

## The Constitution of the City of Vienna.

The Socialist Party was unable to prepare itself for its great task of taking over the administration of Vienna. Although 42.85 per cent of the votes cast in Vienna in 1911 for the parliamentary elections, under manhood suffrage, were Socialist, owing to the privileged nature of the franchise, the Party secured only 8 representatives, out of 165, in the Vienna Municipal Council. Such an uninfluential and hopeless minority could gain no insight into the business, which was in reality conducted by a Mayor invested with absolute powers. The 54,000 municipal employees and workers were engaged on the principle: "No Socialists need apply." Membership of a free (i.e. Socialist) trade union was punished with dismissal. Consequently, after the Revolution, the new Socialist administration had to deal with conscious anti-Socialist employees or with slaves whose fetters had just been struck off. This, of course, considerably aggravated the difficulties incidental to the assumption of government. Only a fundamental reorganisation of the municipal constitution could provide the administration with the scope which it needed, and make it the real master of the immense machine which it was called upon to operate.

### The New Administration.

The new city constitution is based on the following principles. All men and women over the age of 20 have a vote. The city area is divided into districts or wards. The total number of municipal councillors is divided among the districts according to the number of their respective citizens, and proportional representation is observed within each district. The City Council elects the Mayor and the Aldermen, who at present number 12 persons, none of whom must belong to the Council. In addition, eight committees are elected for the eight departments of administration. Proportional representation is prescribed for all these elections.

The more important business is decided by the Municipal Council, while minor questions are settled by the committees. All matters which come before the Council are first discussed by the competent committee and then by the Aldermen. Budgetting and closing of accounts are discussed at joint sittings of the Finance Committee and the Aldermen. Apart from their functions as a standing orders committee, the Aldermen have certain restricted executive functions, as also have the committees, which have to deal with everything which is not expressly described in the con-

stitution as the business of the municipal officers, of the Aldermen, or of the Municipal Council. In particular, the committees have the decisive voice in the expenditure of the general credits provided for in the budget and also in granting supplementary credits. Periodical reports upon these matters are made to the Council.

The duties of the local district councils, which elect the district or ward chairmen, are very slight. In the main, both they and the district chairmen have only to tender advice.

### Administrative Departments.

As already mentioned, the administration is divided into eight departments, which deal with the following subjects:—

- (1) Staff matters and administrative organisation.
- (2) Finance.
- (3) Welfare institutions and public health.
- (4) Housing.
- (5) Works and Constructional Department.
- (6) Food and Stores Department.
- (7) General Purposes.
- (8) Municipal enterprises.

The duties of the departments may be inferred from their names. Department 7 looks after all matters that do not appertain to the other departments. Education is not included in this list, as according to Austrian law, educational administration is not the direct business of the Municipality. It devolves upon a city School Board, of which we shall hear more later.

### Heads of Departments.

An administrative alderman is at the head of each of the eight departments. Elected by the Council for a period of five years, he may be recalled if the Council passes a resolution of want of confidence. As the Aldermen are elected on the basis of proportional representation, they include minority representatives, but only members of the majority are designated for positions as administrative Aldermen. Thus the government of the City is purely Socialist in character, as it is conducted by the Mayor and the administrative Aldermen, who are elected officials. The latter transact municipal business and are also the conveners and **rapporteurs** of the committee of the Council attached to their department, like British chairmen of committees but possessing something nearer "ministerial" powers.

### The Mayor.

The method of government is a kind of ministerial system, with the Mayor as Premier, except that he occupies a dual position. He is responsible to the Council (although in his capacity as a councillor he may be elected chairman of the Council), and he has the constitutional right in all urgent cases to despatch business which



appertains to the Council or one of its subsidiary bodies. He is also entitled to veto resolutions of the Council or of other organs of the Municipality. He is supported by the Chief Municipal Officer, who is not elected, but is a permanent official of the Municipality. He is appointed by the Aldermen, on the nomination of the Mayor, and, in conjunction with the administrative Aldermen, he has to supervise the whole work of administration.

### **Public Services.**

It should be pointed out that the Council may by resolution direct that particular branches of administration be organised as a public utility service upon a commercial footing. Their accounts are kept like business accounts. Compared with other municipal departments, they enjoy a higher degree of independence with regard to the ordering of raw material and goods, the conclusion of contracts, the engagement of staff, etc. At the present time the following public services are in existence: Carriage Works, Canals, Water Supply, Baths, Workshops, Cemeteries, Building Materials Works, Depository, and Bakery.

Greater still is the independence of the economic undertakings, which the Council recognises as business enterprises. Their management is completely separated from the Municipality. They are organised according to the provisions of their own articles. In the latter the limits of jurisdiction as between the Council, the Aldermen, the Committee and the Management are displaced in favour of the subordinate organ, for the sake of efficient commercial management. The Council is chiefly concerned to recognise an undertaking as such, to approve its articles of association, its tariff, and the provisions which govern the engagement and remuneration of staff; to verify and sanction the annual programme of the undertaking, that is, its estimates of prospective revenue and expenditure; to sanction any important departures from the programme, and to approve the accounts. These undertakings comprise at present the Gas Works, the Electricity Works, the City Tramways, the Brewery, the Funeral Furnishing Service, and the Advertising Agency.

### **Audit Office.**

Independent of the municipal authorities, there exists an Audit Office, which is subordinate to the Mayor and the Council, but is placed on an equal footing with the Municipal Authorities. Its scope is defined by rules laid down by the Council. It comprises three spheres of activity, which are closely connected in a technical sense but are conceived as being completely separate: (1) Management, (2) Accountancy, and (3) Organisation.

The most important of these spheres of activity is the Management Department, which comprises the supervision of the whole of Municipal affairs from the standpoint of economy. This supervision is exercised by the Audit Office as a direct auxiliary of the Municipal Council. The Chief Auditor is responsible for the exercise of

this supervision. It is a condition of this responsibility that the Audit Office is invested with the constitutional right of making direct reports to the Mayor and the Council, in order to enforce at any time the supervision which it exercises. The supreme duty of the Audit Office consists in continually and publicly advising the Municipal administration of its conclusions and disclosing all economic defects. The most important means for effective supervision consists in daily attendance at the places where economic control has to be exercised.

The second sphere of activity relates to the auditing of accounts, which supplements in a valuable way the supervision of the whole field of municipal activity (higher administration, public services administration and administration of undertakings).

The third sphere of activity of the Audit Office comprises the control of organisation. This control is the essential preliminary to any effective control of management and accountancy. Adequate notice of every projected change in organisation must be given to the Audit Office, which has thus an opportunity to satisfy itself if and how such projected change can be introduced into the existing system and justified on economic grounds. It is, of course, the duty of the Audit Office not merely to wait upon and approve changes in organisation, but also to initiate them of its own accord. By virtue of the oversight which it exercises over the higher administration and over all City services, the Audit Office is in an extremely favourable position for suggesting such changes, because the daily supervision which it exercises enables it to gather a rich store of experiences, and to give every other branch of municipal activity the immediate benefit of any defect or excellence in organisation which it has observed elsewhere.

A further sphere of activity of the Audit Office lies in the supervision of the private enterprises in which the Municipality of Vienna has a considerable financial interest and for the conduct of which it is partly responsible through the representatives which it nominates to serve on the Board of Directors.

In order to perform its duties in an efficient manner, the Audit Office has the right to enter into direct discussions with the official departments of the higher administration, the public services administration and the municipal enterprises, and to call for accounts and reports. The officials of the Audit Office have the right, without preliminary intimation, to satisfy themselves on the spot whether the indications contained in accounts and reports correspond with the facts. In this connection, they must be constantly on the watch to ensure that the principles of economical management are observed. If in the course of his duties, an Audit Office official ascertains that a change of any kind, whether formal, technical, economic, or pertaining to organisation, is needed in the business management which he may be supervising, he may not issue direct instructions, but must send a detailed report to the Chief Auditor. Where the defect is of a formal character, the rectification is made in the shortest way and, if possible, without written com-



munications. Complaints of a technical and economic character, however, are communicated in writing to the official departments of the higher administration, the public services, and the municipal enterprises. Such complaints must be answered within the shortest possible time, at the most within four weeks, by the official department concerned. If the Audit Office does not deem the answer to be adequate, or if the answer, in spite of reminders, is not forthcoming, the case in question, accompanied by definite proposals, is laid before the Mayor. If the measures proposed by the Audit Office fall within the province of the Mayor, he himself gives a decision upon this report, otherwise, he passes on the report to the Finance Committee or to the Municipal Council.

The Audit Office also audits the final accounts of the City of Vienna and the Balance Sheets of the City enterprises, and submits them, together with a detailed report, to the Municipal Council for constitutional approval, which provides an opportunity to discuss the report of the results of the supervision of management. Finally, it should be emphasised that the rules for the Audit Office contain provisions whereby any Audit Office official who deliberately or unwittingly omits to report a mistake, or fails to disclose irregularities, becomes liable for any damage which the Municipality may thereby sustain.

### **Vienna a Province.**

Thus the Municipal administration possesses a large measure of independence. It appoints its organs of management freely and independently. Even in pre-war days the elected Mayor, who then at any rate required the Imperial sanction, was at the same time a lord lieutenant, that is, head of the political administration of the lowest grade in the province of Vienna. The duties of this office are now carried out by the municipal authorities, but the administrative Aldermen have no powers in this sphere.

To this must now be added that the federal constitution of the Republic has conferred on Vienna the status of a province. The City detached itself from the old province of Lower Austria, and became an independent constituent State of the Republic. The Vienna Municipal Council is at the same time a Diet. The meetings of the Diet are held separately from those of the Municipal Council, under the direction of its own president. The Mayor is likewise the provincial governor, that is, the chief of the provincial government, and the Aldermen compose the provincial government. The Municipality has taken over the duties of the former independent provincial administration, which chiefly related to welfare questions.

The elected provincial governor is, according to the provisions of the federal constitution, also the head of the federal administration of the second grade. The City authorities therefore also carry out these duties. The successive stages of appeal in administrative proceedings are safeguarded by special provisions in the Constitution. It should be pointed out that the Aldermen in matters relating to

the independent jurisdiction of the Municipality constitute a court of appeal against the decisions of the authorities.

Vienna is thus a municipality, a political district, and a province, at the same time. This is important because the Vienna Municipal Council possesses the same rights as all the other Diets, including the right to legislate so far as this right is not reserved to the national Parliament. Thus taxation is imposed by the Municipal Council sitting as a Diet. The State government has a right of veto, as in the case of the other Diets.

The achievement of this comprehensive freedom and independence for Vienna stands out as one of the greatest successes of Austrian Socialist policy during the revolutionary years. It made possible a Socialist municipal policy, and above all a new fiscal policy.

## **Fiscal Policy.**

Before the War, Vienna, in common with all the great municipalities of Austria, derived its revenue mainly from a supplement to the House Duty levied by the State. This share of the House Duty amounted to one half of the revenue of Vienna. Taxation for the State, the province, and the municipality amounted to 40 per cent of all rents paid in pre-war times. In addition, duties on meat, alcohol, etc. supplied the Municipality with one-tenth of its revenue.

One-fifth of the pre-war revenue of the Municipality was derived from profits on working the municipal enterprises, the Gas Works, the Electricity Works, and the Trams, as also from the management of the Water Supply. Compared with this revenue, the supplement to other State taxes was insignificant.

## **Socialist Achievement.**

The great achievement of the Socialist fiscal administration consists in the abolition of the old system. The old House Duty supplement, which dwindled to nothing in consequence of the currency depreciation, was eventually abolished, and the same fate overtook the food taxes. The municipal enterprises have been operated, as a matter of principle, upon such lines that while they have covered their expenses and provided funds for their own most urgent improvements at a period when loans have been out of the question, they do not bring any surplus to the municipal coffers. With certain quite unimportant exceptions, such as the betting tax, the supplement to national taxation has now been abolished by law.

## **New System of Taxation.**

Consequently, the Socialist municipality were compelled to devise an entirely new system of taxation. This task was rendered all the more difficult as its predecessors, the Christian Social Party, had in May 1919 left behind them an empty treasury, which contained scarcely sufficient for current salaries. Expenditure had