

LOGAN'S MISFORTUNE.

The resolution repudiating the indebtedness incurred in excess of the legal limit, was passed on the evening of the 2d inst. by the the city council, and is now a public record.

This action was based on the conditions set forth in the following:

To the Honorable the Mayor and City Council:

Gentlemen—At your first meeting two weeks ago you did me the honor of appointing me city attorney, for which please receive thanks. It is with regret I make the announcement that, for a time at least, I will be unable to be associated with you in that capacity in an official way, because of ineligibility, the law requiring the holder of that and all other offices in the city to be a qualified voter here. However, at the request of the mayor and finance committee I have been engaged in looking over and advising with reference to some matters affecting the municipality, and if such service meets with your approval I am willing to continue in it so long as may be desirable.

We have been engaged, among other things, in an investigation of the city's fiscal condition, and the conclusions reached do not seem to be gratifying in any sense.

The amount of indebtedness which the city may incur is limited by the law of Congress of July 30, 1886, to 4 per cent of the assessed value of all the taxable property within the municipality, and the act peremptorily forbids the creation of any liabilities whatever beyond the amount thus ascertained, declaring that any bonds or other obligations in excess of such sum shall be void, and the legislature is prohibited from passing any laws in conflict with said act. This is the supreme law governing the case; anything corresponding with or falling short of its provisions would be legal, but anything opposed to or exceeding them would be a nullity at once.

The city charter makes a different provision; that is, that the corporation may borrow money for city purposes the interest on which shall not exceed one-fourth of the city revenue arising from taxes of the previous year, while a subsequent act of the territorial legislature substantially reiterates the law of Congress. I do not regard the provision referred to in the charter as having any validity whatever, because, while it might not transcend the superior law in its operation, it is so constructed as to admit of evasion and duplicity, and to this I take it, we are largely indebted for the existing complications. Not the least mischievous is the ambiguity conferred by some people upon the words "revenue" and "taxes," they claiming that all forms of obtaining money from the people for public purposes is taxation. As it is my judgment that that portion of the charter should be ignored, I do not care to discuss the proposition any further than to

say that in this instance at least "taxes" obviously does not include "licenses" or "fines," either of which are in most cases a fruitful source of revenue. If licenses were included, the council would be placed in an anomalous position, because the greater part of the revenue raised by means of licenses comes from occupations recognized as unwholesome and which therefore, you would be in duty bound to confine to the narrowest possible limit; that is, while under a solemn obligation to increase the welfare of the city by means of increased revenue, you would also at the same time have in view the curtailment of it. And this very circumstance goes to show that a bonded, or, in fact, any indebtedness could not with safety or certainty be based upon such means of income, it being shifting, uncertain and indicating a more healthful condition of things when it does not exist at all. Certainly the lawmakers would rest no such proposition upon so unsettled and undesirable a condition.

It would then, gentlemen, appear that you are not only to take no step and engage in no legislation looking to the payment, settlement, arrangement or disposition of any financial charges or claims against the corporation after the debt in the aggregate, including interest, has reached the legal limit, but that all such charges or claims shall be ignored. To be silent or inactive on this subject would be equivalent to improper action, as you are charged with the task of remedying existing wrongs and removing from the body politic everything that even threatens it. Looking to that end I respectfully recommend the adoption of the accompanying resolution.

The satisfaction of those who hold bonds, certificates, checks, or other *prima facie* evidence of indebtedness, and who will be affected by the adoption of the resolution, is not a subject of legislation by you and, therefore, you will not, as officers of the city at least, take such a subject into consideration. While, in a general way, repudiation is a harsh and not infrequently an unjust and even dishonest performance, it cannot be considered so in this instance. Here it is a public duty, an immediate necessity, as to deal with the matter in any other way, or to not deal with it at all, would be to recognize as an entity what the situation demands you will officially pronounce a nullity.

The report of the auditor for the past fiscal year, just published, does not seem to be satisfactory in all respects. For example, we find an outstanding contract for the purchase of certain property for \$10,000, part of which appears to have been paid; of course this will not be recognized, and steps should be taken to secure the return of this or other moneys improperly paid out. The transaction is ignored by the auditor. It would seem to be proper that all these subjects receive immediate attention, in order that where money is claimed the parties may have the benefit of an early

notice that the city is not responsible, and that all that is recoverable may be recovered.

The patent fact that property has not been assessed at a fair valuation, being greatly beneath what it should be, does not help the matter in the least. It is not what should be but what is that governs. Congress has the power and would doubtless, if applied to, have the disposition to enlarge the city's borrowing power; but it is questionable if it would consent to the ratification of a condition of things created in opposition to its plain and direct provisions.

The rule of law that no corporate body shall transcend its charter or the laws made by proper authority regarding it, and the correlative fact that what is not granted is withheld, are so well understood and universally recognized that the mention of them alone is sufficient.

Respectfully submitted,
S. A. KENNER,
Attorney.

Z. C. M. I. MEETING.

On Thursday, April 3d, the forty-second semi-annual meeting of the stockholders of Z. C. M. I. was held.

The President's report was read. It congratulated the stockholders on the success that had attended the institution's business for the past six months. The sales had not only increased, but the profits were also in excess of what they were for the six months reported a year ago. The president stated that while the severe drouth of last season and consequent short crop had caused some of the stores to fall a little behind in their payments, yet the whole of the outstanding indebtedness owing to the institution did not exceed the sales of six weeks. He referred to the addition that had been made to the branch store at Ogden, now completed, and the remodeling of the retail floor of the same store, so as to make it more suitable to the business and fully up to the requirements of the first-class retail store of today. At Logan, several improvements had been made, the principal one being the erection of a cold storage cellar for storing butter, eggs and such other products, which were handled in large quantities.

In the main building in this city, the steam heating apparatus had been entirely renewed; whereas under the old system it took from fifty to seventy-five pounds steam pressure to partially heat the building, under the new system from two to five pounds is the extent of the steam pressure indicated, and the heating of the entire building has been perfect. It has been evident, he said, for some time past, that there was urgent need of more room in many of the departments. For example, he stated, that the stove and hardware, crockery and glassware, and heavy hardware departments, were very much cramped; in fact needed half as much room again as it had been possible to give them,