, 1920; New Orleans Item, September 22, 25, 29, October 1, 1920.

Masters in 1920, and was, as well, detrimental to the union and to the city. Finally, the union would not accept the recommendations permitting management to dismiss employees for arbitrary reasons and to promote "company" men over senior union men.⁴⁶

At the end of September, Judge Foster issued an opinion on the exceptions filed by the receiver and the union and on the recommendations of the Special Masters. In general, the judge considered the wage recommendations of the masters to be fair and equitable, conforming, for the most part, with industry and regional standards and local conditions. The only exceptions Foster cited concerned the wage awards for certain classifications of skilled and unskilled workers. The judge refused to decrease the wages paid to unskilled workers, and he ordered Receiver O'Keefe to ignore the recommendations concerning those workers. However, Foster considered the proportional wage increase awarded to other classes of workers too high, and he reduced their increase from ten cents to five cents an hour. Foster ordered O'Keefe to begin paying the new wage schedule, retroactive to July 1, but contingent upon a corresponding increase in street railway fares. To meet the new wage award, Foster instructed the receiver to petition the commission council for an eight

⁴⁶Ibid.

cent fare.⁴⁷

Foster also ordered O'Keefe to comply with the contract recommendations of the Special Masters. The judge noted the principal objections of the receiver and the union, but found their objections without merit. The receiver argued that he did not want to contract with the AASEREA because it had illegally unionized workers, wrested personnel and discipline authority from management, and sought to supplant management by imposing a closed shop on the company. Foster saw no evidence that the international or local AASEREA recruited "ineligible" workers and saw no reason to exclude those workers from the 1920 contract. Foster ordered O'Keefe to contract with the AASEREA, but left the matter of union eligibility for the union and the receiver to settle during the contract discussions to follow. Judge Foster also saw no evidence, as well, that the 1918 or 1920 contract as proposed by the union supplanted the prerogatives of management or imposed a closed shop on the company. Under the terms of those agreements, the receiver was free to hire any one he chose. And, though all workers were required to join the

⁴⁷"Opinion of the Court on the Report of the Special Masters Filed September 30, 1920." United States District Court Eastern District of Louisiana, Empire Trust Company versus New Orleans Railway and Light Company, Number 15,960. box 14, SRUC, SCD, HTML, TU, hereafter cited as "Opinion of the Court"; "In the District Court of the United States for the Eastern District of Louisiana at New Orleans, Number 15,960 in Equity," Empire Trust Company, as Trustee, Complainant against New Orleans Railway and Light Company, Defendant, Consolidated Cause, ibid. hereafter cited as "Court Order"; New Orleans Daily States, September 30, October 1, 1920.

union, the union could not deny them membership. The agreements, the judge said, did not abridge the rights of management or the union, but recognized principles and rights already well-established in labor-management relations.^{4a}

Foster dismissed the exceptions of the union, too. The union wanted promotion based solely on seniority and objected to granting management plenary authority over promotion. Management, Foster wrote, must have authority over the advancement of workers to assure the safe, economical, and efficient operation and management of the company. Promotion solely on the basis of seniority served only the interests of labor, and did not serve to promote and protect those of investors and management. Judge Foster also denied the union's petition for reinstating the arbitration provisions of the 1918 contract. The recommendations of masters would not compromise the rights of workers or subject them to arbitrary discipline or dismissal. Under the terms of the new provisions, the men retained the right to appeal to the principal management and to the board of directors of the company. "It is not to be supposed," wrote Foster, "that the heads of an extensive organization [like NORLC] will arbitrarily discharge a man who is competent and doing his

^{4a}Ibid.; New Orleans Item, October 1, 1920.

duty."⁴⁹

At first, the union leadership was convinced that it had exacted a near "complete victory," preventing the receiver and management from dismembering the union and eroding the authority and morale of the union movement in New Orleans. In a "special notice" issued to the membership on the day of the deciding vote on Foster's ruling, union leaders catalogued the essential points "won" by the union. The Special Masters and the courts, the leaders argued, acknowledged and confirmed the right of unionization and collective bargaining and forced the receiver to accept the essential provisions of the 1918 contract, including those guaranteeing the union shop. There was but one major "set-back". The masters eliminated the 1918 grievance provisions, substituting an appeal process through the upper management of the company. Though the appeals process was unsatisfactory, the union had the assurances of the court that the new arrangement would not compromise the rights of any man or the union movement. Despite its dissatisfaction with the wage award and with Foster's ruling, the union, following the suggestions of its leadership, voted overwhelmingly to accept the wage and contract provisions recommended by the

⁴⁹Foster to William Byrnes, January 7, 1921, box 2, J. P. O'Leary to Mayor Arthur J. O'Keefe, August 12, 1926, SRUC, SCD, HTML, TU; Fairclough, "Public Utilities," 51, 61-65; Carpenter, "The New Orleans Street Railway Strike," 1-3, 18-20, 23-25.

Special Masters and approved by Judge Foster.⁵⁰

The carmen's vote "ended" the 1920 strike, but the agreements of 1920 did not settle the dispute between labor and management. The 1920 agreement allowed the receiver to retain strikebreakers, incorporating them among the union work force and directing them to promote dissent and dissatisfaction within the carmen's union. The "first" sign of that dissatisfaction came in the summer of 1921. In August union president Edwin Peyroux introduced a resolution at a membership meeting calling for a separate charter for black union members, effectively segregating and abandoning them. Black union members protested, but the international AASEREA agreed with the white membership, calling for an equal but separate "sub-division" for black union members. When the black unionists refused a separate charter, the white majority read them out of the union, refusing to include them in union contracts and, in effect, yielding to the company's complaints about union eligibility.⁵¹

For the next ten years, the principal issues remained unchanged. The company, reorganized and operating under "new" management, systematically schemed to end the union

⁵⁰"Special Notice to Membership, Division 194 from Conference Committee," October 6, 1920, box 2, SRUC, SCD, HTML, TU; Fairclough, "Public Utilities," 54.

⁵¹Mahon to Gus Bienvenu, August 13, 1921, George Mosley to Mahon, August 15, 1921, William B. Fitzgerald and J. B. Lawson to local membership, March 12, 1922, box 2; Mahon to Bienvenu, January 7, 1924, Edward A. Veillon to Mahon, June 8, 1926, box 3, SRUC, SCD, HTML, TU.

shop and to break the union. The union, now divided and compromised from within by company men, sought in vain to restore the mandatory arbitration of individual and union grievances. In 1926 company officials demanded the end of the closed shop, no longer requiring management to dismiss workers who were no longer in good standing with the union. The union demanded a new contract preventing the company from firing employees without submitting the decision to arbitration. The board of directors for the company rejected the union's demands, insisting that such a provision would cripple the company's prerogative to "discipline our employees and to control the affairs of our company," and the board announced that it "cannot and will not consent to any proposals which impair or encumber... proper control and direction" of the company. After an abortive strike attempt, the union and the company submitted to an agreement that favored the company. By 1929, with the declining importance of the street railway system to the company (electric and gas service had replaced transit as the principal source of revenue for NORLC-NOPSI), a sizable company union already in place, and the help of the federal courts, the company eventually broke the union, obtaining all that John

O'Keefe demanded in 1920.⁵²

In August, 1920, Albert S. Richey, a professor of electrical engineering at Worchester (Massachusetts) Technological Institute and a public utility consultant employed by Receiver O'Keefe, appeared before the Special Masters, explaining to them the nature of the street railway crisis and suggesting a potential solution. Federal and local war-time utility policies, Richey told the masters, were, in part, responsible for the current financial and political problems of the electric street railway industry. Those policies dramatically increased the cost of operation, particularly in the area of labor, and, at the same time, denied the companies the additional revenues needed to maintain and to expand public services. As damaging as those policies may have been, Richey said, they only hastened and worsened existing problems. Public utility legislation and

⁵²William B. Fitzgerald to Bienvenu, May 21, 1921, box 2, Veillon to Mahon, October 30, December 28, 1925, January 1, June 26, July 17, 1926, Veillon to Fitzgerald, October 30, 1925, Fitzgerald to Veillon, November 3, 1925, Mahon to Veillon January 2, June 26, 1926, John P. O'Leary to Mayor Arthur J. O'Keefe, August 12, 1926, box 3, SRUC, SCD, HTML, TU; New Orleans Daily States, May 3-17, 1921, July 3, 1925, July 30-31, August 11, 1926; Fairclough, "Public Utilities," 62-65; Carpenter, "New Orleans Street Railway Strike," 19-24. Wages and hours, of course, were important, though it seems, secondary issues. In May, 1921, O'Keefe secured a fifteen to twenty percent reduction in salaries, which management formalized in the 1922 and 1924 contracts. And, though the legislature passed a nine hour law, Governor John M. Parker vetoed the bill. See New Orleans Daily States, May 3-17, 1921, June 7, 22, July 1-19, 1922; New Orleans Item, May 5-9, 1921, May 16, June 22, July 1-3, 1922.

regulation were, for the most part, to blame for the problems of the public utilities industry. The requirements of the conventional public utility franchise and the demands of municipal regulation encouraged inefficiency and profiteering, inhibited the growth and development of service, and "politicized" the public service industry. The obvious solution to the utilities crisis, Richey concluded, lay in a thorough overhaul of existing franchise laws and a detailed revision of municipal regulatory policy.⁵³

Richey recommended that the commission council repeal all street railway franchises, replacing them with a single, "indeterminate" franchise that would allow NORLC (or its successor) to operate the streetcar system on a "service at cost" basis. Under the "service at cost" (SAC) plan, rates and fares would automatically be adjusted to meet the total cost of service. That cost would include wages, the cost of production, maintenance, depreciation of the physical properties, taxation, and rate of return. The rate of return, based on a "fair valuation" of all properties, Richey said,

⁵³New Orleans Daily States, August 12, 1920. Richey was not alone in his condemnation of municipal and federal utility policies. Several utility experts, even those who favored either more rigorous municipal regulation or municipal ownership, were critical of established regulatory policies. See, for example, the testimony of Jacob Newman in the PFERC, vol.1, 557-74; Delos F. Wilcox in the PFERC, vol.3, 2135-40; Allison, Report on the Street Railway Service of New Orleans, 3-8; John Bauer, "Deadlock in Public Utility Regulation II Nothing Ever Settled," National Municipal Review, 10 (October 1921), 498; Wilcox, "Problem of Reconstruction With Respect to Urban Transportation," ibid., 8 (January 1919), 33-48.

should be generous enough to safeguard original investment and to attract the additional money necessary to rehabilitate the company. With a fair valuation and a generous rate of return, the company could maintain and expand services, contributing immeasurably to the growth and development of the city.²⁴

The service at cost plan, Richey told the masters, would, in addition to protecting legitimate investment, providing adequate operating revenues, and assuring profits and service, strengthen and expand municipal regulatory authority, while eliminating politics from the public service issue. Under the SAC plan, the city administration would determine (in cooperation with management and ownership) a fair valuation, an acceptable and sufficient rate of return, and reasonable and adequate rates and fares. After establishing the initial valuation, rate of return, and rates and fares (clearly a political act, requiring open, public deliberations and approval), adjustments in cost and in service would be automatic, determined by expert analysis and arrived at with precision and equity. To assure fairness and equity, Richey suggested that the city administration create a special board of supervisors, serving under the direction of the Commissioner of Public Utilities and funded by NORLC. The new public utilities board would be authorized to recommend adjustments in rates, fares, and profits and have

²⁴New Orleans Daily States, August 12, 1920.

direct and uncontested access to the company's books. It would have no authority, however, over stock issues, the development of services, or the other prerogatives of management.²²

The service at cost or assured service plan, as it was later termed, had the unqualified approval of the executive management of the street railway industry (including John D. O'Keefe), and won the endorsement of the Federal Electric Railway Commission. But the plan had its detractors, too, particularly among the more "liberal" utility experts, like Delos F. Wilcox, the New Orleans press, and the Behrman administration. Though not a novel concept or invention and coming after years of slow and often imperceptible reform of the public utilities industry, the service at cost plan attracted considerable debate and aroused intense feelings and interests on both sides of the issue.

At the center of the service at cost plan was the public recognition of a permanent monopoly, granted and perpetuated through a single, comprehensive, "indeterminate" franchise. Proponents of the assured service plan contended that the conventional and outdated term franchise was a "worthless scrap of paper." The limited term of the franchise undermined the value of the investment, denying the investor the proper financial security, encouraging speculative and questionable financing, and resulting in deplorable and

²²Ibid.

costly service. Under the terms of the limited term franchise, investors were forced to seek a "profit as will not only give them a fair return upon their investment but will also return them their capital," discouraging them from re-investing their money in renewals and replacements and resulting in delapidated equipment and deplorable service. By contrast, supporters of the service at cost plan argued that an indeterminate franchise, granted without a specific, limited term, competitive bidding, and unnecessary franchise obligations, would properly secure investment, encouraging further investment and assuring quality service.⁵⁶

Franchise reform alone, of course, would not resolve the street railway crisis, for it could not attract the new investment needed to restore and rehabilitate the industry. Investors in public utilities sought additional assurance in the form of a guaranteed rate of return or profit. Management agreed that a fixed and generous rate of return would protect old investment and attract new investment, speeding the rehabilitation of the industry and furthering the development of new and better services. But for these events to take place, the rate of return had be "certain" and "reasonable," and had to include old as well as new investments, requiring government and consumers to agree to higher, more flexible rates and fares and to accept a more generous

⁵⁶PFERC, vols.1-3, passim; Allison, Report on the Street Railway Service, 3-8; Wilcox, "Service at Cost in Local Transportation," NMR, 9, (December 1920), 765-72.

valuation of property.⁵⁷

The valuation of property went to the heart of the public utilities crisis. Management, government, and consumers agreed that setting a fair and reasonable valuation was indispensable to the resolution of the street railway crisis and to the rehabilitation of the public service industry. Yet, there was intense, often bitter, disagreement over the proper means and ends of setting a fair and reasonable valuation. The public utilities industry maintained that a "fair" valuation would restore and preserve the credit of the industry, respecting the worth of previous investments and prompting new investors to assist in the rehabilitation of the street railway industry. From the standpoint of the industry, there were two principal means of establishing the valuation of property. The first (and the less preferable) was the historical approach. This method allowed the company to include all properties and services (stock and bond promotions, discounts, rentals) in valuating property, irrespective of their current condition or contribution to the operation of the system. However, the historical method valued property and services at their original costs, ignoring the increased value of property as part of a "going concern". The second (and more appealing) was the reproduction

⁵⁷PFERC, vol.1, 540, 546, 557-58, 568-69, vol.3, 2266, 2271, 2282-83; Allison, Report on the Street Railway Service, 7; Bauer, "Deadlock in Public Utility Regulation I: Collapse of Credit," NMR, 10 (September 1920), 474; New Orleans Item, October 4, 1920.

method. This method established the value of property on the basis of the cost of reproducing or replacing the entire system at current prices. The reproduction formula allowed companies to include properties and services in valuating property that no longer contributed to the operation and maintenance of services, permitting the companies to "earn" profit from useless property. The war and the "confused state" of valuation law in the United States played financial havoc with the reproduction method. Prices during the war and the period of readjustment, fluctuated greatly, skewing costs and values and making it nearly impossible, not to mention politically inexpedient, to determine a "fair" valuation under the reproduction method.⁵⁵

The public, too, saw the value of establishing a fair and reasonable valuation of utility properties. An established valuation would "end" disputes about excessive, speculative capitalization, restore public confidence in the public utilities industry (and in public regulation), and would hasten the rehabilitation of services. Utilities experts, however, were well-aware of the industry's "passion"

⁵⁵PPERC, vol.2, 1264, vol.3, 2142-43; Bauer, "Deadlock in Public Utility Regulation II: Nothing Ever Settled," NMR, 10, (October 1920), 499-500; Bauer, "The Supreme Court and Reproduction Value in Rate Making," NMR 12 (September 1923), 529-32; Bauer, "Reproduction Cost Has Not Been Adopted by the Supreme Court," NMR 12 (November 1923), 644-48; Wilcox, "Service at Cost," NMR, 9 (December 1920), 765-72. The United States Supreme Court attempted to clarify the issue of valuation on several occasions, but was unable to define "fair valuation" with precision.

for overcapitalization. And feared that the industry would exaggerate the historical or reproduction cost. For the most part, these experts favored the so-called actual cash value method. It set the value of properties on the basis of cash "actually and prudently" invested in existing and useful property, giving no allowances for certain classes of intangibles, like promoters fees or stock and bond discounts.⁵⁹

Critics of the cost of service plan admitted that the plan would restore and preserve the credit of the public utilities industry, in theory eliminating speculation in utility securities, assuring both profit and service, and restoring public confidence in private management and in the regulatory authority of government. In theory, rates and fares were tied to service and profits. The utility company could increase its dividends only by a corresponding reduction in rates and fares, making efficiency and service the only proper and true concern of management and government.⁶⁰

These critics pointed out, however, that in this case theory did not match reality. In reality, rates and fares would increase automatically to meet the demands for a "reasonable" and generous rate of return, eliminating any need for efficient and economical management. And, as testimony before the FERC revealed, utility experts could not determine what sort of fares and rates would produce a fair rate

⁵⁹Ibid.

⁶⁰Melvin I. Urofsky, Louis D. Brandeis and the Progressive Tradition (Boston 1981), 28.

of return. "There are not enough brains in the street railroad business....," Jacob Newman told the FERC, "to answer that question." Nor could experts agree on what constituted a "fair" rate of return. They were, as well, unable to determine if the rate of return should be fixed permanently or should be adjusted from time to time to meet changing market conditions, or if old money should receive the same rate of return as new investment capital. In short, critics pointed out, the cost of service plan was untested and uncertain and unlikely to resolve the public utilities crisis.⁶²

Despite the uncertainty of the cost of service plan, Receiver John O'Keefe endorsed the concept in his testimony before the Special Masters. The company could no longer operate under present conditions and obligations, he said. The rates and fares awarded to the company in 1918 were wholly inadequate and could not bring about the restoration of public credit or the rehabilitation of the company. The cost of service plan, on the other hand, he assured the masters, would solve the company's problems, permitting it to meet its financial and service obligations, bringing about the restoration of its credit and reputation, and

⁶²PFERC, vol.1, 540, 546, 557, 568-69, vol.2, 1234-1257, vol.3, 2135-36, 2143-48; Wilcox, "Municipal Home Rule and Public Utility Franchises," NMR 3 (January 1914), 22-26; Wilcox, "Problem of Reconstruction With Respect to Urban Transportation," NMR 8 (January 1919), 37; Wilcox, "Service at Cost," NMR, 9 (December 1920), 766; Bauer "Deadlock in Public Utility Regulation II Nothing Ever Settled," NMR 10 (October 1920) 498-501; New Orleans Item, September 21, 27, October 4, 1920.

assuring the rehabilitation of the utilities industry in New Orleans.⁶²

The following month the Special Masters recommended to the court and the commission council the adoption of the cost of service plan. The masters noted that the plan had the endorsement of the FERC and several "leading" utility experts. The plan, as recommended by the FERC, would pose the fewest legal, managerial, and financial obstacles for a proper rehabilitation of the industry, and could, if adapted to local conditions, provide quality service. In addition, the assured service plan would allow the receiver and the principal stockholders to rehabilitate the company on terms acceptable to the municipal authorities and, even more importantly, would permit for a more precise, less politicized regulation of the public utilities company.⁶³

The masters were not content with simply recommending

⁶²New Orleans Item, February 25, 28, August 18, September 14, 1920; New Orleans Daily States, February 26, August 18, 1920. O'Keefe maintained that after meeting all operating expenses, the company earned only \$1,000,000, hardly a sum sufficient to rehabilitate the company. Also appearing before the Special Masters was Rudolph S. Hecht, president of the Hibernia National Bank and the chairman of the Bondholders Protection Committee, a consortium of investors holding NORLC bonds. Hecht proposed that the city municipalize NOGLC, placing it under a special utility board organized like the Sewerage and Water Board. He also recommended that the city grant NORLC a service at cost franchise, setting its valuation at \$50 million and providing for a two-tiered rate of return for old and new investment.

⁶³"Report of the Special Masters," ibid.; Fairclough, "Public Utilities," 54; New Orleans Item, September 21, 1920. The masters defined the cost of service as the "actual" cost of operation: wages, power, fuel, regulation cost, taxation, replacement cost, and fair rate of return.

the adoption of the assured service plan. The success of the plan and the relevancy of the masters' study depended on establishing an acceptable valuation, rate of return, and schedule of rates and fares. The masters "confessed" that they had great difficulty determining these questions, primarily because of the "wide differences of opinion among experts on these questions". Despite these difficulties and differences, the masters arrived at what they considered reasonable and acceptable terms. They set the valuation of NORLC (for rate making purposes) at \$41.5 million, the average of the four previous valuations conducted since 1918.⁶⁴ The masters also fixed the rate of return at seven percent, suggesting, however, that with rehabilitation the company could operate profitably at rate of return between six and seven percent. The masters recommended, as well, an increase in streetcar fares from six cents to eight cents, with discounts for advanced ticket buyers and school children. In their report, the masters contended that the eight cent fare would permit the company to meet its financial obligations, including the new wage awarded to the carmen, and, at the same time, fund the rehabilitation of the company.⁶⁵

⁶⁴Ibid. Ballard: \$32.4 million
 Lafaye: \$38.3 million
 Goethals: \$44.8 million
 NORLC: \$52.1 million

average \$42.0 million

⁶⁵Ibid.

O'Keefe bristled at the masters' report, petitioning Judge Foster to dismiss the recommendations as insufficient and inappropriate in light of the evidence and testimony of expert witnesses. The valuation suggested by the masters, O'Keefe told Judge Foster, ignored established principles and procedures for determining the valuation of public utility properties and summarily dismissed the evidence presented to them by independent, expert witnesses. Recent court decisions, O'Keefe argued, established the reproduction method as the only equitable means of determining the legitimate valuation of public service properties. The masters, O'Keefe suggested, may have been ignorant of the precedents set by these cases, but they simply chose to ignore the testimony of the company's witnesses."⁶

During the hearings, the company presented evidence from two "independent engineers and appraisal experts," J. H. Perkins (a former employee of NORLC) and J. Frank Coleman, discrediting previous valuations and describing their valuation as equitable and legitimate. Perkins and Coleman estimated that the cost of reproducing NORLC and NOGLC at current prices was nearly seventy-four million dollars, a staggering price by any standard and completely unacceptable for rate-making purposes. But, basing the cost of reproduction on the average of prices from 1915 to 1919

⁶"New Orleans Daily States, September 29, 1920; Reclassification of the Electric Plant, 52-54.

and accounting for a reasonable depreciation in property, Perkins and Coleman set the valuation of NORLC and NOGLC at \$55.6 million, seventeen million dollars more than the Lafaye valuation and nearly eleven million dollars higher than General Goethals's assessment. O'Keefe believed that the Perkins-Coleman valuation was too low, but agreed to accept it if the city administration set the rate of return for this and other investments between eight and eight and a half percent. Anything less than a \$55 million dollar valuation, an eight percent rate of return, and an eight cent fare, O'Keefe told the judge, and the company would collapse.⁶⁷

Foster would not permit the company to "collapse". He set aside the masters' recommendations concerning valuation and rate of return, categorizing them as unrealistic and unnecessary. Obviously, the judge concluded, the masters did not do a thorough analysis of the valuation and rehabilitation issues. They set the valuation and rate of return "too low" to aid in the rehabilitation of the company, and their recommendations may have exceeded their authority. The valuation and rehabilitation of the company, Foster suggested, were too important to leave to an ad hoc, ex parte committee of private citizens. Rather, those issues were the proper concern of the receiver (and, by implication, the court) and

⁶⁷Reclassification of the Electric Plant, 54-55; New Orleans Daily States, August 13, 16, September 29, 1920; New Orleans Item, October 1, 1920.

the municipal government."⁸⁸

Foster also dismissed the masters' fare schedule as "impractical" and "inadequate". Discounted fares for school children and ticket buyers only complicated the receiver's task, adding unnecessary expense to the cost of operations. And they did not adequately compensate the receiver for the cost of service. An eight cent fare, on the other hand, uncomplicated by discounts and tickets, would enable the company to retire the receiver's certificates, pay the wage increase awarded to the carmen, and allow the company to keep operating. Though the eight cent fare alone could not rehabilitate the company, it was, in the opinion of the court and the receiver, sufficient to restore credit and attract new investment that would aid in the refinancing and reorganization of NORLC. Foster then "ordered" O'Keefe to petition the commission council for an eight cent fare, suggesting to the administration the necessity for quick action by tying the wage increase to the enactment of an eight cent fare ordinance."⁸⁹

Speaking for the commission council, Mayor Behrman acknowledged the need for quick and resolute action, and he promised to give any proposal or petition serious considera-

⁸⁸"Opinion of the Court," box 14m SRUC, SCD, H-TML, TU; "Court Order," ibid.; New Orleans Daily States, October 1, 1920; New Orleans Item, October 1, 1920.

⁸⁹"Opinion of the Court," ibid.; "Court Order," ibid.; New Orleans Daily States, August 18, October 1, 1920; New Orleans Item, August 18, October 1, 2, 1920, February 16, 1921.

tion. But, he said, the council, like the court, questioned the authority of the Special Masters to determine valuation and rate of return, arguing that the city administration alone possessed the authority to regulate utility rates and fares and to determine the conditions for the public rehabilitation of NORLC. For this reason, Behrman said, the commission council refused to take part in the deliberations or to be bound by the recommendations of the Special Masters. Nor, Behrman said, would the council accept the authority of the federal district court to interdict the authority of the city administration to regulate the public utility companies in New Orleans. The council also had serious reservations about the necessity and expediency of the eight cent fare, contending that the eight cent fare may exceed the cost of service and arguing that any increase must contribute to the public rehabilitation of the company and not simply fund the wage award or retire the receiver's certificates.⁷⁰

The city newspapers conceded that the recommendations of the Special Masters were without authority or effect, and that the administration was right to ignore them altogether. (Foster's opinion and order, though not his words, affirmed the opinions of the press.) Nonetheless, the newspapers assailed the commission council for refusing to participate in an attempt to circumscribe its regulatory authority. The

⁷⁰New Orleans Item, August 15, 16, 20, 26, 29, September 21, October 2, 4 11, 1920; New Orleans Daily States, August 23, 28, 29, September 21, October 1-4, 1920.

press described the policy of the administration as vapid, mysterious, and politically motivated, designed to protect the interests of an alien corporation intent on profit and anxious to escape meaningful regulation. The Behrman administration, the press reported, failed to prevent the pyramiding of stocks and bonds and the usurpation of local ownership by giant holding companies that undermined the value of the constituent companies and drained millions of dollars from the city. That same administration, the reform newspapers continued, stymied direct, democratic regulation, permitting NORLC to avoid public control and, in effect, to bring on its own financial bankruptcy. Now, the Behrman administration, already discredited at the polls, sought to bankrupt the city by refusing to protect its interest and threatening it with a second, more destructive strike.⁷¹

Despite the illogical and partisan accusations of the city newspapers, the policy of the Behrman administration did not promise the political bankruptcy of the city or threaten it with another disruptive strike. Indeed, the policy of the administration was to preserve the political integrity of the city and to prevent the receiver and the

⁷¹New Orleans Item, August 15, 16, 20, 26, October 1, 2, 1920; New Orleans Daily States September 22, 1920. Though Judge Foster rejected the recommendations of the masters concerning the rehabilitation of NORLC, he criticized the Behrman administration for failing to accept his decision "as sufficient evidence, prima facie,...upon which immediately to authorize the receiver to put into effect an eight cent car fare".

court from dictating a settlement and stripping the city of its authority over the public utilities company. Agreeing to the eight cent fare proposal, especially in light of Judge Foster's opinion allowing NORLC to set the cost of service, would have meant surrendering authority to the court and the receiver, allowing NORLC to impose the terms of its own reorganization and rehabilitation. Nor did the council's refusal to tie the fare increase to the wage award threaten the good order of the city. The administration recognized, perhaps more clearly than the business community, that the strike had exhausted the union and that it was in no position to walk out once again. And the policy of the Behrman administration on the wage award and the fare increase was the same as the union. The city administration insisted, as had the union and to some extent the Special Masters, that NORLC could, for the time being, fund the wage award with present revenues, determining later if the rehabilitation of the company warranted an increase in rates and fares. It was O'Keefe and Foster who ignored the recommendations of the Special Masters on wages and fares, challenging the political authority of the city administration and threatening the good order of New Orleans.

So, too, did the State of Louisiana. Early in October, before Receiver O'Keefe submitted his petition to the commission council, the Attorney General filed suit in Orleans Parish Civil District Court, seeking to prevent the council

from considering O'Keefe's request for a fare increase. In the petition before the court, the Attorney General claimed that the state legislature, not the municipal administration, possessed the exclusive authority to regulate the public utilities industry in New Orleans. The city and its government, argued assistant Attorney General (and former Governor) Luther E. Hall, were creatures of the state legislature, which retained exclusive and plenary authority over city streets and all other avenues of commerce in New Orleans. The state legislature merely authorized the municipal government to grant franchises in its name and has the authority to rescind or alter that grant of power at its pleasure. "The streets of New Orleans," Hall asserted to the court, "are state property and not city property and the rights-of-way under franchises granted to the railways company are subject to the control of the legislature." The city administration, then, was without authority to grant fare increases or in any way alter the terms and conditions of the street railway franchises. Similarly, since NORLC did not own street railway franchises, but simply leased them, the original owners were not released from their franchise obligations to the state, principally, the five cent fare. Any fare or rate increase authorized by the commission council, then, would violate the will of the state legislature, the terms of the franchises, and would constitute an

unjust and illegal tax on the people of New Orleans.⁷²

City Attorney Moore told the court that the city administration considered that state suit without foundation in law and precedent. The state constitution and the 1912 city charter granted the municipal government exclusive authority over the city streets, including the authority to grant and regulate franchises governing their use. The courts recognized that authority on several occasions, and, in the Black decision, affirmed the authority of the municipal government to regulate street railway fares. The court, however, found merit in the state's argument, and issued a temporary injunction preventing the commission council from deliberating on the request for a fare increase.⁷³

The court order against the commission council did not enjoin public discussion, however. The executive leadership of the Association of Commerce proposed that the Behrman administration grant the company an eight cent fare for four months, enabling the receiver to pay the new wage award,

⁷²New Orleans Item, August 16, October 1, 5, 7, 1920; New Orleans Daily States, October 5, 1920.

⁷³New Orleans Daily States, October 6-11, 1920; New Orleans Item, October 6, 8-10, 1920. The union and the receiver were, to say the least, displeased with the state suit. Union leaders called it a frivolous suit, benefitting no one and hurting everyone in the city. The carmen insisted that Receiver O'Keefe begin paying the new wage schedule at once, asserting that the wage award should not depend on the increase in carfares. O'Keefe, of course, declined, citing Judge Foster's order and the injunction as his reasons for denying the union's request. Despite the possibility of another strike, the union resisted that temptation and remained on the job.

satisfying the company's desperate need for additional money, and permitting the new municipal administration the time to determine valuation, rate of return, and the necessity for a permanent increase in streetcar fares. With these guarantees, the receiver and the business community could persuade the state to withdraw its suit against the city.⁷⁴

Initially, the Behrman administration dismissed the notion of a temporary, unconditional fare increase, reminding the businessmen's association that the six cent fare ordinance, enacted in October, 1918, remained in effect and contributed nothing toward the public rehabilitation of the utilities industry in New Orleans. Instead, Mayor Behrman suggested that NORLC dispense with its dividend payments for the next four months, appropriating those resources for the new wage schedule, and affording the incumbent administration the opportunity to set a responsible and comprehensive public utilities policy. Behrman's proposal received few endorsements, even one-time supporters like the New Orleans Daily States considered the proposal unrealistic. The States urged the council to adopt the proposal of the Association of Commerce, arguing, in effect, that the new McShane administration should determine the public utilities policy of New Orleans.⁷⁵

⁷⁴New Orleans Item, October 8-10, 1920; New Orleans Daily States, October 10-11, 1920.

⁷⁵New Orleans Daily States, October 9, 1920.

The next day Mayor Behrman announced that the council would, with the proper guarantees, consent to a temporary, unconditional fare increase. The mayor hurriedly organized a conference with Receiver O'Keefe, assistant Attorney General Hall, and the executive leadership of the Association of Commerce to discuss the specific features of the eight cent fare ordinance and to arrange for the proper guarantees. The conference nearly ended before it began. The first of the proposals, offered by the Association of Commerce, angered the city administration and NORLC general counsel H. Generes Dufour, resulting in several heated shouting matches and threats to discontinue the proceedings. Under the terms of the so-called Carroll plan (Leigh Carroll, the chairman of the public utilities committee of the Association of Commerce, introduced the plan), the commission council would consent to an eight cent fare effective for only six months and subject to certain restrictions. During those six months, the municipal administration and the State Attorney General would restudy the public utilities industry in New Orleans, developing a comprehensive utilities policy (assistant Attorney General Hall proposed granting NORLC a state franchise and regulating service and cost through a state regulatory board or commission) and offering the receiver a realistic plan for the rehabilitation of the company. The Attorney General would agree to withdraw the state suit if the receiver pledged to use the two cent in-

crease to fund the wage award and meet legitimate increases in the cost of service.⁷⁶

City Attorney Moore considered the proposal a fraud and an insult to the city and the Behrman administration. The proposal granted NORLC a thirty-three percent increase in fares without determining its necessity or expediency. In addition, plan placed few, if any, significant restrictions on the use of the eight cent fare, allowing the receiver to dedicate the increase to facets of the company incidental to its rehabilitation. Furthermore, the city attorney complained, the association plan sought to exclude the city government from the regulation of essential municipal services, denying to the people of New Orleans the right and authority to determine municipal public policy. Moore then turned his criticism toward 'Governor' Hall, exchanging "harsh" words with the assistant Attorney General over the content of the state suit and Hall's recommendations to the conference. Apparently, Hall's suit and suggestions irked the city attorney, and he threatened to resign if Mayor Behrman and the council consented to the Carroll plan.⁷⁷

Moore's threat to resign was, perhaps, irrelevant (he was, like Behrman and the entire commission council, a lame duck) to the discussion, but his criticism of the Carroll

⁷⁶Behrman to O'Keefe, October 12, 1920, box 14, SRUC, SCD, H-TML, TU; New Orleans Daily States, October 11, 12, 23, 1920; New Orleans Item, October 10, 12-14, 22-23, 1920.

⁷⁷New Orleans Daily States, October 11, 12, 23, 1920; New Orleans Item, October 10, 12-14, 22-23, 1920.

plan was succinct and correct. State regulation of municipal public services was not only unconstitutional but also unwarranted. As we will see, when the voters of New Orleans elected the McShane administration in 1920, they did not reject municipal regulation (the McShane commission council pursued the policy initiated by the Behrman administration). Rather, they expressed their dissatisfaction with the Behrman administration and its inability, not unwillingness, to construct a comprehensive, workable public service policy. Despite their loss at the polls, however, Mayor Behrman and the commission council refused to accept any provision, no matter how appealing or temporary, that compromised the fundamental authority of the municipal government.^{7a}

The receiver and management of NORLC, too, objected to a temporary fare increase. H. Generes Dufour, the attorney for the receiver and the general counsel for NORLC, claimed that a provisional fare increase would not meet the immediate needs of the company, compelling the receiver to suspend certain services and requiring Judge Foster to rescind the wage award. Dufour also questioned the legality and expedi-

^{7a}I have based this assesment of the utility policy of the Behrman administration on the numerous correspondence of the Mayor's Office, the City Attorney's Office, and the Petitions and Correspondence of the Commissioner of Public Utilities. For example, see Moore to Thompson, undated, vol.7 (probably between February 13 and 19, 1918), Moore to Glenny, August 8, 1918, Waldo to Moore, August 24, 1918, vol.8, CAO, CA, NOPL. The newspapers, as well, dispite their partisan opposition to the Behrman council, faithfully reported the policy statements and actions of the council.

ency of the provision allowing the commission council or the State of Louisiana to determine the use of company revenues. Under the conditions of the receivership, Receiver O'Keefe could not appropriate revenues to suit the interests of any one but the principal creditors of the company. In brief, the receiver had to meet the cost of operation, including wages and the payment of debts. He could not assign revenues for the rehabilitation of the company. Granting the municipal or state government plenary authority over the allocation of revenues and other resources, Dufour predicted, would paralyze the rehabilitation of the company and end in the permanent collapse of the public service industry in New Orleans.⁷⁹

In the end, however, confrontation gave way to compromise. According to the "informal" agreement, the Behrman administration would enact a temporary two cent fare increase, effective for six months and dedicated to funding the wage award and other legitimate cost of operation. The enactment of the ordinance, the agreement read, in no way obligated the Behrman administration or the McShane commission council to enact a permanent eight cent fare ordinance or to acknowledge the need or expediency of a permanent fare increase. In brief, then, as City Attorney Moore insisted, these provisions acknowledged that the municipal government alone had

⁷⁹New Orleans Daily States, October 11-12, 23, 1920; New Orleans Item, October 11-14, 22-23, 1920.

the power to regulate the cost of service and, in part, to determine the use of specific revenues.⁸⁰

In addition, the Attorney General agreed to withdraw his suit against the city council if the receiver agreed in writing to use the fare increase exclusively for the wage award and other specific cost of operation. Though the agreement required the receiver to appropriate the fare increase for specific cost, it did not require him to dedicate any portion of the two cent increase to rehabilitating the company. Apparently, this aspect satisfied O'Keefe and Dufour, and they agreed in writing to use the increase for wages, taxes, and fuel.⁸¹

Finally, the conference left to the McShane administration the difficult job of constructing and implementing a comprehensive public utilities policy that preserved the political integrity of the city and resolved the public service crisis to the satisfaction of the courts, the receiver, the principal owners of NORLC, and the people of New Orleans. It was a task that took nearly two years and taxed the abilities of the new administration and the endurance of people of New Orleans. Eventually, it contributed to the near collapse of the McShane administration and to the

⁸⁰Ibid.

⁸¹Ibid.

return of Martin Behrman.⁸²

⁸²Behrman to O'Keefe, October 12, 1920, box 14, SRUC, SCD, H-TML, TU; Ordinance 5892, CCS, CA, NOPL; New Orleans Item, October 10, 12-14, 20-21, 1920; New Orleans Daily States, October 11-13, 20-22, 1920. Opposition to the eight cent fare was meager and ineffective. Working through the courts, the receiver and the Behrman administration stymied attempts to block the eight cent fare. In addition, critics of the ordinance fell short in their attempt to initiate an ordinance repealing the eight cent law. See New Orleans Item, October 20-31, November 15, 1920, January 5, 1921 and New Orleans Daily States, October 23-31, November 2, 4, 8, 22, December 14, 1920.

Chapter Eight

"A Bad Year For Kings"

Late in the spring of 1919, Donelson Caffery, a friend and supporter of John M. Parker and violent critic of the Behrman administration, announced the formation of the Democratic Liberty League (DLL), a "new and permanent" faction within the state Democratic party. Its single purpose, he said, was the creation and maintenance of "good government" in Louisiana and, in particular, New Orleans. Its principal goal was the end of ring rule and the other forms of "political Kaiserism" in Louisiana, and its chief campaign issue was the removal of Martin Behrman and the Regular Democratic Organization from power. The League, Caffery told reporters, would be a potent force in the approaching state and municipal elections, and its chief interest for the next several months would be the thorough political organization of the state and city and the selection of anti-ring candidates for the major state offices. With the election of an anti-Regular governor, the DLL would then challenge Behrman and the Regulars for control of New Orleans.¹

Despite Caffery's pronouncement, the anti-ring issue

¹New Orleans Item, May 5, 11, 18, 20, 25, 31, June 9, 1919; New Orleans Daily States, May 11, 18, 19, 20, 1919.

was of secondary importance to many League members and found only marginal support among the leading "independent" candidates for governor. Only Phanor Breazeale (who had the qualified endorsement of former governor Jared Y. Sanders) considered ring rule a serious issue, pledging that once elected he would remove Martin Behrman and the RDO from power in New Orleans and influence in the state. State Senator E. M. Stafford, who opposed the utilities policy of the Behrman administration, acknowledged that the RDO had a "disproportional" amount of power and influence in New Orleans and the state, but dismissed the idea of ring rule as divisive and misleading, creating an anti-New Orleans feeling among the voters and distracting them from the essential problems of the state. The New Orleans "machine," he said, was not the source of the discontent and stagnation in the state. Rather, the problems of Louisiana stemmed from its colonial economy, an inadequate and inequitable tax structure, and the failure to provide essential services like good roads, schools, and public utilities. Percy Saint, an ardent opponent of Mayor Behrman and the RDO (and a future Attorney General of Louisiana), reiterated Senator Stafford's remarks, adding that the state needed to adopt a new state constitution, establishing a modern, effective state government.²

²New Orleans Item, May 11, July 4, 5, September 1, 10, 1919; New Orleans Daily States, July 4, 5, 1919.

None of these men inspired the imagination or ignited the hopes of the DLL and its leaders. Breazeale's anti-ring rhetoric seemed convenient and insincere, and his failure to address other, equally salient issues troubled Caffery and the other leaders of the DLL. Though the sentiments and platforms of Stafford and Saint appealed to many rural parish League members, neither man was truly anti-RDO, and did not appeal to the New Orleans reformers, the core of the League's support. And, perhaps most important of all, none of them could attract the "independent" progressive voter, who, the DLL believed, would determine the outcome of the state election. These circumstances convinced many League members, especially the anti-Regulars, to seek another, more acceptable candidate, one who embodied the anti-ring sentiment of the DLL and who could appeal to the independent progressive voter--John M. Parker.³

For the moment, however, John Parker chose not to run, refusing to campaign for the endorsement of the DLL or to commit to its platform.⁴ Parker's refusal to accept the endorsement of the League worried several of his supporters,

³New Orleans Daily States, June 9, August 10-12, 15-18, 1919; New Orleans Item, July 29, August 12, 13, 15-18, 1919. Those League members advocating Parker were Governor Ruffin G. Pleasant, Donelson Caffery, Hewitt Bouchaud, Albin O. Provosty, and John Patrick Sullivan.

⁴Parker to Leland Moss, August 21, 1919, Parker Papers, UNC; New Orleans Item, August 15-19, 21, 1919; New Orleans Daily States, August 16-18, 21, 1919.

and his apparent interest in running for governor again⁵ troubled other League members. Leland Moss, perhaps Parker's most ardent supporter, pleaded with him to declare his candidacy, complaining that Parker's refusal to accept the DLL endorsement would divide the independent vote and give the election to Martin Behrman and the RDO.⁶ But other League members were leery of Parker's intentions, and saw no merit in either endorsing him or encouraging his candidacy. If the DLL endorsed Parker, he and his supporters would absorb the organization, reducing its appeal and turning it into a personal political vehicle. If Parker ran independently of the League, he could split the independent vote, giving the election to the Regulars and their country supporters.⁷

At the League convention in August, the unaligned majority of the DLL realized its worst fears. Parker's friends, principally from the New Orleans, attempted to postpone the nomination or, barring that event, to make it contingent upon "subsequent developments". But opponents of the Parker nomination, among them New Orleans reformer Dr.

⁵Parker campaigned for governor in 1916 as a member of the Progressive party. Parker lost convincingly to Ruffin G. Pleasant.

⁶Moss to Parker, August 22, 23, 1919, Parker to Moss, August 21, 1919, Parker Papers, UNC; New Orleans Item, August 19, 21, 1919; New Orleans Daily States, August 21, 1919. Professor Matthew Schott attributed Parker's indecision to "personal reasons," but a better explanation seems to lie in Parker's willful personality and demand for political independence. Schott, "John M. Parker," 336.

⁷Charles J. Turck to Parker, August 28, 1919, Parker Papers, UNC; New Orleans Daily States, August 17-19, 1919; New Orleans Item, August 17-18, 1919.

Valentine K. Irion, blocked those efforts, eventually endorsing Phanor Breazeale for governor. Following the nomination of Breazeale, several prominent members^o of the DLL "bolted" the convention, announcing their intention of endorsing and campaigning for John M. Parker. Harry Gamble, one of the "bolters" and Parker's future campaign manager, criticized the nomination and the DLL. The times were not normal, he said. The people were uncertain about the fate of the state and demanded men who could command their confidence. John Parker, more so than Phanor Breazeale, commanded the respect and trust of the "unbossed," Democratic voter. And Parker, not Breazeale, could defeat the New Orleans machine and lead the state "at this critical time of reconstruction and rearrangement...". A week later John Parker declared his candidacy, taking with him a majority of the anti-Regular League members. Without the core of his support, Phanor Breazeale withdrew from the race, leaving the remnant of the DLL to John Parker and the anti-Regular reformers."

But John Parker was hardly the ideal candidate, particularly to those voters who considered the Democratic party the party of reform and who saw ring rule as an idle and

^oAmong them were Esmond Phelps, publisher of the New Orleans Times-Picayune, assistant Attorney General Harry Gamble, State Representative James J. A. Fortier of New Orleans, Dr. Walter S. Oser, and Oliver S. Livaudais.

^oNew Orleans Daily States, August 17-21, 28, 31, September 4, 21, 23, 24, 1919; New Orleans Item, August 17-20, 31, September 3, 5, 23, 24, 1919.

disruptive issue. And there were many Democrats who doubted Parker's ability to defeat the Regulars, especially campaigning on the issue of ring rule at the exclusion of all other issues. For John Parker to win the election, then, he had to reestablish his credibility as a Democrat, embracing the "populistic" elements and reforms of the party and campaigning on a platform that transcended the narrow partisanship of his past anti-Regular campaigns.¹⁰

Among John Parker's apparent public disabilities, none was more troubling to his supporters (or comforting to his critics) than his checkered loyalty to the Democratic party. As we have seen, first in 1912 and then in 1916, John Parker distained "traditional" Southern party politics, leaving the Democratic party for Theodore Roosevelt's Progressive party crusade and completing his apostasy as that party's candidate for governor four years later. Galvanized by Woodrow Wilson's candidacy in 1916 and swept up by the wartime patriotism that surrounded it and uncertain about the tone and direction of the third party movement, John Parker began a slow, considered move back to the Democratic party. With the nation at war, Parker sought and accepted a position in Wilson's wartime administration, serving as

¹⁰Moss to Parker, August 19, 20, 22, 1919, D. D. Moore to Gamble, October 15, 1919, Parker Papers, UNC; Schott, "John M. Parker," 335-37. For a superb account of the Democratic party in the Progressive Era, see David Sarasohn, The Party of Reform Democrats in the Progressive Era (University of Mississippi Press, 1989), passim.

the Federal Food Administrator for Louisiana and endearing himself (at least according to his biographer) to the state's farmers and consumers. In March, 1918, amidst publicity exceeding the significance of the event, John Parker reregistered as a Democrat.¹¹

But Parker's return to the Democratic party did not make him a Democrat. Nor did his former standing in the anti-ring movement secure his position as the principal leader and ideologue of the "reform" Democrats. To gain the acceptance of the Democratic party and to establish himself as a credible "reform" candidate, Parker had to do more than change parties. Parker aligned himself with several noteworthy and influential professional politicians, men closely identified with the state's governing establishment, men Parker considered at one time ill-fit to govern Louisiana. Those men included the incumbent governor, Ruffin G. Pleasant, State Speaker Lee E. Thomas, former governor Jared Y. Sanders, and attorney and lobbyist John Patrick Sullivan.¹²

¹¹Schott, "John M. Parker," 310-18, 325-337.

¹²The majority of those men supporting Parker, of course, came from the "reform" establishment, men like Charles I. Rosen, Ivy G. Kittredge, Thomas I. O'Connor, and Leland Moss. Other less notable (for the moment) politicians also endorsed John Parker, including Percy Saint, John H. Overton, and, of course, Huey Pierce Long. Moss to Parker, August 19, 20, 22, 27, 1919, L. E. Thomas to Parker, September 13, 1919, Parker Papers, UNC; New Orleans Item, September 1, 19, October 6, 26, 1919; New Orleans Daily States, September 1, 19, November 19, 1919; Schott, "John M. Parker," 335-37.

Parker also identified himself with past Democratic reform movements and administrations,¹³ emphasizing his commitment to the "true" principles of the Democratic party, and justifying his departure in terms of his opposition to the RDO. For John Parker and his anti-Regular supporters, ring rule was a real issue, and its destruction was a sincere and critical need. They portrayed Martin Behrman and the Regulars as "perpetual office holders," destructive of good government and devoid of party principle. And they equated the destruction of the Regular Democrats with progressive reform. This campaign, Parker wrote to a friend, will be "possibly one of the most bitter fights we have ever had in Louisiana, and the only way we will win it is going to be by thorough organization and by keeping before the people all the time the great principle for which we stand." That principle was, he said in a speech, "the destruction of the New Orleans ring and all other rings". From that great principle stemmed "the reconstruction of our State...".¹⁴

But Parker could not expect to win the gubernatorial campaign by simply aligning himself with the Democratic

¹³In November, 1919, Parker wrote to Chief Justice Edward Douglass White, asking him to substantiate Parker's support of Francis T. Nicholls in 1888 and his opposition to the Louisiana Lottery Company in 1892. White confirmed Parker's claims. See Parker to White, November 17, 1919, White to Parker, November 20, 1919, Parker Papers, UNC.

¹⁴Moss to Parker, August 20, 22, 27, 1919, L. E. Thomas to Parker, September 3, 1919, Parker to S. B. Hicks, October 7, 30, 1919, D. D. Moore to Gamble, October 15, 1919, Transcript of Speech, October 2, 1919, Parker Papers, UNC; New Orleans Item, November 1, 1919.

party elite, or by identifying with past Democratic reforms, or by equating progressive reform with the destruction of the Regular Democrats. In a more important sense, however, for Parker to win the governorship he had to come to terms with the character and direction of the modern Democratic party. By the late 1890s, if not sooner, Louisiana's Democratic party had moved beyond Bourbonism, embracing the principles of William Jennings Bryan, Louis Brandeis, and Thomas Woodrow Wilson.¹⁵

Despite Parker's attraction to the New Nationalism of the Progressive party, his reformism hardly moved beyond the issues of ballot reform, preference primaries, charter revisions, and demands for "business-like" and efficient government. The voters of Louisiana, both rural and urban, immigrant and native, Catholic and Protestant, conservative and liberal (for want of better words) rejected this elitist version of progressive reform in 1912 and 1916. They sought good roads, schools, hospitals, modern civic administrations and services, and economic opportunity, not civics lessons or a government responsive to the interests of a conspicuous

¹⁵Dethloff, "Populism and Reform in Louisiana," passim; Ashby, William Jennings Bryan, passim; Cooper, The Warrior and the Priest, passim; Sarasohn, The Party of Reform, passim.

and self-satisfied urban elite.¹⁶

Aware of his political liabilities and anxious not to repeat the mistakes of the past eight years, Parker's supporters urged him to broaden his appeal, reconciling himself to the issues and character of the new Democratic party.¹⁷ Parker took their advice. And though the anti-ring issue formed the core of his message, Parker emphasized his commitment to reform and progressivism. In his first speech of the campaign, Parker sought to reconcile himself with the Democratic Liberty League, telling League members that he was a conscientious Democrat and a modern progressive reformer. He praised the DLL for its role in the struggle

¹⁶Schott, "John M. Parker," 249-76; Schott, "Huey Long: Progressive Backlash?," Louisiana History, XXVII (Spring 1986), 138-39. In his dissertation on John Parker, Professor Schott argued that the limited success Parker enjoyed in 1916 stemmed from the "fairly well consolidated popular resentment on the [sugar] protection issue." He concluded that the 1916 general election "reflected to a large degree a rational orientation of class and sectional interests, with planters, farmers, and working men, without a stake in sugar protection, providing a basis for the Democratic victory." By the "standards of many reformers in 1916 the Louisiana Progressive party...stood foursquare on the principles of antireform and antiprogressivism." So too did John Parker.

¹⁷Moss to Parker, August 20, 22, 27, October 15, 1919, Thomas to Parker, September 3, 1919 and undated, Gilbert L. Dupre to Parker, September 30, 1919, Moore to Gamble, October 15, 1919, John M. Rodgers to Parker, November 11, 1919, Parker Papers, UNC. Early in the campaign, Parker concentrated his focus on canvassing south Louisiana and New Orleans. But several of his managers pressed him to abandon that tactic, telling him he could not win without the assistance of north Louisiana politicians and voters. And they urged him to curb his feelings toward the "populistic" politics of north Louisiana. "These good people," Lee Thomas wrote, "supported what they believed to be for the best interest of the country and many of their principles were subsequently adopted by the Democratic party."

against ring rule and its effort to reform and revitalize the Democratic party. He was, he assured the DLL, a true Democrat and reformer, committed to the principles and policies of the party. Though he considered ring rule the foremost question of the day, he was not a "faction" man concerned with partisan advantage. As a progressive Democrat, he endorsed civil service reform and cheap natural gas for New Orleans, a "square deal" for capital and labor, an agricultural and mechanical college, woman suffrage, better roads, an unlimited constitutional convention, and equalized assessment and taxation.¹⁰

John Parker, of course, was not the only Democratic candidate. And he was not the only Democrat promising progressive reform for the state and the city. Frank P. Stubbs of Monroe, a retired army colonel and a veteran of the First World War, opposed Parker in the Democratic primary. Though Stubbs had no real practical political experience, he had the support of several leading politicians and civic leaders and the endorsement of Mayor Behrman and the Regular Democratic Organization. Despite his inexperience, then, Colonel Stubbs was a serious candidate with money, organization, and

¹⁰Typescripts of speeches, September 18, October 23, November 14, December 29, 1919, Parker Papers, UNC; New Orleans Daily States, September 19, October 8-10, 1919; New Orleans Item, August 16, September 19, October 5, 7, 8, 11, 23, 26, November 15, December 30-31, 1919.

political experience behind him.¹⁹

For the most part, though, the Stubbs supporters misused their political ability, ignoring the virtues of their own progressive platform, failing to exploit weaknesses in Parker's record and platform, and attacking him on issues that no longer concerned the voters.²⁰ It was a mistake. On election day, Parker won an impressive victory, carrying all but fourteen parishes and improving his vote of 1916 by nearly thirty thousand. He also improved his vote in every section of the state, particularly in New Orleans and in north and northcentral Louisiana, the citadels of the Democratic party in Louisiana.²¹

According to Matthew J. Schott, there were several factors that explained Parker's victory. First, Parker's

¹⁹Though the RDO formed the core of Stubbs's support, the Regulars were not his only source of support. Men like former governor Luther E. Hall, Fred A. Earhart, George H. Terriberry, William Guste, and Loys Charbonnet supported Stubbs, but were independent of the Regulars. And, as we have seen, not all Regular Democrats were "machine" politicians. Thomas Semmes Walmsley and John Nix, for example, were rising figures in the RDO, but could hardly be considered ringsters. Moss to Parker, August 20, 1919, Parker Papers, UNC; New Orleans Daily States, August 18, September 7-11, November 14, 16, 1919. Schott, "John M. Parker," 337.

²⁰New Orleans Daily States, November 4, 22, 23, 26, 30, December 2, 1919, January 4, 7, 11, 17, 1920; New Orleans Item, August 13, 14, September 1, 20, November 28, 1919, January 8, 1920; Schott, "John M. Parker," 336-49. The Stubbs platform contained planks not found in the Parker platform. For example, Stubbs and the Regulars called for the end of child labor, mandatory education through high school, state recognition of labor's right to organize and bargain collectively, and civil service for all state boards and commissions.

²¹Schott, "John M. Parker," 347-49.

return to the Democratic party nullified the issues of race and party that contributed to his defeat in 1916. Second, the Regular Democrats in New Orleans were badly divided, forcing some of them to seek refuge with Parker and giving him professional, organized support in the city. Finally, with the collapse of the Progressive party movement and a favorable readjustment of the sugar tariff, Parker returned to a more familiar and conservative variety of progressivism, allowing him to attract a majority of the "unbossed" Democratic voters of Louisiana.²²

Apart from Parker's nominal return to the Democratic party (and Stubbs's inept campaigning), it is difficult to determine the factors that contributed to the election of John Parker. The RDO suffered a number of desertions during the state campaign. But desertions were common occurrences in New Orleans politics, and there is no conclusive evidence that Parker benefitted from them. True, Parker received 20,603 votes in New Orleans, winning six wards (the Ninth, Twelfth, Thirteenth, Fourteenth, Sixteenth, and Seventeenth) and increasing his 1916 vote by nearly 6,300. And the majority of those votes, nearly 5,000, came from traditional "machine" wards and precincts, apparently verifying Professor Schott's claim. But these statistics are incomplete and misleading. Colonel Stubbs polled 25,044 votes,

²²Schott, "John M. Parker," 326-49; Schott, "Progressives Against Democracy," 256-67; New Orleans Item, January 11, 1920.

only 783 votes fewer than Ruffin Pleasant in 1916. Stubbs lost but two wards won by Pleasant in 1916, and defeated Parker by nearly eight hundred votes in the Third Ward, the residence of John Patrick Sullivan.²³ The increase in the Parker vote, then, did not come from any rifts in the RDO, but from a different source. In the 1920 Democratic party primary, 5,480 "new" voters went to the polls, roughly a twelve percent increase. And, when added to the 783 voters who deserted the RDO, these men gave John Parker nearly 6,300 additional votes.²⁴

Though the New Orleans vote was always significant (no candidate could win a major state office without a strong showing in the city, as Huey Long learned in 1924), Parker won the election outside the city. The majority of Parker's vote in 1920 came from the rural parishes in the north, the central, and the western portions of the state, with the

²³Professor Schott argued that Sullivan's desertion from the RDO was "indicative of the lessening cohesion in Choctaw ranks". Schott attributed this "development" to the effects of the commission council system and to the "inability of each ward boss to obtain political favor except by the grace of the increasingly quarrelsome and demanding Mayor Behrman." In truth, Behrman and the RDO forced Sullivan from their ranks in 1913. Schott's other assertions are also without merit. The commission council system enacted in 1912 gave the mayor enormous powers, but, as we have seen, the commission system tended to diffuse power, and Mayor Behrman encouraged independence and initiative, allowing the other commissioners to effect public policy. Schott, "John M. Parker," 342.

²⁴The Secretary of State did not promulgate returns except on a parish basis. I have compiled these figures from the city newspapers. There are a few discrepancies in the returns, but, by and large, the newspaper accounts appear to be accurate.

principal increase coming from those sections that rejected Parker in 1916. In those rural parishes, John Parker received an additional 24,731, eighty percent of his total increase and fifty percent of his entire vote. These heavily Democratic and predominately "populistic" parishes elected John Parker in 1920. Parker did not win their confidence and their vote by returning to a more conservative variety of progressivism or by thundering against ring rule. Rather, he received their votes by promising to fulfill his platform, a platform not completely of his making or to his liking.²⁵

Immediately after his election in January, 1920, John Parker returned to New Orleans to begin his campaign against Martin Behrman and the Regular Democratic Organization. In a speech delivered to the Young Men's Business Association (a civic and business association formed in November, 1919), the governor-elect urged the city's young reformers to begin in earnest the business of "redeeming" their city from the carpetbaggery of ring rule. Anti-Regular reformers of all ages, of course, shared Parker's sentiments. James Thomson, the publisher of the New Orleans Item and an inveterate opponent of Martin Behrman and ring rule since early in the decade, also prompted New Orleans reformers (and disaffected Regulars) to redouble their efforts to remove Martin Behrman from office. The election of John Parker, the Item

²⁵Schott, John M. Parker," 270-73, 347-49.

wrote, ensured that the state would remain free of the corrupt and reactionary influence of the RDO. With his assistance, the anti-ring Democrats of New Orleans could "redeem" the city, restoring the people to power and ushering in a new era of good government.²⁶

For most New Orleans reformers, though, the Parker victory itself did not signal the approaching defeat of Mayor Behrman or promise the end of ring rule in New Orleans. Parker's showing in New Orleans undoubtedly sustained their faith in anti-ring reformism and promised a distinct hope for victory in the municipal elections in September. Yet, experience cautioned against expecting an easy and complete defeat of Martin Behrman and the RDO. From time to time, the RDO had suffered losses at the polls and survived. It was, after all, a resilient organization, favored by powerful allies and sustained by an army of witless voters and self-interested workers anxious to prevent municipal reform and to retain their influence and position in political and

²⁶John Parker to New Orleans Times-Picayune and New Orleans Item, January 21, 1920, Parker Papers, UNC; New Orleans Item, January 22, 1920. According to Crawford Ellis, an insurance executive and member of the city's so-called commercial-civic elite, ring rule extended beyond politics into the chambers of commerce. Writing to Governor-elect Parker, Ellis pleaded with him to remove William Bess Thompson, the former Commissioner of Public Utilities (1912-1916), from the Board of Commissioners for the Port of New Orleans, the Dock Board. See Ellis to Parker, January 23, 1920, John M. Parker Papers, Southwestern Archives and Manuscript Collection, The University of Southwestern Louisiana, hereafter cited as Parker Papers, USL.

municipal affairs in New Orleans.²⁷

Experience also counseled a pragmatic response to the impending municipal elections. Before the mayoral campaign began, full-time, anti-ring reformers like James Thomson, John Parker, and Andrew McShane urged the formation of a professional, reform-minded political organization, modeled on the RDO and designed not so much to destroy it as to replace it.²⁸ Late in December, 1919, when it was apparent that John Parker would win the election, his campaign managers in New Orleans initiated a series of discussions with several "disaffected" Regulars, seeking a temporary alliance for the municipal campaign. Anxious to disassociate themselves from Martin Behrman and his administration, these Regulars agreed to "fuse" with the reformers. Soon after Parker's election, the alliance assumed a more or less permanent character, with reformers and "new" Regulars forming the Orleans Democratic Association (ODA).²⁹

²⁷New Orleans Item, February 27, March 14, August 11, 1920. In a series of editorials, the Item accused the RDO of aligning itself with any interest that could be "purchased, influenced, controlled, or fooled". Those interests included the city's principal banks, NORLC, and elements of vice. In that sense, the Item wrote, the RDO resembled the Radical Republicans of the 1860s and 1870s. By implication, John Parker and the reformers of New Orleans were like the Redeemers of the late 1870s and 1880s.

²⁸Parker to S. B. Hicks, October 7, 1919, Parker Papers, UNC; New Orleans Item, September 14, 1918, December 29, 1919, February 10, March 13, 1920.

²⁹New Orleans Item, December 11, 21, 1919, January 26, 1920; New Orleans Daily States, January 10, 1920.

The new association, the Item announced, was different from previous reform organizations. The old reform groups were comprised of carnival kings and cotillion leaders, disdainful of politics, resentful of those it served, and unmindful of the need for a permanent reform organization. The new organization, however, had none of the liabilities of its predecessors. The leaders of the ODA were "new men," dedicated to the social principles and benefits of democracy, disciplined by the regimen of war, and convinced of the need for a permanent reform organization. These men were, above all, realists, and they understood the need to democratize municipal reform, opening their organization to professional politicians of principle and experience. Their alliance with the anti-Behrman Regulars did not adulterate reform, but purified politics.³⁰

The sort of realistic reformers the Item described may have joined the ODA, but they did not lead it, define its character, or set its goals. The reform leaders of the ODA were old men, known to any voter and familiar to any student of New Orleans politics in the progressive era. Though never a member of the organization, John Parker was clearly one of

³⁰New Orleans Item, February 20, July 31, August 11, September 4, 8, 1920. According to the Item, the reformers were so anxious to defeat Behrman and the RDO that they would tolerate any permanent organization, no matter how disreputable, as long as it won the mayoral election for the reformers. This "devil's bargain" apparently did not trouble the reformers, since, as the Item reported, they believed that the individual citizen, not the organization, would always control public policy.

its guiding forces, defining its goals and sustaining it with political patronage. Parkerites dominated the reform wing of the ODA, sitting on its campaign and "patronage" committees, screening potential candidates, and handing out jobs to valued political friends. The professional politicians who joined the ODA may have been men of principle, but they, like the reformers, were also driven by personal and partisan self-interests. They, too, wanted to remove Martin Behrman and his Regulars from office. But it seems unlikely, given their previous political beliefs and alliances, that they shared John Parker's vision of municipal reform and good government. Instead, it seems more likely that they shared the beliefs and values of the president of the ODA, John Patrick Sullivan.³¹

John Sullivan was the epitome of the professional, "machine" politician. At well over six feet and weighing more than two hundred pounds, Sullivan was an imposing, almost menacing figure, undisciplined and quick tempered, with ego and ambition to match his size. Politics ran in the

³¹Among those Parkerites who joined and served the ODA were: H. Dickson Bruns, founder of the Ballots Reform League in 1894 and a charter member of the Citizens League in 1896, Robert H. Marr, a former District Attorney for Orleans Parish, Charles I. Rosen, Harold Moise, Bernard McCloskey, Harry Gamble, Andrew McShane, and James Thomson. See New Orleans Daily States, April 3, 1920; New Orleans Item, July 18, 28, 1920. Among the new Regulars were: Edward A. Haggerty, Clerk of the Criminal District Court, Bernard Daly, an assistant District Attorney, and Henrico "Co" Desmare, the City Comptroller. See New Orleans Daily States, July 10, 11, 25, 28, 1920.

family. Sullivan's father was a native of Ireland, arriving in New Orleans in the decade before the Civil War. Apparently, the elder Sullivan was a successful grocer, amassing a "considerable fortune" from wholesaling and sending his son to the College of the Immaculate Conception (the Jesuit preparatory school) and Tulane University. The father was also active in politics, working in the New Orleans Custom House during the initial stages of Reconstruction and belonging to a small, though conspicuous, group of conservative Irish unionists.³²

John Patrick Sullivan built on the family tradition. He was a successful attorney and lobbyist, representing several large corporations and business associations. Sullivan was, as well, a conservative Democrat and a consummate spoilsman. Early in his career, "Colonel" Sullivan (he was a colonel in the Louisiana militia) held several offices of public trust, serving as assistant Attorney General, attorney for the State Fire Marshall, and attorney for the State Insurance Rating Board. Later, Sullivan served as the chief counsel or principal lobbyist for several "local" corporations, including the New Orleans Railway and Light Company, the New Orleans Brewers and Distillers Association, and the Hibernia

³²For a description of Sullivan see Williams, Huey Long, 166-67. For an account of the political activities of Sullivan and his family see, New Orleans Item, July 2, 1911, March 31, 1916 and, for the unionist activities of the elder Sullivan see, Ted Tunnell, Crucible of Reconstruction War, Radicalism and Race in Louisiana 1862-1877 (Baton Rouge, 1984), 227.

Homestead Association. These companies paid Sullivan immense fees to represent their financial and political interests in Baton Rouge, allowing him to acquire a considerable fortune of his own and to pursue his passion for politics.³³

In another sense, however, Sullivan's association with the interests of these and other companies stymied his pursuit of political influence and power. Corporations like NORLC and the Brewers and Distillers Association opposed the expansion of municipal authority, particularly in the areas of regulation and taxation, requiring Sullivan to defend their private concerns against the administration's perception of the public good. As the spokesmen for New Orleans Railway and Light Company, John Sullivan worked to defeat the Manion public utility bill in 1914 and was instrumental in blocking the original Nix bill in 1916, forcing the Behrman administration into accepting an unwarranted and unconstitutional compromise. Sullivan was, as well, an unreconstructed critic of the 1912 charter and the Behrman administration, arguing that the commission council system was unrepresentative and undemocratic, concentrating power in too few hands and promoting the special interest of the

³³New Orleans Item, September 19, 1912, February 3, 1920. August 3, 6, 20, 1920; New Orleans Daily States, January 4, 1919, January 4, 10, April 3, August 6, 1920; Edward F. Haas, Political Leadership in a Southern City New Orleans in the Progressive Era, 1896-1902, (Ruston, La. 1988), 85, 88, 90; Brian Gary Ettinger, "John Fitzpatrick and the Limits of Working-Class Politics in New Orleans, 1892-1896," Louisiana History XXVI (Fall 1985), 341-67.

Behrman administration. Sullivan's partners, practices, and beliefs angered Mayor Behrman and the RDO caucus, and they read him out of the organization in 1913. The election of John Parker, then, afforded Sullivan an opportunity to restore his political reputation and to redeem the city from the control of Martin Behrman and his "Old" Regulars. And John Sullivan was an opportunist.³⁴

Early in May, 1920, Governor Parker announced his support for the ODA and its municipal candidates (the ODA had not yet named them), and he urged his friends in New Orleans to join the ODA in removing Mayor Behrman and giving the city a "business administration". Ordinarily, the governors of Louisiana were more circumspect about interfering in New Orleans elections. John Parker, however, was no ordinary governor when it came to New Orleans politics. For John Parker, the redemption of the city from ring rule was the focal point for all other progressive reforms. And it was his intention to use the powers of the state government and the influence of public opinion to legislate the Behrman administration out of office.³⁵

At the beginning of the regular session of the state

³⁴New Orleans Item, February 3, August 3, 6, 20, 1920; New Orleans Daily States, February 17, March 17, 1920, October 24, 30, 1923, February 23, March 27, November 1-3, 1924.

³⁵New Orleans Item, May 2, July 29-30, 1920; New Orleans Daily States, October 3, 19, December 4, 1919, January 8, May 2, July 29, 1920.

General Assembly in the spring of 1920, Parker supporters initiated legislation revising the qualifications for voter registration and enhancing the authority of the governor over registration in Orleans Parish. The Parkerites claimed that the registration bill would promote citizenship, eliminate duplication at the Registrar of Voters office, and deter fraud at the polls. In fact, however, the Parker administration designed the bill to discourage voting and to give the governor and the ODA plenary authority over the voting rolls of New Orleans. The new registration law, passed by the legislature in July, required that all qualified voters be bona fide residents of Louisiana for two years, Orleans Parish for one year, and the precinct six months prior to voting in any election. The registration law authorized the Registrar of Voters for Orleans Parish to conduct a "new and complete" registration of the all qualified voters every four years, and permitted him to purge the voting rolls at any time and for whatever reason. Finally, the act allowed private citizens to force the removal of any voter "illegally or fraudulently" registered, placing

the burden of proof on the unsuspecting voter.³⁶

The new registration law promised much for the future, but was of no real value to the ODA in the approaching municipal elections (it did not go into effect until August, only a month before the municipal elections, and the current Registrar was W. W. Heard, a friend and supporter of Mayor Behrman). For the ODA to win the municipal elections, the reformers believed that they had to reduce, if not eliminate, the legislative and patronage power of the Behrman administration. Soon after the session opened, Governor Parker announced his desire to reduce the size and alter the composition of several important legislative committees controlled by the Behrman administration. The governor proposed eliminating nine committee members from the House Committee on City Affairs, giving the city delegation twelve positions and the rural parishes three. In the Senate, the proportion was roughly the same. Parker's motivation was quite simple. By reducing the number of committeemen and changing the

³⁶Act 166, Acts Passed by the General Assembly of the State of Louisiana at the Regular Session, 1920; New Orleans Item, January 30, March 7, June 10, 18, July 23, August 9, 17, 29, September 10, 1920; New Orleans Daily States, January 3, 30, June 10, 16, 1920. Between January and September, 1920, the number of registered voters in Orleans Parish increased by 146. But, within the individual wards, particularly in the so-called ODA wards, there were significant changes. In the wards won by Andrew McShane (Third, Sixth, Seventh, Ninth, Eleventh, Twelfth, Thirteenth, Fourteenth, Sixteenth, and Seventeenth, the number of registered voters increased by 2,800. And in the wards won by Martin Behrman, registered voters decrease by nearly six hundred.

character of the committees, he hoped to eliminate the power of the ring politicians over state and municipal affairs. With fewer delegates from New Orleans and so few rural representatives on these committees, the Regulars would not be able to compromise the interests of the city or bargain away those of the country parishes.³⁷

The proposal discriminated more against New Orleans and the rural parishes than against the RDO. It demeaned the legislative process, suggesting that the legislature was inept and without virtue. It reduced the city's representation on two vital committees, diminishing its influence and standing in the legislature and eroding the principle of local self-government. The proposal aggravated the regional and cultural divisions in the state, portraying New Orleans as an immoral and ungovernable place. Soon after Governor Parker forced through his proposals, the General Assembly provided funds for a legislative investigation into the administrative and political affairs of the New Orleans municipal government, subjecting the city to further, unnecessary criticism, eroding the confidence and reducing the effectiveness of the reform administration of Andrew McShane.³⁸

³⁷New Orleans Item, May 11, 20-25, 1920; New Orleans Daily States, May 21, 25, 1920.

³⁸Ibid. As a gesture of peace, the House and Senate assigned each faction an equal number of committeemen.

Eliminating a small number of illicit ring voters and curbing the "disproportionate" power of the RDO in the state legislature did not necessarily guarantee the defeat of Martin Behrman or promise the end of ring rule. Most anti-ring reformers assumed, almost without question, that the RDO and the Behrman administration existed almost exclusively on political patronage, allowing them to buy voters and to manipulate the political process to their advantage. With this assumption guiding them, the anti-ring reformers became the uncompromising opponents of the spoils system and the champions of civil service reform. Despite their public disaffection with the political patronage system, few reformers questioned its importance in combating ring rule. And John Parker, John Sullivan, and Governor Ruffin Pleasant had no doubt that political patronage would defeat the old ring, replacing it with a political faction under their control and serving their interests.³⁹

At the start of the state campaign, more than a year before the municipal elections, Governor Pleasant, with the knowledge and approval of John Parker and the assistance of John Patrick Sullivan, began removing Behrman Regulars from

³⁹The reformers overestimated the role and importance of patronage in New Orleans politics. Though patronage obviously influenced public policy, it was not necessarily the only or even the most important factor in determining public policy. Martin Behrman and the RDO recognized that fact, and never relied on patronage exclusively to retain their places in municipal government. John Kemp, ed., Martin Behrman of New Orleans Memoirs of a City Boss, 299.

state and parochial jobs. At first, Pleasant and Sullivan concentrated on dismissing executive officials, believing that they could not remove or absorb the RDO's workers until they controlled the principal administrative and executive jobs. From the start of the municipal election campaign, the Behrman Regulars accused Parker and Sullivan of creating a political machine, dedicated to promoting their own narrow "reform" and partisan interests. The Parker-Sullivan machine, they claimed, practiced the spoils system with a vengeance, throwing out experienced workers and replacing them with political hacks unmindful of the true needs of the city. Sullivan and Parker, of course, denied the formation of a "second ring". Instead, they argued that the ODA employed the tactics of the spoils system only to remove a corrupt and ineffective administration from office.⁴⁰

In the summer, 1919, Governor Ruffin Pleasant demanded the resignations of every member of the Board of Commissioners for the Port of New Orleans, the Dock Board. The governor insisted that partisan politics had nothing to do with his decision to dismiss the entire board. Rather, he said, financial and political circumstances warranted the dismissal of the board. The incumbent Dock Board, he said, under the direction of president William Bess Thompson, the former Commissioner of Public Utilities, was wasteful, incompetent,

⁴⁰New Orleans Item, January 28, 1920; New Orleans Daily States, March 29, April 1, 3, 1920.

and thoroughly "Behrmanized".⁴¹

In a series of open letters, Pleasant catalogued the abuses and corruption of the Thompson board. The Thompson board, Pleasant wrote, mismanaged the construction and the financial obligations of the Industrial and Navigational Canal, building a canal too large for the port to use properly and jeopardizing the financial credit of the state. Initially, the board envisioned a smaller, more manageable canal, costing a meager four million dollars. With the state underwriting the cost of constructing and financing the canal, the board expanded the original concept, delaying completion and increasing cost five hundred percent.⁴²

Those factors alone, Pleasant said, warranted the dismissal of the Thompson board, but there were other more serious considerations that influenced his decision. The Thompson board favored the political and financial supporters of the Behrman administration. This "Behrmanized" Dock Board, Pleasant said, financed the construction of an elec-

⁴¹Established in 1896, the Board of Commissioners of the Port of New Orleans, the "Dock Board," reestablished public control over the wharves and port of the city. Originally, the governor appointed the board members to staggered terms, preventing another administration from controlling the majority of the board. In 1910, the legislature amended the law, allowing the governor to replace the entire board. Act 70, Acts Passed by the General Assembly of the State of Louisiana, Regular Session, 1896, Act 30, Acts Passed by the General Assembly of the State of Louisiana, Regular Session, 1910; New Orleans Daily States, January 8, 1920.

⁴²New Orleans Item, September 25, 29, 30, October 1, 10, 14, 1919; New Orleans Daily States, September 25, 26, 29, October 1, 4, 10, 1919.

tric powerline to the canal, violating state law and granting special favor to NORLC, a company allied with the Behrman administration and near financial collapse. In addition, the present board had become a warehouse of political patronage. Since 1916, the Dock Board had fallen under the complete domination of the Behrman administration and the RDO, relinquishing its independence and jeopardizing the economic and political integrity of the port. According to "independent" sources, the RDO controlled 2,700 Dock Board jobs, most of them secured or awarded for partisan reasons. This excessive partisanship troubled the governor, and he believed it "sufficient grounds" for removing the Thompson board. But, in this case, he said, partisanship exceeded its normal, more appropriate bounds and jeopardized public policy. In brief he fired the Thompson board because it no longer had his confidence. "It is a recognized rule of every advanced country or commonwealth in the world," Pleasant wrote, "that when the policies, or even the politics, of the appointees is at variance with the appointing power, the proper thing for the appointee to do is to hand in his resignation. It is one of those delicate customs of public life that men of refinement never fail to recognize, but which men immersed in the turbid current of machine

politics can never see."⁴³

John Parker denied that he pressured Governor Pleasant to remove the Thompson board, but he was, nonetheless, elated by the news, asserting that the Dock Board would now serve the interests of reform and progress.⁴⁴ William Bess Thompson, of course, denounced Pleasant (Sullivan and Parker, too), defending the board and the Behrman administration against what he labeled as the "reckless" accusations and lies of soured politicians and false reformers anxious to extend their influence over state and local governments. Thompson answered Pleasant with his own public letters, justifying the policies and actions of the board

⁴³Ibid. Pleasant's "independent" source was State Senator E. M. Stafford. But Stafford's figures were inaccurate and bloated by partisanship. According to the independent Bureau of Municipal Research, there were but 1,921 Dock Board jobs. The Bureau conducted its survey in 1921, but, as we will see, Sullivan and the ODA expanded the number of workers after the municipal campaign. In addition, in 1915 the state legislature created a modest civil service law for Dock Board, placing all warehousemen under a board of examiners. Municipal Survey Commission, Administrative Survey of the Government of the City of New Orleans, 44; Act 15, Acts Passed by the General Assembly of the State of Louisiana, Regular Session, 1915.

⁴⁴Long an advocate of civil service, the New Orleans Item agreed with Parker. Civil service should wait until after the elections. In January, 1925, at the height of another mayoral campaign, former Dock Board President W. O. Hudson admitted that during his term Sullivan, Pleasant, and Parker removed RDO supporters from their jobs with the board, replacing them with men loyal to the ODA. Hudson also testified that even after McShane's victory, these men kept payrolls high. New Orleans Item, September 27-28, October 2, 4, November 4, 1919, January 24, 28, 1925; New Orleans Daily States, September 29, November 15, 1919, January 8, 13, 14, 26, 1925; Reynolds, Machine Politics, 44; Williams, Huey Long, 133.

and exposing the raw partisanship of Pleasant's words and actions.⁴⁵

In his letters, Thompson reminded the governor of the accomplishments of the board he appointed in 1916. The incumbent board took over from a board beset by financial problems and bankrupt of ideas. Within the first year of taking office, the Thompson board increased revenues and modernized the port--all during a period of deep local and national crisis. Despite pressure from local bankers, the press, and former board president Hugh McCloskey, the Dock Board and the Behrman administration resisted efforts to rush into an ill-conceived, ill-designed, and expensive project. The city administration and the board secured the expertise and services of General George Goethals in planning and building the Industrial Canal. From the start of the project, the administration maintained that the canal must be large enough to sustain modern shipbuilding and repair facilities and that the cost would be larger than that projected by the business and civic "leadership" of the city. In short, the

⁴⁵Mayor Behrman did not need Thompson to defend him and the city administration, but the mayor made only one comment. "It wouldn't be becoming," he said, "for the mayor of New Orleans to call the governor of the state a liar, but if I were not mayor and he were not governor, that is what I would call him." New Orleans Daily States, September 24-25, 29, October 1, 4, 1919; New Orleans Item, September 24-25, 29, October 1, 4, 1919. James Wilkinson, the attorney for the Dock Board, claimed that in firing the Thompson board Governor Pleasant violated state the corrupt practices acts of 1912 and 1916. Act 213, 1912, Acts Passed by the General Assembly of the State of Louisiana, Regular Session, 1912, Act 33, ibid, 1916.

estimations and policies of the board and the city administration were more beneficial and less costly than those proposed by the so-called business leadership of the city.⁴⁶

Thompson also accused Pleasant of misrepresenting the state's financial commitment to the canal project and of distorting the board's relationship with NORLC. The state did agree to underwrite the bonds for the Industrial Canal, but the state would pay only if the canal failed to make money and the Dock Board, Levee Board, Public Belt Railroad Commission, and the City of New Orleans defaulted on the bonds. For that to happen, Thompson said, the Mississippi River had to change course (which, of course, it was trying to do) or the board and the city had failed to provide the services and incentives necessary to attract business to the canal. The board and the city hoped to ensure the success of the Industrial Canal by subsidizing the construction of services necessary to its construction, operation, and profit. The board agreed to fund the construction of an electric power line because it was critical to the completion and operation of the canal, and it chose to assume the total cost of construction because of the extraordinary financial conditions of NORLC, knowing it could recoup its investment in reduced electric rates. Subsidizing this and other projects guaranteed the Industrial Canal, the state, and the

⁴⁶New Orleans Item, October 15, 1919; New Orleans Daily States, October 5, November 4, 1919.

municipal government, millions of dollars in revenues.⁴⁷

Finally, Thompson refuted Pleasant's allegations that the Dock Board was thoroughly "Behrmanized". As Thompson pointed out, the men appointed by the governor in 1916 were not professional politicians anxious to distribute patronage and win voters. They were, rather, professional businessmen, experts in finance, management, commerce, and law, concerned with the development and expansion of the port and its contribution to the prosperity of the city. They were, as well, men of unblemished personal reputation, with distinguished records in public service. Though most board members were supporters of the Behrman administration (Thompson and board member Edward E. Lafaye served on the commission council elected in 1912), all were independent public servants, committed to upholding the laws governing the Dock Board. And, Thompson wrote, at no time in the past four years had Martin Behrman or any one associated with his administration tried to force the board to hire anyone, no matter how qualified or deserving.⁴⁸

⁴⁷New Orleans, Daily States, December 11-12, 14, 1919.

⁴⁸New Orleans Daily States, September 24-26, 29, October 1, 5, 1919; New Orleans Item, September 20, 24-25, October 5, 1919. The other board members were Bernard Hans, the Treasurer of the Liberty Manufacturing Company and Dr. Edward S. Kelly. Lafaye was the vice-president of the Canal-Commerce Bank and Trust Company. The ODA offered little or no evidence substantiating Pleasant's claims. ODA spokesman Hayden W. Wren, a wharf supervisor under the Thompson board and its successor, released a letter from Martin Behrman to him in 1916 instructing Wren to hire several friends of former Mayor Fitzpatrick. See New Orleans Item, December 1, 2, 1919. The letter bore a date of December 4, 1916.

Though Thompson probably exaggerated the independence of the Dock board from the Behrman administration and the RDO (after all, the political ideas and policies of Thompson and Lafaye more closely resembled that of Martin Behrman than those of Pleasant, Sullivan, and Parker), there can be no question that the new board, led by businessman W. O. Hudson, served the personal and partisan interests of John Parker, John Sullivan, and, eventually, Andrew McShane. The new board assumed responsibilities on October 1, and quickly began reviewing and revising the personnel policies of the Thompson board. At issue was the interpretation of a 1915 state law that apparently placed most Dock Board jobs under civil service. Acting on the advice of its general counsel, the Thompson board extended civil service protection to nearly all jobs, including certain classifications of unskilled laborers. The new Hudson board, however, rescinded the old guidelines, placing an additional three hundred jobs under its direct and partisan control.⁴⁹

With the announcement of the new guidelines, John Sullivan, the board's "efficiency expert," began purging workers loyal to the Behrman administration. Sullivan informed those workers uncertain of their political loyalties to either join the ODA or lose their jobs. Those men who re-

⁴⁹New Orleans Item, October 1, 1919; New Orleans Daily States, October 1, 1919. Pleasant appointed W. O. Hudson, Albert Mackie, W. A. Kernaghan, Rene F. Clerc, and Thomas H. Roberts, all businessmen, to the new board.

fused to leave the RDO were dismissed without explanation or recourse.⁵⁰ The Hudson board also tried to influence the hiring practices on the Industrial Canal project. George M. Wells, the project manager for the Goethals Company, angrily objected to the board's attempt to "politicize" the personnel policies of his company. Wells claimed that reversing the "hands off" policy of the Thompson board jeopardized the entire endeavor, and, if the Hudson board continued hiring on a "political basis," the Goethals Company would sever its contract with the Dock Board.⁵¹

President Hudson denied Wells's assertions, but those denials failed to satisfy Orleans Parish District Attorney Chandler C. Luzenberg, a Behrman Regular. Luzenberg conducted a public investigation into allegations of criminal misconduct by the Hudson Board. The accounts given by witnesses revealed that the Hudson Board dismissed only those workers loyal to the Behrman administration, replacing them only with men loyal to John Sullivan and pledged to vote for John Parker. Board members Hudson, Rene Clerc, and Thomas Roberts substantiated the testimony of the other witnesses.

⁵⁰New Orleans Daily States, November 1-4, 1919; New Orleans Item, November 2, 4, 1919. General Counsel James Wilkinson, whose ruling on the 1915 civil service law gave Sullivan the pretext to dismiss or "convert" RDO workers, believed the courts should review the law, and he considered the dismissal of workers under these circumstances illegal and unethical.

⁵¹New Orleans Daily States, November 17-18, 20-21, December 3-4, 1919; New Orleans Item, November 20-21, December 4, 1919.

Hudson testified that the board deferred to Sullivan and Henry Sarpy (supporter of John Parker) in all personnel matters, allowing them to discharge "Behrmanized" workers and to replace them with workers pledged to reform. This "evidence" went to the Orleans Parish Grand Jury, but apparently the Grand Jury took no action. But the Dock Board did. The board gave its employees a holiday (with pay) on election day, presumably to vote and campaign for John Parker.⁵²

Ultimately, however, political patronage would not determine the course of the municipal elections. Urban politics in the progressive era and in New Orleans was too complex and sophisticated in concept and practice to sustain so simplistic a notion. Clearly, the outcome of the municipal elections depended on how the voters, particularly the new voters, judged the character and performance of the Behrman administration. And, perhaps more importantly, whether these voters saw the ODA and its policies and programs as a legitimate alternative to Martin Behrman and the Regular Democratic Organization. It should come as no surprise, then, that over the course of the municipal campaign the ODA

⁵²Luzenberg to Parker, November 17, 1919, Parker Papers, UNC; New Orleans Daily States, November 17-18, 20-21, December 3-4, 1919; New Orleans Item, November 20-21, December 4, 1919. The 1921 state constitution staggered the terms of Dock Board members and required the governor to demonstrate just cause for removing any board member. Sullivan, Parker, and the leadership of the ODA also purged other parochial boards and commissions of "Behrmanized" workers. The workers dismissed from the Levee Board and the Public Belt Railroad, for example, were few, but were considered vital to the RDO.

concentrated on exposing what it considered to be the shallow, corrupt, and partisan character of the Behrman administration, emphasizing its moral deficiencies and political failures and attributing its accomplishments to the inspiration and hard work of a better class of citizens. The ODA promised to restore moral, political, and financial integrity to city affairs, ending the sordid relationship between the municipal government and NORLC, protecting public servants from a vicious spoils system, and reducing the size and cost of government. The ODA campaign promised to do those things and more, all without diminishing the quality of essential city services.

The Behrman campaign, on the other hand, stressed the vivid and tangible accomplishments of past administrations and the RDO's commitment to the future. The Regulars also questioned the ability and desire of the ODA to continue political and governmental reform in New Orleans, warning that the election of the ODA municipal candidates meant the end of municipal reform and the return of divisive partisan politics in New Orleans. But the Behrman campaign, like the Behrman administration, was constantly on the defensive and seemed incapable of any sustained effort. The emotional and political dislocation of war and readjustment and the often abusive partisanship of municipal politics exhausted the Behrman administration, preventing it from resolving the city's most pressing problems. The inability of Martin

Behrman to govern the city to the expectations of reformers and Regulars, then, only gave credence to the issue of ring rule.

Few conscientious ODA supporters denied that Martin Behrman was in many ways and for many years the most active and constructive public official in New Orleans. "His grasp of and interest in public affairs and his indomitable energy," wrote the Daily States, "have been contributing factors in the progress of the city...." From 1904 to 1912, the Daily States suggested, the Behrman administration, operating under the democratic restraints of the councilmanic system, was the model of conservative and progressive municipal government in the South. During those years, the Behrman administration completed, then expanded, the drainage and sewerage system, lifting New Orleans out of the mud, freeing it from disease, and stimulating its growth and development. Also in those years, the Behrman administration constructed the Public Belt Railroad, and, despite powerful private interest (John Parker and Hunter Leake of the Illinois Central Railroad), made it the model for other municipal public services. And, finally, despite the opposition of the Board of Liquidation City Debt and the private banking interest that controlled it, the Behrman administration exerted greater public control over municipal finances, allowing the municipal authority to determine, at least in part, the course of

public policy.³³

In the years since 1912, however, with the advent of the commission council system, all that changed. The Favrot charter concentrated political and executive authority in the mayor, allowing him to ignore the demands of popular politics and the restraints of limited, democratic government. Without these safeguards to temper his judgments, Martin Behrman became a willful and arrogant dictator.³⁴

But even for the most resentful personal opponents, Martin Behrman himself was never really the issue. For the most part, the anti-Behrman reformers and Regulars saw the mayor as a symbol and victim of a ruthless, cynical, and essentially undemocratic political system that sapped men of all personal and political integrity (in the case of some ODA supporters, opportunity). The real issue, wrote the Daily States, was not one of rival personalities or organizations, but of two conflicting ideologies of politics and government. The Behrman Regulars stood for "one man rule," special favor, and monopoly. Their concepts of politics and government were essentially "undemocratic" and ultimately "un-American". By contrast, the Item argued, the ODA and its platform promised the restoration of political self-deter-

³³New Orleans Daily States, July 20, August 8, September 10, 1920; New Orleans Item, September 3, 1920; Williams, "Martin Behrman: Mayor and Political Boss," passim.

³⁴New Orleans Daily States, February 17, July 20-21, 28, August 3, 8, 15, 17, 25, 27-28; New Orleans Item, February 22, April 6, August 5, 12, 26, 28, 1920, October 6, 1922.

mination and the return of self-government.⁵⁵

Except for its depiction of Mayor Behrman as a disciplined politician and a conscientious municipal reformer and administrator, the arguments of the ODA were self-serving and specious. The anti-Behrman Regulars, like John Patrick Sullivan and Robert Ewing, publisher of the Daily States, opposed the commission council system because it denied them a specific and favored place in city government. In short, they did not have the organization or the votes to win a seat on the commission council or directly influence municipal policy. The anti-Regular reformers attacked the system because they did not control it. Once the reformers assumed authority over the municipal government, they became devoted advocates of the Favrot charter.

Though the Favrot charter concentrated executive and legislative authority in the council and the mayor and expanded and strengthened the power of the city administration, it did not destroy municipal self-government or suppress popular politics. To the contrary, the Favrot charter, more so than the charter reforms proposed by the Parker Good Government League, preserved republican government and democratic politics in New Orleans. It did not give the council or the mayor plenary authority over every facet of municipal government. And it preserved the political integrity of

⁵⁵New Orleans Daily States, July 20, 24, 28, 1920; New Orleans Item, January 5, 14-15, 21, February 25, March 11, April 2, 3, August 11, September 1, 5, 10-11, 1920.

the independent boards and commissions that served New Orleans. Nor did it establish or promote "one man rule". Though the 1912 charter broadened the authority of the mayor (he served on every municipal board and commission), it did not invest the office with any extraordinary executive or legislative authority. In brief, the mayor was but one of the five executives on the commission council. Though clearly a powerful and influential member of the commission, as we have seen from our discussions on the electric rate controversy and the interurban issue, Mayor Behrman did not dictate solutions, but encouraged consensus and concerted action. In that sense, then, he preserved the political independence of the council and the individual commissioners.

Neither the Favrot charter nor the Behrman administration inhibited public debate or prevented a democratic solution to public issues. Again, as we have seen in the charter reform debate, the municipal regulation issue, and the dispute over the public rehabilitation of New Orleans Railway and Light Company, the Behrman administration responded to the concerns of private and public interests in determining public policy. If anything, the Behrman commission council suffered from an arrant devotion to political democracy.

The ODA campaign, of course, concentrated on more than just the ideological differences between reformers and Behrman Regulars. ODA spokesmen claimed that in the years since 1900 (the year the RDO won control of the city government)

city services and the quality of those services had deteriorated badly and were now nearly intolerable. Schools were poorly funded, understaffed, and overcrowded. The majority of city streets were unpaved, poorly lighted, and in disrepair. Open canals and gutters posed serious health and safety hazards to residents. Police and fire protection were inadequate, jeopardizing lives and property and increasing the cost of insurance. Taxes were exorbitant and revenues misappropriated. Assessment policies were unfair and politicized, designed to protect the interests of the rich and influential and to extort votes from property owners. Finally, the city administration was cumbersome and inept, and held captive by a select group of favored interests, in particular the New Orleans Railway and Light Company.⁵⁶

The ODA claims were biased and partisan, but they were not without some merit.⁵⁷ In the years since 1916, the Behrman administration appeared incapable of governing New

⁵⁶New Orleans Item, January 14, March 27, April 1, August 6, 12, 15, September 7, 12, 1920; New Orleans Daily States, August 7, September 1, 1920.

⁵⁷Though the ODA blamed the Behrman administration for every problem in New Orleans, it refused to credit Mayor Behrman with any progress made under his administrations. The Item, Governor Parker, and Charles Rosen took special pains to point out that the Behrman administration and the RDO had little or nothing to do with the creation or development of the Dock Board, the Public Belt Railroad, the Sewerage and Water Board, and the Industrial Canal. Their arguments were, of course, untrue, as Robert Webb Williams showed in his fine masters thesis. See, for example, New Orleans Item, January 12, April 7, 17, August 3, September 8, 1920; Williams, "Martin Behrman: Mayor and Political Boss," *passim*.

Orleans. And there were visible signs of the Behrman administration's apparent failures. The 1914 comprehensive paving plan, for instance, designed to pave or resurface every city street by 1925, failed to work, leaving dozens of city streets unpaved or unimproved. The sewerage and drainage system, perhaps the most essential of all city services, operated at a deficit and could not meet the demands for service. In addition, the Sewerage and Water Board required tens of millions of dollars for expansion, replacement and repair, an investment the city could neither afford nor afford to do without. To meet the rising demand and cost of city services, the Behrman administration increased taxes and raised the rate of assessment, yet most city services, like the Orleans Parish school system and police and fire protection, remained underfunded and understaffed. City finances remained tangled and uncertain, despite an extensive (and expensive) refunding plan enacted in 1916. Though the city government had the necessary legal and political authority to rehabilitate NORLC, the Behrman administration apparently did not have the will. And, finally, the Behrman commission council seemed uninterested in "current" issues like housing, zoning, city planning, and natural gas.⁵⁰

But appearances can be deceiving, particularly in politics and especially in New Orleans. The Behrman administra-

⁵⁰New Orleans Item, August 3, 5-6, 8, September 1, 8, 1920; New Orleans Daily States, April 1, August 3-5, 8, 1920.

tion was, of course, ultimately responsible for the condition of municipal affairs in New Orleans, but there were, as well, circumstances beyond its immediate control or influence that mitigated its responsibility. The comprehensive paving plan, for example, was never popular with property owners, requiring them to absorb most of the cost of paving and, consequently, relieving the municipal government (and those citizens who owned no taxable property) of a major expense. The city administration paved nearly thirty streets between 1914 and 1916, and seemed poised to complete its comprehensive plan. After 1916, however, paving virtually stopped. The war disrupted normal patterns of commerce and finance; raw materials for subsurface drainage and paving were scarce and expensive and the cost of financing paving bonds was nearly prohibitive. Circumstances did not improve after the Armistice. Throughout 1919 interest rates and the cost of material and labor continued to rise, allowing the city administration to pave only a few miles of streets.⁵⁹

The same sort of argument could be made for the other failures of the Behrman administration. The commission council raised assessment rates to sixty-seven percent in 1916, seven-five percent in 1918, and ninety percent in 1920,

⁵⁹Moore to Behrman, March 28, 1913, Waldo to Moore, April 26, 1913 vol.6, CAO, CA, NOPL, Moore to Lafaye, September 11, 1914, vol.7, ibid; Administrative Survey of the Government of the City of New Orleans, 210; New Orleans Item, January 13, June 13, August 5, September 3, 1920.

raising taxes to the highest level in the city's history and increasing revenues by several million dollars. Despite those increases, the city curtailed services, increased its bonded indebtedness, and operated under a deficit. Every level of government, though, increased taxes during the First World War, reordered its priorities, and spent more than it took in. But the war only contributed to the financial problems of the city. Their cause lay elsewhere. The city's method of determining and collecting taxes was cumbersome and wasteful, reflecting the interests of the bankers who controlled the Board of Liquidation. Municipal policy directed the city administration to collect taxes once a year, compelling it to borrow money from the local banks to meet the cost of governing the city. The banks demanded five percent interest on money loaned to the municipal government, but the Board of Liquidation, which set many of the policies and conditions for city financing, placed city revenues in accounts bearing only three percent, creating a sizeable deficit every year and increasing the profits of the banks favored by the board.⁶⁰

⁶⁰New Orleans Daily States, January 7, 8, 11, 13, August 6, 18, 25, September 4, 5, 19, 1920; New Orleans Item, December 20, 1919, January 13, 14, August 26, September 4-5, 19-20, 1920; Williams, "Martin Behrman: Mayor and Political Boss," 50. The Behrman administration was responsible for three percent interest rate. Prior to 1907, the Board of Liquidation placed city revenues in accounts bearing no interest.

What was true for the condition of city services and municipal finances was equally true for the municipal regulation and rehabilitation of NORLC, the introduction of natural gas, and the installation of a comprehensive zoning and city planning ordinance. As we have seen, the issues of regulation and rehabilitation were, in part, controlled by private corporate interests and conservative, partisan politics. Eventually, however, despite the power and appeal of those interests and politics, the municipal government established its regulatory authority over NORLC and NOPSI. From 1910 to 1928, every city administration, including those of Martin Behrman, attempted to pipe natural gas to New Orleans, but without success. Again, those same interests and politics that retarded the rehabilitation of NORLC kept natural gas from New Orleans until 1928. Finally, the Behrman administration began considering a comprehensive zoning policy in 1915, but the courts and the interests of small property owners prevented a thorough revision of zoning laws until the early 1920s. Enacted by the McShane administration, the comprehensive zoning ordinance reserved to the city council the ultimate authority to plan the economic and social development of the city--the cardinal tenet of the Behrman administration and the Regular Democratic Organization.⁶¹

⁶¹See Chapter Nine.

The objective of the ODA, of course, was not to debate Martin Behrman and the Regular Democrats, but to replace them. In May, four months before the municipal elections, the ODA executive committee⁶² conducted a series of interviews with potential mayoral and municipal candidates. By the end of July, the committee had made its decisions. The committee "recommended" Andrew McShane for mayor.

At fifty-five years old, McShane was a long-time anti-ring reformer, and a John Parker partisan. McShane resembled General John J. Pershing, and the press described him as a seasoned and assertive leader, experienced in municipal reform and popular with the average New Orleans citizen. But McShane had an undistinguished political "career". He sought election to the commission council in 1912 as a member of the Good Government League, but finished nearly six thousand votes behind the Regular candidates. Though active and visible in reform circles, McShane was silent (critics said uninformed) on the important issues in New Orleans politics and was, for the most part, unknown to the "average" voter. And McShane was not the unanimous or even popular choice of the ODA. The ODA executive committee

⁶²Ashton Phelps, publisher of the Times-Picayune, Charles I. Rosen, James Mcl. Thomson, publisher of the Item, State Senator Thomas V. Craven, Bernard John Daly, Robert H. Marr, Ivy G. Kittredge, Z. Marshall Ballard, editor of the Item, John Patrick Sullivan, and James Edmonds formed the ODA executive committee. Though not a member of the ODA, John Parker influenced its decisions. New Orleans Item, July 17-18, 1920.

considered McShane early in its deliberations, but rejected him as unsuitable. Its initial offers went to New Orleans businessmen Edgar Stern and Leon C. Simon, but both declined to run. Only after considerable debate and over the objection of John Sullivan did the ODA executive committee recommend McShane to the ward leaders.⁶³

McShane also had an abrasive personality and was suspicious of the intentions of others. He was, as well, a shallow thinker. In his acceptance speech, he parodied the beliefs of anti-ring reformism, likening the citizens of New Orleans to stockholders and the municipal government to corporate management and promising to manage the municipal government on "sound business principles". By applying the proper business principles, he said, the ODA could reverse the decline in public services, reduce the cost of government, and end ring rule. McShane's argument, as trite as it was, had an obvious appeal to the businessmen in the ODA. The executive committee selected four businessmen and a former union leader for the commission council ticket. Stanley Ray was at one time the managing editor of the Times-Picayune and now was the personal secretary to Governor John Parker. Richard Murphy was a sugar broker and John P. Norman owned the Aurora Planation in Algiers and considered himself a planter. Wilbert Black was a former steamship worker, a

⁶³New Orleans Item, July 17, 18, 1920; New Orleans Daily States, July 24, 28, 1920.

leader in the Steam Engineers Union, and the president of the Central Trade and Labor Council. None of these men, with the exception of Wilbert Black, had any acknowledged experience in municipal politics or government. And Black's experience was limited. He and the Central Trade and Labor Council opposed the six cent fare ordinance in 1918.⁶⁴

The Regular Democrats ridiculed the selection of Andrew McShane and "his" ticket. The Behrman supporters contended that the ODA ticket did not represent the interests of the people of New Orleans, but was more in keeping with the political agenda of John Parker and the partisan interest of John Patrick Sullivan. Clearly, these two politicians were instrumental in the formation of the ODA and in the selection of its candidates. But they, like their counterparts in the RDO, were not manipulators of public sentiment or public men. The selection process used by the ODA reflected the interests of Parker and Sullivan only because so many other men held the same interests. And, the ODA candidates were as representative of the people of New Orleans as were Martin Behrman and his commission council ticket.⁶⁵

⁶⁴New Orleans Item, July 20, 21-24, August 13, 28, September 2, 1920; New Orleans Daily States, July 20-21, 23-24, August 28, 1920. The other ODA candidates were more "traditional". The executive committee chose Robert H. Marr, a former District Attorney, for that position, George E. Williams, a former state senator and protege of John Fitzpatrick, for Criminal Sheriff, Edward C. Haggerty for Clerk of Criminal District Court, and John J. O'Neill for Clerk of Civil District Court.

⁶⁵New Orleans Daily States, July 24, 1920; New Orleans Item, July 31, August 2, 3, 1920.

Early in July, after several days of gentle persuasion by his most ardent supporters, Martin Behrman announced his candidacy for a fifth term as mayor of New Orleans. The RDO caucus extended its endorsement to the mayor the next day, ending speculation by the reform press that the RDO would not support the incumbent mayor. Apparently, there were several Regulars who wanted to replace the mayor with a younger, less controversial candidate. But the mayor had the support of the majority of the caucus, principally from old-line supporters like Arthur J. O'Keefe, the leader of the Tenth Ward, Arthur and Michael Mitchell, rivals of John Sullivan for supremacy of the Third Ward, and new Regulars Charles F. Buck, Jr., Thomas Semmes Walmsley, and Paul H. Maloney. Though the last four years had clearly diminished Behrman's standing in the community and called into question his ability to govern as effectively as in the past, Martin Behrman was still an extremely popular mayor and a successful politician. And no one else in the Regular Democratic Organization could rival his accomplishments or match his record of political success.**

Several days later, the RDO announced the completion of its municipal ticket. In many ways the 1920 ticket resembled those of 1912 and 1916. Apart from Martin Behrman, only Paul Maloney had any practical experience in municipal politics.

**New Orleans Daily States, July 10, 15, 16, 18, 1920; New Orleans Item, July 18, 1920.

And though Maloney was active in city politics for years, (Governor Pleasant appointed him to the Orleans Parish Levee Board in 1919, but removed him in favor of ODA leader Ivy G. Kittredge), he had never before sought an elective office and his principal advocacy was business. The other candidates, Charles S. Barnes, Maurice DePass, and Thomas Harrison, were either business or professional men. And the mayor's campaign managers, Charles Buck and Semmes Walmsley, were from the so-called civic-commercial elite of New Orleans. The RDO's municipal ticket did not represent, as some critics charged, the desire of the RDO to stave off certain defeat. Rather, the 1920 ticket reflected an established rule of municipal elections in New Orleans in the progressive era. Political organizations, whether reform or Regular, tended to nominate men of established professional and social standing for major executive positions, assigning the minor, though equally important, positions to men of lesser ability and experience. The 1920 ticket was no exception.⁶⁷

The election campaign was intense, bitter, and short, lasting less than two months. Mayor Behrman focused his public campaign on three issues: his own record of extensive public service and achievements, McShane's glaring inexperience in municipal politics and public affairs, and the

⁶⁷New Orleans Daily States, July 10, 15, 16, 21-23, 25, 27, 1920; Williams, Huey Long, 223-24; Teaford, Unheralded Triumph, 42-54.

inability of Andrew McShane, or any other member of the ODA, to govern New Orleans independently of the interests of John Parker and John Patrick Sullivan.

Over the course of the municipal campaign, the mayor stressed his years of public service, never failing to mention that McShane, Sullivan, and Parker devoted the majority of their lives to personal advancement and service to private corporate interests. While those men pursued private gain (in the cases of Parker and Sullivan, often at the expense of the public good), he and the RDO exhausted themselves in improving the economic and social conditions of New Orleans. Those improvements benefitted every segment of the New Orleans community, completing the sewerage and drainage system, ending the threat of yellow fever, building the Public Belt Railroad over the opposition of men like John Parker, paving hundreds of miles of streets, establishing a modern, democratic municipal government, and extending the authority of the municipal government over city finances and the public regulation of essential city services.⁶⁶

The mayor admitted that his administration was not always successful in resolving the problems of the city. The city needed to expand and repair the sewerage and water system, develop the resources of the port, allocate greater revenues and energy to the public school system, develop

⁶⁶New Orleans Item, July 25, 26, August 6, September 10, 1920; New Orleans Daily States, August 3, 1920.

comprehensive paving and zoning plans, bring a just end to the streetcar strike, and ensure the equitable rehabilitation of New Orleans Railway and Light Company. With the removal of wartime regulations and economic sanctions, the city government could complete those projects interrupted by the war and move toward the expansion and modernization of all city services.⁶⁹

Though Behrman emphasized his record in every campaign speech and publication, he did not believe his record was the exclusive issue. For Martin Behrman, a more important issue was the "relative merits and abilities" of Andrew McShane and his approach to governing the city. The mayor contended that McShane, like many so-called reformers, was distainful of politics and unfamiliar with public affairs. Prior to the ODA nomination, McShane's interest and experience in municipal politics was limited to voting every four years and seeking elective office once. He was uninformed and, apparently, unconcerned about the principal issues facing the city. In addition, McShane's concept about the role of government in the conduct of municipal affairs was banal and detrimental to the immediate and future needs of the city. McShane wanted to reduce the authority of the municipal government over the private and public affairs of the people, pledging to be a "hands-off mayor," and committing his administration to a retrenchment in services and

⁶⁹Ibid.

the reduction of the size and cost of the municipal government. Though Mayor Behrman pledged himself to economy and efficiency in government, he promised an active, energetic administration, dedicated to the further expansion of services and proper regulation of municipal affairs.⁷⁰

The foremost issue, Behrman reminded the voters, was not McShane's inexperience or his effete notions of politics and government, but whether he and his administration would govern New Orleans or pursue public policies for the partisan benefit of John Parker and John Sullivan. The nomination of McShane was an indication of the intentions of Sullivan and Parker. Andrew McShane was not the best candidate or the only candidate available to the ODA. But he was the only candidate who best met the interests of Sullivan and Parker. The entire tenor of the campaign suggested that Sullivan, Parker, and a few other anti-Regular reformers would control the McShane administration. And the men behind Andrew McShane, the mayor asserted, were narrow-minded partisans bent on governing the city to suit the interests of a select class of citizens. The Parkerites wanted to restrict political participation, curtail services, and reduce the authority of the municipal government over the affairs of business and corporate interests. The disgruntled Regulars hid behind the banalities of anti-Regular reformism, hoping to

⁷⁰New Orleans Daily States, August 6-7, 1920; New Orleans Item, August 6, 13, 26, 1920.

replace the Berhman regulars and, eventually, remove the reformers, too.⁷¹

The mayor's criticisms disturbed the confidence of the ODA campaign. After the mayor's remarks, the city press (Behrman had no newspaper support; even the Daily States deserted him) portrayed McShane as a conspicuous leader of the anti-ring reform movement, reciting a litany of reform organizations McShane supported.⁷² The newspapers also depicted McShane as an experienced and resolute businessman, capable of constructing an assertive and independent administration. Finally, the press described McShane as a selfless public servant, committed to political democracy and economic and social progress. A McShane administration, the Item and the Daily States wrote, promised more than the end of ring rule and economy in municipal government. It would provide better schools and teachers' pay, better fire and police protection, and a clearer, healthier New Orleans. The commission council under Andrew McShane would bring about a reasonable and just settlement of the public utility issue, enact a comprehensive zoning and planning ordinance, promote

⁷¹New Orleans Daily States, August 6, 13, 19, 21, 24, 1920; New Orleans Item, August 19, September 8, 1920.

⁷²McShane claimed he was active in the Young Men's Democratic Association (1888), the Antilottery League (1892), the Citizens League (1896), the Jeffersonian Democrats (1900), the Home Rule Democrats (1904), the Good Government League (1912), and with John Parker in 1916 and 1920. New Orleans Item, August 6, 13, 26, 1920; New Orleans Daily States, August 6-7, 1920. The list only proved the point Mayor Behrman tried to make. McShane, like other reformers, became involved in municipal affairs only every four years.

the construction of affordable, middle-class housing developments, improve and expand the sewerage and drainage system, pipe natural gas into the city, and provide an active and meaningful role for women in the politics and municipal government of New Orleans.⁷³

The anti-Regular press, however, promised more than the McShane administration and the ODA could deliver, making a prophet of Martin Behrman. Andrew McShane's disposition and political inexperience nearly ruined his administration and contributed to the collapse of the ODA in 1922. Though Parker and Sullivan did not manipulate the McShane administration, their partisan concerns compromised the independence of the new commission council. And though Parker and Sullivan did not run the McShane administration, as Mayor Behrman predicted, neither did Andrew McShane. His ill-tempered behavior and his critical disapproval of nearly every policy proposed by the commission council (and his numerous absences from work for chronic, though minor, illnesses) isolated him from his own government, allowing the other councilmen to direct the municipal policy of the McShane administration.

Those problems were, however, in the future, and were not, as Mayor Behrman thought, the issues that concerned the voters of New Orleans. Rather, most voters considered

⁷³New Orleans Item, July 18, 20, August 4-5, 24, 26, 1920; New Orleans Daily States, July 20, September 2, 5, 1920.

Behrman's record and the need for change as the most important issues of the municipal campaign. On election day, rain threatened to dampen the turnout and the predictions made by both factions. The Regulars predicted a record turnout, eclipsing previous records and giving Martin Behrman a comfortable majority. The McShane supporters were just as optimistic, forecasting a "snug majority" for "Mayor" McShane and a complete and unqualified victory for the ODA.⁷⁴

None of the predictions came true (though the rains held off), though the ODA spokesmen came closer to the actual outcome. McShane received 22,906 votes (fifty-one and a half percent), winning ten of the seventeen wards, including five ring wards (the Third, Sixth, Seventh, Ninth, and Eleventh) and increasing the anti-Regular vote by more than 2,300. Mayor Behrman, on the other hand, garnered only 21,541 (forty-eight and a half percent), receiving 3,400 votes fewer than Frank Stubbs. McShane's majority was indeed "snug," only 1,365, but it was, nevertheless, a complete victory over Martin Behrman. McShane gained votes in every ward but the Second, where both he and Behrman lost votes, the Ninth, which he carried by 286 votes, the Fifteenth, Behrman's home ward, and the "rural" Seventeenth. In the ten wards carried by McShane, the ODA increased the anti-Regular

⁷⁴New Orleans Item, September 4-7, 9, 11-13; New Orleans Daily States, September 5, 12-13, 1920. The Behrman Regulars predicted a six thousand vote victory for Behrman and the RDO and the ODA leadership saw McShane sweeping every ward and receiving a nine thousand vote majority.

vote by 1,300 votes, the majority of those votes coming from the five "ring" wards McShane carried.⁷⁵

McShane received 16,000 votes from the ten wards he carried, approximately seventy percent of his total vote. In the five ring wards, McShane polled 9,000 votes or nearly forty percent of his vote. Yet, in those wards, McShane received only 1,100 more than Martin Behrman. The five "Up-town" wards, the Twelfth, Thirteenth, Fourteenth, Sixteenth, and Seventeenth, gave McShane only 7,000 votes, thirty percent of his vote. But in those wards, McShane received his largest majorities, garnering 2,300 more votes than Mayor Behrman. In short, though McShane made tremendous inroads against the Regulars in the traditional ring wards (he also received 7,000 votes in the seven wards Martin Behrman

⁷⁵New Orleans Item, September 15-18, 1920; New Orleans Daily States, September 15-17, 1920. McShane carried the Third (Sullivan), Sixth ("Co" Desmare), Seventh (Daly), Ninth (John Nunnemacher), Eleventh, Twelfth, Thirteenth, Fourteenth, Sixteenth, and Seventeenth Wards. Parker lost the Third, Sixth, Seventh, and Eleventh Wards in January. The Ninth was a traditional ring ward.

Ward	Increase
3	424
6	403
7	36
9	-238
11	323
12	70
13	136
14	128
16	47
17	-27
	<hr/> 1,302

carried), he "won" the election in the Uptown wards.⁷⁶

Martin Behrman, on the other hand, lost the election in the traditional Regular wards. Behrman lost votes in every ward but the Ninth and the Fifteenth. In the seven wards he carried, Behrman polled only 9,100 votes, losing 1,100 votes from the state primary in January. And, in the ten wards won by Andrew McShane, Behrman lost 2,200 votes, seventy percent coming from the Third, Sixth, Seventh, and Eleventh Wards. Clearly, then, the "traditional" Regular voter, including 2,800 new voters, deserted Behrman and the RDO, giving their votes, however reluctantly, to Andrew

⁷⁶New Orleans Item, September 15-18, 1920. The official returns were not published on a precinct basis, and the returns that I have compiled only approximate the official final count.

Ward*/Vote	Gain over Parker	Majority
3 2,531	424	303
6 1,166	403	376
7 1,672	36	30
9 2,010	238	286
11 1,589	323	150
8,968	948	1,145
* traditional "machine" wards		

Ward*/Vote	Gain over Parker	Majority
12 1,851	70	564
13 1,596	136	400
14 1,957	128	1,005
16 701	47	180
17 844	-27	216
6,949	354	2,365
* traditional "reform" wards		

McShane and the ODA.⁷⁷

The elections for the four remaining positions on the commission council were even more closely contested. Only 1,270 votes separated first from second place, 514 second from third, eighty-six third from fourth, and fifty-one fourth from fifth. Three ODA candidates, Wilbert Black (who out polled Mayor Behrman), Richard Murphy, and Stanley Ray, won seats on the council. Paul H. Maloney, who finished third, was the only Regular to win a place in the municipal government. The voting returns in the commission council races (and the parochial races, too) followed the pattern set in the mayoral election. The RDO candidates performed well in the wards and precincts carried by Mayor Behrman, while the ODA candidates carried the McShane wards and precincts. And, as in the mayor's election, the commission council (and parochial) elections turned on a sizeable

⁷⁷New Orleans Item, September 15-18, 1920.

Ward/Vote	Lost vote	Majority
1 960	+10	77
2 991	255	258
4 1,106	353	507
5 1,716	222	601
8 1,351	235	190
10 1,699	125	299
15 1,284	+60	613
9,107	1,120	2,545

In Wards 3, 6, 7, 9, and 11 Mayor Behrman received 7,823 votes, 1,572 fewer than Frank Stubbs, and in Wards 12, 13, 14, 16, and 17, Behrman polled 4,624 votes, 663 fewer than Stubbs.

increase in anti-Regular votes in the traditional RDO wards and precincts and a precipitous decline in Regular votes throughout the city.^{7a}

Though the election did not portend the imminent collapse of the RDO (Paul Maloney had, after all, won a seat on the commission council and erstwhile Regulars controlled the most important parochial offices), it was, nonetheless, as close to a complete victory as the ODA could have expected. Contemporaries and later students of the 1920 election have offered several important, though incomplete, explanations for the defeat of Martin Behrman and the Regular Democratic Organization. First, they argue, the campaign of John Parker for governor and his startling showing in New Orleans legitimized the issue of ring rule and showed that Mayor Behrman and the Regulars were vulnerable on that issue. Second, the election of Parker encouraged the New

^{7a}New Orleans Daily States, September 17-23, 1923.

Commission council:		Wilbert Black	22,204
		Richard Murphy	20,924
		Paul H. Maloney	20,420
		Stanley Ray	20,334
		Maurice DePass	20,283
		Thomas Harrison	20,272
		John R. Norman	20,269
		C. S. Barnes	19,560
Parochial offices:			
District Attorney	Robert H Marr(ODA)		22,255
	A.D. Henriques(RDO)		21,281
Criminal Sheriff	George Williams(ODA)		23,206
	Richard Meredith(RDO)		20,340
Clerk, Civil Court	John J. O'Neill(ODA)		21,705
	Thomas Connell(RDO)		21,573
Clerk, Criminal Court	Edward A. Haggerty(ODA)		22,356
	James Byrnes(RDO)		20,303

Orleans reformers and the disaffected Regulars to create a second political organization, dedicated to the removal of Martin Behrman and to permanent, practical reform for New Orleans. The presence of so many important Regulars in the ranks of the ODA gave credence to the issue of one-man rule and was further evidence that Martin Behrman could be beaten. These ersatz reformers testified to the venality and incompetence of ring rule and the Behrman administration. The ODA, then, was able to speak with authority about waste and incompetence in public services, the inequity of the municipal assessment and taxation policy, and the political favoritism shown to NORLC.⁷⁹

As important as those factors were, contemporaries and later scholars alike agreed that the "critical factor" in the defeat of Behrman and the RDO was John Parker's wholesale dismissal of Regular Democrats from state offices and jobs and the redistribution of those positions and jobs to ODA supporters.⁸⁰ There is, of course, no sure or precise way of determining the number of voters who became part of the "critical factor". The New Orleans newspapers were, of course, thoroughly partisan, and routinely exaggerated the

⁷⁹New Orleans Item, September 13, 1920; New Orleans Daily States, September 9, December 5, 1920; Reynolds, Machine Politics in New Orleans, 1896-1926, 77-78, 208-213; Schott, "John M. Parker," 104; Williams, "Martin Behrman Mayor and Political Boss," 118-24, 130.

⁸⁰New Orleans Daily States, September 9, 1920; Reynolds, Machine Politics, 77-78, 208-13; Williams, "Martin Behrman Mayor and Political Boss," 118-34, 130.

number of votes won by the redistribution of patronage. And when the press reported specific figures, the press accounts usually referred to the number of RDO men dismissed from their jobs. The number of men replaced, however, was remarkably small, particularly in proportion to the number of state and parochial positions available to John Parker and John Patrick Sullivan.⁸¹

Since so few men were dismissed, most students assumed that the remaining workers, somewhere between 1,700 and 2,000 men, became "galvanized" supporters of McShane and the ODA. It is conceivable that all 2,300 state workers voted for McShane, giving him the increase he enjoyed over John Parker and providing the margin of defeat for Martin Behrman. But clearly they did not. In the seven wards Martin Behrman won, 1,036 men who voted in January abstained from voting in the mayoral election. And in the five "machine" wards carried by Andrew McShane (undoubtedly, the recipients of Parker and Sullivan's cache of political patronage), the ODA gained only 948 votes, while 1,020 voters stayed at home on election day, unwilling to vote against Martin Behrman--or for McShane. The point is simple, though surely profound. In modern New Orleans politics, patronage

⁸¹According to the New York Bureau of Municipal Research (directed by historian Charles Austin Beard), there were 2,333 parochial jobs in Orleans Parish. Of those jobs, sixty-two belonged to the Orleans Parish Levee Board, 350 to various state and parish departments, and 1,921 to the Dock Board. Administrative Survey of the Government of the City of New Orleans, 43-45.

did not necessarily translate into votes.²

But competent, effective government and sufficient public services did. Apparently, from the perspective of the majority of New Orleans voters (albeit a narrow one), Martin Behrman and the Regular Democrats mismanaged the municipal government, allowing municipal services to deteriorate, raising taxes, and permitting corporations like New Orleans Railway and Light Company to threaten the public order and extort higher rates and fares for inadequate services. With good reason, then, the voters and politicians of New Orleans questioned the ability of Martin Behrman to govern the city.

Despite Mayor Behrman's numerous disadvantages and disabilities, the municipal elections were, nevertheless, extremely close, suggesting that a great many citizens were uncomfortable with the prospect of Andrew McShane, John Sullivan, and John Parker governing New Orleans. For the most part, the ODA conducted a spiteful, negative campaign, promising to curb both the benefits and excesses of municipi-

²New Orleans Item, September 15-18, 1920.

Ward/Lost vote (Behrman)	Ward/Lost vote (McShane)
1 +132	3 250
2 532	6 122
4 299	7 284
5 59	9 146
8 76	11 218
10 12	12 8
15 58	13 72
<hr/> 1036	14 120
	16 +50
	17 97
	<hr/> 1257

pal government under Martin Behrman and the RDO. The tenor and volume of the campaign was so bitter and shrill that many critics in the press were concerned that the rancor of the campaign might carry over to the next administration. And the candidacy of Andrew McShane troubled nearly fifty percent of the voters of New Orleans. He was, to be sure, an acerbic campaigner, given to excessive promises and brusque language. He was, as well, a second-rate reformer, never leading, but always on the edge of the reform movement. Given these apparent shortcomings and the presence of other, more vigorous men in the ODA (and on the future commission council), voters and politicians no doubt questioned his ability to govern the political coalition and the city that elected him.

They were right. Early in the legislative session of 1920, Governor Parker insisted that the legislature grant him the authority (and the money, \$25,000) to investigate financial and political conditions in New Orleans. The investigation was nearly without precedent (a similar "probe" in 1912 failed to discover any political corruption in New Orleans) and was, without question, partisan. The governor and the legislature intended the investigation to embarrass the Behrman administration and to contribute to its defeat. Though the commission council blocked the "probe," it accomplished what Parker and the ODA intended. But, as critics feared, the investigation continued on into the next admin-

istration, proving more of an embarrassment to the McShane administration than to Martin Behrman, for the McShane council refused to implement any of the recommendations made by its own municipal survey commission. Mayor McShane also seemed ill-fit to govern New Orleans, and, by his own admission, was incapable of compromise. He was often ill and always (or so it seemed) unpleasant and uncooperative. He was, as well, unable to control, much less direct, the organization that elected him. Within two years of his inauguration, the New Orleans Item publicly regretted his election.

Martin Behrman took his defeat with grace and confidence. As his retirement approached, the mayor seemed calm, almost resigned to his new life as a "private" citizen. Though he said he had no more personal political ambitions, he believed that time would show how well the Regular Democratic Organization governed New Orleans, and he predicted that its "defeat" would be short-lived. The New Orleans Item and Daily States agreed with the mayor, but for slightly different reasons. The Daily States wrote that the political and administrative record of Martin Behrman and the RDO spoke of the "excellence [of] their stewardship". Under the Behrman administration, the States continued, New Orleans progressed more in the past twenty years than in the last two hundred. And, the newspaper suggested, the new commission council would do well to study the policies of past

Behrman administrations, perhaps learning more from their successes than from their failures. The Item, perhaps sensing the volatile character of the ODA coalition, argued that it was neither desirable nor possible to destroy the political organization that had shaped the public policy of New Orleans for more than twenty years. The McShane administration and the ODA would benefit from the existence and active participation of a "second" political organization like the RDO, restraining the ODA and the administration from the excesses of one-party rule and one-man government.

The McShane administration and the ODA were the new "Regulars" now. But, as the Daily States and the Item feared, the new administration could not learn from the past and the ODA could not forget it.²³

²³New Orleans Item, September 15, 18, December 5, 1920; New Orleans Daily States, November 21, December 4-6, 1920.

Chapter Nine

The Irish Interregnum

The McShane administration entered office with great anticipation and even greater expectations. The last reform administration to govern New Orleans, that of Walter C. Flower, left office more than twenty years before, accomplishing a great many things for the city, but incapable of sustaining itself in office. Since that time, no reform movement remotely challenged the electoral supremacy of the Regular Democratic Organization and its four-time mayor, Martin Behrman. But Andrew McShane and the ODA had humbled Martin Behrman and the Regular Democrats, sweeping them from office (with one exception) and inaugurating a municipal government dedicated to anti-ring progressive reform. The new administration was clearly inexperienced in municipal and political affairs, but it was, at least according to the reform press, sincere, intelligent, and completely free and independent of the quarrelsome, factional politics of the past. And, though the margin of victory for the new municipal government was extremely narrow, its mandate, at least as McShane and the ODA interpreted it, was unmistakable. It was clear, wrote the Daily States, that the mandate of the new administration called for "rigid

economy" in public finances, a reduction of tax and assessment rates to prewar levels, "depoliticization" of public administration and the introduction of municipal civil service, expansion of essential city services, including water, drainage, sewerage, and paving, a "fair and reasonable" rehabilitation and regulation of New Orleans Railway and Light Company, a fundamental, democratic restructuring of the municipal government, and the enactment of a comprehensive city planning and zoning law.¹

Andrew McShane expected nothing less from himself and his administration.² In his inaugural address, McShane vowed to eradicate machine politics from the municipal government, erecting in its place an open, independent, democratic government, dedicated to the economical, efficient, and unbiased administration of the "public business". Accomplishing these changes required intelligent planning, fortitude, and, above all, patience on the part of the city administration

¹New Orleans Daily States, September 15, December 2, 4, 6, 1920, January 2, 1921; New Orleans Item, January 5, February 12, 26, May 23, 1921; Raymond O. Nussbaum, "Progressive Politics in New Orleans," passim.

²When the new commission council convened in December, it assigned each councilman to a separate executive department (as mayor McShane served as Commissioner of Public Affairs). Richard Murphy became Commissioner of Public Finance, Wilbert Black the Commissioner of Public Property, Stanley Ray the Commissioner of Public Safety, and Paul H. Maloney the Commissioner of Public Utilities. McShane appointed Ivy G. Kittredge as City Attorney, John Klorer as City Engineer, Harry Fitzpatrick, his cousin, as Fire Commissioner, and John H. Bruns, McShane's son-in-law, as Police Commissioner. New Orleans Daily States, December 4-9, 1920.

and the public. The foundation was being laid, and the new commission council was anxious to begin work.³

Achieving those changes, of course, was easier said than done, and required more than practicing the "cardinal virtues" of prudence, patience, and fortitude. It required experience, leadership, and, above all, ability. Though the new commission council had some ability and could acquire experience, it lacked leadership and direction. Or, better said, it had too many leaders and went in too many directions, dividing the McShane administration against itself, eroding its foundation, and leading to its collapse. The collapse of the McShane administration began before it took office, and responsibility for its failure lay with the volatile character of the ODA coalition, the willful and explosive personality of Andrew McShane, the sterility of municipal reform as practiced by McShane, Sullivan, and Parker, and the almost intractable problems of governing a large and expanding city like New Orleans.

Early in the legislative session of 1920, the Parker floor leaders in the House of Representatives introduced the administration's so-called "probe" bill. Prepared by Parker and his principal aides, the bill authorized the governor to appoint a special, independent commission, empowered to "investigate" every aspect of the municipal and parochial gov-

³New Orleans Daily States, December 6, 1920.

ernments of New Orleans. Over the past eight to ten years, the governor explained, Martin Behrman and the Regular Democrats had acquired near pleenary power over the municipal and parochial governments of New Orleans, imposing an unresponsive, unrepresentative municipal government on the city, monopolizing the debate on public policy, and endangering democratic government and reform in New Orleans and the state. It was his firm hope, he said, that an investigation into the financial, political, and administrative activities of the Behrman Regulars might prompt the appropriate political and structural reforms to return municipal rule to the better citizens of New Orleans and restore the proper political balance between New Orleans and the state.⁴

In the House and Senate, Regular Democrats accused the governor of abusing his executive authority and of using the legislature to sanction and fund a political "witchhunt". In

⁴New Orleans Daily States, June 8, July 10-11, 1920; New Orleans Item, May 15, June 18, 24, 30, August 3, September 4, 1920. From the start, one of the principal objectives of the municipal investigation was replacing the existing commission council system with another form of government that promoted the interest of the ODA and its supporters. But the ODA could not agree on what form of municipal government best suited its interests. John Sullivan favored a return to the councilmanic system, while McShane favored retaining the existing system, with a few modifications, and other ODA members wanted wholesale revisions in the municipal government. The preamble to the bill declared that its purpose was to help the people of New Orleans "obtain [a] form of government which will best lend itself to service and efficiency, and that will not serve as a cloak or agency for the construction and maintenance of a political ring or rings...". Act 37, Acts Passed by the General Assembly of the State of Louisiana at the Regular Session, 1920.

the lower house, Representative John Dymond, a Regular from New Orleans, offered an amendment to the bill, delaying its work until after the municipal and parochial elections. But the House refused to amend the bill, and sent it to the Senate. In the Senate, the bill met greater opposition. Despite the pleas (and threats) from Governor Parker and the ODA, the Senate Finance Committee amended the bill, preventing the investigation until after September 14, the day of the municipal and parochial elections. But in the full Senate, the Governor and his ODA supporters eliminated the amendment and passed the bill, authorizing Parker to appoint a five man commission and appropriating \$25,000 for the investigation.³

In August, one month before the municipal elections, Governor Parker selected the New Orleans "municipal survey commission," appointing Frank Dameron, Allison Owen, Terrance Smith, Albert English, and Thomas H. Roberts, all well-known businessmen and "agressive" anti-Regular reformers, as members of the commission (Harold Moise was general counsel). But before these men could begin their work, the commission council and the mayor filed separate suits

³Act 37, *ibid.*; New Orleans *Item*, June 18, 24, 26, 29-30, July 1, 1920; New Orleans *Daily States*, July 1, 1920. Senator Delos R. Johnson from rural north Louisiana expressed best the sentiment of the country parishes. Whether the General Assembly was right or wrong about investigating New Orleans was "irrelevant," he said. The "hill people" of north Louisiana want to see New Orleans get its "just desserts," and the probe was the first course. The Parker administration was, in part, responsible for this sentiment.

against the state, attempting to block the investigation. In their suits, the council and the mayor acknowledged the authority of the state legislature to investigate the administration of the municipal government, but the Claiborne act (Representative Ferdinand Claiborne sponsored the bill) was a deceitful misuse of the authority of the legislature and a gross waste of tax money, designed to further the partisan interest of Governor Parker and his supporters in New Orleans. The purpose of the Claiborne act and the intent of the Dameron commission, Behrman and the council asserted, was to discredit the municipal government of New Orleans, reward ODA partisans, buy votes for the ODA candidates, and allow John Parker to determine, if not dictate, the election of the mayor, commission council, and the other municipal officers of New Orleans.⁶

Eventually, the Civil District Court ruled in favor of Martin Behrman (the McShane administration withdrew the city suit, leaving Behrman as the only petitioner), nullifying the Claiborne act and preventing the Dameron commission from investigating the municipal government of New Orleans. It was, however, a Pyrrhic victory. The opposition of the

⁶New Orleans Item, August 6-13, 1920; New Orleans Daily States, August 7-13, 1920. After the municipal elections, members of the Association of Commerce accused Frank Dameron and Allison Owen and several other "prominent" civic leaders of being excessively anti-Regular. The executive committee of the Association, chaired by Arthur Parker, the brother of John Parker, exonerated Dameron, Owen, and the others of all allegations. See New Orleans Daily States, January 28, March 1, 1921.

Behrman administration to an administrative survey of the municipal government convinced many "unaligned" reformers and some "disaffected" Regulars of the necessity of such a survey. And, more importantly, these interests, for an assortment of reasons, pressured the McShane administration into employing the municipal survey as the principal means of ending ring rule and establishing a permanent reform government in New Orleans.⁷

Late in December, 1920, barely a week after the McShane assumed municipal power, the Tax Payers Association of New Orleans (TPA) called on the commission council to "reconvene" the municipal survey commission, empowering it to "remediate" the problems affecting the municipal government of New Orleans. At first the council (and the ODA patronage committee) ignored the requests of the TPA to eliminate "useless" jobs through the municipal government, scaling down the cost of government and, in the process, reducing taxes and the assessment rate. By the middle of February, with problems of the Behrman administration still readily apparent, the council could no longer ignore the demands of the TPA and the newspapers for an administrative survey.⁸

In February, J. Blanc Monroe, an executive official of

⁷New Orleans Item, August 8-18, November 10, 13, 29, 30, December 3, 28, 1920, January 7, 10, 20, 1921; New Orleans Daily States, August 7-22, October 2, November 10, December 2, 8, 1920, January 20, October 4, 1921.

⁸New Orleans Item, December 4, 1920, February 19, March 2, April 24, 1921; New Orleans Daily States, December 16, 1920, March 2, 1921.

the TPA and the general counsel of the Orleans Parish School Board called on the city administration to "endorse" the concept of a municipal survey commission. According to Monroe, the city and the McShane administration would both benefit from an exhaustive and authoritative review and reform of the municipal government. The municipal government of New Orleans, he told reporters, needed a complete restructuring and reordering of its priorities. The present system of government was inequitable and wasteful, penalizing businessmen, investors, and property holders with high taxes and insufficient services and supporting an army of needless workers and officials. Since the new administration was so inexperienced, he said, a systematic review of the municipal government could guide the commission council in its efforts to rid the city of Behrmanism and could, at the same time, recommend ways of restructuring the municipal government and making it economical and equitable.*

From the start, the McShane council was skeptical of the motivation of the TPA (the commission council and the TPA feuded constantly over assessment practices, paving expenses, and the cost of government) and uncertain of the value of an unrestrained administrative survey of the city government. But the TPA and its supporters in the press, principally the Item, assured the council that the sort of municipal survey they envisioned would not be politically

*Ibid.

motivated, but designed to promote effective, efficient management of municipal affairs. The "fundamental" concerns of any city, the Item advanced, were not politics and patronage, but public health, safety, commerce, education and the arts, and a whole assortment of other essential services. Modern municipal government, then, at least according to the TPA and the New Orleans Item, required the skilled management of those services, and a municipal survey would virtually assure the city of the sort of government and policies necessary to manage those concerns and services.¹⁰

Apparently, the constant pressure of the TPA and the Item convinced the commission council to pursue the idea of a municipal survey, but the council was unwilling to grant a municipal survey commission the sort of plenary authority demanded by the TPA and the Item. Early in August, the council took up the idea of a municipal survey. Commissioner of Public Finance Richard M. Murphy suggested limiting the survey commission to matters of taxation, assessment, and economy, leaving to the commission council concerns of a more "political" nature. Though economy was the watchword of the McShane administration, a majority of the council found no appreciable value in so limited a survey, preferring instead to expand the survey to all municipal departments, including the commission council and the independent boards and commissions serving the city and parish. But the commissioners,

¹⁰Ibid.

fearful of losing control over their own government, refused to give the survey commission the authority to impose its recommendations on the commission council or the other "branches" of the municipal government. And the principal boards and commissions, the Sewerage and Water Board, the Public Belt Railroad Commission, the Orleans Parish School Board, and the Board of Liquidation City Debt, either declined to participate in the survey or refused to abide by the recommendations of the municipal survey commission.¹¹

Despite its reservations and caveats, the commission council agreed to sponsor a "full and complete" survey of the municipal government by an independent, nonpartisan commission of businessmen, assisted by recognized experts in the field of municipal administration. Eager to avoid any suspicion of bias or partisanship the city council, incredibly, invited the moribund Dameron commission to serve as the municipal survey commission. After some initial hesitation, the Dameron commission agreed to the conditions set by the commission council. The municipal survey commission immediately hired a "professional" staff, led by "Colonel" James E. Edmonds, the former managing editor of the Times-

¹¹New Orleans Item, August 3, 5, 8, 9, 12, 16, 19, 20, September 15, 1921; New Orleans Daily States, August 9-10, September 7, 10, 15, 17, 1921. City Attorney Ivy G. Kittredge advised the commission council that it could not delegate the reserve powers of the city to the municipal survey commission, and, consequently, the recommendations of the commission were not binding on the council or any municipal department. Kittredge to McShane, August 31, 1921, vol.9, CAO, CA, NOPL.

Picayune, to conduct the survey. Though the staff was energetic, possessing "high principles and ideals" and broad experience in "practical politics," from the start it was evident that it lacked the competence to conduct a thorough and systematic analysis of the New Orleans municipal government. Late in September, then, James Edmonds recommended that the municipal survey commission and the commission council hire the New York Bureau of Municipal Research (BMR) to conduct the survey. Within a matter of days, the McShane administration contracted the BMR, appropriating \$25,000 for the completion of the municipal survey.¹²

The Bureau of Municipal Research began its initial inquiries in September, completing the investigation in late November. Over the next month, the BMR collated the information it had gathered, issuing a detailed report and lengthy analysis to the Municipal Survey Commission at the very end of December. For the next several weeks, the MSC studied the report and recommendations of the BMR, releasing an explanation of the BMR report and offering its own analysis of the

¹²New Orleans Item, August 3-5, September 2, 25-27, 30, October 1-2, December 5, 14, 1921; New Orleans Daily States, August 5, October 1-2, December 5, 14, 1921; Municipal Survey Commission, Administrative Survey of the Government of the City of New Orleans, 8. Begun in 1906 by municipal reformers William H. Allen, Frederick Cleveland, and Henry Bruere, the BMR advocated a scientific approach to municipal administration, though, according to historian Otis Pease, the BMR tempered its scientific reformism with "a saving sense of realism". Otis A. Pease, "Urban Reformers in the Progressive Era: A Reappraisal," Pacific Northwest Quarterly, 62 (April 1971), 54.

conditions and problems of the municipal government and proposing several recommendations for the administrative and political reform of the City of New Orleans.¹³

The report of Bureau of Municipal Research was more and less than the Municipal Survey Commission expected and desired. The BMR report, covering more than two hundred pages and countless organization charts and diagrams, was a systematic and detailed assessment of the structure, policies, and practices governing the municipal and parochial administrations of New Orleans. It was, as well, far too comprehensive, overly technical, and, at times, virtually unreadable, making it difficult to digest, much less implement, all its recommendations. And, despite its much acclaimed political "realism," the BMR virtually ignored the political difficulties and consequences of the reforms it proposed, compelling the Municipal Survey Commission to reject many of the more significant proposals of the BMR as impractical and inappropriate for New Orleans.¹⁴

In its investigation and report, the Bureau of Municipal Research concentrated on three principal issues: the restructuring of the municipal government, reforming and

¹³Municipal Survey Commission, Administrative Survey of the Government of the City of New Orleans, 6-9, 54-278; New Orleans Item, October 1, November 13, 23, December 21, 29, 1921, January 15, 18, 1922; New Orleans Daily States, December 16, 1921, January 18, 1922.

¹⁴Municipal Survey Commission, Administrative Survey of the Government of the City of New Orleans, 6-9.

reorienting the financial and taxing policies of the city government, and the efficient redistribution of city services. "The essentials of good government are easily stated," the report announced. "They are axiomatic; no one will debate them."

The first requisite is democracy. No political structure is sound that is not so constructed as to respond quickly and precisely to popular control. The second requisite is economy. Government must not only respond to popular demands, but [also] must be carried on at the lowest cost consistent with the proper discharge of public functions and fair conditions of employment for those who serve the city. The third requisite is efficiency. This means that the work undertaken by the city government should be well done in accordance with the best standards of good work to be found in other cities and in private enterprises.¹⁵

According to the Bureau of Municipal Research, the municipal government of New Orleans met none of the essential requisites for democratic, economical, and efficient government. The city government was unresponsive, profligate, and inefficient, and in need of thorough, comprehensive reorganization. "The type of city organization that is most desirable," the report intoned, "is the one that makes for simple, direct, responsible government." In contrast, the municipal government of New Orleans was overly complex, oblique, and irresponsible. "In fact, a more intricate and unintelligible arrangement could hardly be devised." There were, for example, sixty governmental offices,

¹⁵Ibid., 58.

departments, boards, commissions, and other agencies constituting the municipal government of New Orleans. The citizens of New Orleans elected forty-five officials, the governor appointed twenty-five more, and nearly thirty officials served as members of self-perpetuating boards. "In fact," the BMR concluded, "New Orleans has no semblance of a systematic and well-co-ordinated administrative organization."¹⁶

The source of the city's discontent was, the BMR wrote, the politicized structure of the municipal government. The Favrot charter did not restructure or reorient the municipal government of New Orleans. Though the 1912 charter enhanced the authority of the mayor and executive departments it created, it did not (as critics of the Behrman administrations alledged) concentrate complete municipal authority in the mayor and the council. Rather, like other commission council governments, the Favrot charter tended to diffuse power and obscure responsibility. The commission form adopted by New Orleans merely superimposed the commission form of government on the existing, "disorganized collection" of special, independent boards and commissions, continuing the same "wasteful," politicized policies and practices of past administrations and per-

¹⁶Ibid., 57-58.

petuating machine politics.¹⁷

The rehabilitation of the municipal government of New Orleans, as seen by the BMR, demanded the centralization of municipal and parochial power in a single authority, eliminating the independent boards and commissions and assigning their duties and responsibilities to expert administrators. Though the BMR considered the centralization of municipal authority essential to good government and to the development of New Orleans as a progressive city, it also recognized, but discounted, the entrenched, opposition to the concentration of political authority in the United States. With that realization in mind, the BMR recommended two approaches to reorganizing the municipal government in New Orleans.¹⁸

Though sure to arouse controversy and opposition, the first proposal allowed the commission council to retain and

¹⁷Ibid. According to the BMR, the board system of municipal government was "a clever means of escaping accountability and consequently criticism and blame" for public policy. The board system, the BMR report said, was devoid of initiative, rewarded mediocrity, retarded public improvements and development, and, above all, arrested the authority of the commission council, preventing it from determining and controlling public policy. In essence, the BMR was correct, for boards and commissions like the Public Belt Railroad Commission and the Board of Liquidation City Debt, served the vested interests of the commercial and banking elite of the city. These boards, as we have seen, resisted the efforts of the Behrman administration to influence their conduct or eliminate their hold on public policy. For an historical account of the development of the independent commission system, see Teafor, The Unheralded Triumph, 66-80.

¹⁸Ibid., 60.

expand its authority over the municipal government. The plan called for the commission council to abolish most of the independent commissions, turning over their duties to "competent" administrators directly responsible to the commission council. The BMR claimed that the plan promised a simple, direct, and immediate remedy for New Orleans's administrative "paralysis". The plan, as portrayed by the BMR, may have simplified the "lines" of municipal authority, but inaugurating such a plan would not be simple or, for that matter, likely. The plan proposed eliminating the elective Board of Assessors (something no governor, legislature, or constitutional convention had been willing or able to accomplish), replacing the assessors with a "bureau of assessment," accountable only to the Commissioner of Public Finance and the commission council. In addition, the BMR's recommendation called for the Commissioner of Public Finance to take control of all future bond issues and the liquidation of bonded indebtedness, relegating the Board of Liquidation City Debt to retiring old debt and gradually ending the control of the Board--and the bankers who sat on it--over the financial and political development of the city.¹⁹

These aspects condemned the proposal from the start, uniting Regulars and reformers, laborers, merchants, and

¹⁹Ibid., 60-61. The plan also eliminated the boards of police and fire commissioners, and placed the Public Belt Railroad Commission and Sewerage and Water Board directly under the mayor. These boards would be abolished under the second plan.

bankers against a plan that degraded popular participation in public affairs and proposed a fundamental realignment of power in New Orleans. It was unlikely that the civic and commercial elite of New Orleans, given its past opposition to the modest centralization of municipal power under the Behrman administration, would endorse so radical a change. Nevertheless, the BMR considered its first proposal a feasible, though wholly inadequate, response to the administrative needs of the city. "If the people of New Orleans desire a government that is simple in structure, that fixes definite responsibility for action, and that is capable of operating effectively and economically," the BMR report continued, "then sweeping changes must be made in the present organization"--changes that involved a complete revision of municipal government and politics.²⁰

Efforts to return to a councilmanic system of government (a plan endorsed by John Patrick Sullivan and the Daily States), the Bureau informed the Municipal Survey Commission, were regressive, and should be ignored. Instead, the BMR advocated the adoption of the Commission-Manager plan. "This form of city government has much to commend it. It is not only simple in structure and definitely locates administrative responsibility, but it has the added advantage over other forms of municipal government in that it enables the city to secure an experienced and trained chief administra-

²⁰Ibid., 61.

tor and to retain his services so long as he directs satisfactorily the city's work."²¹

The Commission-Manager plan concentrated most all municipal authority in a single, reputedly nonpartisan, chief administrator, chosen by the commission council and serving no fixed term of office. The city manager was solely responsible for the composition and performance of his administration, and, as the BMR report explained, "in the active management of the [city] he stands in the same relation to the commission council that a corporation head does to his board of directors". The success or failure of the commission-manager plan, then, depended on the "good faith and vision" of the commission council in selecting the "best trained man available for the position and...giv(ing) him absolute freedom in administrative matters."²²

But even for the so-called business progressives who constituted the Municipal Survey Commission or sat on the New Orleans commission council, the commission-manager proposal required a naive act of faith and an almost prophetic vision. The BMR proposal called on the elective commission council to "relinquish all administrative powers and duties and become simply a legislative or policy determining body." The council would remain an elective body and would continue to determine the broad features of public policy, retaining

²¹Ibid., 61-62.

²²Ibid.

direct control over civil service, the juvenile and city courts, and the Public Belt Railroad. But, apart from selecting the city manager, the council would have no other administrative or political authority.²³

By contrast, under the second BMR proposal, the city manager would have the authority to "co-ordinate the activities of the city administration in any way he [saw] fit". The city manager would have the freedom to consolidate administrative departments, recruit experienced, competent subordinates, and determine the ultimate cost of essential city services. To guard against the establishment of an unelected political machine, the BMR proposed that the MSC and the commission council introduce a municipal civil service system and that the city manager plan follow, as closely as possible, the Bureau's specific recommendations.²⁴

The BMR recommended the creation of eight municipal departments,²⁵ consolidating the duties and services of the municipal, parochial, and state governments serving New Orleans. As with the first proposal, the BMR recommended the elimination of most of the independent commissions, including the Board of Assessors, the Board of Liquidation, and the fire and police boards. Under the second set of recom-

²³Ibid., 62-63.

²⁴Ibid., 63. The BMR report recommended that all public workers, with the exception of the city manager and the department heads, should be placed on civil service.

²⁵Public Finance, Works, Safety, Welfare, Utilities, Law, Drainage and Water Supply, and Parks and Recreation. Ibid.

mendations, the BMR urged the abolition of the Sewerage and Water Board, the Recorder of Mortgages, the Registrar of Conveyances, and several other minor boards, and it suggested that the city manager and the commission council consider eliminating the Public Belt Railroad Commission and, if studies warranted, the Orleans Parish School Board.²⁶

The commission-manager proposal had few defenders, and the Municipal Survey Commission rejected the proposal as impractical and unwise. In a city as large as New Orleans, with diverse economic and political interests and concerns, a commission-manager plan was indeed an impractical and ill-considered proposal. It placed political and administrative authority in the hands of "outsiders" hired to determine and carry out public policy. It muffled, if not silenced, popular participation in the public affairs, relegating citizens to the level of consumers of public services and voters to the role of "stockholders". Above all, it placed government and politics beyond the control and influence of even the most active and interested citizens, allowing "experts" to determine the most fundamental public issues.²⁷

²⁶Ibid., 63-67. Though the BMR made no "positive" recommendations concerning the School Board, it did argue that "so long as the schools remain(ed) under a separate governing body...there (could) never be (a) carefully co-ordinated budget plan covering all activities of the city government."

²⁷Ibid., 12. The only defender the commission-manager plan had was the New Orleans Item. The Item reported that the commission-manager plan was not a "solid recommendation," but a simple summary of the latest developments in the "science" of municipal management.

Nevertheless, the Municipal Survey Commission considered the BMR study and report invaluable contributions to the rehabilitation of New Orleans politics and government, revealing several important facts about the character and business of the municipal government. When the McShane administration assumed power in December, 1920, the MSC wrote in its report, municipal affairs were in "a state of practical paralysis and administrative collapse; without proper care for the present and without adequate plan for the future". The causes for this administrative "collapse" were apparent to even the most casual observer, though remedying the collapse would be difficult, requiring a modification in the form of the municipal government and fundamental change in the content of city politics. The paralysis in government and politics stemmed from the politicalization of the "public service personnel" and the "confused and tangled governmental organization, which concealed responsibility, added to costs, limited economies, and impeded action while aiding politicalization of public service". The origin of these problems could be traced to the Favrot commission council charter of 1912, which "superimposed...the old

structure of the former politicalized ward-and-councilmanic form [of municipal government], without destruction of the gross evils existing in that form and without the Commission Council as such being given the necessary opportunity to function."²⁸

Finally, the BMR study revealed that the McShane administration, despite its considerable accomplishments (there were four the MSC report mentioned), remained a victim of the old politicized form of municipal government. In an effort to defeat the old regime, the ODA and its supporters employed the same sordid tactics and appealed to the same baser instincts that won elections for the Regular Democrats. And, as a consequence, "the working personnel [of the municipal government], in considerable measure, [was] still too deeply concerned with factional and partisan politics".²⁹

These facts, "drawn naturally from the mass of data" assembled by the Bureau of Municipal Research, led the MSC to several general conclusions. First, in making its recommendations, the MSC would ignore any consideration of factional advantage, local custom, or political convention. It would, as well, suggest only those reforms that were feasible and that the commission council could enact "in good

²⁸Ibid., 6-7.

²⁹Ibid., 7. The four notable achievements of the McShane administration were placing city finances on a cash basis, repairing streets, establishing a system of maintaining city property, and making "necessary plans for the future".

faith and without jeopardy to other public interests".

Second, though it refused to endorse either of the "political" recommendations made by the BMR, the Dameron commission recognized the need for the restructuring of municipal government and politics. The MSC proposed, then, the creation of two special advisory committees and the abolition of the civil service commission, replacing it with a Bureau of Employment and Personnel Supervision. The City Plan Commission, representing the commercial elite of New Orleans, would, with the help of experts and the approval of the city administration, develop a comprehensive city plan, designed to chart the city's civic and commercial future. The City Advisory Committee, consisting of one representative from the commission council and the principal independent boards and commissions, would bring order, continuity, and harmony to the administration of municipal affairs. As a division of city government directly responsible to the commission council, the Bureau of Employment and Personnel Supervision would establish a civil service system for the city, separating policy making from administration and determining the employment policies and standards of performance for every municipal department. The MSC also proposed that all "rank-and-file" employees of the city and parochial governments be "barred from partisan and factional activities and the places these public servants fill be removed from the bargain counter of political campaigns". With these reforms

in place, the municipal government of New Orleans could begin implementing the fiscal and administrative reforms recommended by the Bureau of Municipal Research.³⁰

Though the McShane administration was anxious to reduce the cost of government, it was not prepared, or willing, for that matter, to restructure municipal government or relinquish political authority to a bureaucracy of experts or to a series of citizens advisory boards. Like previous administrations, the McShane commission council jealously guarded its prerogatives and powers, and was anxious to expand its authority into other areas of municipal administration. The McShane administration was content with the present system of municipal government, believing it served the specialized interests of the commercial and civic elite of New Orleans. The McShane commission council also wanted to control the municipal reform movement, structuring its policies to meet its own definitions and expectations of good government and assuring the continuation of business reform in New Orleans.

The reforms proposed by the BMR and advocated by the MSC promised, however, to strip the commission council--and a majority of the people of New Orleans--of effective political and administrative authority, turning it over to experts and the privileged few. In one sense, then, the McShane administration, like the Behrman administration, resisted (though not completely) the antidemocratic excesses

³⁰Ibid., 7-12.

advocated by the BMR, the MSC, and John M. Parker. In another sense, however, the McShane commission council, through its political alliances, policies, and accomplishments, yielded to those excesses, paralyzing the municipal government and leading to its own administrative collapse.

In many ways, the Orleans Democratic Association was an organization of excesses, uniting the extremes of the anti-Behrman, anti-Regular movement in an unstable political coalition. At times, all that united these disparate political factions was their commitment (indeed their obsession) to removing the Behrman administration from power, replacing it with their own variety of municipal reform. But once the ODA defeated Behrman and the "Old" Regulars, the coarse fabric of the reform organization began to ravel, tearing apart the reform coalition. The first and most revealing snag developed over the issues of political patronage and civil service reform.

During the municipal campaign, the Parker administration lavished state patronage on the "disaffected" Regulars, hoping to attract their support for Andrew McShane and the other ODA candidates. The reformers consented to this "corrupt bargain," believing it a necessary, though evil, expedient. The patronage system was, after all, the epitome of ring rule, sustaining an unqualified, regressive administra-

tion in office, adding unnecessarily to the cost of government, and denying men of talent and intelligence the opportunity for public service. But there was, as well, virtue in necessity. Political patronage had helped defeat the "Old" Regulars (or at least the ODA believed it had) and could be used to sustain the ODA in office and further its conception of good government and progressive municipal reform. The continuation of the patronage system, if only on a temporary basis, also had an immediate benefit. It provided the McShane administration with experienced workers, allowing it to continue services without interruption and to pursue its political reforms, including civil service, without distraction.³¹

Accomplishing all this was, however, easier said than done. In several municipal and parochial departments, ODA officials "purged" dozens of experienced (RDO) workers, replacing them with men of unknown ability and little experience. And, to compound the issue, ODA leaders in the traditional Regular wards and precincts, themselves recent converts to anti-Regular reform, awarded jobs almost exclusively to former Regular Democrats, bypassing the reform wing of the ODA coalition. The dispute over jobs was so intense and personal that it rent the ODA patronage committee in two and disrupted the efforts of the McShane administration

³¹New Orleans Item, November 25, December 10, 28, 29, 1920, September 3, November 1, 8, 1922; New Orleans Daily States, November 28, December 5, 19, 23, 24, 28, 29, 1920.

and the reformers within the ODA to enact a comprehensive municipal civil service law.³²

At the state constitutional convention in the spring of 1921, barely four months after the inauguration of the McShane administration, Charles I. Rosen, a charter member of the ODA and an inveterate opponent of ring rule, asked the convention to incorporate a series of detailed civil service provisions in the state constitution. The Rosen proposals applied only to New Orleans, superseding other municipal civil service laws and the civil service provisions of the commission council charter. Rosen called for the creation of an independent, municipal civil service commission, appointed by the governor (though funded by the municipal government) and authorized to write and implement the policies and regulations governing civil service employment for New Orleans. Under the Rosen proposals, all municipal personnel, except elected officials, major appointive positions (City Attorney, City Treasurer, Clerk of Council), teachers, unskilled labor, and the personnel of the various independent boards and commissions, would be subject to the rules and regulation devised by the new civil service commission.³³

³²Ibid.

³³New Orleans Daily States, March 15-18, 23, 1921.

Though the civil service provisions won the support of the Committee on Parochial and Municipal Affairs, they did not have the support of Colonel Sullivan, Mayor McShane, or other ODA delegates. Nor did they have the support of former Mayor Behrman (Behrman was a delegate to the constitutional convention). Sullivan and the ODA patronage committee opposed the Rosen provisions because, as they argued, the proposals were too specific and did not belong in a modern state constitution. Sullivan favored broader, less detailed civil service provisions, granting the legislature the authority to enact civil service legislation for New Orleans. And, as a way of placating Rosen and the ODA reformers, he and Governor Parker promised to enact the Rosen provisions at the next session of the legislature.³⁴

But Sullivan's reason was disingenuous and his promise false. Despite their limitations and partisanship, the Rosen proposals threatened Sullivan and his organization. In effect, the Rosen provisions set a limit on the number and sort of "nonexempt" positions and jobs, preventing Sullivan and the ODA from expanding their influence. In addition, the Rosen proposals placed municipal civil service under a state agency, mandated by the constitution, serving at the discretion of the governor, authorized to adopt civil service policies and regulations free of "political" pressures, and

³⁴New Orleans Item, April 27, 1921, September 13, November 8, 1922; New Orleans Daily States, April 27, 1921.

funded by the municipal government. Hardly the ideal circumstances for an unreconstructed spoilsman like John Patrick Sullivan or a partisan reformer like John Milliken Parker. Sullivan and Parker convinced Rosen to retract his proposals, promising to enact them or something like them in next session of the legislature. After "mature reflection," Rosen withdrew the provisions, but a municipal civil service bill was never introduced during John Parker's term, and civil service reform remained an elusive, though intensely debated, reform for the next several years.³⁵

The Municipal Survey Commission, too, blamed the "spoils system" for the administrative paralysis of the New Orleans municipal government. "From 1900 to 1920," the MSC wrote, "New Orleans was controlled, literally, by a soviet of municipal employees. Under this condition,...the public service in New Orleans had reached a point...of practically complete administrative collapse. Standards of public service had become so lowered as to be nearly non-existent. It will be a generation before New Orleans ceases to pay, heavily, because street paving, repair, and maintenance, the

³⁵Ibid.; Schott, "John M. Parker," 386; Kemp, ed., Martin Behrman of New Orleans, 320. Rosen acknowledged that the purpose of his proposals was to prevent the growth of a second political machine, one more powerful and corrupt than the RDO. Mayor Behrman opposed the Rosen provisions because he opposed civil service, not because it threatened the political hegemony of the RDO, but because it hindered the formulation of public policy and lessened administrative control over workers. Behrman also opposed the provision giving a state agency control over municipal civil service. See Kemp, ed., Martin Behrman of New Orleans, 295-301.

construction and repair of public buildings, were not properly supervised or planned, because data essential to proper planning and administration were not kept...[and] because the public, as a whole, was inert, and permitted it."³⁶

The MSC placed much of the blame for the "administrative collapse" on the Behrman administration for establishing and perpetuating the "soviet of municipal employees" The 1900 civil service law and the 1912 commission council charter provided "no effective system for the selection of fit employees," and the ambiguities and specific exemptions of those laws allowed for dismissals based on "political grounds". Though the MSC did not blame the ODA or the McShane administration for using the spoils system to remove the Regulars from power, the MSC cautioned the new organization and administration against continuing the old system and contributing to the administrative paralysis of the municipal government. "The continuation of the [present civil service] operation and method, however, will constitute a grave reflection upon the present administration. No new law is necessary for the present Commission council to install a proper system of government...New law may be necessary to protect a proper system against destruction in the future, but is not necessary for installation. Lack of

³⁶Municipal Survey Commission, Administrative Survey of the Government of the City of New Orleans, 48.

the law is no excuse for inaction. However, to forbid partisan or factional activity by employees [and abuse of the employment practices by the municipal government], a constitutional amendment is necessary."³⁷

The MSC, however, rejected the Rosen proposals as unjustified and impractical intrusions on the administrative and political authority of the city, eroding the powers of the commission council without effecting real civil service reform. The Roen proposals denied the municipal government the authority to decide fundamental issues of public policy and to manage public programs. "The [public] policy [of the city], the plan adoption, the program-making, must be in the hands of elective public servants, answerable to the electorate, aided and advised by a limited number of appointed deputies charged with the duty of seeing the agreed policy carried out." "For this reason, we are opposed to any legislation which shall place in the hands of the State author-

³⁷Ibid., 48-49. The 1896 municipal charter created a civil service commission for New Orleans, placing many municipal employees (the number is uncertain) under civil service regulations. The civil service commission was, at least according to the reformers who enacted the law, independent of politics and the spoils system. Over the next several years, however, the Regular Democrats managed to alter the civil service regulations, eventually reorganizing the civil service commission and rewriting the civil service regulations. Nussbaum, "Progressive Politics in New Orleans," 76, 87-88, 92-96; Reynolds, Machine Politics in New Orleans, 58-61; Kemp, ed., Martin Behrman of New Orleans, 295-96, fn. 5. The BMR reported that there were 8,000 government workers in New Orleans; 2,600 under the commission council and the rest divided among the state and parochial departments. Of those 8,000, 2,600 were under state and municipal civil service.

ities as such or any Commission or agency of the State, as such, any division of authority over the employees of governmental agencies properly subordinate to the municipal government of New Orleans." It was the duty and obligation of the commission council, then, to determine the fundamental civil service policies of New Orleans, depoliticizing municipal employment practices, recruiting and retaining competent employees, and protecting them and the administration of public affairs against political and personal factionalism.³⁸

The MSC urged the commission council to create a Bureau of Employment and Personnel Supervision, a reconstituted Civil Service Commission, answerable only to the commission council, and empowered to establish civil service regulations and procedures that supplemented the employment and public policies of the commission council. The policies and procedures established by the council and implemented by the Bureau of Employment and Personnel Supervision should, the MSC recommended, apply to all divisions and departments under the political and administrative authority of the city and parish. The only exceptions would be the chief deputies and confidential clerks of all elective officials.³⁹

³⁸Ibid., 50 (first quotation), 15 (second quotation).

³⁹Ibid., 51-53.

The McShane administration and the ODA leadership ignored the civil service recommendations of the Municipal Survey Commission, refusing to relinquish their political "advantage". Rather, the McShane council sought greater economy and accountability in municipal government by revising the financial, taxation, and assessment policies of the municipal government. The administration failed to reform the fiscal and assessment policies of the city, exacerbating the city's financial condition and jeopardizing several essential city services, like fire and police protection, water and drainage, paving, and education. That failure stemmed from a combination of personal and political intransigence to change, inexperience and incompetence in the municipal government, and, perhaps most important, a heightened rural bias against New Orleans, in part the fault of John Parker and the anti-Regular reformers of New Orleans.

In its lengthy and exhaustive report on the financial condition and procedures of New Orleans, the Bureau of Municipal Research found the city's financial condition deplorable and its financial administration cumbersome and inefficient, impeded by constitutional restrictions and uncoordinated effort. The city operated under a rigid set of tax restrictions and limitations. The original purpose of those limitations and restrictions was to preserve the financial credit of the city. "That purpose," the BMR wrote, "was commendable, but the means adopted was cumbersome and round-

about" and impractical. Those limitations, the BMR pointed out, denied the people of New Orleans "the right, either by popular vote or through the acts of their duly elected representatives, to pass on the amounts of their expenditures, and to some extent even on the purpose of their expenditure, without first obtaining the consent of the citizens of the entire state". And it was, as the BMR concluded, "an expedient of doubtful value". Still, the BMR recommended nothing more than a "revision of the involved provisions governing tax rates in such a manner as to give to cities a greater measure of home rule in their purely local affairs, without removing the safeguards now thrown about the security of investments in municipal bonds".⁴⁰

The local financial arrangement, itself imbedded in the state constitution, allowed political interest to determine the financial policies of the city. The determination and management of the city's debt, tax, and assessment policies were divided among three independent, and at times rival, public authorities, the Board of Liquidation City Debt (BLCD), the Board of Assessors, and the commission council. That sort of financial arrangement resulted in a duplication of effort, added immeasurably to the cost of government, and, understandably, contributed to the city's miserable financial condition. The city spent a disproportional amount of its taxing power and revenue on debt management, permit-

⁴⁰Ibid., 144-45, 147.

ted electoral politics to influence assessment policies and practices, and saddled the financial administration of the city with ineffective collection and record procedures. The BMR recommended, then, the elimination of the BLCD, the Board of Assessors, and the creation of a uniform system of debt and revenue management under a single municipal administrator.⁴¹

The Municipal Survey Commission recommended the adoption of several of the more technical and administrative reforms proposed by the BMR, but the MSC refused to endorse any of the principal political reforms. Though the BMR praised several of the policies of the BLCD, the Bureau called for the gradual elimination of the board, turning its duties over to the commission council. The MSC was "greatly impressed" by the BMR recommendations on debt management, and, though it could not "presume to pass judgment upon the details of...the various suggestions," it recommended that the commission council, BLCD, S&WB, and PBRRRC study them with care. But nowhere in its report, however, did the MSC contemplate eliminating the Board of Liquidation or turning its duties over to the commission council.⁴²

The Municipal Survey Commission acknowledged, however, the "grave need" for a thorough revision of the assessment and revenue policies of the municipal government. The MSC

⁴¹Ibid., 72-74, 92-122.

⁴²Ibid., 20.

recommended the "standardization and equalization" of all real property within Orleans Parish, requiring the Board of Assessors to assess real property and improvements to real property separately and assigning a standard and uniform value to all property. The MSC did not recommend the abolition of the Board of Assessors, but urged the McShane administration to work with the present Board "in an earnest and sincere effort to accomplish the needed reforms.... If such co-operation fails, then the question of...abolishing the present system of seven separately elected assessors must necessarily become a vital issue."⁴³

The McShane administration disregarded all but of a few of the proposals of the Municipal Survey Commission, and its fiscal reform policy consisted of reducing the assessment rate from its wartime high of ninety percent to eighty-five percent of assessed value, imposing a new method of

⁴³Ibid., 17-21, 122-38. The BMR reported that the municipal government of New Orleans taxed personal property at a higher rate of assessment than real property. "The low per capita assessed value of real estate in New Orleans, in comparison with those of other cities in its population group and of other cities in the same section of the country, would indicate...one of two things--either that New Orleans is a very poor city or that its real estate is very much underassessed. The unusually high per capita assessment of personal property, on the other hand, eliminates the theory that it is a poor city." In 1921, the BMR reported, forty-four percent of New Orleans's revenues came from real estate taxes. The national average was fifty-two percent. New Orleans received thirty-one percent of its tax revenues from personal property tax, while the national average was only thirteen percent. But New Orleans was, and in many ways remains, a very poor city, purposely placing the tax burden on corporation wealth and commercial activities.

budgeting and accounting (recommended by the BMR and MSC) on most municipal departments, and attempting to revise the assessment policies of the city along the lines recommended by the BMR and the MSC. Only the new budgetary provisions achieved any success. The reduction in the assessment rate jeopardized vital public services, compelling the McShane commission council to shift appropriations, curtail services, and delay new projects. The commission council agreed that the city had to develop a comprehensive paving policy and enact a comprehensive zoning and planning ordinance. There was no agreement on the details of the plans or their financial and political costs. The administration also agreed that New Orleans needed to modernize and standardize its assessment policies (though the commission council was unwilling to place more of the tax burden on property holders), and it began working with the Board of Assessors on a plan to initiate the reforms urged by the BMR and the Municipal Survey Commission. These were assignments that would have taxed the capabilities and fortitude on any municipal government. They bankrupted the McShane administration.⁴⁴

⁴⁴New Orleans Daily States, February 16, 1919, March 22-23, April 2, August 5, December 19, 1921; New Orleans Item, August 3, December 19, 1921, September 3, 1922. Though the assessment rate declined, the millage rate rose, giving the McShane administration an increase in revenues. Still, it was constantly struggling to fund services. One reason was the distribution of the revenues. Thirty six cents of every dollar went to the Board of Liquidation; only twenty-three cents went to the city alimony.

Early in November, 1921, as the BMR completed its study into the administrative and financial condition of New Orleans, Commissioner of Public Finance Richard Murphy issued a preliminary report (probably gleaned from the BMR investigation) urging the commission council to install a new system of determining the assessed value of real property in New Orleans. As Murphy explained, the "block and lot" method of assessment would equalize assessments, reduce taxes, generate needed additional revenues, and "depoliticize" and democratize the tax structure of New Orleans. The BMR survey would confirm, he told the council, what every citizen already knew. The present system of assessment and taxation was regressive, inequitable, and politically motivated. It protected the interests of "favored" property owners (home owners), allowing them to evade taxation and shifting the tax burden to the commercial and professional classes. Adopting the plan would, as well, fulfill the ODA campaign promises, depoliticizing public affairs and establishing a permanent, progressive municipal government for New Orleans.⁴⁵

The Murphy plan was, however, inadequate. Despite the

⁴⁵New Orleans Item, November 19, 1921, March 15, 1922; Administrative Survey of the Government of the City of New Orleans, 73-74, 125-28, 137. Murphy argued that the "block and lot" method (critics labeled it "block and tackle") would add between \$100,000,000 and \$150,000,000 to the assessment rolls, mostly from tax dodgers and the politically well-connected, augmenting the city treasury by nearly one million dollars.

justice of some of its provisions, the proposal did not favor the equalization of assessments, the depoliticization of assessment practices, or the establishment of permanent reform. The McShane commission council had no intention (and could not muster the political courage) of attempting to revise the state constitution, deposing the elective Board of Assessors and replacing it with an appointed bureau of accountants, clerks, and assorted "experts" in assessment procedures. The progressive reform ideology of the BMR may have urged a more efficient and an equitable rearrangement of the lines of public authority, but public sentiment demanded a democratic and, ironically, inequitable assessment of private property.⁴⁶

The problem of equalization of assessment, though, went beyond the question of removing the Orleans Parish Board of Assessors.⁴⁷ Nor was it simply a matter of convincing the citizens of New Orleans to equalize assessments or to shift

⁴⁶The commission council did not have the authority to assess real or personal property, though the council could review the decisions of the Board of Assessors. Even that review was severely restricted by state law and was "merely advisory" since only the board of Assessors and the Board of State Affairs (Equalization Board) could reduce assessments. Act 231 Acts Passed by the General Assembly of the State of Louisiana at the Regular Session, 1920; Ivy G. Kittredge to Richard M. Murphy, July 27, 1922, Assistant City Attorney Rene A. Viosca to George Thoele, Secretary to the Board of Equalization for Orleans Parish, September 10, 1923, vol.10, CAO, CA, NOPL.

⁴⁷Orleans Parish had seven elected assessors, one each for the seven municipal districts of New Orleans. Each of the other sixty-three parishes had one elected assessor for the entire parish.

the burden of taxation to other classifications of property and wealth. And, as the MSC survey revealed, it was not a partisan issue, with "machine" politicians aligned against change and the "progressive reformers" dedicated to economy, efficiency, and democracy.⁴⁸

As early as 1915, the Behrman administration, seeking financial and political independence from the state legislature and the rural parishes that dominated it, demanded the equalization of assessment within Orleans Parish and throughout the state. In March of that year, the commission council arranged for the Bureau of Municipal Research to study the financial circumstances of the city, instructing the BMR to recommend ways for the city to equalize assessments within the parish, increase municipal revenues, and establish a measure of financial independence from the state government.⁴⁹

In many ways, the 1915-1916 BMR report anticipated the municipal survey of 1921-1922. The BMR recommended replac-

⁴⁸As Jon C. Teaforde has pointed out, it would be a mistake to assume that the so-called machine politicians were incompetent, corrupt, and profligate with public revenues. It would be a mistake, as well, to believe that the business reformers were competent, incorruptable, and conservative in the financial affairs of the city. "Tight money and high interest rates," Teaforde wrote, "may have been more decisive in determining whether sewers were built and waterworks expanded." See Teaforde, The Unheralded Triumph, 283-84, "Finis for Tweed and Steffens: Rewriting the History of Urban Rule," Reviews in American History, 10 (December 1982), 143, "New Life For An Old Subject: Investigating the Structure of Urban Rule," American Quarterly, 37 (Winter 1985), 349, 351-52.

⁴⁹New Orleans Item, March 5, 19, 1915.

ing the Board of Assessors with a special assessment board appointed by the mayor and charged with the equalization of assessment throughout the parish. Under the new arrangement, the commission council would set assessment policies, standardizing the assessment rate, repealing exemptions on "private" (Catholic parochial) schools, assessing real estate at rates comparable to personal property rates, and centralizing financial authority in the office of the Commissioner of Public Finance. The principal recommendation, however, concerned the state assessment and taxing policies. The BMR recommended the abolition of the direct state tax on real and personal property, apportioning the tax revenues among the parishes in proportion to all revenues raised for local purposes.²⁰

The Behrman administration was thoroughly disappointed in the BMR recommendations. The administration had no intention of replacing the Board of Assessors (though Behrman would have gladly eliminated the Board of Liquidation) or repealing the exemptions for church property. And though it welcomed recommendations designed to enhance revenues and to alleviate the heavy state tax burden on the city, the BMR

²⁰New Orleans Item, March 5, 19, June 8, September 8, November 24, 1915, January 1, 11, April 30, 1916; New Orleans Daily States, January 6, 1916; New Orleans Times-Picayune, March 6, 1915, January 6, 1916; Ethel Hutson, "New Orleans Survey," National Municipal Review, 5 (July 1916), 522-23; "Miss Hutson's Rejoinder," NMR, 5 (October 1916), 705-06; Herbert R. Sands, "New Orleans Survey--A Reply," NMR, 5 (October 1916), 703-05.

proposals would have placed a greater burden on real estate and would have increased the amount of taxes the city paid to the state, while decreasing taxes in rival parishes like Jefferson and St. Bernard. To increase personal property taxes while decreasing the taxes paid by New Orleans Railway and Light Company or the Cumberland Telephone Company was unacceptable to the Regular Democrats and to the voters of New Orleans. And, as Mayor Behrman and the commission council recognized, equalization of assessment had to apply to all parishes. The BMR proposal for "equalized" assessment would penalize New Orleans, forcing Orleans property owners to pay more taxes, receiving fewer state services in return. The administration and the financial leaders of the city would never increase local taxes or equalize assessment policies until all parishes followed suit.⁵¹

Despite these obstacles, Commissioner Murphy pressed

⁵¹Hutson, "New Orleans Survey," 523; "Miss Hutson's Rejoinder," 705. Equalization of assessment remained an intense issue throughout the Progressive Era in Louisiana. The Pleasant administration tried to resolve the issue, but was unsuccessful. The constitutional convention of 1920 provided for uniformity of property tax assessment, but the Louisiana Tax Commission, the body charged with that task, failed to perform its duty. "Failure of the commission to supervise the assessors and to insure uniformity of property taxation, as required by law," writes the premier student of Louisiana constitutional history, "led to the rapid emergence of seventy autonomous sheikdoms in which each assessor was essentially free to value and assess property as he pleased." The emergence may have come sooner than this student realized, but the causes he attributed to the failure are undeniably true. Carleton, "Elitism Sustained: The Louisiana Constitution of 1974," Tulane Law Review, 54 (April 1980), 579-80.

for the adoption of his plan. In haste and without any public debate on the issue, Henry Umbach, the president of the Board of Assessors, Robert W. Riordan, chairman of the Louisiana Tax Commission, and the Board of Liquidation gave the plan their tentative approval. Acting on their advice (but without the approval of the City Attorney; Murphy referred the plan to the City Attorney as an afterthought), the commission council agreed to accept Murphy's proposals as the basis for assessment reform and instructed the Commissioner of Public Finance to prepare the "appropriate" legislation for the adoption of the plan.⁵²

At the legislative session in June, Murphy described for the General Assembly the disabilities and political evils of the current assessment policies, arguing that the city could no longer afford a regressive, politically biased tax and assessment system. In contrast, the "block and lot" system would reduce rates, increase revenues, and promote "greater democracy" in New Orleans. Though the plan was complete and required no revision by the legislature, it needed the financial assistance of the state government. Commissioner Murphy estimated the cost of installing the block and lot plan at \$150,000, and he asked the legislature to contribute \$60,000 to help the city defray the cost. And though the House of Representatives passed the Murphy bill, the state Senate, obviously concerned with the excessive costs,

⁵²New Orleans Item, November 19, 1921, March 15, 1922.

rejected the bill, effectively killing the plan.⁵³

Despite the action of the state legislature and its own financial difficulties, the commission council ordered the adoption of the Murphy plan, commissioning Stoner, Gallagher and Gross, a Houston engineering firm, to implement the block and lot system. From the start, unexpected delays, petty bickerings, and growing doubts about the efficacy and equality of the block and lot system, impeded installation. Stoner, Gallagher and Gross took eight months to complete its survey, requiring the Board of Assessors to delay the assessment of property for several months and finally forcing the board to revert to the old method of establishing assessed value. The delays jeopardized city services and threatened the city's credit rating, irritating the citizens and creditors of New Orleans and rupturing the "tentative" consensus on the Murphy plan.⁵⁴

After the legislature rejected the Murphy plan, the Board of Assessors grew apprehensive about the block and lot system. In a formal statement, the Board of Assessors warned that "extreme care should be exercised in the adoption or installation of any [assessment] system in conflict with existing statutory provisions...". Without the specific sanction and protection of state law, the city administration

⁵³New Orleans Item, June 14, July 3, 19, September 13, October 4, 17, 1922; New Orleans Daily States, April 23, June 21, 1923.

⁵⁴New Orleans Item, January 10, May 13, 31, 1923; New Orleans Daily States, January 10, 11, May 15, 28, 1923.

risked countless lawsuits and endless delays, threatening the repeal of assessment reform and the city with financial bankruptcy. Martin Behrman cautioned, as he had in the past, that the adoption of an equalized rate of assessment, unless applied uniformly within each parish and throughout the state, would jeopardize the interests of New Orleans, requiring the city to pay a disproportional share of the state property tax and, in effect, subsidizing the other parishes and the state with its tax revenues. And, despite its claims, the Murphy plan did not equalize assessments or democratize the tax structure of New Orleans. The block and lot system placed a greater share of the assessment and tax burden on the small property owners, compelling them to pay an excessive share of the property tax of the city.²⁵

Disturbed by the implications of the block and lot plan and disenchanted with the McShane administration, the Board of Assessors (every one a Regular Democrat) rejected the assessment figures calculated by Stone, Gallagher and Gross, referring to them as an "alien and incompetent assessment" based on an unproven and suspect system. The board ordered a reassessment of property values under the old method, in effect leaving the McShane administration with a deficit and compelling it to reallocate resources and to curtail

²⁵New Orleans Item, September 3, 1922, February 18, May 13, 31, 1923; New Orleans Daily States, May 15, 28, 1923.

city services.⁵⁶

In December, 1920, at the inauguration of the McShane administration, the Association of Commerce sent a survey to one hundred business and professional executives, asking them to rank the city's essential "civic improvement" needs. Predictably, the civic and business leaders of New Orleans neglected the issues of public education, decent, affordable housing, "full employment" and a "living wage," public health, and child welfare. Rather, their chief interests and priorities concerned the commercial and physical improvement and development of the city. And, unquestionably, their principal concern was the adoption of a comprehensive paving and commercial transportation system, designed to enhance commercial and residential property values and to accelerate the pace and profit of commercial traffic in New Orleans. Regretably, adopting a comprehensive paving plan meant diverting precious financial and social resources from vital city services like fire and police protection (driving up the cost of business and residential insurance) and water, drainage, and sanitation. Nevertheless, the Association of Commerce and the reform press considered paving and a city plan among the primary concerns of the new administration. And, despite reservations about depriving other essential

⁵⁶New Orleans Item, May 13, 31, June 3, August 5, October 28, 30, 1923; New Orleans Daily States, May 15, June 7, September 21, 25, October 29, 1923.

city services of money already appropriated to them, the McShane administration diverted money and energy to paving and zoning.⁵⁷

During the mayoral campaign, the ODA and the city press blamed the Behrman administration for the inexcusable condition of city streets, complaining that the street assessment policy of the administration penalized property owners, bloated cost, and prevented the development of a comprehensive paving plan. According to the New Orleans Item, only twenty-seven percent of the streets in New Orleans were paved or surfaced, making New Orleans the "worst paved city in the country". Since 1915, the Item reported, when the commission council adopted a new paving and street assessment ordinance, the city administration paved only thirty-nine miles of streets, leaving 470 miles of unimproved dirt roads in Orleans Parish. Nature was, to be sure, the principal enemy of New Orleans streets. The city was, after all, reclaimed from an immense and imposing cypress swamp that threatened the foundation of every home, building, and street in New Orleans. Much of the city remained undeveloped

⁵⁷New Orleans Daily States, June 17, September 29, October 4, 6, 29, December 4, 1920. The businessmen also included the introduction of natural gas and the construction of more hotels as their principal concerns. Assessment reform and a comprehensive city plan were not among their priorities. For an informative account of the city planning movement in the urban South, see Blaine A. Brownell, "The Commerical-Civic Elite and City Planning in Atlanta, Memphis, and New Orleans in the 1920s," The Journal of Southern History, XLI (August 1975), 339-68.

and did not require the immediate attention of the commission council. The war, too, contributed to the deplorable condition of city streets, making it difficult to obtain the financial, material, and human resources to maintain and expand the streets. But, the Item contended, these circumstances were not responsible for the condition of the city streets, and they did not excuse the Behrman administration from blame. Rather, responsibility for the streets lay with the present street paving and assessment ordinance and the failure of the city administration to anticipate and provide for the development of the city.⁵⁰

The Bureau of Municipal Research reiterated the same observations and criticisms in its report to the Municipal Survey Commission. The BMR, too, recommended revising the paving and street assessment laws and ordinances and establishing a "consistent" and comprehensive policy of paving and resurfacing streets. The BMR proposals, however, required property owners to pay an even greater share of the cost of paving and resurfacing and limited (in essence, denied) their choice of paving material. Despite these innovations and additional resources, the BMR argued that "it would be impractical for the city to undertake a repaving program commensurate with [its] real needs". In essence,

⁵⁰New Orleans Item, January 5, February 17, March 27, 1919, January 7, 10, 13, 25, 26, 30, 1921, October 14, 1922, New Orleans Daily States, June 3, 22, July 26, August 6, 1919, September 29, October 4, 6, 29, December 4, 1920, June 14, 1922, February 2, 1923.

under the existing paving laws and ordinances, the city could not afford to rebuild the city streets.⁵⁹

The BMR warned, however, that "the public should be under no illusion as to the reality of the need for paving. It may be said without question that the economic loss experienced each year by the citizens of New Orleans in the form of cost of hauling and operating passenger automobiles over the streets as reflected in wear and tear on equipment, delays due to traffic congestions, breakdowns, etc. (sic), which result from the present deplorable conditions of these thoroughfares, is many times greater than the amount of money required to provide (a) suitable pavement surface." "It is imperative," the BMR concluded, "that some definite policy be enunciated in the matter and a repaving program adopted." The municipal government, the BMR advised, should initiate a more comprehensive approach to paving, incorporating plans for resurfacing streets in preparation for eventual repaving and new paving construction that included paved and unimproved streets.⁶⁰

The Bureau proposed that the city resurface twenty miles of streets each year over the next ten years at a cost of \$8.5 million dollars, roughly dividing the cost between the city and property holders. If the municipal government failed to initiate a resurfacing program, the BMR predicted,

⁵⁹Administrative Survey of the Government of City of New Orleans, 209, 211.

⁶⁰Ibid., 211.

eventually the deteriorating condition of the streets would compel the government to reconstruct those streets, squandering precious resources and jeopardizing new construction projects. In addition, the BMR recommended that the commission council adopt a systematic and comprehensive paving program, permitting the city to pave 170 miles of new streets over the next fifteen years at a cost of forty-two million dollars, twenty-two for paving and twenty million for subsurface drainage. Furthermore, since new paving construction increased property values and added "materially" to the convenience and the economy of residential and commercial life, then residential and commercial property owners ought to pay a large majority of the cost.⁶¹

The Municipal Survey Commission, as expected, affirmed the paving recommendations of the BMR. "Preparing, financing and initiating a comprehensive programme of street improvement," the MSC wrote, "will be the greatest single contribution the present city administration can make to the economy, comfort and efficiency of living and working in New Orleans." And the MSC believed that a "consistent" and systematic paving program, if "thoughtfully devised and comprehensively applied," was the only alternative to "the far more costly continuance of the loose and aimless procedure of the past. The present city administration is being summoned to plan and execute now things which should have been

⁶¹Ibid., 211-14.

planned and in execution long since. Delay and neglect in the past add(ed) to the difficulties and the cost now necessary, but further delay can only further enhance those difficulties and those cost." With the assistance of the civic and commerical leadership of the city, the commission council could devise a consistent and comprehensive paving policy and begin construction within two years. The "Comprehensive Street Improvement Programme" should include the installation of a "modern assessment" policy for real and personal property and a thorough revision of the zoning laws and ordinances. And, finally, the paving plan must complement and support the development of a comprehensive city plan, designed to direct and further the commercial and civic growth of New Orleans. Without such a systematic and comprehensive approach to city management, New Orleans would continue its perceptible, though reversible, decline among the nation's great cities.⁶²

Regretably, from the perspective of the MSC and the commerical elect it represented, the "loose and aimless" practices of the past continued under the McShane administration. Pressured by the civic and business leadership, the commission council responded first to the immediate need to maintain city streets, preserving existing property values and speeding commerical traffic in the "developed" portions of the city. Meeting this demand required reallocating the

⁶²Ibid., 32-33.

city's meager revenues (the McShane administration lowered the assesment rate and decreased taxes), depriving citizens of certain city services, and incurring additional debt."³

The 1922 paving scheduled called for the city to pave or resurface thirty streets at a cost to the city of \$560,000. But the city government appropriated only \$125,000 for street paving and major resurfacing projects. Rather than curtailing street projects, McShane administration considered "emergency" budget revisions to meet the demands of the Association of Commerce and the press for "good streets". The Association of Commerce proposed that the city administration retain the assessment rate at ninety percent (though the association urged a further increase in the homestead exemption, depriving the city of \$320,000 in revenue) and issue new "paving certificates" bearing higher interest rates to attract investors. But the city council, anxious to fulfill its campaign promises to reduce taxes and "depoliticize" public affairs, wanted to dedicate budget savings to maintaining streets while it considered permanent methods of funding the comprehensive paving plan. Commissioner of Public Utilities Maloney suggested diverting \$400,000 from the franchise tax to fund paving, and Commissioner of Public Safety Stanley Ray urged the council to ask the legislature for the authority to impose a special,

³New Orleans Item, December 4, 14-18, 22, 1921, New Orleans Daily States, December 15, 16, 20, 21, 27, 1921.

permanent two mill tax dedicated to municipal paving. An increase in the millage rate would generate millions of dollars in recurring revenue, permitting the council to lower the assessment rate and reduce the tax burden on the average taxpayer.⁶⁴

But the business and civic leadership were unwilling to wait for the legislature to convene and for the citizens of the state to vote New Orleans a special millage increase. Instead, they sought immediate relief and demanded that the people of New Orleans sacrifice some city services for the more essential and immediate need for paving. James Thomson, the publisher of the Item, favored using permanent revenues to fund the paving program, but he, like many civic and commercial leaders, opposed any increase in the millage rate. Rather, he recommended that the Orleans Parish School Board surrender two of its six and a half mills to the municipal government for paving. Thomson's proposal was, frankly, preposterous, but was indicative of the fanatical dedication men like Thomson had for paving. Their persistence compelled the commission council to rededicate funds to paving and resurfacing projects. The McShane administration agreed to transfer funds from the fire and police departments, the free clinics operated by the New Orleans Board of Health, and salary increases for municipal workers to the Municipal

⁶⁴Ibid.

Repair Plant and to the paving program."⁵

Still, by the end of the summer, 1922, the commercial and civic "elite" of New Orleans was clearly dissatisfied with the approach of the McShane administration to street maintenance and new street construction. The "pay-as-you-go" policy of the McShane commission council continued the same "loose and aimless" policy of the Behrman years. The city administration needed to ask the present and the future generations to share in the expense of removing New Orleans from the mud. New Orleans, the Item editorialized, is a "rich city, and an old center of accumulated wealth. It is absurd to say that it cannot raise the money for paving if its people make up their minds to come out of the mud". But the problem was never that simple. For, despite the amateur sociology and glib assurances of the Item, New Orleans was not a wealthy city, though there were pockets of wealth in the city, principally in the Garden District and the "University Section". These areas, however, were the centers of the anti-Regular reform movement that had demanded a reduction in assessment rates and property taxes. In addition, these sections of New Orleans were already paved (though in need of repair or resurfacing) and did not want to be assessed for new paving construction outside their own

⁵New Orleans Item, February 2, 14, August 13, 1921, March 10-14, 26-31, July 17-28, August 1, 1922; New Orleans Daily States, August 9, 16, 1921, March 26, 27, 1922, February 7, 1923.

areas or the downtown business district.⁶⁶

Initiating a comprehensive paving and resurfacing plan, then, required a thorough restructuring of municipal assessment and taxation policies and reorienting of city politics. And, given the legal and political obstacles standing before the McShane administration, it was understandable that the commission council approach the recommendations of the MSC and the Association of Commerce slowly and cautiously. In early February Mayor McShane called an "informal" meeting of the commission council to assess its "sentiment" on a paving and assessment plan he had developed. The plan called for dedicating either a new one mill tax to paving or dividing an existing mill between the commission council and the Sewerage and Water Board. In addition, the mayor proposed increasing the debt limitation under the 1916 refunding act, permitting the commission council to fund the paving program immediately and recouping its expenses through the permanent paving assessment.⁶⁷

The New Orleans Item and the Association of Commerce reacted bitterly to the McShane plan. It was inconceivable, the Item wrote, that after all the public discussion about the need for a comprehensive revision in the assessment and paving policies of the city, that Mayor McShane would offer a plan that promised to wreck the paving program before it

⁶⁶Ibid.

⁶⁷New Orleans Item, February 3, 4, 6, March 18, 23, 1923; New Orleans Daily States, March 18, 1923.

began and threatened the Sewerage and Water Board with financial ruin. The Association of Commerce, divided and unable to agree on a single plan, made two recommendations. The initial plan authorized the S&WB to build the subsurface system and pave the streets. Property owners in the drainage and paving area would be assessed for the cost of the entire subsurface project and a prorated portion of the surface paving. The Sewerage and Water Board would fund subsurface construction by increasing water rates fifty percent for all customers. The commission council would meet the cost of street paving by issuing paving certificates underwritten by a special two mill increase. The second recommendation called for the creation of a "Special Independent Paving Commission" authorized to built new streets. The paving commission, too, would fund new construction by "floating" paving certificates backed by a two mill increase in the tax rate.⁶⁰

The Association of Commerce proposals were complex, expensive, inequitable, and undemocratic. Both plans required several constitutional and charter revisions, necessitating hours of costly legal research and political lobbying and distracting the council and the public from other, equally important issues. The association's plans were too costly from both a financial and a social aspect. It was unconscio-

⁶⁰New Orleans Daily States, January 3, March 12, 20, April 19, November 29, 1923; New Orleans Item, March 20, 23, April 19, 24, May 30, June 3, November 29, 1923.

nable to raise rates on a necessity of life to fund a comprehensive paving plan. The plan discriminated against the unimproved areas of New Orleans, requiring them to pay for the entire cost of the subsurface construction and a higher price for street paving. Revenues from the general property tax, imposed on all property owners regardless of the location and condition of their property, helped build the streets and subsurface drainage in those improved and exclusive neighborhoods. On the other hand, property owners in the established residential areas and the central business district were virtually exempt from assisting in the development of the unimproved areas of the city. Finally, even as the Item recognized, the creation of another special board ignored the recommendation of the BMR, undermining the democratic process and eroding the authority of the commission council.⁶⁹

For the next several months the Association of Commerce and the McShane administration exchanged proposals. The businessmen opposed any increase in the millage rate, arguing instead that property owners in the drainage and paving areas should pay at least ninety-five percent of the total cost. The entire city, they contended, should not be compelled to pay for the improvements enjoyed by a small segment of the population. They proposed, however, a size-

⁶⁹New Orleans Item, March 29, April 10, July 30, November 29, 1923; New Orleans Daily States, March 30, July 4, 30, August 2, November 29, 1923.

able increase in debt limitation for public improvements, a fifty percent increase in the water rates charged by the Sewerage and Water Board, and an increase in the city gasoline tax--assessments imposed on other generations and other classes of citizens. The council insisted on a more modest increase in the debt limitation (twenty million as opposed to thirty-five million) and one mill for paving for the next ten years. The council believed that the association plan was too costly and patently unfair, possibly jeopardizing the city's credit rating and penalizing the majority of the people.⁷⁰

The dispute continued into the summer, and neither the Association of Commerce nor the McShane administration would compromise. The state legislature refused to raise the millage rate, or authorize the S&WB to pave streets. The legislature, however, raised the debt limitation for paving to a meager fifteen million dollars and dedicated one cent of the state gasoline tax to the municipal government for paving. Though Andrew McShane objected to the Bond-Theole paving law, other members of the municipal government and the president of the Association of Commerce applauded the legislature, calling the new paving act "reasonable, construc-

⁷⁰New Orleans Item, November 23, December 12, 23, 1923, January 10, February 19, April 2, 29, May 17, 20, 21, 1924; New Orleans Daily States, November 23, December 19, 23, 1923; April 30, May 1, 9, 1924; Kittredge to McShane, January 28, 1924, vol.10, CAO, CA, NOPL.

tive, and practical".⁷¹

In many ways, the Bond-Theole act was a reasonable and constructive solution to the paving problems of New Orleans. It increased the debt limitation for public improvements to \$20,000,000, compelling all property owners to share in the expense of paving and allowing the McShane administration to expand its paving and resurfacing plans without relying exclusively on "current" revenues. It placed greater financial obligations on those citizens who benefitted most from street improvements, the property owners in the paving areas and those citizens who used the city streets for private use or business. The Bond-Theole was a more judicious proposal than those offered by the Association of Commerce (though it could have benefitted from several of the recommendations of the McShane administration), which sought to displace the authority of the commission council and to shift much of the cost of paving to those citizens least able to meet those cost. And, it was, from the standpoint of Association of Commerce, more equitable than the bill offered by the McShane administration. That bill required all property owners to share in the expense of paving, though only a relative few citizens benefitted.

In other ways, however, the Bond-Theole act was more indicative of the failure of "business reformism" and the

⁷¹New Orleans Item, June 25, July 1, 8, 1924. Senators Nat Bond (Martin Behrman's son-in-law-) and George Theole sponsored the 1924 paving law. Both were "Old" Regulars.

McShane administration. In effect, the Association of Commerce and the McShane administration represented the same economic and social interests. Yet they were incapable of consensus, principally because of the flaws and contradictions embedded in the business reform movement. The civic and commercial leadership of New Orleans demanded a comprehensive rehabilitation of public affairs that, in effect, ensured their continued dominance, muffled popular politics, and assured the continuation of the "loose and aimless" policies of the past. The commercial elite demanded a new tax and assessment policy that placed a greater burden on public services. In addition, they demanded a massive "public" works program that reallocated vital financial and social resources and that, frankly, had few immediate social or political benefits.

The McShane administration, on the other hand, though anxious to undertake the reforms demanded by the civic and business elite, could not convince the business leadership to respect established democratic policies. Indeed, there was no effective reason why the business community should respect the efforts of the McShane commission council. From the start of the McShane administration, the business and civic elite presumed to govern in its name, imposing impractical and aimless reforms on the city council. For its part, the McShane commission seemed incapable of resisting the political pressures placed on it, resulting in a government

by ad hoc business committees and the continuation of the "loose and aimless" policies of the past--a past for which the civic and commercial elite and the McShane administration were now responsible.

Chapter Ten

The Barrone Street Blues

The McShane administration seemed poised and anxious to resolve the city's bitter and persistent differences with the New Orleans Railway and Light Company. And well it should. The Behrman administration seemed incapable (its critics said unwilling) of resolving the public utility problem. Instead, as critics charged, the Behrman administration, addicted to the old politics and overwhelmed by the welter of wartime events, fabricated a series of temporary accommodations that did little more than increase rates and fares. Perhaps no other issue, these same critics asserted, exposed the political and administrative bankruptcy of the old regime more or contributed so much to its defeat in 1920 as the issue of the regulation and rehabilitation of the public service industry. And, these critics boasted, no other single issue would reveal more the fitness of the municipal reform movement to govern New Orleans than the rehabilitation of New Orleans Railway and Light Company.¹

The initial policies and actions of the McShane administration, however, displayed little of the fitness and readiness to govern that the leaders of the civic reform

¹New Orleans Daily States, December 26, 1920, February 16, 1921; New Orleans Item, December 8, 1920, February 16, March 25, 1925.

reform movement expected. In February, 1921, one month before the expiration of the eight cent ordinance, Receiver John O'Keefe, Judge Rufus Foster, and the representatives of the major bond holders (the New York Trust Company and the Chase National Bank) called on the commission council. It was their hope, O'Keefe told the councilmen, to begin discussion with them for the "complete re-organization and re-financing of the property [based] on the condition that a just and constant return on a fair valuation would be granted by the city authorities."²

The city administration, O'Keefe insisted, must "help" in the reorganization and rehabilitation of NORLC and NOGLC. Those two public service systems, he said, were overburdened and deteriorating, and could not, under present conditions, meet the public demands for more extensive service. If the two principal utility companies in the city were to furnish sufficient service now and in the future, then they must be allowed to reorganize and refinance themselves in such a manner that would preserve previous investments and encourage new investment. The only feasible and expedient way to

²New Orleans Daily States, February 16, 1921; New Orleans Item, February 16, 1921. The first action taken by the new administration was to sue NORLC for the recovery of delinquent taxes. The city claimed NORLC owed nearly \$600,000 in back taxes for 1919 and 1920, and that the eight cent fare afforded the company the opportunity to meet its civic obligations. Eventually, the city and the receiver settled out of court. NORLC paid \$332,000 in delinquent taxes. See New Orleans Daily States, January 13, 16, 22, 22, 24, March 15, 1921.

safeguard old investment and to attract new money, O'Keefe suggested, was to assure both a sufficient rate of return and a generous valuation. With these guarantees, which only the commission council could grant, the stockholders would be able to reorganize, rehabilitate, and expand the services of the companies.³

The council heard specific recommendations from O'Keefe as well. He called on the council to establish the valuation of the two companies at \$55,000,000, guaranteeing them a rate of return of eight percent on current investment and eight percent on money contributing to the physical and financial rehabilitation of the companies. In addition, the receiver proposed that the commission council grant NORLC an indeterminate service at cost franchise (NOGLC had an exclusive franchise with the city until 1925) that incorporated all operating cost, taxes, replacements, extensions, and the rate of return in the cost of service. The O'Keefe proposal "granted" the city the right of purchase and gave the commission council authority over scheduling, routes, and general corporate expenses, exclusive of stock and bond issues.⁴

Despite the appeal and strengths of the service at cost plan, O'Keefe confessed, it could not effect the reorganization and rehabilitation of the public service corporations

³New Orleans Item, November 24, 1920, January 21, February 16-17, 1921.

⁴Ibid.

without the consent and assistance of the the municipal government and the leading banks in New Orleans. The purpose of his presentation, he said, was to convince the commission council and the local bankers of the expediency of the service-at-cost plan and of the justice of his proposal for the rehabilitation of the public service industry.⁵

O'Keefe could do neither. Rudolph S. Hecht, the president of the Hibernia National Bank and the chairman of the Bondholders Protection Committee, spoke for the bankers. He told O'Keefe that the local banks could not fund the rehabilitation of the companies under any circumstances or with any guarantees. The city banks simply did not possess the necessary capital to refinance NORLC, estimated at over twelve million dollars, five million alone in the first year. The commission council, too, was unwilling to endorse the receiver's recommendations. Commissioner of Public Utilities Paul H. Maloney, a tenacious Irish politician from the exclusive Twelfth Ward and the only Regular Democrat on the commission council, questioned the wisdom and the justice of the service-at-cost plan. Directing his remarks to the representatives of the Chase National Bank (G. M. Dahl) and the New York Trust Company (M. N. Buckner), Maloney repeated the major criticisms of the service-at-cost plan. The plan was, he said, to be frank, a windfall for a distressed and suspect industry. The SAC plan, as suggested by company man-

⁵Ibid.

agement, required the municipal government and the consumers to underwrite and manage the entire cost of business, while the management of NORLC, without the conventional incentives for efficient and inexpensive service, received an assured income and a guaranteed profit. And, more to the point, Maloney objected to any suggestion that inflated the value of NORLC and offered to pay a return on stocks and bonds that never contributed to public service."

The two New York bankers told the Commissioner of Public Utilities that they appreciated the administration's cautious, skeptical approach to the receiver's plan. Admittedly, the service-at-cost plan was untested and required more precise definition and refinement. And, despite the practical necessity and justice of O'Keefe's plan, the city administration and the receiver seemed unequipped to resolve their differences. The bankers suggested that the commission council and the receiver submit their differences to a "disinterested and competent board of arbitration," possessing

"New Orleans Item, January 21, February 17, 19, 1921; New Orleans Daily States, February 16, 18, 1921. O'Keefe's proposals had several other well-placed critics, including Mayor McShane, Dr. V. K. Irion, Marshall Ballard, editor of the Item, and State Senator E. M. Stafford and attorney John J. McLoughlin, the two leaders of the anti-eight cent fare movement. There were, as well, less notable critics. For an example, see William Reese, secretary, Building Trades Union to CPU Paul H. Maloney, March 15, 1921 and Carpenters Union to CPU Maloney, April 18, 1921, Department of Public Utilities, Petitions and Correspondence vol.2, CA, NOPL. For a generous, though inaccurate, description of Maloney's political abilities, see T. Harry Williams, Huey Long, 223-24.

the authority and prestige to bind the administration and the company to its decisions. Judge Foster, perhaps sensing an opportunity to end the receivership, snapped at the idea. Since neither the receiver nor the council seemed capable of resolving their differences, he told reporters, then perhaps a conference of business and professional men could. With that thought in mind, Foster "invited" several leading businessmen and professionals to meet with him to select a board of arbitration.⁷

Incredibly, Judge Foster informed the conference that the commission council and the representatives of NORLC had conceded to them the authority to settle the public utilities issue. The council had no intention, of course, of relinquishing its authority to the court or to another group of "special masters".⁸ Nonetheless, Foster pursued the selection of a "citizens advisory commission," appointing forty business and professional men, with former NORLC

⁷New Orleans Daily States, February 18, 22, 23, 25, 1921; New Orleans Item, February 18, 22, 23, 25, 1921.

⁸Commissioner Maloney, emulating former Mayor Behrman and former City Attorney I. D. Moore, informed the conference that the commission council would not be bound by any recommendation made by the select committee. New Orleans Item, March 21, 1921.

president Hugh McCloskey serving as chairman.⁹ Chairman McCloskey admonished the select committee to approach the investigation with circumspection and objectivity, careful to avoid any tincture of prejudice and partisanship. The "ultimate" solution, he said, lay with the ability of the committee to balance the interests of the public, of the employees of NORLC, and of its "legitimate investors". The public expected good service and strict financial accountability from NORLC, its employees wanted "living wages" and decent working conditions, and investors demanded security for their investments and a fair rate of return.¹⁰

Near the end of March, after several weeks of "full and mature deliberations," the McCloskey committee issued two reports. Writing for the majority of the select committee, chairman Hugh McCloskey prefaced its recommendations with words critical of management and public authority.

The commerical future of New Orleans [he wrote] is inseparably allied with the development of a modern public utility corporation which can furnish transportation, power and light at reasonable cost to an ever-growing population. To be able to furnish such

⁹New Orleans Item, March 1, April 9, 1921; New Orleans Daily States, March 1, 1921. Committee member Sylvan Levy asked McCloskey to expand the committee's membership to include representatives from the city's "poorer people". But McCloskey denied the request, explaining that Foster called for a conference of businessmen and professional men. Leigh Carroll called on McCloskey to invite V. K. Irion, John J. McLoughlin, and E. M. Stafford to join the select committee. McCloskey denied them access, too, remarking, disingenuously, that the conference should avoid any suspicion of partisanship.

¹⁰New Orleans Item, March 1, 1921; New Orleans Daily States, March 1, 1921.

service it is absolutely essential that the company be put on a sound financial basis, and that the management should enjoy the confidence, respect, and good will of the people of New Orleans.

To accomplish those ends, the majority report recommended removing "managerial" control from the receiver and the board of directors, replacing them with a five-member board of trustees, comprised of local businessmen and authorized to determine company policy and to oversee its rehabilitation. The board of trustees would select a general manager for the company whose duties would include its financial reorganization and, with the assistance of the board of trustees, the restoration of financial control and management to the people of New Orleans.¹¹ The majority report, however, was uncertain how the board of trustees and the general manager were to restore managerial control to the city, particularly since the local banks were incapable of financing the rehabilitation of the company.¹²

Nonetheless, the majority report made several specific recommendations for the financial reorganization and the physical rehabilitation of NORLC and NOGLC. Unfavorable financial conditions and a hostile political climate prevented the receiver from raising the new capital needed to extend and improve services. As a result, property and service deteriorated badly, undermining public confidence in

¹¹New Orleans Daily States, March 23-24, 30, 1921; New Orleans Item, March 23-24, 30, 1921; Reclassification of the Electric Plant, 56-58.

¹²Ibid.

in the ability and willingness of the company to deliver and maintain quality services. The company could not improve services, the report continued, until it obtained additional investment, and it could not obtain new investment until it secured present investment against an unfair and illegal re-adjustment in its valuation. Nor could it regain the confidence and good will of the public by protecting property no longer contributing to public service.¹³

The ownership and management of NORLC and NOGLC, the report continued, claimed that valuation rested somewhere between its historical or actual cost of \$57 million and its cost of reproduction at \$74 million. Though a valuation of \$62 or \$65 million would secure old money and attract new investment, NORLC could not generate sufficient revenue to support such an investment. By contrast, "extremists" on the other side of the issue insisted that the council base the valuation on current low market values. This approach, the committee wrote, was patently unfair and clearly unworkable and detrimental to the future of the company and the city. A fairer adjustment, the committee concluded, lay between the two extremes. But, the report cautioned, the committee did not advocate "paying off securities on that basis, but only for the purposes of adjusting the company's capitalization in such a way as to eliminate the necessity, or even the temptation, of paying dividends on securities which are

¹³Ibid.

not represented by actual values".¹⁴

Specifically, the report recommended a "fair technical" valuation of \$44.7 million, eliminating more than thirty million dollars in stocks and bonds that did not contribute directly to public service. Eliminating nearly one-third of the outstanding stocks and bonds of the company was, the report acknowledged, a difficult and deliberate process, best resolved by a reorganization committee of bondholders and only after the council adopted a workable rehabilitation plan. The McCloskey committee recommended, as well, a uniform rate of return of seven percent for old and new investment. And money raised for the financial and physical rehabilitation of the company would, with the consent and approval of the commission council, become part of the "rate base valuation". The committee, however, rejected the service-at-cost plan proposed by Receiver O'Keefe, describing it as an unwise and improper grant of "unlimited power". Instead, the report proposed a "modified" service-at-cost plan, fixing the rate of return at seven percent and carfare at eight cents, and requiring the company to reduce fares if it earned more than seven percent. Finally, the report recommended the consolidation of all street railway franchises into a single indeterminate franchise, offered without competitive

¹⁴Ibid.

bidding to NORLC or its successor.¹⁵

The "ultimate" solution to the utility question, of course, did not rest with Judge Foster's ad hoc committee of "nonpartisan" businessmen. Rather, it lay with the elected commission council and the representatives of the principal bondholders. Receiver O'Keefe reserved judgment until he consulted with Judge Foster and the major bondholders, but the commission council, speaking through Commissioner Paul Maloney and assistant City Attorney Michael Provosty, refused to commit itself to the McCloskey recommendations. Provosty advised the council that it alone possessed the constitutional authority to establish rates and fares, the rate of return, and the valuation of the public utility companies. Neither the court nor its hand-selected arbitration board, Provosty insisted, had such authority. At best the court could determine the "reasonableness" of fares, valuation, and return. Commissioner Maloney grasped the sense and

¹⁵*Ibid.* Initially, a subcommittee on valuation recommended a valuation of \$50 million, but the committee as a whole, as a gesture of good will to the people of New Orleans, reduced it to \$44.7 million: \$26 million for the streetcar system, \$10.048 for the electrical division, and \$8.652 for NOGLC. The majority report also suggested granting the council the option to purchase NOGLC at its initial valuation, contending that there could be no permanent solution to the public utilities question until the city resolved the natural gas controversy and the "future status" of NOGLC. The minority report, written by Leigh Carroll, Sylvan Levy, Walker Spencer, and Robley S. Sterns, argued that the majority report placed the valuation and rate of return too high. The minority report proposed a valuation of \$40 million, a six percent rate of return, an eight cent fare for 1921, and seven cent fare for 1922. The minority report also suggested that the council purchase NOGLC for \$8.652.

intent of Provosty's opinion. The McShane administration, he said, would negotiate strictly with the authorized representatives of the bondholders and would not permit, as had the Behrman administration, incidental issues like wages and fares to distract it from the principal issues of franchise reform, valuation, and rate of return. But, as Maloney revealed in calling for the repeal of the eight cent ordinance, the regulation of rates and fares was anything but incidental to the reform and rehabilitation of the public service industry.¹⁶

Early in January, Commissioner Maloney, with the aid of assistant City Attorney Rene Viosca, wrote a pointed letter to John O'Keefe, reminding the receiver that the eight cent fare expired at the end of March. The city administration, the commissioner wrote, eager to begin discussions on more substantive issues and to avoid an eleventh hour appeal from NORLC for an extension of the eight cent fare, invited the receiver and Judge Foster to begin meeting with the council. O'Keefe and Foster "consented" to a meeting, but they were unwilling to discuss, much less allow, a reduction in street railway fare. The eight cent fare was indispensable to the operation of the company, the said, and it would remain in effect indefinitely, irrespective of the intent of the eight cent ordinance or the will of the city council. With those

¹⁶New Orleans Daily States, March 24, April 9, 13, 1921; New Orleans Item, March 25, April 9, 13, 1921.

remarks, the "conference" ended, and the council postponed consideration of the eight cent fare until April.¹⁷

At the end of March, with the expiration of the eight cent fare ordinance and the release of the McCloskey report, Commissioner Maloney introduced a series of proposals for a gradual reduction of the eight cent fare and the rehabilitation of NORLC. An extension of the eight cent fare, he told his fellow councilmen, would be a serious mistake, allowing the receiver and the court to determine the cost of service and to set the terms for the rehabilitation of the company. Rather, as an expression of the council's authority and determination and as an incentive to the receiver to begin negotiations in earnest, Maloney recommended a gradual reduction in carfare over the next two years. The proposal, as enacted by the commission council, set carfare at seven and a half cents, reducing it one-half cent every six months

¹⁷New Orleans Daily States, January 5, 13, 1921; New Orleans Item, January 5, 7, 12-14, 19, 1921. Public sentiment on the eight cent fare issue was divided. The press and the McCloskey committee favored another "temporary" extension, but other, less notable citizens favored repeal of the six and eight cent ordinances and the restoration of the five cent fare. For examples, see William A. Bell to Commissioner of Public Utilities, January 4, 1921, John J. McLoughlin and C. M. Stafford to Commissioner of Public Utilities, January 4, 1921, and William L. L. Shoemaker to Commissioner of Public Utilities, April 19, 1921, Department of Public Utilities, Petitions and Correspondence, vol.2, CA, NOPL.

unti it reached its "normal" level of five cents.¹⁸

Receiver O'Keefe denounced the ordinance, ridiculing it as dangerous and confiscatory and predicting that it would provoke another strike and end in the collapse of the public service industry in the city. But O'Keefe's remarks were trite and disingenuous, designed to disturb the public and to distract the council from the crucial issue of public authority over private utility interests. The scheduled reduction of fares was imperceptible, uncertain, and slow, and, more to the point, never intended to fix fares below the cost of operation (under the terms of the ordinance, the receiver and the court had to give their approval to the ordinance before it went into effect). The new ordinance was, as Maloney insisted, only temporary, intended to initiate negotiations and to compel the receiver and the court to acknowledge the authority of the municipal government over the cost of service.¹⁹

The intention of the second set of proposals was to begin discussions with the bondholders leading to an acceptable and permanent settlement and to establish the authority

¹⁸New Orleans Item, March 31, April 2-6, 1921; New Orleans Daily States, April 2-6, 1921; Ordinance 6148 CCS, CA, NOPL; O'Keefe v. The City of New Orleans 273 Federal Reporter 561. The ordinance also required the receiver to dedicate any portion of the fare above six cents to wages and taxes.

¹⁹New Orleans Item, April 5, 6, 10, 1921; New Orleans Daily States, April 5, 6, 10, 1921; John D. O'Keefe to Commissioner of Public Utilities, April 19, 1921; Leigh Carroll to Commissioner of Public Utilities, April 21, 1921, Department of Public Utilities, Petitions and Correspondence vol.2, CA, NOPL.

of the municipal government over the rehabilitation of New Orleans Railway and Light Company. Commissioner Maloney offered a series of "Fourteen Points" (the ordinance reducing carfare was one of those points), rejecting the principal financial recommendations of the McCloskey committee and, in effect, asserting the authority of the commission council over the rehabilitation of the company. Specifically, Maloney recommended setting valuation at \$35 million, allowing the company to earn a rate of return of five percent on its "actual" investment and seven to seven and a half percent on money invested in the physical rehabilitation of the company. In addition, Commissioner Maloney proposed granting the commission council the authority to approve all new stock and bond issues, regulate the distribution of "undivided" profits, inspect financial accounts, and assess taxes on the basis of gross earnings rather than net revenues.²⁰

Understandably, the representatives of the bondholders were displeased by Maloney's recommendations, especially, they remarked, in light of their recent concessions to the council. The day before Maloney released his proposals, the

²⁰New Orleans Item, March 29, 31, April 2-5, 1921; New Orleans Daily States, April 2-5, 1921. Maloney's plan also required the management of NORLC or its successor to establish a "sinking fund" for repairs, replacements, and extensions and a uniform track system. Furthermore, like the McCloskey committee, Maloney demanded that the manager of NORLC be a New Orleans man and independent of corporate management.

bankers met with the commission council, Rudolph S. Hecht, and McCloskey committee members Hugh and Bernard McCloskey and Arthur D. Parker. The bankers argued that the valuation and rate of return recommended by the McCloskey committee were patently unjust and unrealistic. The bankers complained that those recommendations nullified all the common and much of the preferred stock in NORLC, penalizing legitimate investors at the expense of consumers and labor and making it impossible to attract new investors. Similarly, any rate of return below eight percent was, in essence, confiscatory, denying a just profit to established investment and, ultimately, inviting a more expensive and incomplete rehabilitation. Nonetheless, despite their overwhelming dissatisfaction with the proposals, the bondholders were willing to accept a valuation of \$44.7 million and a constant rate of return of eight percent, provided the council acknowledged the continuing need and justice of the eight cent fare. Otherwise, the company could no longer continue operating and the bondholders could not undertake the rehabilitation of the company.²¹

Despite the "concessions" offered by the bondholders (they simply agreed to accept the recommendations of the McCloskey committee, with minor variations, as the basis for future discussions with the commission council), the council

²¹New Orleans Item, April 8, 9, 1921; New Orleans Daily States, April 8, 9, 1921.

passed the seven cent ordinance and began consideration of Commissioner Maloney's other recommendations.²² But the ordinance, rejected by the receiver and the court, never went into effect. And the council, preoccupied with the implications of a suit filed against it by Receiver O'Keefe and uncertain about several features of the Maloney plan, entertained other proposals.²³

The receiver's petition, filed in federal district court and heard by Judge Henry D. Clayton (at the council's insistence, Foster recused himself), asked the court to prevent the council from lowering streetcar fares and from interfering with the collection of the eight cent fare. The receiver argued that any fare below eight cents was confiscatory, depriving the company of just compensation and denying it equal protection under the law. And, more importantly, the receiver contended that the commission council, as the regulatory authority of the city, could not fix rates and fares by ordinance or franchise. The council's authority over rates and fares was strictly regulatory, subject to the

²²New Orleans Item, April 8, 9, 11, 1921; New Orleans Daily States, April 8, 9, 11, 1921; Ordinance 6148 CCS, CA, NOPL.

²³O'Keefe to Commissioner of Public Utilities, April 19, 1921, Department of Public Utilities, Petitions and Correspondence, vol.2, CA, NOPL; O'Keefe v. City of New Orleans 273 Federal Reporter 560; New Orleans Item, April 12, 13, 1921; New Orleans Daily States, April 13, 1921; Fairclough, "Public Utilities," 54-55.

requirements of service and the demands of the market.²⁴

The city attorney argued that the suit was deceitful, willfully misleading the court to the facts of the matter and disguising the intentions of the receiver. The management of NORLC wanted the court to believe that the commission council, acting as a regulatory agency and responding to the demands of service, granted it fare increases in 1918 and 1920. In fact, NORLC never approached the council seeking a "readjustment" in rates and fares. Rather, NORLC asked for temporary relief from the extraordinary financial conditions resulting from the war and readjustment. The commission council, acting under its contractual authority, altered the franchise contract in 1918 and 1920, granting temporary, emergency relief to NORLC. The passing of the wartime and readjustment emergencies (repaying the War Finance Corporation loan in late 1920²⁵ and averting a second strike), however, ended the need for the emergency rates and fares. And, rather than reducing utility rates too fast, precipitating another crisis, the council provided for a modest and deliberate reduction until it could determine

²⁴O'Keefe v. City of New Orleans 273 FR 561-62; New Orleans Daily States, April 16-19, 1921; New Orleans Item, April 16-19, 1921.

²⁵NORLC took more than two years and three compromises to repay its WFC loan. See, for example, "Minutes of Meetings," January 6-19, February 2, 20, 27, July 28-29, August 5, 13, 19, October 31, December 18, 29, 1919, December 29, 1920, January 3, 1921, vols. 3, 4, 5, 8, Records of the War Finance Corporation, Record Group 154; WFC to Monte Lemann, October 21, 1919, vol.5, ibid.

reasonable and acceptable rates and fares.²⁶

But the management of NORLC, the City Attorney argued, did not seek a reasonable adjustment of rates and fares from the city council. Nor did management want the municipal government to set the conditions for the rehabilitation of the company. Rather, management wanted to determine the cost of service, the rate of return, and the valuation, exclusive of the commission council, and it appealed to the federal court to free it from municipal control and regulation.²⁷

Though the Maloney ordinance was a dead letter, Judge Clayton believed that the issues raised in the receiver's petition were important and required sober consideration and response. The judge acknowledged that the municipal government had the authority to set rates and fares, but he ruled that the commission council exceeded its authority in fixing fares under the Maloney ordinance. It was apparent, Judge Clayton wrote, that the eight cent fare was vital to the operation of NORLC and that any fare less than eight cents was, in essence, confiscatory, depriving NORLC of the equal protection of the law. And, though the commission council had the authority to grant franchises and contract for services, it could not, under the Louisiana constitution, permanently fix rates and fares by contract, franchise, or

²⁶O'Keffe v. City of New Orleans 273 FR 561-62; New Orleans Daily States, April 16-17, 19, 1921; New Orleans Item, April 16-19, 1921.

²⁷Ibid.

ordinance.²⁸

The ruling was not, however, a defeat for the city. Nor did it permit NORLC to determine exclusively the cost of service, the conditions of rehabilitation, or escape public regulation. Indeed, the ruling reaffirmed the position of the city council and the Louisiana State Supreme Court that the municipal government possessed exclusive authority over the public utilities industry in New Orleans, including the right to contract for services and to "regulate" rates and fares.²⁹ (The authority of the municipal government was limited, however, restrained by the reasonable exercise of its inherent powers.) In short, it did not limit the city's authority to granting franchises and letting contracts, as Commissioner Maloney and the City Attorney feared initially, but recognized its right to determine rates, valuation, and rate of return. And, perhaps most importantly, it accorded the McShane administration the opportunity of abandoning an inexpedient and suspect policy (that, characteristically, it delayed in taking), forcing the council to resume discus-

²⁸O'Keefe v. City of New Orleans 273 FR 560, 562-67; State v. City of New Orleans 91 Southern Reporter 533 (1922), 535-36; City of New Orleans v. O'Keefe 280 FR 92 (1922), 94; Ivy G. Kittredge to Maloney August 8, 1921, Kittredge to Maloney, January 8, 1922, Kittredge to McShane, April 1, 1922, vol.9, CAO, CA, NOPL; Provosty to Maloney, May 8, 1924, vol. 10, ibid.; New Orleans Daily States, April 17, 22, 1921; New Orleans Item, April 22, 1921.

²⁹Black v. City of New Orleans 82 Southern Reporter 81; State v. City of New Orleans 91 SR 533; Moore to Glenn, August 8, 1918, Waldo to Moore, August 24, 1918, vol. 8, CAO, CA, NOPL; Provosty to Maloney, May 8, 1924, vol.10, ibid.

sions with NORLC.³⁰

Late in May, 1921, the commission council began a series of public discussions with C. C. Chappelle, an agent of Chase National Bank and the Security Holders Committee of NORLC, a junior securities association. Chappelle told the council that the issue of rates and fares was incidental to rehabilitation of the company. The principal issue, he said, was reestablishing the financial integrity of the company, sustaining current investment and attracting new money with a reasonable valuation and an assured rate of return. Only then could the new company assure sufficient service to the city. Surely, he said, the council understood that a unreasonably low valuation and rate of return hampered the reorganization of the company and threatened the city with economic collapse. Earlier recommendations by Ballard and E. E. Lafaye were, like Commissioner Maloney's recent attempt, outmoded and unrealistic, based on theories and practices rejected by most experts and the courts. Rather than risk a protracted and futile court battle, Chappelle said, the council should compromise with the bondholders, accepting their offer for a valuation of \$44.7 million and a rate of

³⁰New Orleans Daily States, June 22, 23, 26, August 30, 31, September 1, 1921; New Orleans Item, June 23-26, August 30, 31, September 1, 1921.

return of eight percent for old and new investments.³¹

The council was unimpressed with Chappelle's presentation and was unwilling to accept the recommendations of the bondholders. Commissioner Maloney categorized Chappelle's proposals as "propaganda," promoting the interests of bankers and speculators, exonerating NORLC of mismanagement and justifying its exorbitant claims, and, in the process, discrediting the municipal government of New Orleans. Predictions of the financial collapse and economic ruin were "nonsense," Maloney told Receiver O'Keefe, and were designed to intimidate the council and to dictate its decision. From the start, Maloney continued, the management of NORLC challenged the authority of the municipal government, questioning its competence and motivation and seeking to abridge its power. Taking sanctuary in the federal courts, management attempted to fix rates and to set the conditions for the rehabilitation of the company. The company complained that it could not improve services, though it received a sixty percent increase in rates and fares and paid dividends on certain bonds. And, most importantly, management refused to negotiate in good faith, withholding essential financial information from the council and preventing it from making a fair

³¹C. C. Chappelle, The Assured Service Plan An Open Letter to the People of New Orleans Concerning Their Public Utility Problem (np 1921), 10-16, CA, NOPL; New Orleans Item, May 19-27, June 3, 9-14, 27, 28, 1921; New Orleans Daily States, May 19-27, June 4, 6, 11-14, 28, 1921.

and accurate evaluation of the worth and earning capacity of New Orleans Railway and Light Company.³²

But Maloney did not confine his anger to the management of NORLC. He confessed that the McShane administration was, in part, responsible for the public service crisis in New Orleans. The council seemed incapable of consensus or action, and he pleaded with it to take "some concerted and definitive action," recommending that it employ a staff of utility experts to advise and direct the council on public utility matters. Though the Maloney's proposal (and critique of the McShane administration) received some support in the newspapers, the council majority saw it as another waste of time and money. Instead, the council instructed Commissioner of Public Finance Richard M. Murphy to review all previous proposals and to find a workable and acceptable plan for the rehabilitation of NORLC.³³

A week later, after consulting with Commissioners Wilbert Black and Stanley Ray and attorneys John Patrick Sullivan and Charles I. Rosen (but not Maloney or Mayor McShane), Commissioner Murphy released his findings. The latest proposal of the Commissioner of Public Utilities, Murphy wrote, would complicate the utilities issue, adding another layer of bureaucracy and expense to city government, producing the

³²New Orleans Daily States, May 19, 22, 27, June 11-12, 14, 1921; New Orleans Item, May 19, 22, 27, June 11-12, 14, 1921.

³³Ibid.

same conclusions as previous studies, and diminishing the changes for "concerted and definitive action". The council already possessed sufficient legislative authority and executive ability to develop and enforce a comprehensive plan for the reorganization and operation of NORLC. And, he wrote, after years of constant study and debate, the council had ample information to offer an "intelligent and just" plan for the rehabilitation of NORLC--one that offered compromise and promised a reasonable solution to the crisis.³⁴

Commissioner Murphy modeled his plan on the recommendations of the McCloskey committee, Chappelle, and Commissioner Maloney. "I have come to the conclusion," Murphy wrote, "that any appeal to the investors would be useless without recognition of the valuation of \$44,700,000 proposed by the Citizens Advisory Committee of Forty (McCloskey committee) and accepted as a compromise valuation by the representatives of the security holders of New Orleans Railway and Light Company." In arriving at its assessment, the McCloskey committee merely averaged the valuations determined by Ballard, General Goethals, Frank Coleman, and the Special Masters. The commission council, Murphy acknowledged, would take the same approach. "It would be forced, by its sense of fairness, to accept the average of all expert valuations

³⁴Reclassification of the Electric Plant, 63, New Orleans Daily States, June 21-24, 26; New Orleans Item, June 21-23, 26, 1921.

honestly made."³⁵

Fairness, so to speak, also required the commission council to reconsider its position on the rate of return. A single, unqualified rate of return, Murphy suggested, had few financial and political advantages, and he urged the commission council to grant NORLC separate rates of return for old and new investment. His plan, phased in over the next three years, allowed for a gradual increase in the rate of return for old money, yielding eight percent in the final year. Depending on market conditions, new money, allocated for the financial and physical rehabilitation of the company, could earn between nine and ten percent, satisfying the demands of investors and hastening the complete rehabilitation of the company.³⁶

Satisfying the demands of investors alone, as Commissioner Murphy understood, would not hasten the complete rehabilitation of NORLC. Rehabilitation was, after all, a political question, concerned as much with public authority and accountability as private investment. Though financial control remained in the hands of private investors, Commissioner Murphy proposed that the commission council and local businessmen "manage" the rehabilitation and operation of the

³⁵Ibid.

³⁶Ibid. The plan allowed NORLC to earn 5.7% in 1921, 6.14% in 1922, and 8% in 1923, and granted the company a fare of seven cents and \$1.30 mcf for artificial gas. Under the terms of the plan, management had to reinvest twenty-five percent of its profit in the company.

company. Under his plan, he said, the financial and physical rehabilitation of the company would be temperate and well-ordered, allowing the company, under the direction of a new president and board of directors, to invest \$5 million in its first year of operation and \$2 million in each of the next five years. The commission council would select four members of the board of directors, and the president and three quarters of the board had to be New Orleanians. The council also would have the authority to approve the sale of new stocks and bonds, and had the option to purchase the company at its original valuation of \$44.7 million.³⁷

Predictably, public sentiment and the commission council divided over the Murphy plan. James McLoughlin and C. M. Stafford urged the commission council to discontinue its discussions with the bondholders, advising it to exhaust its legal remedies before submitting to a negotiated settlement. William Railey, a businessman and anti-vice crusader, considered the plan "unworkable," complaining that it ignored the crucial issue of bringing efficient, economical natural gas service to the city. George Terriberry, one of the three Special Masters, wanted the right of purchase provision removed from the plan. "It will do much harm," he predicted, "because it will always encourage some visionary to urge municipal ownership in the future--which, if adopted, would

³⁷Ibid.

end in disaster."³⁸

Business and civic associations, like the Association of Commerce, the Board of Trade, the Young Men's Business Club, and the Housewives' League of New Orleans, were more optimistic. They believed the plan reasonable and workable, and they encouraged the council to continue negotiations. The Item, too, believed the plan had "great value," offering several intelligent and innovative recommendations. Yet, the Item cautioned, there remained too many troubling and unresolved issues to recommend the immediate and complete adoption of the plan. The valuation and rates of return set by Commissioner Murphy were "too high" and the safeguards too feeble to assure the efficient, economic rehabilitation of the company.³⁹

The Daily States and Mayor McShane argued that the plan was "politically motivated," fashioned without regard for the concerns of ordinary citizens, designed to further the interests of the principal stockholders, and to avoid the regimen of public rehabilitation and regulation of NORLC. The Daily States complained that the McShane administration seemed incapable of consensus on the public service issue,

³⁸McLoughlin and Stafford to Commissioner of Public Utilities, June 21, 1921, Sixteen Petitioners to Commissioner of Public Utilities, June 28, 1921, Department of Public Utilities, Petitions and Correspondence, vol.2, CA, NOPL; New Orleans Daily States, June 22-24, August 19, 1921; New Orleans Item, June 22-24, 1921.

³⁹New Orleans Item, June 22-24, August 6, 26, 1921; New Orleans Daily States, June 22-24, 1921.

and that it allowed its internal political differences to influence public policy. The Murphy plan only accentuated the rift within the commission council, and the States urged the mayor and the council to reconvene the McCloskey committee and direct it to devise a comprehensive plan for the reorganization and operation of NORLC. In a lengthy and petulant press release, Mayor McShane condemned the plan, accusing commissioners Murphy, Black, and Ray of misplaced loyalty and political expediency. The Murphy plan, the mayor wrote, ignored the essential recommendations of prominent, local citizens, including a respected member of the commission council. Instead, the council majority offered a "modified" version of a plan introduced by the bondholders, requiring the commission council to protect worthless investment and to guarantee profit to a delapidated public service corporation.⁴⁰

Though the commission council rejected McShane's assessment and recommendations (he called for a valuation of \$35 million and a rate of return of 6.25%, with rehabilitation funded from "excess" profits) as "fundamentally wrong," it nonetheless postponed consideration of the Murphy plan and, once again, sought expert advice on the rehabilitation of NORLC. Toward the end of July, after several weeks of pointless discussion, the council commissioned Frederick W.

⁴⁰New Orleans Daily States, June 24-27, August 24, October 28, 1921.

Ballard to "reappraise" NORLC and to advise the council on the rehabilitation of the company. The following month Ballard met with the council in executive session, defending earlier valuations and justifying the necessity for a more expensive rehabilitation of NORLC.⁴¹

The valuations conducted before 1919, Ballard told the commission council, were, at that time, accurate and complete assessments of the actual investment and earning power of NORLC. Those investigations, however, operated under certain assumptions and practices that based valuation on original investment and discounted the cost of reproducing the service under present conditions. Since then the public utilities industry had abandoned those assumptions, convincing the state legislatures and the courts to adopt more acceptable ways of gauging the valuation of public utility properties. Adopting the principles determined by the industry and the courts, Ballard placed the valuation of NORLC at \$44.7 million, adding another \$5.8 million for the intrinsic value of the franchises and the cost of "promotion".⁴²

⁴¹F. W. Ballard, Valuation and Report on the Properties of New Orleans Railway and Light Company to the Honorable Mayor and Commission Council of the City of New Orleans, Louisiana, August 10, 1921, hereafter cited as Valuation and Report, 1-13, CA, NOPL; Reclassification of the Electric Plant, 64-66; New Orleans Daily States, August 14-17, 1921; New Orleans Item, August 15-18, 1921.

⁴²Ibid.

The council, Ballard advised, could assure the city of a reasonable and complete rehabilitation of NORLC by doing four things. First, the council had to abandon the idea of establishing valuation, profit, and rates and fares by municipal ordinance. If the council persisted in this attempt, the federal court would take control of the rehabilitation process, locking out the council and setting the cost of reorganization higher than the compromise figure of \$44.7 million. Second, the council had to guarantee old and new investment a sufficient and identical rate of return. The court would never permit a rate of return below eight percent, and the bondholders would not undertake the financial reorganization of the company without an adequate return on previous investment. Third, the commission council must agree to a thorough and, undoubtedly, expensive rehabilitation of the company. The entire system was "overloaded," Ballard claimed, and "cannot meet the demands [for service] without increased investments for additional capacity". The company needed \$23 million over the next five years. If the council allowed NORLC to attract this sort of investment, then it could "assure reliable and satisfactory service" to the city. Finally, despite its untested character, the council had to grant NORLC an indeterminate, cost-of-service franchise. This sort of franchise, despite the reservations of Mayor McShane, benefitted the city as much, if not more, than the company. It maintained the legal and political

integrity of the city, recognizing the authority of the council to "contract" for public service and to "regulate," now and in the future, its cost and satisfying the principal objections of the federal court.⁴³

As expected, the council majority voted to accept the Ballard valuation and report as the basis for negotiations with the bondholders of NORLC. Mayor McShane and Commissioner Maloney, however, voted no, but for different reasons. Mayor McShane, increasingly isolated from the council and without influence in his own administration, considered the valuation too expensive and the cost-of-service plan a betrayal of city authority over the public service industry. Though he voted no, Commissioner Maloney was more amenable to compromise. He was convinced, he said, that the city administration had to abandon the policy of seeking to fix rates and fares and set the terms of rehabilitation through binding contract or franchise. The courts and the industry were adamant in their opposition to that policy, and, if the council pursued that policy, ultimately it would lose authority over rehabilitation and regulation of NORLC. Despite this realization, Maloney remained uncertain about the character and extent of the city's authority over NORLC. He urged the council, then, to delay consideration of the Ballard report until the City Attorney clarified the city's

⁴³Ballard, Valuation and Report, 11-12, 14, 16-20; New Orleans Daily States, August 14-17, 1921; New Orleans Item, August 15-18, 1921.

legal status.⁴⁴

But Commissioner Murphy, speaking for the majority, disagreed, arguing that the opinion of the City Attorney was immaterial. The issues before the council, he said, were not matters of law but of public policy. As a rate-making body, Murphy contended, the authority of the council included the authority to determine valuation and rate of return, set the standards of service, and approve the sale of stocks and bonds. These issues were integral parts of the council's rate-making and contractual authority. In short, then, the council could continue its negotiations with NORLC seeking a permanent settlement without jeopardizing its position as a rate-making body.⁴⁵

Apparently, despite its initial approval, the commission council shared Commissioner Maloney's misgivings about the Ballard valuation and report. The Commissioner of Public Utilities acknowledged the necessity of accepting the valuation recommended by Ballard and the bondholders. But he, like so many others, questioned the legitimacy of the

⁴⁴New Orleans Daily States, August 14-21, 1921; New Orleans Item, August 15-21, 26, 1921.

⁴⁵New Orleans Daily States, August 19, 1921; New Orleans Item, August 19, 1921. In 1922, on the eve of the rehabilitation settlement, City Attorney Ivy G. Kittredge affirmed Commissioner Murphy's position. In his opinion, Kittredge argued that the commission council was both a contractual and rate-making body, and, though circumscribed by law, the rehabilitation of NORLC was a matter of public policy. See Provosty to Maloney, March 2, 1921, vol.8, Kittredge to Maloney, August 18, 1921, vol.9, Kittredge to McShane, March 29, 1922, vol.10, CAO, CA, NOPL.

demands for single rate of return for present and future investment and for a service-at-cost plan regulating the cost and quality of service. The financial reorganization of the company and its eventual rehabilitation, Maloney told the council, hinged on meeting the "reasonable" expectations of the bondholders for a secure investment and an assured rate of return. Since no established method had yet confirmed the valuation favored by the commission, it had no choice but to accept the figure recommended by Ballard and the bondholders. The rate of return proposed by Ballard and the bondholders, however, was unacceptable, and Maloney proposed offering present investment a return of seven and a half percent, one and a half percent returned to the company for replacements and repairs and six percent to the investors. The rate of return for new investment, used in the financial and physical renovation of the company, would be set at current market values.⁴⁶

Despite the objections of Mayor McShane to certain sections of the plan (he agreed to accept the valuation of \$44.7, but wanted the rate of return fixed at six and one quarter percent), the commission council adopted the Maloney

⁴⁶New Orleans Daily States, August 30-31, September 1, 1921; New Orleans Item, August 30-31, 1921, September 1, 1921. The regulatory provisions of the second Maloney plan paralleled those recommended earlier by the McCloskey committee and Commissioner Murphy. In addition, plan called for a seven cent fare and \$1.30 mcf for artificial gas for the first six months of the settlement; the council would then reassess rates and fares after determining the rate of return earned by the new company.

plan. Though at first hesitant and skeptical, the bondholders agreed to the plan in principle (though they would not consent to any particular feature), and began negotiations for the financial reorganization of the company. The negotiations lasted until March, eventually reducing the valuation of NORLC to \$44.7 million and allowing the city council and the City Attorney the time to draft the "settlement" ordinance. Late in March, 1922, Commissioner Maloney introduced the settlement ordinance. The bondholders reacted angrily to the ordinance, accusing the municipal administration of "radically" altering the initial plan, compelling them to reinvest one and a half percent of the rate of return on the physical and financial rehabilitation. Eventually, after the intercession of Rudolph Hecht and a compromise allowing the company to sell stock to cover the cost of replacement and repair, the bondholders accepted the plan. And near the end of April, the council enacted the "settlement" ordinance into law. In mid-June, the major bondholders formed a new utilities corporation, New Orleans Public Service, Incorporated (NOPSI), and in August NOPSI acquired the holdings of New Orleans Railway and Light Company. Finally, in September the council granted NOPSI indeterminate franchises, permitting the "new" company to operate the three major public utilities in the city.⁴⁷

⁴⁷New Orleans Daily States, March 29-30, April 2-3, 4-10, 1921; New Orleans Item, March 22, 31, April 2-3, 4-10, 1921; Fairclough, "Public Utilities," 55.

Despite the intense, almost visceral, partisanship that characterized the rehabilitation of NORLC, there was, surprisingly, little vocal opposition to the settlement ordinance. Equally surprising, given the importance of the public utilities issue in the history of the city, there has been little notable scholarly interest in the settlement. And that interest is, at best, only passing and incomplete, content with seeing rehabilitation as politics as usual in New Orleans. In his article on the public utilities issue in New Orleans, Adam Fairclough, an able and accomplished scholar, argued that the rehabilitation of NORLC did not strengthen or improve public regulation. In fact, as he suggested, rehabilitation weakened public authority over the public service industry. In practice, Fairclough wrote, the conditions of rehabilitation "did not add up to effective regulation". A politicized municipal government retained complete authority over the regulation of public utilities, and the vague and insufficient terms and provisions of the settlement ordinances (there were four in all, a rehabilitation ordinance and three indeterminate franchise ordinances for the separate utility departments) allowed NOPSI to "circumvent too rigorous regulation". "Utility companies like NOPSI gladly accepted a weak form of public regulation in exchange for the advantages that went with perpetual franchises, and welcomed it as infinitely preferable to municipi-

pal ownership."⁴⁸

But Fairclough's interpretation leaves much to be desired, resting on a cursory review of the settlement ordinances and neglecting the lengthy debate that determined rehabilitation. The settlement ordinances were, in fact, a considerable improvement over the welter of franchises and ordinances that characterized public regulation prior to 1922. Apart from fixing the valuation (\$44.7 million) and rate of return (seven and a half percent for old money and between eight and nine percent for new investment), the rehabilitation ordinance recognized the exclusive authority of the city government over municipal public services. And it also recognized the municipal government as both a rate-making and contractual body, capable of adjusting rates and fares to meet the demands of service and to fix the conditions for the rehabilitation of NORLC.⁴⁹

Those demands and conditions were essential to the rehabilitation of NORLC and the regulation of NOPSI. The indeterminate franchise ordinances codified existing public utilities ordinances, binding NOPSI to "faithful and prompt compliance" with every condition of the settlement and allowing the municipal government to compel service and to

⁴⁸Adam Fairclough, "The Public Utilities Industry in New Orleans: A Study in Capital, Labor and Government, 1894-1929," 55-56; New Orleans Daily States, April 4-10, 1922; New Orleans Item, April 4-10, 1921.

⁴⁹Ordinances 6822, 7067-69, CCS, CA, NOPL; New Orleans Daily States, April 4-10, 1922; New Orleans Item, April 4-10, 1922; Fairclough, "Public Utilities," 55-56.

develop a comprehensive public service policy.⁵⁰ The conditions of the rehabilitation or settlement ordinance were even more significant. Two-thirds of the board of directors of NOPSI had to be residents of New Orleans and, upon assuming office, the president of NOPSI had to reside in New Orleans, restoring, at least in name, some managerial control to the city. The ordinance also required NOPSI to create a "sinking" fund of \$300,000 each year from either the earnings of bonds and preferred stock or the sale of stock used for "improvements and betterments" in the company and the retirement of debt.⁵¹ Dividends accrued by common stock issued by NOPSI had to be reinvested in the company until dividends amounted to forty percent of the value of the stock. The sale of all stocks and bonds increasing the valuation of NOPSI had to have the approval of the commis-

⁵⁰Fairclough argued that the phrase "faithful and prompt compliance" did not accord the city the "firm legal basis for revoking the indeterminate franchises." But he missed the point. As the public service authority for the city, the city council--and not the franchises--would determine what constituted "faithful and prompt compliance". Furthermore, there was no need to specify the means of revoking the franchise. Under the terms of the agreement, the council had the authority to purchase NOPSI or any one of the three utility departments. Fairclough, "Public Utilities," 56.

⁵¹Initially, the settlement ordinance required the bondholders to return a specific percentage of the seven and a half percent rate of return to repairs and replacement and to debt retirement. The council relented in its demands when the bondholders, at the insistence of Rudolph Hecht, agreed to seven and a half percent rate of return. Though not as exacting as the original proposal, the compromise assured that some portion of revenues would be returned to the city in the form of improvements and services. New Orleans Item, April 4, 1922; New Orleans Daily States, April 4, 1922.

sion council. In essence, then, the council and the bondholders set the terms and cost of rehabilitation, requiring the bondholders and the city to pay representative portions of the financial and physical rehabilitation of NORLC-NOPSI. And finally, the municipal government had the "perpetual" option to buy one or all of the public utilities at their original valuation (plus or minus additions and depreciations). Despite Fairclough's contention that the city did not possess the will or the money to buy NOPSI, the municipalization provisions strengthened the regulatory authority of the municipal government. For, like the other provisions of the settlement ordinances, it gave the city an authority over public services it never had before.⁵²

The rehabilitation of the public utilities industry achieved much. It improved the quality of service, reducing costs slightly and compelling NOPSI to renovate and modern-

⁵²Ordinance 6822 CCS, CA, NOPL; W. Catesby Jones, assistant City Attorney, to Maloney, October 27, 1924, vol.10, CAO, CA, NOPL; New Orleans Daily States, April 4-10, September 24, 1922, March 20, 1923; New Orleans Item, April 4-10, 1922, March 19-20, April 17, 1923; Fairclough, "Public Utilities," 56. The terms of the settlement ordinances were, as Fairclough suggested, vague and imprecise, and were, from time to time, a source of confusion and disagreement. For the next several years, the council and NOPSI haggled over the rate of return, earnings, and the sale of securities. In each instance, however, the council and the company came to a mutual understanding without resorting to the courts or delaying the rehabilitation of the company. See, for example, Kittredge to Maloney, June 26, 1926 (rate of return), W. Catesby Jones to Maloney, September 25, October 27, 1924, Kittredge to Maloney, November 5, 1924 (sale of new stock), vol.10, CAO, CA, NOPL.

ize street railway and electric power services (the company prevented the introduction of cheaper, more efficient natural gas until 1928⁵³). The rehabilitation settlement eliminated excessive, unproductive investment, preventing it from devouring revenues and emasculating services. It publized and limited the rate of profit, tying it to efficient, economical management. It regulated rates and fares, allowing the commission council to determine the cost of service. It controlled investment, regulating the rate base and determining the scope of rehabilitation. It reinvested profit in services, restoring some of the wealth taken from the city by the public service industry. And it provided for the municipalization of public services, giving the city council the legal and political power to enforce public regulation.

There were, to be sure, provisions of the settlement ordinances that apparently permitted NOPSI to manipulate or to avoid public regulation. And, then too, the rehabilitation agreements seemingly required the commission council to protect (some students may argue promote) the interests of the public service corporation, overlooking its speculative

⁵³For a brief and able account of the natural gas controversy, see Fairclough, "Public Utilities," 57-61. Though Fairclough argued that the city council showed no interest in the natural gas issue until Huey Long applied his unique brand of political pressure, there is sufficient and convincing evidence that the municipal government under mayors Behrman, McShane, and Arthur O'Keefe (no relation to John O'Keefe) actively sought to bring natural gas to New Orleans. I am working on an article that will, I hope, substantiate my claim.

and exploitive character. But the purpose of the rehabilitation ordinances was regulation, specifically municipal regulation, and regulation, as we have seen, served both private and public interests. It should not be surprising, then, that the settlement agreements contained specific provisions favoring either the corporation or the city.⁵⁴

Rehabilitation, then, transcended the financial reorganization and physical renovation of NORLC. Rehabilitation and regulation were not, as the New Orleans Item at first believed, matters of simple business. They were, rather, as the Behrman administration asserted from the beginning, fundamental political questions, demanding a political response and solution. As a political response, rehabilitation ratified the public utilities policy initiated by the Behrman administration in 1912, recognizing and strengthening the exclusive authority of the municipal government over the affairs of the public service industry.⁵⁵

Rehabilitation also revealed much of the character of New Orleans politics in the progressive era. In one sense, the politics of rehabilitation, like much of municipal politics in general, did not concern political patronage or

⁵⁴Thomas K. McCraw, "Regulation in America: A Review Article," Business History Review, 49 (Summer 1975), 159-83.

⁵⁵After the Louisiana Supreme Court nullified the Nix act in 1919, there were several other attempts to place NORLC under state regulatory authority, but each attempt failed. See New Orleans Item, May 7, June 3, 12, 30, July 6, 1920, January 21, 1921.

shallow personal advantage. Rather, many of the issues of rehabilitation transcended partisan and social lines, permitting a variety of concerns and interests, private as well as public, parochial as well as catholic, to fashion public policy. Rehabilitation was, nonetheless, a thoroughly politicized issue, allowing those same private, partisan, and social interests to frustrate municipal reform and to exhaust and defeat the McShane administration in 1925.

Chapter Eleven

A Last Hurrah

Late in the spring, 1922, after enduring nearly two years of continuous and bitter disagreement with the McShane administration and its supporters in the Orleans Democratic Association, John Patrick Sullivan resigned as chairman. Sullivan offered no explanation for his sudden departure, but the New Orleans press did. In essence, they explained, despite Sullivan's acknowledged "genius for practical leadership," he was unable to transform the ODA into a competent and accomplished municipal administration. The reasons for Sullivan's failure were apparent, though only through hindsight. The ODA was a volatile mixture of traditional anti-Regular reformers and businessmen committed to political and economic independence and progressive reform and dissatisfied professional politicians concerned only with furthering their own parochial interests. The anti-Regular businessmen were, as a rule, the Item and the Daily States agreed, political amateurs, dogmatic and uncompromising in their beliefs and unaccustomed to building coalitions and reaching census. The professional politicians of the ODA were unconcerned with the "public interest," and they chafed under the impolitic policies and practices of a municipal government run for the exclusive benefit of the social

and commerical elite of the city. In brief, Sullivan and the ODA reformers could win an occasional election, but they could not govern.¹

In one sense, the failings of the McShane administration were due to the personal limitations and political misapprehensions of the mayor and the social and commerical element that "supported" him. By his own account, McShane was no politician and he possessed few, if any, proven political skills and attributes. He was, by all accounts, a quarrelsome, peevish, and suspicious man, quick to anger, quicker to condemn, and incapable of compromise and forgiveness. The normal patterns of city politics and municipal administration, with their constant demands for temperance and compromise, irritated and nearly incapacitated him. He seemed to take acception to every suggestion, balk at every detail, subscribe to the lone unpopular or impractical solution, and question the motives of those who opposed him. These irritations, both large and small, cost him countless days at the office and, more importantly, the confidence and trust of friends, the commission council, and the citizens of New Orleans. His lack of effectiveness and his growing

¹New Orleans Item, May 11-13, 1922; New Orleans Daily States, May 11, 1922. Later, the Item shifted more of the responsibility to Sullivan, complaining that had Sullivan been less concerned with "backroom dickering," he and the ODA could have been "a tremendous power for good in New Orleans". See New Orleans Item, September 3, 1922, January 5, 1925. See also, Reynolds, Machine Politics in New Orleans, 214-15.

sense of isolation only aggravated his suspicions and prejudices about politics and government, which, of course, only lessened his effectiveness and increased his sense of isolation even further.²

In another sense, as the Item and the Daily States suggested, the failures of the McShane administration stemmed from the incompatibility of professional politicians and municipal reformers. By definition, the municipal reform movement (as conceived by John Parker and the other members of the commercial and social elite of New Orleans), disdained, at least in theory, organized politics, claiming that political organization compromised independence and imperiled private rights. These men were, in part, contemptuous, perhaps fearful, of public authority, demanding the concentration of public authority in their own hands and opposing the expansion of public authority in areas hostile to their interests. They reduced politics and municipal administration to the narrowest and most inappropriate of definitions, likening them to the modern business corporation and relegating citizens to the status of stockholders.³

The professional politicians of the ODA, too, shared responsibility for the failures of the McShane administration. Unlike many of the Behrman Regulars, the Sullivan or

²New Orleans Item, January 14, February 18, 24, March 6, May 7, 1923; New Orleans Daily States, February 24, March 6, 1923.

³Ibid.

"New" Regulars did not embrace the municipal reform movement. Rather, they seemed concerned only with political patronage and its rewards, ignoring for the most part issues like tax and assessment reform, paving, the rehabilitation of New Orleans Railway and Light Company, and city planning. The only exceptions were their opposition to civil service reform and their desire to return to the councilmanic form of government.⁴ The McShane administration was unable to overcome the social and ideological differences between the commercial and civic reformers and the Sullivan Regulars. And, more to the point, it was not able to curb the excessive demands of either faction, splitting the reform coalition and paralyzing the municipal government.⁵

It did not take long for John Patrick Sullivan to regain his composure or reorganize his following. Near the end of the summer, Sullivan announced the formation of another political organization, the New Regulars, composed of competent "young, sturdy, and strong men and women who subscribed to rule of no one man, but to the rule by Democrats for Democrats". The New Regulars, Sullivan professed, was no mere reform organization, "here today, gone tomorrow," but a permanent and enlightened political organization, mindful

⁴Ibid.

⁵New Orleans Item, January 5-10, 15, July 28, 29, August 4, 10, October 17, 25, 1921, May 1, June 20, July 27-30, August 8, 22, 25, 31, 1922, January 13, February 25, 1926; New Orleans Daily States, January 5-10, 15-21, 23, February 6, 14, 18, 22, 1921, June 27, 1927.

of the rewards of public service (patronage), but more concerned with the effective and economical management of the municipal government.⁶ In fact, however, as the Daily States recognized, the New Regulars were anything but new, combining the disconsolate remnant of professional politicians from the ODA and the inexperienced and brash faction of Sixth and Seventh Ward Democrats loyal to Francis and Gus Williams.⁷

Neither were the New Regulars particularly enlightened nor altogether permanent. The New Orleans press claimed that Sullivan and the New Regulars attracted and represented an unsavory, "vicious" class of citizens. The press associated the New Regulars with race horse gambling, bootlegging, prostitution, and New Orleans Railway and Light Company and later New Orleans Public Service. The claim was not totally unwarranted. During his professional life as an attorney and

⁶New Orleans Daily States, August 10-14, 16, 20, 23, 25, 1922; New Orleans Item, August 10-14, 16, 20-25, 1922.

⁷The principal leaders of the New Regulars were Edward Haggerty (First Ward), John J. O'Neil (Second Ward), George Williams, no relation to Francis and Gus, (Third Ward), John Bacon (Fourth Ward), Ural McMillan (Fifth Ward), Henrico Desmare (Sixth Ward), John W. Bagert (Seventh Ward), Joseph O'Hara (Tenth Ward), and Ivy G. Kittredge (Thirteenth Ward). New Orleans Item, July 22, 23, August 10-14, 1922, September 13, 1923; New Orleans Daily States, August 10-14, 30, September 11, 1922, September 13, 1923.

The term "Old Regulars" was not used until 1922, when John Sullivan formed the "New" Regulars. Initially, the expression Old Regulars referred only to the Behrman Regulars and not to the entire organization, but over the course of New Orleans politics the term became associated with the Regular Democratic Organization. See New Orleans Item, May 14, 1920, July 15, 1922, January 18, 19, 27, February 20, 1924.

lobbyist, John Sullivan represented several "vicious" economic interests, including the New Orleans Fair Grounds, the New Orleans Brewers and Distillers Association, and, of course, New Orleans Railway and Light Company. It was unfair and inaccurate, though, to describe the entire organization as corrupt and vicious, for there were men of integrity and intelligence, like Michael McKay and Ivy Kittredge, in the New Regular organization.^a

But the presence of men like McKay and Kittredge did not necessarily ensure the political permanence and success of the New Regulars. The success and permanence of the New Regulars depended principally on their ability to win elections and to convince the voters that they were capable of enlightened and effective government. Under John Sullivan, the New Regulars came close to winning control of the municipal government in 1925 and being a force in state government. But close was never good enough.

In September, 1922, Martin Behrman, in poor health and acting on advise from his doctor, family, and friends, resigned as chairman of the Regular Democratic Organization. Though Behrman planned to remain active in the RDO and in municipal and state affairs, he told the RDO caucus that he would never again seek public office in New Orleans. Though

^aNew Orleans Item January 10, 13, 16, 28, 1925; New Orleans Times-Picayune, January 10, 1925.

Behrman's health may have been a deciding factor in his decision to retire from active politics, it was not the sole reason. After 1916, when Behrman won an uncontested and nearly unprecedented third term, the RDO began to unravel, factionalized along social, political, and ideological lines. Though factionalism was certainly common in New Orleans politics, even among the so-called machine politicians, it had never prevented the RDO from winning elections or controlling the municipal government.

All that changed with 1916. The RDO and the Behrman administration seemed incapable of answering the city's needs or resolving its pressing problems. City finances were in disarray, tax and assessment policies were inequitable and, according to the reformers, "politicized," services were deteriorating, and the city was held hostage by the public utilities company and its employees. Discontent with the municipal government undermined confidence in the RDO's and Behrman's ability to govern, culminating in their defeat in 1920. After 1920, Behrman was unable to heal the rifts within the RDO, and rather than see it lose another municipal election under his leadership, he resigned, turning over the RDO to Paul H. Maloney and a different generation of Regulars. Behrman's retirement, however, like his confidence in Paul Maloney and the "new" generation of Regulars, lasted only a short time, cut short by the exigencies of politics

and the desire for vindication."⁹

At the end of August, 1924, Martin H. Manion, a life-long Regular and the leader of the Fourteenth Ward, resigned his office and announced his unwillingness to remain in an organization concerned more with the municipal elections and less with municipal service.¹⁰ Chairman Maloney expressed surprise and consternation at Manion's decision and explanation, but he accepted the resignation without hesitation and called on the RDO precinct leaders in the Fourteenth Ward to select a new leader. Ordinarily, selecting a replacement for Martin Manion would have had no special implication for municipal politics. But these were not ordinary times or circumstances. The Fourteenth Ward was one of the two "silk stocking" wards (the Twelfth Ward, Maloney's home, was the other), containing several stately and wealthy neighborhoods. As a rule, its voters were among the economic, social, and civic leaders of the city. And these leaders were, almost to a man, unremitting opponents of the Regular

⁹New Orleans Item, February 26, March 5, 16, 18, 19, 22, 23, July 15, 25, 27, August 25, September 17, 21, October 3-5, 20, 21, 1922; New Orleans Daily States, March 25-27, June 4, July 12, 13, 16, 23-26, 31, September 9, October 4, 5, 1922. Behrman may have hastened his decision because of the failure of his candidates to win the special and regular elections for the Public Service Commission. Behrman backed two nondescript candidates against Francis Williams, while Paul Maloney endorsed Williams. Williams won both elections.

¹⁰Manion, of course, was one of the more progressive "Old" Regulars. During his political career in the Louisiana House of Representatives, Manion sponsored or supported several important "progressive" measures, including utility regulation and woman suffrage.

Democratic Organization. In the municipal elections of 1908, 1912, and 1920, with a clear choice between a reform candidate and Martin Behrman the residents of the Fourteenth Ward voted in overwhelming numbers against Behrman and the RDO. In a municipal election with no recognizable reform candidate, the vote in the Fourteenth Ward could be decisive, especially to the "Regular" candidate opposing Martin Behrman. It was crucial, then, for any anti-Behrman candidate be organized and well-represented in the Fourteenth Ward.

The Regular Democrats of the Fourteenth Ward were, as well, thoroughly divided, reflecting, in effect, the larger schism within the RDO. There were three principal factions competing for control of the ward and demanding representation on the caucus. One faction, led by William Anthony Bisso, the owner of a tugboat and salvage company, represented the "river" precincts along the Mississippi River. These precincts, like their counterparts in the "lake" precincts, were working-class neighborhoods and generally pro-Regular and pro-Behrman. But in 1920, these precincts deserted the incumbent mayor, casting a majority and decisive vote for Andrew McShane. The "lake" precincts in the rear of the ward were led by John P. O'Leary, a supporter of former mayor Behrman and president of the Jefferson Construction Company. Though less visible in municipal politics than either the "river" or "uptown" areas, the rear precincts

cast more votes in the mayoral election of 1920 than any other section--votes that helped elect Andrew McShane. The third faction, centered in the "uptown" precincts adjacent to Loyola, Newcomb, and Tulane universities, opposed Bisso and O'Leary (and Behrman), endorsing Richard Webster Leche (and Maloney), a "prominent" young attorney for ward leader.¹¹

Eventually, after considerable political maneuvering, a majority of the precinct leaders settled on O'Leary (Bisso withdrew from the contest earlier), giving former mayor Behrman an additional vote in the caucus and ruining Maloney's chances of winning the RDO nomination for mayor. For obvious reasons, the Maloney Regulars in the Fourteenth Ward contested the selection of O'Leary, in effect, compelling the RDO caucus to settle the dispute. Twelve members of the caucus favored seating O'Leary, but Maloney and his following on the caucus argued for a "democratic solution," calling for a "preference primary" to decide the true leader of the Fourteenth Ward. Behrman and the majority of the caucus rejected Maloney's petition as "impractical," but voted to resolve the issue at a later time. That time was the next day.¹²

¹¹New Orleans Item, September 11-13, 23, 1924; New Orleans Daily States, September 14, 1924; New Orleans Times-Picayune, November 13, 1924.

¹²New Orleans Item, September 20, 23, October 30, November 11, 12, 13, 14, 17, 1924; New Orleans Daily States, November 1, 2, 6, 13, 14, 20, 1924.

The caucus reconvened the following day, anxious to choose a new leader for the Fourteenth Ward and to move on to more substantial matters. Martin Behrman moved that the caucus accept John O'Leary as the leader of the Fourteenth Ward Regulars. And eleven of the sixteen ward leaders voted to seat O'Leary. But five caucus members, Edward Egan (Second Ward), Albert J. Leggert (Seventh Ward), John Nunemacher (Ninth Ward), R. J. Gregory (Twelfth Ward), and C. S. Barnes (Thirteenth), refused to vote, but simply remained silent during the roll call vote on the O'Leary confirmation. Once the caucus acknowledged O'Leary as the leader of the Fourteenth Ward, the five ward leaders announced their intention of supporting Paul Maloney, refusing to discuss any other candidate for mayor. When Behrman ruled them out of order, Paul Maloney resigned as chairman of the RDO caucus and announced his candidacy for mayor.¹³ "My friends," Maloney told reporters, referring to his five supporters on the caucus, "have gone so far and have been so persistent in their support of me as a candidate for mayor, that I feel honor bound to continue my candidacy. There

¹³New Orleans Item, November 13, 15, 1924; New Orleans Daily States, November 15, 1924; New Orleans Times-Picayune, November 13, 15, 1924. Maloney had been a candidate for mayor since 1923, receiving enthusiastic support from the women of the Twelfth Ward and, for a time, from Martin Behrman. Behrman's enthusiasm ended when Maloney began acquiring influence in the RDO caucus and when Maloney began courting the support of John Sullivan, Robert Ewing, and Huey Pierce Long. See New Orleans Item, passim, 1923.

seems no turning back now. I entertain the kindest feelings towards the [Regular] organization. Many of my warmest and best friends are enrolled in its membership."¹⁴

For the moment, Maloney remained a member of the RDO and the leader of the Twelfth Ward, hoping, perhaps, that the Regulars might still offer him their nomination. He hoped in vain. The Regulars made no such concession. And when the Regulars selected Thomas Killeen, the former president of the Choctaw Club, the Registrar of Voters for Orleans Parish, and an intimate of Martin Behrman, to replace him as chairman, Maloney conceded the Regular nomination, announcing as an "independent" candidate for mayor. Maloney's "independent" candidacy troubled the Regular Democrats. Though for the moment without significant organized support, Maloney was an accomplished executive and public servant, and, with the proper support and guidance, could be a formidable candidate. He was the only Regular to survive the election of 1920, and he served with distinction as Commissioner of Public Utilities, arranging the rehabilitation of NORLC and challenging the monopoly of the Cumberland Telephone Company. And, as Maloney displayed in 1920, he could attract support from both Regular and independent voters. Clearly, Maloney's departure weakened the RDO and his candidacy threatened the plans of the Regulars to regain

¹⁴New Orleans Daily States, November 16, 1924; New Orleans Times-Picayune, November 16, 1924.

control of the municipal government.¹⁵

Unwilling to nominate Maloney or to concede the election to John Sullivan and his New Regulars, the RDO caucus approached Maloney with a "compromise". If Maloney agreed to step aside, so too would Mayor Behrman (though not an "active" candidate, Behrman was the overwhelming choice of the "Old" Regulars who dominated the caucus), freeing the way for a compromise candidate and assuring victory for the Regulars in the municipal elections. Should Maloney withdraw from the mayoral campaign, the Regulars assured him a place on their commission council ticket, rewarding him with the position of Commissioner of Public Finance and vice-Mayor.¹⁶

Maloney rejected the compromise. The Regulars, he contended, conceded nothing, but gained every advantage. Every one of the compromise candidates mentioned by the Regulars was either a friend or a protege of Martin Behrman,¹⁷ in effect conceding the election to the former mayor and allowing him to govern indirectly through a mayor and a commission council chosen not for their ability but for their loyalty and subservience to Martin Behrman and his "Old"

¹⁵New Orleans Item, January 25, 1921, November 16, 17, 1924; New Orleans Daily States, November 16, 17, December 15, 1925, January 8, 12, 1925.

¹⁶New Orleans Item, November 22, 26, December 2, 1924; New Orleans Daily States, November 16-20, 22-24, 1924; New Orleans Times-Picayune, November 23, 24, 1924.

¹⁷Ibid. The candidates mentioned most often were former Commissioner of Public Property Edward E. Lafaye, Civil District Court Judge William H. Byrnes, banker Charles Theard, State Senator John C. Davey, and Robert Riordan, the chairman of the Louisiana Tax Commission.

Regulars. Maloney, on the other hand, supporters argued, conceded everything and gained nothing. The Regulars asked him to delay his ambitions, and those of the voters, to serve in an administration dominated by his political adversaries and in a position that promised few personal and political rewards and that asked him to further the ambitions of other men, in particular Martin Behrman and the "Old" Regulars.¹⁸

If Maloney remained independent of Martin Behrman and the Regulars, these same "friends" asserted, he would become a more legitimate and attractive candidate, particularly to the "independent" voters in the Uptown sections of the city and to the New Regulars of John Patrick Sullivan. For these voters and politicians, the principal issue of the campaign was the final defeat of "Behrmanism" and the continuation and fulfillment of the reforms begun in 1920. In their view, Martin Behrman and his Regulars represented a failed public policy, dependent on high taxes, unprincipled assessment practices, profligate, reckless finances, needless city services, and undue interference with private business and personal interests. An independent candidate that stood against the return of Behrmanism and had the unqualified support of the civic and commercial leadership of the city and the New Regulars would force the "Old" Regulars to nominate Martin Behrman, whose health and political past

¹⁸Ibid.

made him an unattractive and vulnerable candidate. And, as the election of 1920 demonstrated, Martin Behrman and the Regulars could not defeat an independent candidate blessed with the support of civic reformers and practical politicians.¹⁹

But this was not 1920. Though an attractive and legitimate candidate, to be sure, Maloney hardly qualified as an independent anti-Regular candidate. He was, after all, until his recent conversion, an unrepentant Regular Democrat. As a member of the Regular Democratic Organization, Maloney served first as a state legislator, then as the leader of the Twelfth Ward, Commissioner of Public Utilities, and, since 1922, when Martin Behrman "retired" from active municipal politics, chairman of the RDO caucus. Beginning in 1922, Maloney cultivated more power within the organization, and openly sought its nomination for mayor. During his tenure on the commission council, Maloney pressed for more exacting regulation of public utilities, fashioning a rehabilitation settlement and ordinance favorable to both sides and more reminiscent of the sort of solution favored by the RDO than the Orleans Democratic Association. And, with his colleagues on the commission council, Maloney opposed many of the recommendations of the Municipal Survey Commission and the City Planning and Zoning Commission, irritating the civic and commercial leaders of the city. Paul Maloney,

¹⁹Ibid.

then, would never have the unqualified support of the civic and social elite of New Orleans.

Though many "Old" Regulars believed that John Sullivan arranged and directed Maloney's independent candidacy, the Commissioner of Public Utilities did not have the undivided confidence of the New Regular organization. Maloney's apostasy from the RDO was more a matter of convenience than conviction, and his following in the RDO was, for the most part, limited to a handful of supporters and confined to the Uptown wards. Despite his elevated position within the RDO caucus, Maloney did not have the confidence of former mayor Behrman or the majority of other the ward leaders. In early 1923, six months after announcing his retirement, Martin Behrman began reasserting his command over the RDO and its ward leaders, forcing Maloney farther into the background and eventually replacing him altogether as the acknowledged leader of the Regular Democratic Organization. Mayor Behrman and his "Old" Regulars endorsed state, parochial, and municipal candidates, conducted their campaigns, and dispensed all patronage. By the end of 1924, Behrman had regained complete dominance of the RDO caucus, denying Maloney the privilege of naming Richard Leche the leader of the Fourteenth Ward and, in effect, forcing Maloney to resign as chairman of the RDO caucus. In addition, the bulk of Commissioner Maloney's support came from the same sort of voters already committed to anti-Behrman municipal reform. In brief, then,

Paul Maloney could not command the respect of his own organization and, apparently, could contribute little to the new.²⁰

Finally, the political circumstances were different in 1924 and 1925.²¹ Martin Behrman and the Regular Democrats were no longer in power and responsible for the economic, social, and political problems of the city. The people and the press blamed the ODA, John Sullivan, and the McShane administration for the collapse of municipal services, for high utility bills, for unpaved streets, and for the partisan and personal incompetence of the municipal government. Despite the demands for personal competence and political experience in municipal affairs, many Regulars and reformers, were not yet convinced that the return of these

²⁰New Orleans Item, October 5, 6, 8, 10, 12, November 12, 13, December 20, 23, 24, 1924; New Orleans Daily States, October 5, 6, 8, 10, 12, 19, December 23, 1924. Several members of the "Old" Regulars joined the Maloney campaign. Many of them, however, had opposed Behrman in 1920, returning to the RDO only after the collapse of the ODA and then "deserting" the Regulars for Maloney and Sullivan. For example, "Old" Regulars Henry Desmare, a leader of the Sixth Ward and a former member of the ODA, left the RDO for Maloney. So too did Richard Leche, Ural McMillian, and Maurice DePass. The majority of Maloney supporters, however, came from the civic and commercial establishment and from the McShane administration.

²¹The state constitution of 1921 lengthened McShane's term by five months, scheduling the municipal elections for February, 1925. Thereafter, the municipal elections would take place during even numbered years. The stated purpose of the provision was to prevent the municipal elections from influencing the state campaign. In reality, it was a compromise between Governor Parker, who wanted to limit the mayor of New Orleans to one term, and John Sullivan, who wanted to the New Orleans vote to influence state elections.

personal and civic virtues meant the return of Martin Behrman.²²

Martin Behrman never doubted that the RDO would return to power and that with the right leadership and support the Regulars could restore integrity to the municipal government and city politics. Like many "public men," Martin Behrman recognized that the McShane administration and those it represented were responsible for the paralysis of municipal affairs. From his standpoint, the principal failure of the McShane administration was its inability to provide sustained, disciplined leadership. No one person or political organization spoke for the administration or could discipline its disparate factions. After four years of so-called reform government, it was apparent to Martin Behrman and to many others, that only the Regular Democratic Organization could discipline the municipal government of New Orleans, restoring order and purpose to public affairs.²³

²²New Orleans Item, April 16, June 17, 18, 1924; New Orleans Times-Picayune, June 17, 1924; New Orleans Daily States, November 30, December 1, 1924.

²³New Orleans Item, November 22, 26, 27, 1924, January 6, 1925; New Orleans Daily States, January 26, November 16, December 26, 1924; New Orleans Times-Picayune, November 20, 26, 27, 1924. For Martin Behrman, the McShane administration failed principally because "amateur" politicians and "silk stocking" reformers formed its leadership. Unlike the reformers, professional politicians adhered to a code of strict professional standards, and operated under constant public review. By contrast, the amateur politician and "silk stocking" reformer operated by private standards, creating an "invisible" government of private privilege.

There was legitimate concern, however, that Behrman's health and his political reputation might prevent him from taking a direct and active part in the restoration. Behrman shared these concerns, stating on several occasions, particularly after he resumed leadership over the RDO caucus, that he was physically unable and spiritually unwilling to campaign for office. There was, as well, speculation that the "Behrman era" had past, that the former mayor represented an older generation and an outdated politics. Some members of the RDO caucus, those who eventually left with Maloney, argued that Behrman should step aside for younger, more capable and appealing candidates. Mayor Behrman was not unaware of these concerns, and, to an extent, he agreed with them. As late as November, 1924, Behrman reiterated his unwillingness to run for office, instead urging the RDO caucus to nominate a younger, more vigorous candidate, some one like Edward E. Lafaye or Robert Riordan.²⁴

But Lafaye and Riordan declined the nomination, compelling the "Old" Regulars and Martin Behrman to reconsider his nomination. The supporters of Martin Behrman were convinced that, despite questions about his health and political record, Behrman could defeat Paul Maloney and govern the city. By the beginning of December, Martin Behrman, too, was convinced that he could win the mayoral election and recon-

²⁴New Orleans Item, November 12, December 1, 2, 1924; New Orleans Daily States, November 26-29, December 3, 5, 1924.

struct municipal government and politics. Early in December, the RDO caucus, complete with the five ward leaders supporting Maloney, met to select the Regular nominee for mayor. The caucus adopted a resolution binding all ward and precinct leaders to support the Regular nominees for mayor and the commission council, prompting the supporters of Paul Maloney to leave the meeting and the RDO. With the Maloney supporters deserting the RDO, the caucus nominated Martin Behrman for a fifth and last term as mayor.²⁵

Though Martin Behrman and Paul Maloney were confident of election, some men were disturbed by the prospect of the return of the RDO to power or the continuation of municipal misrule under John Patrick Sullivan. Other men were convinced that they could influence, if not determine, the outcome of the election, themselves governing the city through political alliances and building coalitions for future municipal and state campaigns. Those men, Andrew McShane, Francis and Gus Williams, and Huey Pierce Long, would be disappointed by the results of the municipal elections. Their convictions and political maneuverings would influence, though not determine, the course of the municipal campaign.

²⁵New Orleans Item, December 3, 4, 6-10, 1924; New Orleans Daily States, December 5-10, 1924; New Orleans Times-Picayune, November 15, 16, 19, 26, 29, December 2, 6-10, 1924.

At the beginning of 1924, an exhausted and disillusioned Andrew McShane declared that he would not seek another term as mayor. McShane's tenure as mayor had soured him on municipal politics and government. McShane was, as he said, no politician, and was unwilling, perhaps incapable, of bowing to either professional politicians or self-interested businessmen. McShane saw himself as a disinterested, public-minded citizen, drafted by the people and alone charged with representing their wishes. He found himself mired in patronage disputes, legislative compromise, and economic and political conflict with the people who elected him. Disillusioned by politics, he lost favor and influence in his own administration, standing idly and helplessly while his administration collapsed from internal division and conflict. "I have had more hell since I was elected mayor," he said, "then in all the rest of my life before." Under no circumstance, would he seek reelection or participate in the municipal campaigns. By the end of the year, McShane had changed his mind, disturbed more by the prospect of Martin Behrman or Paul Maloney serving as mayor than with being condemned to four more years of personal and political hell.²⁶

Initially, Andrew McShane hoped to endorse the nominee of the Regular Democratic Organization. Apparently, McShane

²⁶New Orleans Item, February 8, November 20, 1924; New Orleans Daily States, February 8, 10, 11, November 20, 1924.

recognized that Martin Behrman and the "Old" Regulars would never nominate Paul Maloney for mayor. Instead, like many other "independent" citizens, McShane believed, perhaps hoped, that the RDO would nominate some one like Edward E. Lafaye or City Engineer John Klorer. For McShane and other civic reformers, these men offered a legitimate and thoughtful alternative to a true civic reform candidate. But political circumstances changed during the year. Maloney did not honor the wishes of the RDO caucus, but instead left the organization, declaring himself an "independent" candidate for mayor and allying with John Patrick Sullivan and, later, Huey Pierce Long. "I will not stand by idle," McShane told reporters, referring to Maloney's alliance with Sullivan, "while the ideals and objectives for which I have fought and striven during my administration are disregarded and thrown side."²⁷

Though not yet a declared candidate, McShane declared his campaign against the corrupt alliance of Paul Maloney and John Sullivan. For Andrew McShane, the candidacy of Paul Maloney and his subsequent alliance with John Sullivan was both politically troubling and personally distasteful, a bitter reminder of his failed administration and the failure of municipal reform politics to effectively govern the city. From McShane's vantage, the alliance between Maloney and

²⁷New Orleans Daily States, November 20, 1924; New Orleans Item, November 20, 1924.

Sullivan strengthened the special interests and partisan concerns that had since 1921 combined to dilute and then paralyze the municipal reform movement. Sullivan was the consummate spoils politician, unconcerned with political ethics and social responsibility. He sabotaged the civil service reforms promised by the ODA and viewed public policy as an opportunity to expand his reservoir of political patronage. Maloney represented the corrupt alliance between politics and corporate interest, using the authority of the municipal government to protect and further the financial interest of companies like NORLC-NOPSI. For McShane, Maloney and Sullivan were responsible for the failure of his administration and the degradation of municipal affairs in New Orleans.²⁸

But so too were Martin Behrman and the Regular Democratic Organization. They were more concerned with political advantage than economic and social progress, content to ally with any political or economic interest that promised their continued political success. When the RDO nominated Behrman, McShane decided to seek reelection, contending that his own candidacy gave the people of New Orleans a valid alternative between two generations of machine politicians.²⁹

McShane's candidacy (it became official at the end of the year) clearly threatened Paul Maloney. Maloney had hoped

²⁸New Orleans Times-Picayune, November 21, December 12, 1924; New Orleans Daily States, December 5, 1924.

²⁹Ibid.

to attract the independent anti-Behrman voter, who, along with the New Regular voter, would give him a majority in the municipal elections. McShane's candidacy forced Maloney into an open alliance with Sullivan's New Regulars, jeopardizing the independent vote and exposing his relationship with Huey Long.³⁰ Reaction to McShane's candidacy among the friends of Paul Maloney and the opponents of Martin Behrman was immediate and critical. The Daily States, the principal newspaper supporter of Maloney, Sullivan, and Long, called the McShane candidacy "pathetic," denouncing the incumbent reform mayor as a "tool" of Martin Behrman. Other critics, like the Times-Picayune, did not doubt McShane's integrity, but they did question his judgment. The Times-Picayune acknowledged the sincerity of McShane's candidacy, reminding voters that the McShane administration gave the city a period of "repair and recuperation" from the excesses of "Behrmanism". But the Picayune also pointed out the failures of the McShane administration, contending that those failures made "Behrmanism" an attractive, though false, alternative to municipal reform under the "independent" candidacy of Paul Maloney. Any vote for McShane, the Times-Picayune and the Daily States predicted (though incorrectly), spoiled the chances of Maloney and promised the return of Martin Behrman and the Regular Democratic Organization. To the contrary, as

³⁰New Orleans Item, November 21, 22, December 26-30, 1924; New Orleans Daily States, December 14, 1924.

we shall see, a vote for Andrew McShane was an anti-Regular vote, cast in protest against both Behrman and Maloney.³¹

The principal threat to the Maloney-Sullivan coalition came from Francis and Gus Williams and their "Independent" Regular Organization. Initially, the Williamses joined John Sullivan, hoping that their affiliation with the New Regular organization would serve their political aspirations. It soon became apparent to the Williamses that the New Regulars served only the ambitions of John Sullivan and those he chose to favor. In the summer of 1923, Francis and Gus left the New Regulars, forming their own political organization, the "Independent" Regulars. The Williams brothers promised to rid municipal affairs of "boss rule" and to end the corrupt alliance between the municipal government and alien corporations like New Orleans Public Service and the Cumberland Telephone Company.³²

The Williamses were not only independent, but also ambitious and impatient. Not content with their present

³¹New Orleans Times-Picayune, December 29, 31, 1924, January 16, 17, February 16, 1925; New Orleans Item, January 16, 17, 1925. McShane had little organized support, and what little he had was virtually nonexistent. A group of supporters calling itself the "Mohawk Democratic Club" endorsed McShane and his "municipal ticket". Needless to say, the Mohawk Democratic Club commanded few votes, and the McShane ticket consisted of four candidates for the commission council.

³²New Orleans Item, June 6-10, 29, July 4, 1923; New Orleans Daily States, June 6-10, July 4, 1923; Williams, Huey Long, 167-68. The "Independent" Regulars attracted few supporters, though several acknowledged professional politicians joined. Among them were Richard A. Dowling, Thomas I. O'Connor, and John St. Paul.

positions and standing in municipal affairs, they decided to challenge both the "Old" and the New Regulars in the municipal election of 1925. Early in November, 1924, before either faction had settled on its candidate, Francis Williams announced for mayor. The Times-Picayune commented the next day on Williams's candidacy. The Picayune saw great promise in Francis Williams. He was, it remarked, a forceful and energetic politician, but at times ill-tempered and impulsive. Though one day he may become an excellent mayor, at this time he did not have the temperment or maturity to govern the city.³³

But the public and Maloney and Sullivan thought otherwise. Late in October, before Williams announced, the Item conducted a "strawvote" election, sending sample ballots to its subscribers and asking them to express their preference from among the major candidates for mayor. The names of four candidates, Maloney, Behrman, Arthur J. O'Keefe (the Regular leader of the Tenth Ward and the former City Treasurer), and Francis Williams, appeared on the "ballot". The "voting" was very close; fewer than sixty votes separated Behrman from Maloney. Francis Williams was a close third. Though

³³New Orleans Times-Picayune, November 12, 1924; Williams, Huey Long, 167-68. Francis Williams was a loud and tempestuous man, prone to coarse actions and language. He was, however, also deeply committed to the interest of organized labor (he was the attorney for the Carmen's union in the 1920s) and to the lower classes of New Orleans. From every indication, he was a sincere, though personally ambitious, "urban progressive".

obviously unscientific and biased, the poll revealed that neither Behrman nor Maloney was the clear choice of the city's "voters". And the strawvote showed as well that a third candidate like Francis Williams could influence the outcome of the election.³⁴

Francis Williams was more of a threat to Paul Maloney than to Martin Behrman. Despite their personal and political differences, Williams and Maloney shared the same constituencies. Williams, like Maloney, appealed to the anti-Regular reformers and anti-Behrman Regulars that elected McShane in 1920. Williams's strength was concentrated in the Sixth, Seventh, Eighth, and Fourteenth wards, areas of the city crucial to Maloney's candidacy. Williams was, as well, as Public Service Commissioner, in an authoritative position to criticize the NORLC rehabilitation settlement fashioned by Commissioner of Public Utilities Paul Maloney. And Williams had a personal dislike for John Sullivan and Huey Long, the two principal supporters of the Maloney campaign.³⁵

But Williams's political and personal appeal did not detract from his considerable political liabilities. His affiliation with the carmen's union and his early association with Huey Long soured many businessmen, and his political "independence" irked Martin Behrman and John Sullivan. As a result, his organized political support was limited and

³⁴New Orleans Item, November 18-21, 24, 30, December 11, 1924.

³⁵Ibid.; Williams, Huey Long, 167-68.

few people considered him a "serious" candidate (there were rumors that Williams was a Behrman "dummy candidate"). These liabilities surfaced almost immediately. Within weeks of announcing his candidacy, Francis Williams sought an "accommodation" with both the "Old" and New Regulars. Williams approached the "Old" Regulars first, hoping either for its endorsement for mayor or for a spot on the commission council ticket. Aware of Williams's shortcomings, the "Old" Regulars dismissed his candidacy, offering him neither position nor encouragement.³⁶

Maloney and the New Regulars offered the Williamses some encouragement, but little else. Early in December, Maloney's followers met with Francis Williams, trying to convince him that his candidacy jeopardized Maloney's opportunity of defeating Behrman and the "Old" Regulars. These followers "promised" Francis a place on Maloney's commission council ticket and agreed to endorse Gus for Recorder of Mortgages, a position he held currently.³⁷ The Williams brothers waited several weeks before making their decisions. Late in December, Francis withdrew from the mayoral campaign, "accepting" the endorsement of the Independent Regulars for the commission council. But by that

³⁶Gus Williams complained that the demands of the Behrman Regulars were so demeaning that they compromised his "self-respect". New Orleans Item, December 9, 17-19, 1924, January 5, 1925; New Orleans Times-Picayune, December 4, 1924; New Orleans Daily States, December 3, 4, 14, 1924.

³⁷Ibid.

time, Sullivan, Maloney, and Huey Long had concluded that Williams was more valuable (and less threatening) to their coalition as Public Service Commissioner, and they insisted that Francis withdraw completely from the municipal campaign.³⁰

The Williamses hesitated, unwilling to bow to Maloney and Sullivan. But they did bend, or at least appeared to, to Huey Long. According to newspaper reports, Long "convinced" Williams to withdraw, arguing that the common enemy was Martin Behrman and the "Old" Regulars. Long also persuaded Williams, after several "heated" sessions, to endorse Paul Maloney for mayor. Though Huey Long later became a very persuasive politician, it seems farfetched that he convinced Francis Williams to withdraw from the municipal elections. Long had virtually no following in New Orleans, receiving only 12,000 votes in the city in the 1924 gubernatorial election. It seems more likely that Francis Williams, with more experience in municipal affairs than Long, sensed that there was no support for his candidacy and that he had no other choice but to withdraw and endorse Paul Maloney. With Williams out of the race, however, Maloney could concentrate on selecting his commission council ticket and defeating

³⁰New Orleans Daily States, December 15-17, 20, 21, 1924; New Orleans Item, December 16-18, 20, 1924.

Martin Behrman.³⁹

Maloney's selections for the commission council, two anti-Behrman Regulars, a member of the commerical establishment, and a New Regular office holder from the McShane administration, spoke of his political accomodation and his electoral needs. Charles H. Hendricks and Paul B. Habans, the two anti-Behrman Regulars would, Maloney assumed, appeal to those Regulars weary of Behrman's domination of the RDO. Hendricks, a former state Representative and Senator from Behrman's home ward, had lost favor with the former mayor and had been gerrymandered from his job in 1921 to make room for John C. Davey, a protege of Behrman. Paul Habans was a former school teacher and administrator, and, at one time, a protege of Martin Behrman. When the "Old" Regulars gained control of the Orleans Parish Democratic Central Committee in 1924, Behrman chose Habans as its chairman. Not only did Habans hold an important position in the RDO, he also came from the Seventh Ward, a section of the city below Canal Street essential to Maloney's hopes for election. Ben C. Brown was among the commerical elite of New Orleans. Born and educated in Canada, Brown came to the United States in

³⁹The New Orleans press overreacted to Huey Long's intrusion in the municipal election, claiming that a vote for Maloney was a vote for Huey Long. The patterns of municipal politics were set long before Huey Long became an active player in the municipal election, and, as the election returns indicate, Long's presence in the municipal campaign had no impact on the outcome. For an account of the 1924-1925 election that gives Long more credit than he is due, see Williams, Huey Long, 73, 81, 84, 162, 212, 213, 382.

the 1890s, settling at first in St.Louis before moving to New Orleans. In 1905 Brown established a dairy and ice cream company, and, with business success, came social and civic acceptance.⁴⁰

As impressive and significant as those selections were to Paul Maloney, none was more important than the endorsement of John D. Klorer. Klorer was a noted civil engineer and served five years as City Engineer during the McShane administration. Klorer had a reputation as an efficient and apolitical public servant, acquiring that reputation as one of the administration's principal negotiators during the NORLC rehabilitation controversy. Klorer had been mentioned frequently as a possible mayoral candidate, but he was never a serious candidate. He was, though, a serious candidate for the commission council, running as an independent. Maloney tried to convince Klorer to accept a place on his ticket, hoping to appeal to the civic and social reformers who admired the City Engineer, but Klorer declined. Instead, Maloney, like Behrman, endorsed Klorer, virtually assuring his election to the commission council. The Maloney press pronounced the municipal ticket (Maloney endorsed the New Regulars candidates for parochial offices), the best in years, proclaiming it the "people's" ticket, and predicting

⁴⁰New Orleans Item, April 18, November 21, 1913, April 7, 1914, December 17, 1924; New Orleans Daily States, December 17, 1924, January 4, 16, 1925; New Orleans Times-Picayune, November 19, December 26, 1924, January 6, 1925.

a complete victory in the municipal primary in February.⁴¹

Defeating Martin Behrman and the "Old" Regulars, as Maloney and Sullivan surely understood, encompassed more than selecting an appealing, though conventional, municipal ticket. For Paul Maloney to win the municipal election, he had to disassociate himself from the numerous and painful failures of the McShane administration. In addition, he had to assure his disparate following that his administration would not be either a restoration of "Behrmanism" or the continuation of municipal misrule under John Sullivan. The Maloney platform, then, reflected those concerns. Maloney promised a true, "business-like" administration, a more equitable assessment and tax policy, stricter regulation of NOPSI, cheap natural gas for the city, better schools and teacher pay, a reasonable, though comprehensive, zoning and planning ordinance, including provisions for residential segregation.⁴²

Though the platform contained an impressive list of capital improvements and municipal reforms, supporters of Martin Behrman lacerated it, calling it a litany of empty generalities, platitudes, and false promises. The Item acknowledged that it contained several planks pledging Commissioner Maloney to municipal reform and to vital social

⁴¹New Orleans Item, December 23, 1924; New Orleans Daily States, December 23, 24, 1924; New Orleans Times-Picayune, December 24, 1924.

⁴²New Orleans Item, January 4, 9, 21, 22, 25, 1925; New Orleans Daily States, January 16, 17, 22, 1925.

and civic improvements. But these promises, the Item reminded its readers, were the same ones offered by the ODA in 1920. But those promises, the Item asserted, went unfulfilled principally because the same men who supported Paul Maloney either "reneged" on them or were never truly committed to them.⁴³

Mayor Behrman agreed. In the opening speech of his campaign, Behrman stressed the administrative and political failures of the past four years. Behrman did not attribute these failures to the citizens of New Orleans (a reference to the sort of campaign rhetoric used by civic reformers like John Parker and Andrew McShane) or even to Mayor McShane, but to the men now supporting Paul Maloney. These men, the former mayor said, for their own selfish political purposes, blocked the reforms promised by the ODA in 1920, retarding the economic and social development of the city and fracturing its political cohesion. The essential purpose of his campaign and administration, he said, was to restore political and social harmony to municipal affairs, assuring

⁴³New Orleans Item, January 9, 1925. The New Regular politicians were not the only men to support Maloney. He received endorsements from Commissioners Stanley Ray and Wilbert Black, Esmond Phelps, Charles I. Rosen, and Hugh and Bernard McCloskey.

the return of economic and civic development.⁴⁴

Like Paul Maloney, Martin Behrman sought first to bring harmony to his political faction. Behrman began reconciling the disparate Regular factions in the early 1920s, welcoming back into the ranks of the RDO those men who had deserted the Regulars in 1920. He intensified his efforts after 1922, hoping that his retirement would speed reconciliation, but a complete reunification was, frankly, not possible, forcing Behrman out of retirement and compelling him to seek another term as mayor.⁴⁵ Behrman, much like Maloney, chose his municipal ticket to reflect the political and electoral needs of the "Old" Regulars. Behrman selected one stalwart "Old" Regular, a businessman, and an attorney for the commission council ticket. Behrman, like Maloney, also endorsed John Klorer, the independent candidate for the commission coun-

⁴⁴New Orleans Item, December 5, 1924, January 5, 6, 9, February 1, 1925; New Orleans Times-Picayune, December 12, 1924, January 9-12, 18, 29, 30, 1925. Critics of the Behrman candidacy charged that the McShane administration accomplished more than any previous Behrman administration, and that any failure on the part of the McShane municipal government to resolve the economic problems of the city stemmed from sixteen years of stagnation under Martin Behrman.

⁴⁵Martin Behrman was, without question, an ambitious politician and wanted to vindicate his loss to McShane in 1920. But he was, as well, a devoted "party man," seeking above all else the restoration of the RDO to power. The list of returning Regular Democrats is too long to cite here, but it was considerable and was a determining factor in the municipal elections. Returning Regulars included Harold W. Newman, Edward Comiskey, Fred Earhart, Joachim O. "Bathtub Joe" Fernandez, and Maurice Picheloup. Reconciliation was, of course, never complete. Several "Old" Regulars left Behrman to join Maloney and Sullivan. The most notable desertions were Ural McMillian, Martin Manion, and Michael James McKay.

cil. The "Old" Regular candidate was Arthur J. O'Keefe, a tea and coffee merchant and leader of the Irish and German Tenth Ward, the home ward of Robert Ewing, the publisher of the Daily States and the most notable supporter of Paul Maloney, John Sullivan, and Huey Long. The businessman was William T. Hall, president of Hall Coffee and Sugar Company and the Panama Rice Milling Company and a resident of the spacious and politically important Ninth Ward. The final candidate was Joseph Sinai, a successful civil attorney and the law partner of Judge James Henriques.⁴⁶

The anti-Behrman Daily States ridiculed the ticket as "pitifully weak and handicapped," a calculated, though transparent, attempt by the Behrman Regulars to hide behind a mask of social and professional respectability. None of the men selected by the "Old" Regular caucus, with the exception of John Klorer, the newspaper reported, possessed the sort of independent character or necessary experience to resist the political demands of Martin Behrman and the "Old" Regulars and to govern the city effectively and well. Admittedly, the Behrman commission council ticket, not unlike the Maloney ticket, lacked practical political and governmental experience, but the same sort of criticism applied to every

⁴⁶New Orleans Item, November 7, 1911, June 23, 1912, December 11, 15, 16, 28, 1924, January 12, February 21, 1925; New Orleans Times-Picayune, December 24, 27, 28, 1924; Melvin G. Holli and Peter d'A. Jones, eds., Biographical Directory of American Mayors, 1820-1980, (Greenwood Press, 1981), 273-74.

commission council since 1912. The Regular Democratic Organization, like the Good Government League and the Orleans Democratic Association, chose prominent business and professional men for the commission council, relying on organization and the appeal of the municipal reform movement, rather than on personality and professional occupation, to attract voters. The Behrman administration never viewed political independence as an impediment to public service (the careers of Martin Manion, Harold Newman, Edward Lafaye, and John Klorer were examples of that view). It demanded, however, and to some degree achieved, a coordinated expression of public policy--something the McShane administration rarely, if ever, accomplished.⁴⁷

As in past elections, however, voters concentrated their attention on the principal candidates for mayor and their platforms. Two of the three major newspapers of New Orleans, the Times-Picayune and the Daily States endorsed Paul Maloney, but the Item, for years a relentless and, at times, merciless, critic of Martin Behrman and the RDO, supported the former mayor and his ticket. The Picayune and the States argued that the election of Martin Behrman meant

⁴⁷New Orleans Daily States, December 29, 1924; New Orleans Item, December 3, 1924, January 16, 1925. The "Old" Regulars "fielded" a complete municipal ticket, as well. The principal candidates were Henry Mooney for District Attorney, Richard Meredith for Criminal Sheriff, Maurice Hartson for Civil Sheriff, and C. P. Taylor, Victor Mauberret, Fred Schmidt, James Malloy, Henry Umbach, A. R. Norbusch, and James Humphreys for the Board of Assessors.

the return of "politicized" public administration and the continuation of the economic and social paralysis first felt during the last years of the war under the Behrman administration and lasting throughout the entire McShane administration.⁴⁸ The New Orleans Item believed differently. The Item contended that neither Paul Maloney nor Andrew McShane had the qualifications or disposition to reconcile the discrete political and social interests of the city. McShane was a man of determination and principle, but he was also willful and unbending, unwilling to compromise ideals to save his principles. By contrast, the Item editorialized, Paul Maloney was so ambitious for office that he would sacrifice his principles for political gain.⁴⁹

Martin Behrman, however, the Item continued, possessed all the personal attributes and practical experience to rectify the social and economic problems of the city and to restore integrity to municipal and political affairs. Behrman was personally and politically honest, the Item said, never profiting from his position as mayor and never willing to compromise his principles for political advancement. Behrman was, as well, no mediocre ward politician, but an accomplished public servant, ever "receptive to progressive suggestion [and] sympathetic [to] constructive thought".

⁴⁸New Orleans Times-Picayune and New Orleans Daily States, any edition beginning in January 1925 and continuing into early February, 1925.

⁴⁹New Orleans Item, January 1, 5, 9, 26, 1925, February 2, 1925.

And, most importantly, Martin Behrman reformed the Regular Democratic Organization, expelling the corrupt and vicious element of "ringsters" and realigning the RDO with the forces of economic and social progress in New Orleans.⁵⁰

The endorsement of the Item was sincere,⁵¹ but its reasons require clarification. There was no question that Martin Behrman was honest and capable and that his conduct as the leader of the Regular Democratic Organization and as mayor was exemplary, setting the standards for the organization and the municipal government. But though Behrman was a devoted public administrator, he was not without personal and political ambition, intent on advancing the legitimate political interests of the RDO and the public policy interests of the municipal government. Those concerns and inten-

⁵⁰New Orleans Item, September 3, 1922, January 5, 22, February 26, 1925. In many ways, the Behrman coalition did not differ from Maloney's. The "Old" Regulars contained professional politicians, businessmen, current and former office holders, and "new men," like Thomas Semmes Walmsley, who sought a career in politics. Principally, however, the majority of Behrman supporters came from the "common class" of citizens who participated in politics as part of their civic responsibility and personal advancement.

⁵¹The opponents of Martin Behrman accused him of "buying" the endorsement of the New Orleans Item. In 1924, Genevieve Clark Thomson, the wife of James Thomson, publisher of the Item, ran for the unexpired term of Congressman H. Garland Dupre. Behrman endorsed Mrs. Thomson. Though she lost the election, Behrman "earned" the thanks and support of the Thomsons and the New Orleans Item. When the newspaper endorsed Behrman in 1924-1925, critics claimed that Thomson was repaying an old campaign debt, a claim Thomson denied. Thomson claimed that the Item endorsed Behrman because of his sincere, though sudden, "conversion" to the principles of modern, progressive reform and because a Maloney-Sullivan administration was a menace to progress and reform in the city. New Orleans Item, February 1, 1925.

tions expressed by Mayor Behrman and his administration often clashed with the interests of some Regular Democrats, as in the case of Storyville,⁵² and the civic-commerical elite, as in the case of the Public Belt Railroad Commission, the regulation of public utilities under the Manion and Nix bills, and the rehabilitation of New Orleans Railway and Light Company. In brief, though Behrman was open to progressive thought and suggestion and sought to "realign" the RDO with the interests of municipal reform, the Item and the civic and commerical elite of New Orleans opposed the sort of municipal reform advocated by the Behrman administration. Only later, after four years of municipal rule under Andrew McShane and the ODA, did the Item admit its mistake and acknowledge its support of municipal rule under Martin Behrman and the RDO.

Convincing the Item alone, of course, would not win the municipal election. Behrman had to assure the commerical and civic leaders of New Orleans that he could overcome the political divisions within the city and restore its economic fortunes. Behrman also had to convince the public that his

⁵²In October 1917, Mayor Behrman, only after the United States Navy threatened to remove the Algiers (Behrman's home ward) Naval Station, ordered the repeal of the Storyville ordinance and the dismantling of the "red-light district". The action of the Behrman administration went against the interests of Regular Democrats like Thomas Anderson, Victor Mauberret, and Robert Maestri and the brewers and distillers who had vast financial investments in the district. For a fuller account on the history of Storyville, see Terrence W. Fitzmorris, "'The Basin Street Blues': Storyville, 1897-1917," paper in the possession of the author.

administration would restore essential city services to the benefit of all citizens. Behrman's platform and campaign reflected those concerns. Soon after the New Year, Behrman released his platform.⁵³

On one level, the platform clearly addressed the interests and needs of the commercial and civic establishment. It promised an extensive (and, frankly, necessary) public works program aimed at ending the geographic and commercial isolation of New Orleans, rebuilding its decaying transportation system, and providing for greater commercial and residential development. The Behrman platform called for the municipal government, in partnership with several independent state and parochial commissions, to build bridges across the Mississippi River (a project that predated the war) and Lake Pontchartrain, connecting the city by rail and highway with the "outside" world. The former mayor pledged his administration to a comprehensive paving plan and a comprehensive zoning and planning ordinance, though Behrman stopped far short of endorsing the Favrot City Planning Commission. And the platform promised to end the chronic housing shortage in New Orleans by reclaiming a large section of Lake Pontchartrain for commercial, residential, and recreational development. Behrman endorsed the NORLC-NOPSI rehabilitation ordinance, however, promising to improve services, reduce

⁵³New Orleans Item, January 3-6, 1925; New Orleans Daily States, January 4, 1925.

rates ("whenever possible"), and enforce strictly all provisions. Finally, Behrman pledged to work closely and on friendly terms with the various business and professional organizations of the city, promising to include more of them in municipal affairs.⁵⁴

But Martin Behrman and the "Old" Regulars had no intention of relinquishing control of the municipal government to the so-called commercial and civic leadership that had for years blocked municipal reform and demoralized the municipal government. In a statement that accompanied the platform, Behrman spoke directly to that issue. "I believe," he said, "that our people want an administration with party obligations and party responsibilities; for it is only through party government with party responsibilities that true progress has been made in government." For Martin Behrman and the Regular Democratic Organization, then, good government was popular and representative and "true progress" was the effective expression of the popular will. The McShane administration and the commercial and political factions it represented could never establish good government or initiate "true progress" because they were never truly popular and their policies were never really expressions of the popular will.⁵⁵

⁵⁴New Orleans Item, January 4, 6, 1925.

⁵⁵New Orleans Item, January 3-6, 1925; New Orleans Times-Picayune, January 15, 1925.

Those failures--and, of course, those of the Behrman administrations--were expressed best in the issues raised during the municipal campaign. The Behrman campaign emphasized the failure, indeed the unwillingness and inability, of the Maloney-Sullivan "administration" to initiate the reforms promised during the 1920 municipal campaign or to adopt the recommendations of its own municipal survey commission. The Maloney-Sullivan coalition, in short, misrepresented itself. It was, in fact, unconcerned with municipal reform and good government. It first crippled, then destroyed, efforts to enact a comprehensive civil service system for city government, and it used the immense resources of the state, parochial, and municipal governments to construct a second, less enlightened political organization, dedicated exclusively to political spoils and patronage. Without regard for the safety, health, and general welfare of the citizens of New Orleans, Maloney and Sullivan reduced taxes, misappropriating money to special interests projects like a "comprehensive" paving plan and curtailing essential services like police and fire protection. At every instance, it bent to the pressures of special commercial interests, allowing them to determine the assessment and tax policy of the municipal government and giving them excessive influence over the physical and commercial development of the city (the "Old" Regulars ignored the efforts of the McShane administration to curb demands of the Favrot City

Planning Commission).⁵⁶

Mayor Behrman and the "Old" Regulars did not challenge Maloney and Sullivan on the NORLC-NOPSI rehabilitation ordinance. Rehabilitation was, after all, a problem the McShane administration inherited from Martin Behrman and the settlement plan owed much to the policies of the Behrman administration.⁵⁷ But Andrew McShane had no qualms about attacking Maloney, the commission council (Ray and Black endorsed Maloney and the New Regular municipal ticket), and Sullivan on the rehabilitation settlement ordinance. Mayor McShane argued that the financial and corporate management of NORLC-NOPSI were solely responsible for the intolerable physical and financial condition of the public service industry in New Orleans and they, along with the present commission council, were responsible for the costly rehabilitation settlement. McShane complained that the commission

⁵⁶New Orleans Item, November 21, December 1, 14, 21, 1924, January 4 through February 5, 1925; New Orleans Daily States, December 14, 1924, January 3 through February 5, 1925.

⁵⁷The Behrman campaign depicted Maloney and his principal supporters as the "determined enemies of labor," contending that the NORLC-NOPSI settlement ignored the just demands of organized labor. The charge had some justification. Several Maloney supporters, Sullivan, Parker, District Attorney candidate Hugh Wilkinson, had anti-labor reputations. But the Behrman administration, though clearly on the side of labor during the war and the 1920 strike, did not make the interest of labor an integral part of its efforts to rehabilitate NORLC. Seeking a fair settlement for stockholders and consumers was, however, hardly an act inherently unfriendly to labor. During the 1925 campaign, Martin Behrman received endorsements from the major labor unions in the city. New Orleans Item, December 14, 21, 1924, January 9, 11, 20, 24, 1925.

council, particularly Commissioner of Public Utilities Paul Maloney, bent to the financial and political influence of New Orleans Railway and Light Company, arriving at a settlement that favored a mismanaged, bankrupt company and burdening the taxpayers and citizens of New Orleans with exorbitant rates and inadequate service.⁵⁸

The response of Paul Maloney and the New Regulars to the accusations of the "Old" Regulars and Andrew McShane was simple and direct. The ODA commission council inherited sixteen years of incompetent and "politicized" municipal rule from the Behrman administration. No municipal government, even one dedicated to progressive municipal reform, could in one term cure the administrative and political paralysis of Behrman misrule. The ODA commission council was dedicated to municipal reform, but it did not govern under ideal conditions. And, though the commission council acted effectively and prudently on most issues, Mayor McShane and a remnant of unreconstructed politicians blocked or distorted some aspects of the municipal reform movement in New Orleans.⁵⁹

The two "conspicuous failures" of the ODA commission council, the New Regulars admitted, were civil service reform and the revision of tax and assessment policy. Though

⁵⁸New Orleans Item, November 21, December 1, 1924, January 18, 25, 28, 30, 1925; New Orleans Daily States, January 22, February 16, 1925.

⁵⁹New Orleans Item, January 6, 16, 17, 19, February 1, 16, 1925; New Orleans Daily States, January 8, 13, 23, 24, 1925.

the RDO and Behrman administration did not introduce the "spoils system" to New Orleans, the Maloney campaign argued, they perfected it, contributing directly to the administrative and political collapse of the municipal government in 1920. In the years since the defeat of Martin Behrman in 1920, the ODA attempted without success to initiate an effective and permanent civil service system in New Orleans. The failure of the ODA, the New Regulars argued, resulted from sincere differences within the association about the merit and form of civil service legislation and from the concerted opposition of the "Old" Regulars to civil service reform proposed by the ODA. And the revision of the assessment and tax policies of New Orleans had only been delayed, blocked by a Board of Assessors controlled by the "Old" Regulars.⁶⁰

In other areas, the Maloney campaign argued, the ODA administration provided the services and enacted the reforms it promised. It reduced taxes and cut needless expenses, freeing revenues for more appropriate services. It initiated

⁶⁰At the summer session of the Louisiana General Assembly, John Sullivan introduced a civil service bill creating a permanent civil service board for the Board of Commissioners for the Port of New Orleans. The special civil service board, comprised exclusively of businessmen, would govern the public employees of the Dock Board. The "Old" Regulars in the legislature opposed the bill, claiming that Sullivan sought to create a permanent class of New Regular supporters and, at the same time, realign his faction with the business community. The bill failed, allowing Sullivan to claim that the "Old" Regulars blocked civil service reform for New Orleans. New Orleans Item, June 15, 18 19, 1924; New Orleans Daily States, June 19, 1924.

budget and administrative reforms allowing the municipal government to operate more efficiently. The ODA commission council revised the state and municipal laws concerning paving, permitting the municipal government to inaugurate a comprehensive paving plan (the New Regulars conveniently forgot that the "Old" Regulars enacted the Bond-Theole paving law). And, despite years of acrid disagreement between the Behrman administration and New Orleans Railway and Light Company and the unreasonable behavior of Mayor McShane, Commissioner Maloney and the ODA commission council brought about the prudent and expedient rehabilitation of NORLC. The recommendations proposed by Mayor McShane were unacceptable to the financial managers of NORLC and would not further the public rehabilitation of the company. Nor was there any indication from Mayor Behrman that he opposed the Maloney rehabilitation settlement or that he would enforce its provisions. A McShane administration, then, threatened to disrupt the financial arrangements of the rehabilitation agreement and a Behrman administration promised once again the ineffective, politicized regulation of the public service industry in New Orleans. McShane was incapable of governing and Behrman incapable of reform, only the New Regulars were capable of both.⁶¹

⁶¹Ibid.

In the last days of the municipal campaign (officially it lasted five weeks), Maloney and Behrman supporters intensified their campaigning, conducting countless rallies and, as custom demanded, predicting the outcome of the municipal elections. Each campaign, of course, predicted a complete victory for its candidate and a thorough, though justified, defeat for the opposition. Those endorsing Paul Maloney claimed that he would win fifteen of the seventeen wards, electing his entire commission council ticket and most of the parochial ticket. In a similar fashion, the "Old" Regulars saw Martin Behrman winning eleven or twelve wards, defeating Maloney by "a handsome total majority" and carrying the entire RDO ticket to power. Both sides discounted the possibility of a second primary, arguing that the McShane candidacy came too late to have any significant effect on the election.⁶²

The New Orleans press, with the exception of the Daily States, thought differently. The Item and the Times-Picayune predicted a close election, with only a few thousand votes separating Behrman and Maloney. They predicted McShane to finish a distant third, but expected his vote to have a significant effect on the outcome of the mayoral election, forcing the two leading candidates into a second primary.

⁶²New Orleans Item, January 21, 25, 31, February 1, 2, 1925; New Orleans Daily States, January 10, 23, 25, 29, February 1, 1925; Reynolds, Machine Politics in New Orleans, 217-23.

The two newspapers were convinced that the majority of citizens voting for McShane would come from the same class of independent voters who elected him in 1920. For Paul Maloney to win the mayoral campaign, then, the McShane vote would have to be small, somewhere between 4,000 and 5,000 votes, an indication that the Commissioner of Public Utilities had succeeded in attracting the "unbossed" Democratic voter. On the other hand, if the McShane total exceeded 6,000 votes then Maloney had failed to win the independent voters of New Orleans, and Martin Behrman would be the next mayor of New Orleans.⁶³

As the election officials began tabulating the results, it became apparent that a second primary would be necessary to determine the next mayor. What was not so apparent, however, was what effect the McShane candidacy had had on the first primary and, more to the point, what effect his vote would have on the second primary. Appearances, of course, can be deceiving.

Martin Behrman received 35,837 votes, forty-eight percent of the vote, winning majorities in nine wards and pluralities in two.⁶⁴ Paul Maloney garnered 33,771 votes, or forty-six percent of the vote. Maloney received majorities

⁶³New Orleans Item, January 25, 31, February 2, 3, 12, 1925; New Orleans Times-Picayune, February 3, 5, 1925; Reynolds, Machine Politics, 217-23.

⁶⁴Behrman won majorities in the First, Second, Fourth, Fifth, Eighth, Ninth, Tenth, Eleventh, and Fifteenth wards and pluralities in the Third (Sullivan's ward) and Seventeenth wards. New Orleans Times-Picayune, February 5, 1925.

in only five wards and a plurality in one.⁶⁵ McShane won no wards or precincts, receiving only 4,654 votes.⁶⁶ Despite the ambiguous character of the election returns, the New Regulars argued that the majority of McShane voters would support Maloney in the second primary, making him the next mayor of New Orleans. Behrman and the "Old" Regulars disagreed with that assessment, claiming that the McShane vote was an anti-Maloney and anti-Sullivan vote. Mayor McShane agreed with the "Old" Regulars. "As a matter of fact," he told reporters, "I got many more votes than Mr. Behrman would have got [sic] than I got from Mr. Maloney." The "Old" Regulars, too, predicted victory in the second primary.⁶⁷

There is some question, though, whether the McShane vote hurt or favored either candidate. It seems, rather, that the McShane candidacy represented the unreconstructed anti-Regular voter opposed to both Maloney and Behrman. His candidacy did not siphon votes from either Behrman or Maloney. By his own admission, McShane's candidacy was not an endorsement of Martin Behrman or the "Old" Regulars. At first, McShane entered the campaign because of his opposition to a Maloney-Sullivan administration. He was willing to

⁶⁵Maloney received majorities in the Sixth, Twelfth, Thirteenth, Fourteenth, and Sixteenth wards and a plurality in the Seventh ward. New Orleans Times-Picayune, February 5, 1925.

⁶⁶Ibid.

⁶⁷New Orleans Times-Picayune, February 5, 6, 1925; New Orleans Daily States, February 5, 6, 1925; Reynolds, Machine Politics in New Orleans, 217-23; Williams, Huey Long, 224-25.

endorse the "Old" Regular candidate only if the Regulars nominated an independent civic leader like Edward Lafaye or John Klorer. When the RDO nominated Martin Behrman, however, McShane announced his own candidacy, in effect running as the independent reform candidate against two established machine politicians representing factions of the same sordid political organization.

An assessment of the McShane vote does not support the contention of contemporaries or historians that it divided the anti-Behrman vote, preventing Paul Maloney from winning a first primary victory. Admittedly, McShane's vote came principally from those wards and precincts he won in the 1920 mayoral election. In those ten wards (the Third, Sixth, Seventh, Ninth, Eleventh, Twelfth, Thirteenth, Fourteenth, Sixteenth, and Seventeenth wards), McShane received 3,249 votes, nearly seventy percent of his total vote. But in the traditional anti-Regular wards (the Eleventh, Twelfth, Thirteenth, Fourteenth, Sixteenth, and Seventeenth), Mayor McShane received 1,965 votes, only forty-two percent of his vote. McShane received 2,169 votes, fifty-seven percent of his vote, in the wards carried by Martin Behrman, but only 1,572 votes, or thirty-four percent, in the Maloney wards. And, in the wards where Behrman and Maloney received pluralities, McShane garnered nearly one thousand votes. Clearly, then, the McShane vote did not represent so much an anti-Behrman vote as an anti-Regular vote that did not bother to

discriminate between Maloney and Behrman.⁶⁶

In the days following the primary, several prominent businessmen announced their opposition to a second primary, calling on Paul Maloney to withdraw his candidacy. In their view, a second primary would be divisive and unnecessary, resulting ultimately in the election of Martin Behrman. The sense of the voters, they argued, was with the Behrman Regulars, and no amount of campaigning could change the voters' minds. Despite the size and distribution of the McShane vote, they believed that Paul Maloney could not defeat Martin Behrman. The former mayor received more than 25,000 votes in the eleven wards he and the "Old" Regulars commanded, and more than 10,000 votes in the so-called Maloney wards. In contrast, the Maloney vote was concentrated in the wards above Canal Street or controlled by professional politicians like Sullivan and Francis and Gus Williams. Behrman and the "Old" Regulars could only add to their totals in a second primary, while Maloney would be fortunate to retain the vote he received in the first primary.

The businessmen also pointed out that the Behrman Regulars controlled the municipal and parochial governments of New Orleans. The RDO elected three of its candidates to the commission council (Behrman would be the fourth), controlled the District Attorney's Office, the Board of Assessors, six

⁶⁶Reynolds, Machine Politics in New Orleans, 217-23; Williams, Huey Long, 224-25.

parochial offices (the New Regulars elected six parish officers, all of them incumbents), fifteen of the seventeen state Representatives, five of the seven state Senators, and fifteen of the seventeen members of the Democratic Central Committee for Orleans Parish. The businessmen conceded that the election had been close, but the decision of the voters was clear and they saw no legitimate reason to question the will of the people.⁶⁹

At the end of the week, the New Regular leadership and the executive committee of the Maloney campaign met to consider their plans for a second primary. But during the conference, it became apparent that Maloney could not defeat Behrman in a second primary. Overwhelmed with debt and desertions, the New Regulars advised Maloney to withdraw from the second primary. Unable to raise more money or to prevent further erosion of his support, Paul Maloney withdrew from the campaign, conceding the election to Behrman.⁷⁰

With the campaign and election over, Martin Behrman urged the citizens of New Orleans to place their partisan considerations behind them, concentrating their efforts instead on building a political system dedicated to public service. Too often in the past, he said, public service was "sacrificed to political expediency". New Orleans could no longer live in the past. It had to deal with its present

⁶⁹New Orleans Item, February 5-10, 1925. The state and party officials were elected in January, 1924.

⁷⁰New Orleans Item, February 5-7, 1925.

problems and plan for the future. "Political conditions have changed," he said in an interview after the municipal campaign. "Organizations such as ours no longer hold their grip on the public by the old influences. Old agencies that held men in line have disappeared, and today public officials are elected to office upon the record of their accomplishments. If we are to remain in power, we can only do so by giving the people what they pay for and that I propose to do during this administration." "My greatest aim," he continued elsewhere, "will be to give New Orleans an administration which will work for the advancement of the city's commercial and industrial interests as well as its social welfare, and to put an end to the public discord which has retarded our development." And, though politics must always determine public policy, he concluded, it must never again impede "civic progress".⁷¹

Early in May, Martin Behrman again took the oath of office as mayor of New Orleans. In his brief remarks before a modest crowd of supporters and civic officials, the "new" mayor reminded his audience how little the needs of the city had changed in the past twenty years. In 1925, as in 1904, the city demanded an extensive array of public and social services, all essential to the public and private welfare of its citizens. Today, as yesterday, he continued, the citi-

⁷¹New Orleans Item, March 1, 4, 19, April 23, 1925, January 12, 1926; New Orleans Daily States, April 23, 1925.

zens of New Orleans demanded a healthy physical and commercial environment, modern transportation systems, an expanded water, sewerage, and drainage system, better police and fire protection, more and better health facilities, ample, cheap gas and electric service, affordable, decent housing, superior public education, and, most important of all, an efficient and honest municipal government.⁷²

Though the demands for essential city services had not changed, Behrman said, the ability of the municipal government to address and resolve those issues had changed for the better and for the worse. The commission council system and the other divisions of the municipal government were, for the most part, reliable and effective instruments of the public will, and did not require any fundamental revision. Over the past eight years, however, the municipal government of New Orleans allowed private and partisan interests to erode its authority and distort its fundamental purpose. The Regular Democratic Organization, the mayor said, would restore discipline to the municipal administration, giving it structure and purpose and allowing it to more clearly define public needs and to achieve the public good.⁷³

When the commission council met for the first time, it adopted a series of resolutions imposing a rigorous partisan and administrative discipline on all municipal depart-

⁷²New Orleans Item, May 4, 5, 1925.

⁷³Ibid.

ments serving under it. From the outset, the Behrman administration sought to exert greater authority over the municipal and parochial governments, reclaiming the initiative over public policy from the independent boards and commissions controlled by an commerical-civic elite that had crippled earlier administrations and demoralized the municipal reform movement.⁷⁴

The Behrman administration sought, as well, to eliminate the influence of John Sullivan over public administration and public policy, removing "unqualified" appointees and severing ties with those interests favored by Sullivan. The resolutions also sought to bring order and purpose to the municipal administration and public policy by revising the budgetary commitments of the McShane administration. The new budget reflected the commitments of the Behrman administration to essential city services, rather than to those benefiting a special class of citizens and interests. The Behrman budget called for more money for police and fire protection, schools and teachers, expansion of the sewerage and water system, and better health care.⁷⁵

The budget also provided for a planned and manageable city plan, coordinating the priorities of businesses and neighborhoods. As such, the new administration pledged greater support for the City Planning and Zoning Commission,

⁷⁴New Orleans Item, March through September, 1925.

⁷⁵Ibid.

the Sewerage and Water Board, and the Department of Public Property. In addition, Behrman promised to complete the Lake Pontchartrain seawall, opening up a vast tract of land for residential and commercial development. He also called for a bridge across the Mississippi River, permitting the Public Belt Railroad Commission and the port authority to facilitate and expand the flow of commerce. Finally, the 1926 budget called on the mayor and the council to find the proper balance between services and revenues, preventing partisanship from impeding civic progress.⁷⁶

Martin Behrman would never fulfill those commitments to municipal reform. Early in January, 1926, after weeks of confinement at home, he died.⁷⁷

⁷⁶Ibid.

⁷⁷New Orleans Item, October 3, 1925, January 2, 3, 12, 1926; New Orleans Daily States, January 3, 12, 1926.

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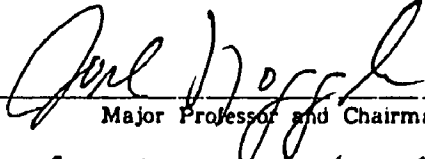
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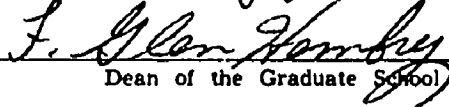
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Major Field: History

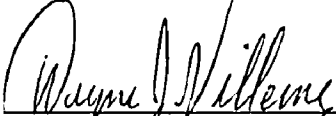
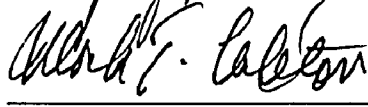
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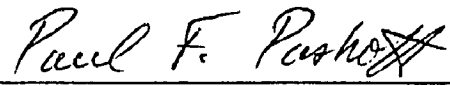
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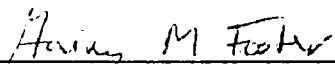

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