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East St. Louis Riot Investigation

Monday Nov. 5 - 1917

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Monday, November 5, 1917.

The Committee met at 10:15 o'clock a.m., Honorable John E. Baker presiding.

Mr. Baker. The Committee will please come to order.

Mr. Pope, will you resume the witness stand?

*Statement of Clarence E. Pope (Continued)*

Mr. Pope, have you a list of the Committee of One Hundred with you?

Mr. Pope. Yes, sir.

Mr. Baker. Will you let us have it, please?

Mr. Pope. Before going into this, I would like to make one statement correcting something that was testified by me on Saturday. In my testimony on Saturday, I stated that I had been informed that speeches were made at the meeting in the City Hall on May 28th by C. B. Thomas, Alexander Flannigan, and Jerre J. Kane. After that statement was made, Mr. Thomas called at my office and stated that I was in error in making the statement; that he didn't attend the meeting, and didn't make a speech at that meeting. My statement was that I had been informed that those three gentlemen made speeches there, and I am very glad now to be able to make the correction and state that Mr. Thomas was not there.

Mr. Foster. He was not there and did not make a speech?

Mr. Pope. He was not there and did not make a speech at that meeting.

Now I have here a list of the members of the Committee of One Hundred; also a list of the ~~members~~ names of those who attended the mass meeting in the City Hall, from which the Committee of One Hundred was later selected---well, no; from the authority of which---upon the authority of the mass-meeting, the Committee of One Hundred was made.

Mr. Foster. Is that the proceedings of the meeting, Mr. Pope?

Mr. Pope. I have here a copy of the resolution that was introduced at the mass-meeting.

Mr. Cooper. What date was the meeting?

Mr. Pope. That I do not know; merely the resolution--- I think it is the ~~mass-meeting~~ original, signed by E. C. Kramer and Dan McGlynn. (Addressing Mr. McGlynn)- That is the original, isn't it, Mr. McGlynn?

Mr. McGlynn. Yes.

Mr. Raker. You will leave this with the Committee, this resolution and also the list of the members? (The witness hands the papers to Mr. Raker).

Mr. Raker. And this is a list of the Committee of One Hundred, Mr. Pope, is it?

Mr. Pope. Yes, sir. This belongs some place there, ~~and~~ ~~those~~ (handing more papers to Mr. Raker), and those are the only ones we have. I want the privilege to withdraw them.

Mr. Raker. Alright; we want to keep them for a day or two.

Mr. Pope. Alright.

Mr. Raker. This is the only list of the Committee of One Hundred you have?

Mr. Pope. Yes, sir.

Mr. Raker. Was this E. C. Kramer here---is he one that was proposed? I see his name on here. Was he one of those proposed for the executive committee?

Mr. Pope. No; I think that is just a part of one of the lists of members of the committee.

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Mr. Foster. Oh, I see.

Mr. Raker. Now, Mr. Pope, by virtue of tomorrow being a holiday, and the further fact that two of the members of the committee had to leave to vote tomorrow, there being elections in their respective states, it has been understood and agreed that we will not proceed with you any further this morning, but will proceed with you Wednesday morning at 10 o'clock.

Mr. Pope. I have a case set for trial in the Federal Court here for that date, and also a hearing before the State Public Utilities Commission on that date. I will endeavor to get Judge Umphries to cancel the sitting here so that I may be in Springfield. I also have a hearing in Springfield on the 6th and 7th, and I would like very much to be able to attend those hearings if this Committee could accommodate themselves to that arrangement.

Mr. Foster. What time will you be back?

Mr. Pope. I will be back Wednesday night.

Mr. Raker. Make it Thursday, then. We will hear you Thursday morning at 10 o'clock.

Mr. Pope. Very well.

Mr. Raker. You may be excused until that time. That is the best we can possibly do under the circumstances.

Now is Mr. Dan McGlynn present?

Mr. McGlynn. Yes, sir.

Mr. Raker. I want to state to you the same condition with reference to you---Mr. Johnson being absent and Mr. Ross on account of the elections held in their respective states, we will not hear you until the full Committee returns.

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and if satisfactory to you, will hear you Wednesday morning at 10 o'clock.

Mr. McGlynn. Well, I'll endeavor to arrange matters so that I can be here at that time. I am not sure that I can.

I have got a case set for Wednesday and Thursday at Danville, Illinois, and ~~inasmuch~~ I had arrangements made this morning to have them continued for this purpose.

Mr. Baker. Well, if you couldn't---

Mr. McGlynn. I'll do my best.

Mr. Baker. Alright, sir.

(The witness was excused).

STATEMENT OF JAMES M. KELLEY, CONTROLLER OF THE CITY OF  
EAST ST. LOUIS, EAST ST. LOUIS, ILL.

The witness was sworn by Mr. Baker.

Mr. Baker. Please state your name.

Mr. Kelly. James M. Kelly.

Mr. Baker. Your age?

Mr. Kelly. I am very near 51 years of age. My occupation is City Controller.

Mr. Baker. Controller of the City of East St. Louis?

Mr. Kelly. Yes, sir.

Mr. Baker. Your residence is East St. Louis?

Mr. Kelly. Yes, sir.

Mr. Baker. Dr. Foster will do the examining.

Mr. Foster. Mr. Kelly, give us, will you please, the financial statement for the last year, the amount of taxes received---I mean the general taxes levied under the licenses---all the receipts of the City---and then give us for what purposes they were expended, in as detailed a form as you can,

*(Note: This witness should be KELLEY)*

under certain heads.

Mr. Kelly. This is taken from a statement I had the book-keeper make up for our information, and it shows that after paying the anticipation warrants---

Mr. Foster. Explain what you mean by "anticipation warrants".

Mr. Kelly. Well, we are allowed to anticipate 75 per cent of the taxes.

Mr. Foster. <sup>Do</sup>You mean by that that after you levy your taxes, then you can draw orders to the amount of 75 per cent of that levy?

Mr. Kelly. Yes, sir; 75 per cent of what we figure we are going to get on the levy.

We received from that source \$71433.66; from saloon licenses, \$175,923.80; from other licenses and miscellaneous, \$62,079.92.

Mr. Foster. What do you mean by other licenses?

Mr. Kelly. Store, merchant licenses, and moving picture shows, and street cars, ferry boats, and stuff of that kind.

Mr. Foster. Does each merchant pay a license to do business in the City of East St. Louis, an excise tax?

Mr. Kelly. Well, yes; ~~whatman~~ it is pretty hard to collect them sometimes.

Mr. Cooper. What was that question?

Mr. Foster. I asked him if the merchants paid an excise tax, that is, a tax to do business.

Mr. Cooper. A license, in other words?

Mr. Foster. A license to do business. That means dry-goods merchants, grocery stores, meat shops, etc?

Mr. Kelly. Yes, sir; restaurants, and other things.

Mr. Foster. Now, about what is the merchant's license here?

Mr. Kelly. \$25 a year.

Mr. Foster. Is that for any kind of a store?

Mr. Kelly. I believe it is. I believe there is no distinction made in the merchant's license. There are other things that are a little different, but I think all merchants' licenses are the same.

Mr. Foster. What do you mean by "merchants"?

Mr. Kelly. Stores.

Mr. Foster. All stores--dry-goods, groceries, meat shops, restaurants, etc.?

Mr. Kelly. Yes, sir.

Mr. Foster. Do professional men pay a license?

Mr. Kelly. No.

Mr. Foster. There is no license for doctors, lawyers, dentists---

Mr. Kelly. No.

Mr. Foster. But for the right to do business you charge \$25.00?

Mr. Kelly. Yes, sir.

Mr. Foster. And that makes up these miscellaneous items that you have---that makes up that \$62,079.92.

Mr. Kelly. Then the amount of anticipation warrants issued against the 1916 taxes was \$179,591.68.

Mr. Foster. That is 75 percent of the levy?

Mr. Kelly. Yes, sir, as we figure that we are going to receive the taxes.

Mr. Foster. That is a state law, isn't it?



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Mr. Kelly. Yes, sir.

Mr. Raker. I wish he would explain that again. I don't get that idea---this is the statement for the fiscal year ending December 31, 1916?

Mr. Kelly. Yes, sir.

Mr. Foster. And you have got 1916 anticipated now. What does that mean?

Mr. Kelly. That is the anticipation warrants issued ~~issued~~ against <sup>the</sup> taxes for the year 1916, which we collect in 1917. We issue the anticipation warrants and the banks hold them until the taxes <sup>are</sup> collected the following spring. Then we take up the anticipation warrants. So we are always using our taxes ahead.

Mr. Raker. And you issue the warrant for an indebtedness sometimes ten months ahead---before it is paid?

Mr. Kelly. Yes, sir.

Mr. Raker. And then that warrant draws interest?

Mr. Kelly. Yes, sir.

Mr. Raker. What interest?

Mr. Kelly. Five per cent.

Mr. Cooper. Not only before it is paid, but it is before you know the exact amount you are to receive in taxes?

Mr. Kelly. Yes, sir.

Mr. Foster. There is a margin, Mr. Cooper, you know, of twenty-five per cent. The state law of Illinois does not provide any way where <sup>by</sup> a city can go in debt for its current expenses. Any order issued, if advertised, beyond the 75 per cent would be an illegal order issued contrary to the law.

Mr. Cooper. But the 75 per cent is a guess. They don't

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know what the 100 per cent is.

Mr. Foster. Well, they don't know exactly.

Mr. Cooper. Then they don't know exactly what the 75 per cent is. ~~They think they do~~

Mr. Foster. They think they do, and they go on the idea that all the taxes are going to be collected that are levied, and that is the way they get at the 75 per cent.

Mr. Baker. They base that on what the taxes were the year before?

Mr. Kelly. We use that for a basis.

Mr. Foster. Yes; but your levy---say it amounts to \$10,000---you do that by ordinance?

Mr. Kelly. Yes, sir.

Mr. Foster. You pass an ordinance making a levy of \$10,000 made up of different items?

Mr. Kelly. Yes, sir.

Mr. Foster. And then under the law you have levied \$10,000---maybe a little less; maybe a little more.

When it comes to collection, there might be some of it that cannot be collected; people move away and get out of the state before the time comes to pay. So this 75 per cent makes up the amount that is to be collected---<sup>only</sup>not that case, but any case---that would make up the amount of \$179,000?

Mr. Kelly. Yes; that was what we used.

Mr. Foster. That was anticipated?

Mr. Kelly. Yes, sir. The total was \$488,029.06.

Mr. Foster. Now in this connection, do you know anything about---before we go to the expenditures---do you know anything about the assessment in the City of East St. Louis?

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Have you got any figures to show what the assessment is?

Mr. Kelly. Not for this year.

Mr. Foster. I mean for last year.

Mr. Kelly. Yes; I have the certified copy here from the county clerk.

Mr. Foster. You only have the total assessment, I suppose, real and personal?

Mr. Kelly. Lands, lots, personal, telephone, telegraph and railroads.

Mr. Foster. Give us that as much as you can. Give us the assessment on lots and lands in the City of East St. Louis.

Mr. Kelly. Lands, \$2,052, 176.00.

Mr. Foster. That takes in lots?

Mr. Kelly. That ~~is~~ is lands alone. ~~xxxxx~~ Lots, \$6,587,801; personal, \$1,600,287; telephone and telegraph, \$42,840.

Mr. Baker. That includes all the telegraph?

Mr. Foster. Telegraph and telephone. Now you are giving the assessment and not the assessed value---I mean you are giving the assessed value?

Mr. Kelly. The equalized value.

Mr. Foster. Yes, I know, but you are not giving the taxable value--You are giving the total value, are you **not?**

Mr. Kelly. No; this is the equalized value, the tax value, what the tax is based on.

Mr. Foster. That is a one-third valuation?

Mr. Kelly. Yes, sir.

Mr. Baker. How is that, now?

Mr. Kelly. This is one-third of the full value.

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Mr. Foster. In Illinois they fill out the schedule of the actual value of <sup>the</sup> property; then when the clerk extends the taxes, he extends the tax on one-third of the valuation.

Mr. Raker. And that ~~amount~~ is what you have to pay on, the one-third?

Mr. Foster. Yes. So you are giving now the taxable value?

Mr. Kelly. Yes, sir.

Mr. Cooper. And you said the taxable value was equalized by the board of equalization?

Mr. Kelly. Yes, but what we call <sup>the</sup> equalized valuation is one-third. That is what I refer to. The total valuation would be---

Mr. Cooper. We had equalized value, and I thought you referred to the state board of equalization.

Mr. Kelly. Well, the state board of equalization does handle <sup>the</sup> railroads and telephones.

Mr. Foster. They handle the railroads and corporations.

Mr. Cooper. Then this is the assessment value---not as equalized by the board of equalization, but it is ~~the~~ one-third of the value?

Mr. Kelly. Well, it is both. The board of equalization ---they assess these corporations on the basis of one-third of their actual value, and the same is done by the local assessor. They fix the value, and then they take one-third of that, and that is extended for the purpose of collecting the taxes.

Mr. Cooper. And this is the one-third?

Mr. Kelly. Yes, sir.

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Mr. Raker. Both equalized and fixed?

Mr. Kelly. Both <sup>are</sup> assessed by the local assessor and the state board of equalization.

Railroads, \$2,293,809.

Mr. Cooper. I would like to interrupt right there.

If \$2,293,000 is the assessed valuation of the railroads in the City of East St. Louis, then the total valuation was estimated at three times that, which would be a little less than \$7,000,000?

Mr. Kelly. Yes, sir.

Mr. Cooper. For all the railroad property in the City of East St. Louis?

Mr. Kelly. Yes; that is all the property except what comes under personal. The local assessor would tax the personal property of a railroad, but not its right of way, its tax bids on the right of way, or the side tracks and turn-outs.

Mr. Cooper. It is water-front privileges, etc.? They own the water fronts, don't they?

Mr. Kelly. Yes---well, that goes in as "right of way," I believe.

Mr. Foster. And that assessed value of the railroads includes the Terminal Railroad, what was formerly known as the Wiggins Ferry Co.?

Mr. Kelly. It is still known as the Wiggins Ferry Co.

Mr. Foster. Well, I thought---it is?

Mr. Kelly. The Wiggins ~~are~~ have two corporations---the Terminal Railroad Association and the Wiggins Ferry Co.

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Mr. Foster. They never merged?

Mr. Kelly. No.

Mr. Foster. But <sup>they are</sup> practically owned by the one company?

Mr. Kelly. Yes, sir.

Mr. Baker. That river front is assessed as part of the right of way?

Mr. Kelly. That is my understanding. It was before the state board of equalization a few weeks ago. If I remember correctly, they had in 680 acres of that as right of way.

Mr. Foster. 680 acres in the City of East St. Louis?

Mr. Kelly. I won't say whether that was all in this city or not; some of it must have been just outside, but all within the county.

Mr. Foster. That includes all the property along the river front here?

Mr. Kelly. Yes, sir. The local assessor doesn't get much.

Mr. Foster. That is pretty valuable property, isn't it?

Mr. Kelly. Yes, sir. <sup>There was</sup> /Testimony brought up ~~here~~ <sup>the</sup> that/water company had purchased eight-tenths of an acre, I think, and paid something like \$45,000 for it.

Mr. Foster. For eight-tenths of an acre, and they have 600 acres?

Mr. Kelly. Over 600 acres is my recollection.

Mr. Cooper. That would be over \$450,000 an acre---about \$500,000 an acre?

Mr. Kelly. No; eight-tenths of an acre this was.

Mr. Cooper. Oh, I misunderstood you; that would be four-fifths---about \$55,000 an acre.

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Mr. Foster. Where was that eight-tenths of an acre situated that they bought?

Mr. Kelly. It was between the water company's plant, down near the Wiggins Ferry<sup>Company</sup> and the river. I don't know just for what purpose they wanted it, but it seems it was to get to the river.

Mr. Foster. How far from the river?

Mr. Kelly. Is the water company plant?

Mr. Foster. Yes.

Mr. Kelly. I should think about an eighth of a mile.

Mr. Foster. And where is it located in reference to the Eads Bridge and the Free Bridge?

Mr. Kelly. It is about one mile north of the Eads Bridge.

Mr. Foster. That is north of the Eads Bridge where this was located?

Mr. Kelly. Yes.

Mr. Foster. That is not valuable property down here, is it?

Mr. Kelly. No.

Mr. Foster. It is getting up north out of the business section to some extent?

Mr. Kelly. Yes, sir.

The attorney representing the Wiggins Ferry Co. before the railroad committee of the state board of equalization said that there were some other considerations in connection with that price, but he wasn't at that time prepared to say just what they were. He said they were numerous and couldn't enumerate them.

Mr. Foster. Does that right of way go to high water, or

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to medium?

Mr. Kelly. I don't know just what ~~ma~~ it is, Congressman. This is the first I heard of it, and I don't---I sort of inferred from the testimony there that they wanted to get to the river with<sup>a</sup> pipe or something like that, and they had to pay for this right of way.

Mr. Foster. But that is a mile north of the Eads Bridge?

Mr. Kelly. Yes, sir.

Mr. Baker. As you get nearer Eads Bridge, it would be more valuable, wouldn't it?

Mr. Kelly. Yes, sir.

Mr. Baker. And between the Eads Bridge and the Free Bridge, it would be more valuable yet?

Mr. Kelly. I think so.

Mr. Baker. But you don't know where this right of way ends, so far as the river bank is concerned?

Mr. Kelly. Well, that is my understanding that it is all right of way between their tracks and the river bank.

Mr. Baker. Irrespective of the state of the water--- low, high or otherwise?

Mr. Kelly. No; I don't think that makes any difference; just what is above the water is theirs.

Mr. Baker. Well, you notice there is a lot of land from the railroad; it must run two or three hundred yards, and I understand they won't even allow men to go in there to fish---in other words, <sup>you are a</sup> trespasser if you go between the railroad proper<sup>ty</sup> and the water's edge, no difference how low the water may be.



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Mr. Kelly. I have never heard they wouldn't let anybody go in there to fish. But I know they won't allow anybody to squat there. I know some years ago they made quite a fight against squatters---fish men down there with house boats. I think probably there are some there yet, but I think they pay a lease.

Mr. Foster. Do you know what the stock of the Wiggins Ferry Co. is worth per share?

Mr. Kelly. No, I don't.

Mr. Foster. Do you remember it sold very high a few years ago?

Mr. Kelly. Yes; if I remember correctly, some of it went as high as \$1500 a share.

Mr. Foster. Is the par value \$100?

Mr. Kelly. Yes, sir.

Mr. Foster. That was when they were trying to get control of ~~the~~ it, probably, that made it a little higher?

Mr. Kelly. Yes, sir.

Mr. Foster. Now, do you know what these corporations are assessed at,

~~like the Aluminum works?~~

~~like the Aluminum works?~~

Mr. Kelly. No; I couldn't tell you.

Mr. Foster. Could you get the valuation of those plants that are inside the City of East St. Louis?

Mr. Kelly. Yes.

Mr. Foster. And give it to us?

Mr. Kelly. The books are in the hands of the county clerk.

Mr. Foster. If we could get the valuation---

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Mr. Kelly. Either the county clerk or the county treasurer. I could get the information from ~~that~~ them.

Mr. Foster. Yes; we would be glad to have that.

Mr. Baker. Doesn't the city--

Mr. Kelly. No; <sup>the</sup> taxes are extended by the county clerk.

Mr. Baker. Then the city clerk or city treasurer do not have anything to do with it?

Mr. Kelly. No.

Mr. Foster. And the taxes are collected by the county treasurer?

Mr. Kelly. No; they collect the taxes here, about two months and a half or maybe three months in the spring. Then the books have to be turned in to the county.

Mr. Foster. The city treasurer does that?

Mr. Kelly. Yes, sir; or the city collector.

Mr. Foster. Do you have any idea---you are a man acquainted around here with property values, to some extent at least---how do you have any idea of what the value of the ~~man~~ property in National City is?

Mr. Kelly. No; I would hate to say; it goes up in the millions.

Mr. Foster. Were you here, Mr. Kelly, when National City was incorporated?

Mr. Kelly. Yes, sir.

Mr. Foster. And it has been stated that there was some effort to incorporate some suburb out in that end of the town, and they wanted to take in National City, but the property holders in National City objected to going into that corporation. So they then incorporated what is now known as National

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City. Is that about correct?

Mr. Kelly. Well, it was always my understanding they incorporated National City to prevent the possibility of being annexed to East St. Louis.

Mr. Foster. Yes; they didn't want to be annexed to East St. Louis. That meant, if annexed to East St. Louis, that they would have to bear the tax of East St. Louis?

Mr. Kelly. Yes, sir.

Mr. Foster. And is your judgment such that you believe that they did incorporate National City that they might escape the city taxes of East St. Louis?

Mr. Kelly. Yes, sir; that is my judgment.

Mr. Foster. They never expressed any desire to be annexed to East St. Louis?

Mr. Kelly. Not that I know of. That is a matter that several years ago was talked of around East St. Louis. It got to be sort of a political argument---"Why don't we annex the stock yards?", etc. The only argument that I ever heard against it was that if they did that they would move away.

Mr. Foster. They wouldn't stand being annexed to East St. Louis?

Mr. Kelly. No, sir; they would move some place else.

Mr. Foster. Do you know about the population there?

Mr. Kelly. I don't think it is over five or six hundred.

Mr. Foster. The mayor out there---do you know him?

Mr. Kelly. No; I don't.

Mr. Foster. You don't know whether he is an employe of the corporation?

Mr. Kelly. I understood he is an employe of Morris and Co.

Mr. Foster. Does East St. Louis furnish fire protection

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altogether, to some extent?

Mr. Kelly. Yes, sir.

Mr. Foster. Do they maintain a fire engine house near National City?

Mr. Kelly. Yes, sir.

Mr. Foster. Does that afford considerable fire protection?

Mr. Kelly. Yes, sir.

Mr. Foster. If a fire occurs in National City, is the East St. Louis fire department called on for assistance?

Mr. Kelly. I don't remember that they ever were. I don't remember---well, yes---

Mr. Foster. I mean ordinary fires?

Mr. Kelly. Yes, sir.

Mr. Foster. The East St. Louis fire department goes there?

Mr. Kelly. Yes, sir.

Mr. Foster. Do the corporations out there contribute anything towards the upkeep of the fire department in East St. Louis?

Mr. Kelly. No; not till recently. They contributed something towards this fund for the police and fire departments.

Mr. Foster. I know; that was just since this riot, but I mean before ~~the~~ that.

Mr. Kelly. That is the only contribution I know of that they ever made.

Mr. Foster. This fire house ~~was~~ that is out there, about what does it cost to maintain it?

Mr. Kelly. Well, I should judge it costs between eight

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and nine thousand dollars a year.

Mr. Foster. And it is located right at the edge of---  
or right close to National City?

Mr. Kelly. Yes, sir.

Mr. Foster. And when a fire alarm is sent in, that company  
always responds to the call?

Mr. Kelly. Yes, sir.

Mr. Foster. I mean from National City?

Mr. Kelly. Yes; and other companies here.

Mr. Foster. And yet National City doesn't contribute  
anything---or hadn't up to this riot---in the way of taxes  
for the support of the fire department?

Mr. Kelly. No; not one cent that I know of.

Mr. Foster. And there is a street, I understand, be-  
tween the two corporations---National City and East St.  
Louis?

Mr. Kelly. Yes, sir.

Mr. Foster. And I suppose each corporation owns half the  
street---to the middle of the street? Is that about correct?

Mr. Kelly. I don't know. I rather think that street is  
all within the City of East St. Louis.

Mr. Foster. All within the City of East St. Louis?

Mr. Kelly. I think so.

Mr. Foster. So that the City of East St. Louis patrols  
that with its police, that street which divides the two  
corporations, and does ~~the~~ National City afford---

Mr. Kelly (interposing). Just a moment---I thought you  
had reference to the street on which the fire house is located.

Mr. Foster. No; I am talking now of St. Clair Avenue---

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"Whisky Shoot".

Mr. Kelly. I believe a part of St. Clair Avenue is in National City.

Mr. Foster. Well, I got the understanding from somebody that the street divided the two corporations, and the street--- the two cities---and the center of the street was <sup>the</sup> dividing line between the two. What I was getting at is whether that was true or not.

Mr. Kelly. That is what I understand; yes.

Mr. Foster. So that implies that National City can come half way across the street to get after some fellow, and if he gets across <sup>the</sup> half-way line, then he gets into the jurisdiction of East St. Louis, and the City of East St. Louis then takes jurisdiction of the offender. Is that true or not?

Mr. Kelly. Well, I never heard of such a case. I guess they would have a hard time defining the line out there. I don't know as they pay much attention to that line.

Mr. Foster. I wondered what division they had between the two cities.

Mr. Kelly. On one side of the street, there are tracks, and on the other side of the street, along through there, is, of course, stores and various residences, etc.

Mr. Baker. Is that what is known as "Whisky Alley"?

Mr. Kelly. "Whisky **Chute**"; yes, sir.

Mr. Foster. So now, if that property which is located in National City, and only a street dividing the two corporations, was attached to <sup>East</sup> St. Louis and assessed for those purposes---fire protection, police protection and other expenses of the City of East St. Louis---it would make quite an

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addition to the revenues of East St. Louis, wouldn't it?

Mr. Kelly. Yes, sir, indeed.

Mr. Foster. And they threatened, ~~namely~~ if you did attempt to do it, that they would move out of the place?

Mr. Kelly. I don't know that they ever said that.

Mr. Foster. But that was a reason given?

Mr. Kelly. Yes, sir.

Mr. Foster. Whether they did it or not. Now that would make probably quite a difference in the assessment of those corporations out there?

Mr. Kelly. Oh, yes, indeed.

Mr. Foster. Being out of the City of East St. Louis, they escape city taxes and school taxes, which I expect are pretty high here?

Mr. Kelly. Yes, sir.

Mr. Foster. And sur taxes and the other taxes. And they would only pay the county, state, and school taxes they have there, which I imagine for 50 families wouldn't be very high, and would pay just the state, county, township, and school taxes?

Mr. Kelly. Yes, sir.

Mr. Foster. Are they in the same township as East St. Louis?

Mr. Kelly. No; I think that is Stites Township.

Mr. Foster. They are in another township?

Mr. Kelly. Yes, sir.

Mr. Foster. ~~So~~ The expenses of the township there are not usually very high, are they?

Mr. Kelly. No; they are very light.

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Mr. Raker. I wanted to know if you have ~~man~~ prepared a statement of the estimated receipts and expenditures of the City of East St. Louis for the fiscal year ending December 31, 1917?

Mr. Kelly. No, sir.

Mr. Foster. Don't you prepare any?

Mr. Kelly. No; it is pretty hard to estimate. It wouldn't be so hard at this time of the year, of course.

Mr. Raker. Now, this that you gave us here it is past and gone?

Mr. Kelly. Yes, sir.

Mr. Raker. Both the receipts and the expenditures?

Mr. Kelly. Yes, sir.

Mr. Johnson. Haven't you got anything, an estimate of what is going to be your receipts for the fiscal year commencing January 1st, 1917, and ending December 31st, 1917?

Mr. Kelly. We could estimate that.

Mr. Raker. But haven't you got it?

Mr. Kelly. No.

Mr. Raker. You don't prepare it?

Mr. Kelly. No; we just--of course at the beginning of the year, we figure what we are going to get in licenses and how much we are going to get in taxes. Of course we base that on last year, and we figure that our expenses will be accordingly the same as last year.

Mr. Raker. When do you make the levy?

Mr. Kelly. In the spring. I think it was made in January.

Mr. Raker. Made in January of 1917?



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Mr. Kelly. Yes, sir.

Mr. Raker. Now, before you made that levy, you must have had some estimate?

Mr. Kelly. Yes; we estimated in that way.

Mr. Raker. Doesn't the auditor prepare an estimate for the body that makes the levy?

Mr. Kelly. Yes, sir; we ~~have~~ base it on what we think we are going to get. We figure that we are going to have about the same amount of saloon licenses; about the same amount of taxes.

Mr. Raker. When are those taxes payable that were assessed in January this year?

Mr. Kelly. They are payable next year.

Mr. Raker. When?

Mr. Kelly. I think---well, about the 1st of March.

Mr. Raker. Then you don't get any of the tax money, so far as the real estate is concerned, that was assessed and levied for the year 1917, in January, to run the expenses of that fiscal year?

Mr. Kelly. Nothing except anticipation.

Mr. Raker. It goes over and you commence to collect it in 1918?

Mr. Kelly. Yes, sir.

Mr. Raker. And you run your business then on an anticipation? ~~basis~~

Mr. Kelly. Yes, sir.

Mr. Raker. Without the actual money?

Mr. Kelly. Yes, sir.

Mr. Raker. I don't want to go into that now. I just

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wanted to see whether you had the statement.

Mr. Foster. Your taxes, of course, and your income for the year 1917 are based on the income and taxes, the assessed valuation of 1916?

Mr. Kelly. Yes, sir. If there was a change in the situation, of course we would take note of that, but so far as we are able to find at the first of this year, there wouldn't be much change. I think, however, that we will get an increase in valuation from the state board of equalization.

Mr. Foster. If you get an increased valuation over 1916, then your taxes would accordingly be increased?

Mr. Kelly. Yes, sir; we wouldn't know that, however, until after they adjourn, which I think will be about Thanksgiving Day.

Mr. Foster. Now, you can go ahead and give us the expenditures.

Mr. Kelly. ~~The~~ City Hall expense.

Mr. Foster. Just state what that means in a few words.

Mr. Kelly. That covers supplies for the City Hall---stationery, janitor services, fuel, watchmen, firemen, and such incidentals.

Mr. Foster. Do you furnish---are the police furnished their uniforms by the City?

Mr. Kelly. No, sir.

Mr. Foster. They must buy them?

Mr. Kelly. Yes, sir.

The City Hall Expense is \$6,751.87.

Mr. Foster. That is the City Hall Expense you are giving?

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Mr. Kelly. Yes, sir.

Mr. Baker. This is all for the fiscal year ending December 31, 1916?

Mr. Kelly. Yes, sir.

Mr. Baker. It has no relation to 1917?

Mr. Kelly. No.

Mr. Cooper. I want to get the fiscal year and the calendar year.

Mr. Kelly. They are the same.

Mr. Cooper. The fiscal year begins in June and runs to the 1st of July, but when you say "year", it doesn't make any year; it is the calendar year, is it?

Mr. Kelly. The calendar year and the fiscal year are the same.

City Hall, Furnishing and Repairs, \$1,051.37. Now that expenditure is for such as furniture, repairs to furniture, and the building.

Mr. Foster. Give the City Court now.

Mr. Kelly. City Court, \$2,062.57.

Mr. Foster. You have a city court in East St. Louis?

Mr. Kelly. Yes, sir.

Mr. Foster. Now, is that the salary, or is that paid by the state?

Mr. Kelly. The salary of the clerk is included. We pay a fee of \$6.00 a day, I think, while court is in session, to the clerk of the court---that is the state law---and in addition to this, the supplies for the court.

Mr. Foster. So that doesn't comprise the judges' salary?

Mr. Kelly. No, sir.

Mr. Foster. That is paid by the state?

Mr. Kelly. I think it is; yes, sir.

Mr. Foster. Now, Contingent.

Mr. Kelly. Well, that is for anything that might turn up.

Mr. Foster. Now the Election---

Mr. Baker. Before you pass that Contingent, there is no limit fixed as to how much the contingent might be, is there?

Mr. Kelly. Oh, yes; we appropriated \$5,000 for it. We spent \$2,152.10. It is all used for city purposes.

Mr. Foster. Now the Election.

Mr. Kelly. Elections, \$21,277.91.

Mr. Foster. That is only for your city elections?

Mr. Kelly. Yes; this election law forces a great burden upon the city in the way of elections. We have to pay for the polling places on practically all of these elections; the judges and clerks, printing, ballots, etc.

Mr. Foster. How many precincts do you have?

Mr. Kelly. Fifty-three.

Mr. Foster. Fifty-three precincts, and six men to a precinct, three clerks and three judges?

Mr. Kelly. Three clerks and two judges.

Mr. Foster. You hold an election each year?

Mr. Kelly. Yes; we have several here some years.

Mr. Foster. But you are sure to have one?

Mr. Kelly. Yes; we are sure to have one. This expense, the election expense, is entirely in the hands of the board of election commissioners.

Now, I was just informed, a few years ago that in paying the city treasurer, the county treasurer wanted to deduct about \$3,000 for election expense for last year. The deputy told me over the 'phone that it was for bills that had been paid by the county and should have been paid by the city. That would increase that election expense for last year to about \$24,000.

Mr. Foster. The county pays all the expense of elections except the city elections and school elections?

Mr. Kelly. Not all, no. I think we pay the judges and clerks in all these county elections, the state and all elections, except, probably, the judicial elections. At least most of the elections are paid by the city; most of the incidental expenses---printing ballots, judges and clerks.

Mr. Foster. Now, the next is Electricity.

Mr. Kelly. Electricity--that is our electricity that we use---\$5,039.67. That covers our fire alarm system, etc.

Mr. Foster. Now, Engineering---

Mr. Cooper. Does that mean just the expenses of the officials or the expense for light?

Mr. Kelly. No; the light is a different proposition. This is our electrical department. This is our fire alarm system.

Mr. Cooper. What are the exact things paid for under that, your fire alarm system?

Mr. Kelly. We pay the salaries of the linemen, the chief of the department and his assistant. There are three men in that department; and then it is for the up-keep of that system. The fees that they collect, you know---they collect

fees for the wiring of buildings, etc.--the fees that they collect for that goes into that fund.

Engineering, \$8,547.66. That covers the salaries of the city engineer and his assistants, and the expenses of his office.

Fire Department, \$87,687.10. That covers the salaries of the firemen.

Mr. Foster. Do you know how many firemen you have in the city?

Mr. Kelly. We have about ninety-five, I think.

Mr. Foster. Do you know how many engine houses?

Mr. Kelly. We have seven.

Mr. Foster. What is the pay of a fireman?

Mr. Kelly. Firemen get \$80, and graduate up to captains.  
An  
/Ordinary fireman gets \$80.

Mr. Foster. Do they get additional pay on account of length of service?

Mr. Kelly. No; there is no schedule.

Mr. Foster. When they go in they get the salary, unless they are promoted to an officer. Is that it?

Mr. Kelly. What is that?

Mr. Foster. A fireman is employment; he gets the same salary when he starts right along, unless he is promoted to be an officer?

Mr. Kelly. Yes; unless he is promoted to be an officer. They have the probationary period, of course.

Mr. Foster. Do you have a pension fund for firemen here?

Mr. Kelly. Yes, sir.

Health Department, \$7,682.51.

Mr. Foster. Do you maintain a county hospital out of

that, or a city hospital?

Mr. Kelly. No; we have a contagious hospital.

Mr. Foster. But you maintain no other hospital?

Mr. Kelly. That is all.

Mr. Foster. Now, you have health officers in the city?

Mr. Kelly. Yes, sir.

Mr. Foster. Are they on salary?

Mr. Kelly. Yes, sir.

Mr. Foster. What salary does a health officer draw?

Mr. Kelly. \$2,000 a year the health commissioner gets, and, then, the board gets \$5.00 a meeting.

Interest and Insurance, \$2,106.59. That is the fund that pays the insurance---fire insurance, cyclone and tornado insurance, on the city property--and the bonds of the city officers.

Mr. Foster. The city pays for the bonds?

Mr. Kelly. The bond of the treasurer and tax collector, assistant tax collector and deputy treasurer.

Mr. Foster. Litigation is next.

Mr. Cooper. May I ask one question right there? At the time of the ~~amortization~~ defalcation here of \$150,000 in the office of the city treasurer, was there ever any collection of that amount made on the bond of that treasurer, or was he bonded?

Mr. Kelly. He was bonded; yes; I don't---I think there was some money received in settlement, a very small amount. I don't know just what the defalcation was. I know he paid in at two or three different times---he paid in some money which he claimed he was holding up pending a settlement.

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Mr. Cooper. It never has been paid in full or collected from the bondsman if he did have any?

Mr. Kelly. No.

Mr. Cooper. That is all.

Mr. Raker. Wouldn't your records show the amount---of your office, the auditor's office?

Mr. Kelly. The amount that he paid?~~in his pay, or the amount~~

Mr. Raker. The amount that he did not pay; the amount he was behind.

Mr. Kelly. Well, at that time they had the accounts audited by an auditing company. We have this report. I have that still in the files at my office. The books were in such bad shape, <sup>so</sup>badly mixed, that it was <sup>a</sup>pretty hard thing for them to get at what it was. Some of the books were missing.

Mr. Raker. Well, the total amount that he should have appearing on your books, or the auditor's books, whether he paid anything or not, would be there; wouldn't the total amount?

Mr. Kelly. We have the auditing company's report of it. We have a copy of that.

Mr. Raker. I know, but didn't the books of the auditor show it?

Mr. Kelly. I think they were destroyed.

Mr. Raker. Well, that I didn't know. The books of the auditor were destroyed also?

Mr. Kelly. Yes, sir; those were the books that were missing in the city controller's office.

Mr. Raker. The auditor's office?



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Mr. Kelly. Yes, sir; the bond registerer, etc.

Mr. Cooper. Do you say that the books which remained in the offices here, the city offices, were so poorly kept, or irregularly kept, that that fact together with the loss, the burning up <sup>of</sup> other books, made it possible for the company which audited the accounts only to make an estimate of the loss---couldn't tell the exact amount?

Mr. Kelly. I don't know. I wouldn't say that. I don't think they were able to get definitely at the figures.

Mr. Cooper. That is what I mean---they could only make an estimate.

Mr. Kelly. Well, to some extent, I believe, it probably was estimated.

Mr. Cooper. Now what did they figure that loss to the city at?

Mr. Kelly. I don't remember the figures.

Mr. Cooper. Well, the amount that this man---or these men---took?

Mr. Kelly. I don't remember.

Mr. Cooper. It was over \$100,000, wasn't it?

Mr. Kelly. From what I could find out, they kept their special taxes and their regular taxes and other money all together, and they couldn't figure out what they did have.

Mr. Cooper. We have been told that it was approximately \$150,000.

Mr. Kelly. I don't know; I don't think there was that much charged to them.

Mr. Cooper. There was over \$100,000, wasn't there?

Mr. Kelly. I don't know; I don't think there was; I

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don't want to state it from memory. I heard it and I read that report, but I don't remember what the figures were on that.

Mr. Foster. Did this man during his term of office put all the funds together?

Mr. Kelly. Yes, sir.

Mr. Foster. How long was he treasurer?

Mr. Kelly. Two years.

Mr. Foster. That, in itself, was a violation of a law and he could be punished for embezzlement, couldn't he?

Mr. Kelly. Yes, sir.

Mr. Baker. No suit was brought on the bond?

Mr. Kelly. I don't believe the bondsmen were ever sued.

Mr. Cooper. Where is he?

Mr. Kelly. He is here in business.

Mr. Cooper. Doing business here in the city?

Mr. Kelly. Yes, sir.

Mr. Cooper. He has been ever since?

Mr. Kelly. Yes, sir.

Mr. Baker. What kind of business is he engaged in?

Mr. Kelly. He is in the moving and storage business.

Mr. Baker. What kind of a bond did he give---surety company or individual?

Mr. Kelly. No; it was personal bond at that time.

Mr. Baker. Where are the bondsmen?

Mr. Kelly. They are here.

Mr. Baker. How many of them are there?

Mr. Kelly. He gave two bonds, I believe. Some of the bondsmen ~~were~~ withdrew during his term, and he gave another

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bond afterwards.

Mr. Raker. How many men were on the bonds?

Mr. Kelly. There were quite a few, some bankers and others here; there were quite a few on that; they must have had fifteen or twenty on there.

Mr. Raker. And those bankers and men are here in business yet?

Mr. Kelly. Yes.

Mr. Cooper. Were there any additional taxes levied after that to make up that deficit, that defalcation?

Mr. Kelly. No; we can't levy any additional taxes.

Mr. Foster. You have got officers' fees and salaries there---

Mr. Kelly. Didn't you ask me a question about the prosecution, Mr. Cooper?

Mr. Cooper. Judge Raker asked that question.

Mr. Raker. Yes; I asked if the bondsmen were sued.

Mr. Kelly. I think they were. I know---I couldn't say positively but there was some suit brought by Mayor Chamberlaine, and it was afterwards settled. I don't know whether that was against Gerold alone, or against Gerald and his bondsmen. I think possibly the bondsmen were sued.

Mr. Foster. Now, give us Fees and Salaries, Mr. Kelly.

Mr. Kelly. Officers' Fees and Salaries, \$41,274.52. That includes the salaries of the city officers.

Mr. Foster. What fees do you pay here?

Mr. Kelly. Well, the councilmen get \$3.00 a meeting. Then we have a board here, a pluming board.

Mr. Foster. So practically that is all officers that are appointed or elected?

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Mr. Kelly. That includes the Mayor, the Mayor's private secretary, the treasurer, deputy treasurer, controller

Mr. Foster. What do the fire and police commissioners get?

Mr. Kelly. They can get \$5.00 a meeting.

Mr. Foster. How often do they meet?

Mr. Kelly. Once a week; sometimes they an extra meeting.

Mr. Foster. Do they meet in the daytime or in the evening?

Mr. Kelly. In the evening, usually.

Mr. Foster. Your city council meets in the evening?

Mr. Kelly. Yes, sir.

Mr. Baker. Is that by law or just precedent?

Mr. Kelly. Well, that is their rule. They passed an ordinance making the regular meeting the first Monday in the month. Then they adjourn from that meeting to the following ~~Monday~~ Monday. They adjourn from one Monday to the next Monday, so they meet every Monday night, unless that Monday should be a holiday. Then they meet on Tuesday.

Mr. Baker. Does that prevail with the other boards, too? Do they meet in the evening?

Mr. Kelly. Yes; I think they all do.

Mr. Foster. So that all of the business of the city council and of the boards is transacted at these night meetings?

Mr. Kelly. I think so; yes, sir.

Mr. Foster. And I have understood---it has been stated

that it is unsafe to be on the street at night for the last three or four years?

Mr. Raker. Spread that idea, repeatedly, unsafe for women to be on the streets at all, and unsafe for business men to be on the streets. Now, that is just a matter of general information. That is about right, isn't it?

Mr. Kelly. No; I never considered it so. I never considered it was unsafe to be on the streets.

Mr. Raker. Men or women?

Mr. Kelly. No; I don't think so.

Mr. Raker. It is perfectly safe for young ladies from twelve to thirty to be on the streets any time of night up to 12 o'clock, the usual time to go from the theaters?

Mr. Kelly. It is just as safe as it is in other towns.

Mr. Foster. There are certain sections of the city that it wouldn't apply to, aren't there?

Mr. Kelly. Certain sections of the city I wouldn't care to be in at any time, but I am talking about our streets here.

Mr. Foster. Alright.

The next is the outlet from the sewer pumping station. That relates to your sewer?

Mr. Kelly. Yes, sir; that is the sewer system.

Mr. Foster. Now, the Police---\$79,000.

Mr. Kelly. \$79,946.25.

Mr. Foster. That employ's how many police, do you know?

Mr. Kelly. Well, we had last year, I think---I don't think it averaged over seventy police.

Mr. Foster. That distributes these police all over the City of East St. Louis?

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Mr. Kelly. Yes, sir.

Mr. Foster. About how many square miles is in the city of East St. Louis, do you know?

Mr. Kelly. No; I don't know that.

Mr. Foster. Are there more police located out in these tougher sections like The Valley, as it is known ~~is~~; or in the region of the Black Bridge, and sections of that kind? Are there more police there than in other sections?

Mr. Kelly. Yes; that is the idea.

Mr. Foster. And do they really keep them there?

Mr. Kelly. I believe they do; I know up where I live we hardly ever see a policeman.

Mr. Cooper. How long are the city limits?

Mr. Kelly. From the river to Edgemont, I think, is very nearly six miles.

Mr. Cooper. That is the longest way? How wide is it in the widest part?

Mr. Kelly. Well, it is sort of irregular shaped. I think possibly five miles.

Mr. Cooper. Six by five in the widest parts. Now, then, it narrows down in breadth to what?

Mr. Kelly. It is sort of irregular.

Mr. Cooper. Well, from a mile up to five miles?

Mr. Kelly. Yes; I don't think that any part of it is as narrow as a mile.

Mr. Cooper. Is there any part as narrow as two miles?

Mr. Kelly. Yes; I believe the river front ~~is~~ is about two miles---it may be a little less than two miles.

Mr. Cooper. Well, then we have ~~the~~ six miles in length,

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the extreme length, with a width varying from somewhere--- a distance somewhere between one and two miles up to five miles. And how many policemen?

Mr. Kelly. I don't think it averages over seventy policemen---seventy-one or seventy-two policemen.

Mr. Foster. Are there any mounted police in the City of East St. Louis?

Mr. Kelly. No.

Mr. Raker. Any motor-cycle police?

Mr. Kelly. Yes.

Mr. Foster. Now, you have ~~money~~ for Printing here, \$736.64?

Mr. Kelly. That is ~~the~~ <sup>city</sup> for printing---ordinances and things of that kind.

Mr. Foster. Local Improvement Prel.---what is that?

Mr. Kelly. Local Improvement Expense Preliminary. That is the expense we are put to in starting up to make improvements of the streets.

Mr. Foster. Assessments on City Properties. Is that special assessments?

Mr. Kelly. Yes, sir.

Mr. Foster. For sewer sidewalks and streets?

Mr. Kelly. Yes, sir.

Mr. Foster. Next is sewerage. That is the extension of sewerage, or is that charged to the property holders?

Mr. Kelly. That is maintenance. I'll say that expense was extraordinarily high last year due to the flood---not the flood, but the excessive rains that we had during August of the previous year. It caved in a good many of our streets

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and broke the sewers.

Mr. Foster. The sewers caved in and had to be rebuilt?

Mr. Kelly. Yes; the big sewer gave out near the pumping station, and we had considerable extra expense that year on that account.

Mr. Foster. Now, you have Street Lighting here, \$46,151.71. Now, does the city own the street lighting system?

Mr. Kelly. No, sir.

Mr. Foster. That is performed by one of these trust companies in East St. Louis?

Mr. Kelly. The East St. Louis Light and Power Co.

Mr. Foster. That has them all over the state---a string of them--or is it a different company?

Mr. Kelly. It is the same thing here as the street railway; the same people.

Mr. Foster. The power largely comes from <sup>the</sup> Hook ~~hook~~ Dam?

Mr. Kelly. I think it does.

Mr. Foster.

/ They are trying to raise the rates now?

Mr. Kelly. I haven't heard of that.

Mr. Foster. ~~am~~ On the people?

Mr. Kelly. I haven't heard of that.

Mr. Foster. So that is what you pay ~~man~~ the company for the lighting of the streets of East St. Louis?

Mr. Kelly. Yes, sir.

Mr. Foster. Now the Water Supply here, \$22,060.96.

What is that for?

Mr. Kelly. That is for the hydrants, the fire hydrants.

Mr. Foster. You pay for fire protection, for the hydrants



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\$22,000 a year?

Mr. Kelly. Yes, sir.

Mr. Foster. That is not owned by the City of East St. Louis?

Mr. Kelly. No, sir.

Mr. Foster. For Collection of Garbage. Does the city collect the garbage all over the city?

Mr. Kelly. Yes, sir.

Mr. Foster. Every day?

Mr. Kelly. Well, they don't collect at all in the winter time, unless they might have one wagon or so going around through the business districts here. In the summer time I believe they collect every day. So far as I know, they do.

Mr. Foster. Now, the Library. That is owned by the city?

Mr. Kelly. Yes, sir.

Mr. Foster. The building?

Mr. Kelly. Yes, sir.

Mr. Foster. Was it built by the city?

Mr. Kelly. Yes, sir.

Mr. Foster. \$8,820.

Streets and ~~Man~~ Bridges. Now what do you mean by Streets and Bridges, \$69,919.87?

Mr. Kelly. Well, that is for the maintenance of the streets, the cleaning of the streets, and the maintenance of bridges; building bridges.

Mr. Foster. So that you pay that much money for cleaning the streets and building bridges, etc?

Mr. Kelly. I will explain ~~mm~~ that, too; that is exceedingly high, due to the same cause that I mentioned before. We

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levied a tax of 25 cents for that emergency. That, of course, increases the taxes received, that and this \$19,000 for Judgments here. We collected a little over \$41,000 more in taxes in 1916 than we would collect on the same valuation this year or any other year. Those were extraordinary.

Mr. Foster. How Interests---you paid <sup>the</sup> interest on ~~these~~ these anticipated warrants---you have explained that---five per cent, amounting to \$5,505.

The Total Expenditures amounted to \$487,741.05, and you had left \$288.03 at the close of the fiscal year 1916?

Mr. Kelly. Yes, sir; our expenses were that much less than the revenue from these sources.

Mr. Foster. What is the bonded indebtedness of East St. Louis?

Mr. Kelly. \$712,000; and we have assumed, ~~when we~~ annexed Edgemont, the eastern limits of the town, we assumed <sup>in</sup> \$7,000/bonds at that time.

Mr. Foster. ~~Amnizh~~ You are paying what per cent interest on that amount of money?

Mr. Kelly. I think the Edgemont bonds' interest is five per cent, and the others at four and one-half per cent. The interest on the bonds is paid by the state auditor, on the other bonds. The City pays the interest on the Edgemont bonds.

Mr. Foster. What were those bonds given ~~you~~ for?

Mr. Kelly. They were refunding bonds; they took up the old issue of the bonds, and I think they also raised the

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bonded indebtedness at that time. This was in 1908.

Mr. Foster. This doesn't include the levee bonds, does it?

Mr. Kelly. No.

Mr. Foster. Do you know how much the levee bonds amounted to here?

Mr. Kelly. No; I don't.

Mr. Foster. Is that levee completed?

Mr. Kelly. Practically so; I believe very nearly. That is the East Side Levee.

Mr. Foster. That is to keep the water out, the Mississippi River?

Mr. Kelly. Yes, sir. Still, there is more work to be done on that.

Mr. Foster. That is this East Side Levee and Sanitary District?

Mr. Kelly. Yes, sir.

Mr. Foster. You levied taxes of \$2.10, or you did in 1916---paid in 1917?

Mr. Kelly. \$2.10 a hundred.

Mr. Foster. Tell us what the tax rate was for 1916 and 1917. ~~That means~~ That means---

Mr. Kelly. Well---- the taxes collected in 1916?

Mr. Foster. That is what I mean. I was going to say taxes collected in 1916.

Mr. Kelly. \$8.75 the total tax was.

Mr. Foster. And 1917?

Mr. Kelly. These figures here (indicating)---I suppose the bookkeeper got them off the statement that was furnished him by the county clerk. Of course, the city doesn't have

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anything to do with the levying of these school and sanitary district taxes.

Mr. Foster. So what was it this year?

Mr. Kelly. And the taxes collected this year, \$9.20.

Mr. Foster. \$9.20 on the hundred---one-third valuation?

Mr. Kelly. Yes, sir.

Mr. Foster. So that would be a little over three per cent on the full valuation?

Mr. Kelly. Yes, sir.

Mr. Foster. Is there much effort in this city by property holders, by corporations, to have their assessments lowered each year?

Mr. Kelly. Well, yes.

Mr. Foster. You have now what machinery here for fixing assessments after the assessor has made the assessment?

Mr. Kelly. The county treasurer is the first man, I think, after the local assessor gets through with them. When he gets through, they go to the board of review.

Mr. Foster. And that is the final?

Mr. Kelly. That is the final, as I understand it.

Mr. Foster. So there is a good deal of effort here and activity among the corporations and the property holders to reduce their assessments?

Mr. Kelly. Yes; there seems to be amongst some of them; yes.

Mr. Foster. Is that effort brought about because the assessment is, in the opinion of these men, excessive---their assessment is excessive---or is it because they believe that

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their assessments, in comparison with others, are high?

Mr. Kelly. Well, I think probably it is because they want to get out of ~~the~~ paying the taxes. They want to get by as cheap as they can.

Mr. Foster. They are not willing to assume any more burden of taxation for the city than they are compelled to under the law?

Mr. Kelly. No; that seems to be the disposition of the larger tax payers, to get by as cheap as they can.

Mr. Foster. Has that been a handicap to East St. Louis in the past, in reference to its finances, getting sufficient money to properly conduct the affairs of the city?

Mr. Kelly. Very much so.

Mr. Foster. And ~~since~~ the city is always hard up; not able to do the things that ought to be done for the ~~improvement~~ ~~improvement~~ proper regulation of affairs, and for the enforcement of the law?

Mr. Kelly. That is true. We provide an equalized valuation here of about \$2,000,000, whereas Peoria's valuation is more than \$24,000,000. The little city of Rockford, about \$22,000,000.

Mr. Foster. Rockford has no saloon license, either, to depend on?

Mr. Kelly. I don't know as to that. I am speaking about their equalized taxes.

Mr. Foster. Yes. It has the reputation of being a well governed city, I believe.

Mr. Kelly. I believe it is; yes, sir.

Mr. Foster. So that you think one great difficulty in

East St. Louis is to get sufficient money to properly operate the city and give us an adequate police force?

Mr. Kelly. Yes, sir. I don't see how it can be operated any other way---operated properly.

Mr. Foster. Without they do get more money?

Mr. Kelly. Yes, sir.

Mr. Foster. The assessment out in National City, I take it, is considerably less than this?

Mr. Kelly. Oh, yes; they don't have very much expense out there.

Mr. Foster. Has there been any effort made upon the part of the citizens of East St. Louis---I mean by that, the property holders---who are willing to assess property more than it has been in the past, ~~namuhakama~~ in order that we may have a better governed city?

Mr. Kelly. No; I have never seen anybody come to the front.

Mr. Foster. Nobody has ever come to the front and offered his property at a higher assessment?

Mr. Kelly. Not to my knowledge.

Mr. Foster. You have never heard of it?

Mr. Kelly. I have never heard of it.

Mr. Foster. The Committee of One Hundred never suggested in any of their meetings, that you know of, where they have said that we business men of East St. Louis ought to assess our property higher, so as to get more revenue to properly conduct the city affairs?

Mr. Kelly. I have never heard of such a thing.

Mr. Foster. That has never been discussed?

Mr. Kelly. No, sir; not to my knowledge.

Mr. Foster. I believe that is all. Is there anything you want to say further?

Mr. Kelly. I wanted to read this little article in connection with that. It was taken from a newspaper in 1915.

Mr. Foster. From what newspaper?

Mr. Kelly. It is from one of our dailies here.

Mr. Foster. In the city?

Mr. Kelly. Yes.

Mr. Foster. Who wrote it?

Mr. Kelly. I don't know. It was a news item---

Mr. Foster. Not an editorial?

Mr. Kelly. Showing about the cut in assessments made by the board of review.

Mr. Foster. That is the county board of review you are talking about?

Mr. Kelly. Yes, sir.

Mr. Foster. Does that express about the truth---that article---in your judgment it just shows the cut in assessment?

Mr. Kelly. Yes. ~~It is a news item taken from one of our dailies here.~~

The article referred to follows:





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the City of East St. Louis, and your experience as a controller---I don't know how long you have in office---

Mr. Kelly. About two years and a half; two years last spring.

Mr. Foster. You are serving your second term?

Mr. Kelly. Yes, sir.

Mr. Foster. Has it been your observation that the small property owners usually are assessed too low and the corporations too high?

Mr. Kelly. No.

Mr. Foster. Or is it just ~~opposite~~ the opposite.

Mr. Kelly. I would be perfectly satisfied to see the corporations at the same ratio as the small property owners.

Mr. Foster. They ought to be. There ought to be no ~~discrimination~~ discrimination.

Mr. Kelly. It would be very nice for the city if that was done.

Mr. Foster. You think the city would be very materially aided in the conducting of its affairs if the man that pays the large tax would be willing to pay in proportion to the small property holder?

Mr. Kelly. I certainly do.

Mr. Foster. Take one of these little houses around here that they talk about; three or four room houses, renting for twelve or fifteen dollars a month; about what would be the tax on one of them? Can you give <sup>us</sup> any idea?

Mr. Kelly. Renting for how much?

Mr. Foster. For twelve or fifteen dollars, I think I stated.

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Mr. Kelly. I imagine the taxes would run about \$30.00 a year.

- Mr. Foster. That is one of these little three-room houses?

Mr. Kelly. Yes, sir.

Mr. Foster. These corporations like the Alumina works, the Missouri Malleable Iron Company, and the steel company ---I have forgotten the name of it---

Mr. Kelly. The American Steel Foundry.

Mr. Foster. The American Steel Foundry Company, in your judgment, from what you have observed of that property, do you think they have been assessed extraordinarily high?

Mr. Kelly. No; I think they ought to stand for more taxes, all of them.

Mr. Foster. Do you, in your judgment, think ~~it~~ one of the patriotic things for <sup>the</sup> people, business men and citizens generally, in East St. Louis, would be to permit a higher assessment, to pay more into the city treasury in the way of taxes for the proper conduct of the city government?

Mr. Kelly. Yes, sir.

Mr. Foster. That would be patriotic?

Mr. Kelly. Yes, sir.

Mr. Foster. Sometimes, you know, patriotism when it doesn't cost anything, is easy. Real patriotism is the man who, in a crisis of this kind, is willing to go down in his pocket and pay the bill. Of course, as I understand it, which I think is commendable, ~~that~~ these people did pay for better fire and police protection, but for the proper conduct of the city in normal times, and at all times, and

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help build it up and make it better, would be to permit themselves to be taxed a little more?

Mr. Kelly. Yes; indeed.

Mr. Foster. That is all, I believe.

Mr. Cooper. You say the Mayor of National City is an employe of Morris and Co?

Mr. Kelly.. That is my understanding.

Mr. Cooper. He doesn't live in National City, does he? He lives in Brooklyn, doesn't he?

Mr. Kelly. I don't know.

Mr. Cooper. I understand he doesn't live in National City.

Mr. Kelly. I don't know.

Mr. Cooper. Do you know who assesses the property out there?

Mr. Kelly. I think he is the same man.

Mr. Cooper. The mayor and the assessor of National City is an employe of one of these big companies who own 98 or 99---practically 100 per cent---of all the property in National City, and he himself does not live there? Is that so?

Mr. Kelly. I don't know where he lives.

Mr. Cooper. I am told he lives in Brooklyn. Well, if he should over-assess Morris and Co., they wouldn't employ him a great while, do you think they would? (Laughter).

Mr. Kelly. I don't think there is much chance.

Mr. Cooper. Well, that is just what there is in this case, isn't it?

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Mr. Kelly. Yes, sir.

Mr. Cooper. You said something a moment ago about a newspaper article---you read from it---in 1915 was that?

Mr. Kelly. Yes, sir.

Mr. Cooper. In which the chairman of the county board ---was that the man?

Mr. Kelly. Yes, sir; the chairman of the board of review.

Mr. Cooper. The chairman of the board of review and taxation explained the lessened amount on the theory that the small property owner had not been taxed sufficiently high?

Mr. Kelly. Yes, sir.

Mr. Cooper. And that the big interests had been over-taxed?

Mr. Kelly. Yes, sir.

Mr. Cooper. Who was this chairman of this county board?

Mr. Kelly. J. A. Schwarztrauber.

Mr. Cooper. Where does Mr. Schwarztrauber live?

Mr. Kelly. I think he lives down here at East Carondelet.

Mr. Cooper. What is his business and who is he?

Mr. Kelly. Well, he was running a saloon down there. I don't know what he is doing now. I don't know whether he is in the same business or not.

Mr. Cooper. Do you know anything about how long he lived there?

Mr. Kelly. No; I don't.

Mr. Cooper. And this Schwarztrauber's saloon?

Mr. Kelly. I understand that he ran a saloon right this side of the river where the ferry boats come over from St. Louis.

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Mr. Cooper. And he is the man that in 1915 thought that the small property owner down here hadn't <sup>been</sup> assessed enough and the big ones too much? His place has been put out of business, hasn't it, by the authorities, as an illegal place?

Mr. Kelly. I heard something about that. I don't know whether it was put out of business for doing business on Sunday.

Mr. Cooper. He was put out of business because he violated the law?

Mr. Kelly. That is what I heard. I don't know it to be a fact. In fact, I don't know whether he run a saloon, only just what I hear.

Mr. Cooper. Yes, I know. You are only testifying from hearsay. We understand that. ~~Hamman~~

How many trunk railroads are there coming into this town?

Mr. Kelly. I think there is about sixteen.

Mr. Cooper. It is one of the greatest railroad centers in the United States, isn't it?

Mr. Kelly. The second greatest, I understand.

Mr. Cooper. The second greatest railroad center of all the United States. They own the water-front, don't they, the whole length of this city, on the Mississippi River?

Mr. Kelly. Yes, sir; they claim to.

Mr. Cooper. They claim to own that as part of their right of way. They exercise jurisdiction and control over it?

Mr. Kelly. Yes; I don't know of anybody else owning anything down there.

Mr. Cooper. How long is that water-front in the City

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of East St. Louis?

Mr. Kelly. I should judge it was nearly two miles.

Mr. Cooper. Nearly two miles of water front in this city on the Mississippi River? How many acres of land do they own in this city?

Mr. Kelly. Well, ~~perhaps~~ I think, if my memory serves me right, it was brought out in that hearing that there was 680 acres in that land that they had assessed as right of way, on which the state board of equalization fixed the taxes. I am told that some years ago there was a lot of this property that the local assessor got at, afterwards scheduled it, with the state board of equalization, and took it out of his hands. Now for instance, take the suburban railroad here and the electric light plant. I am told that the machinery, all of the stuff within that building out there, is assessed as rolling stock by the state board of equalization. They claim, as I understand it, that ~~it~~ it forms a part of the street car system, and should be assessed by the state board of equalization instead of by the local assessor, as personal property.

Mr. Cooper. The authority of the local assessors to assess property is confined to real estate fixtures?

Mr. Kelly. Personal property. Capital stock and the railroad right of way, tracks, etc., are assessed by the state board of equalization, and I don't know whether it is classified as rolling stock or how, but in some manner it is assessed by the state board of equalization.

Mr. Cooper. The electric light furnished this city is furnished by the street-car company, the same corporation, is

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it, or the same people?

Mr. Kelly. I believe it is the same people; yes, sir.

Mr. Cooper. And the machinery that generates the electricity and electric power is in the same building?

Mr. Kelly. Yes, sir.

Mr. Cooper. The power for the street-car company and the light for the citizens of East St. Louis?

Mr. Kelly. That is my understanding; yes, sir.

Mr. Cooper. And do you say that that machinery is so considered, entered in the books, that instead of being assessed and made to pay taxes in this city, it is assessed by the state authorities?

Mr. Kelly. Yes, sir; that machinery right in there is assessed by the state board.

Mr. Cooper. Well, is that---

Mr. Kelly. We brought testimony up to Springfield before the railroad committee to show that the valuation of those dynamos and stuff that they had there was far greater than it was assessed at, and we wouldn't care so much who assessed it if we could get the proper valuation on it.

Mr. Cooper. Exactly, and then tax it. Well, what happened?

Mr. Kelly. Well, we received a very nice and cordial entertainment there, and I thought we were going to get ~~an~~ an increase in the valuation. We will know, of course, about the first of December just what will be done.

Mr. Cooper. Do you know on what theory they call a fixture in that building over there, screwed down and fastened down to the floor and the walls, rolling stock?

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Mr. Kelly. Well, I don't know, as they just called it rolling stock.

Mr. Cooper. You said they put it in as rolling stock?

Mr. Kelly. Yes; as rolling stock or in some way to get it in as a part of the rolling stock.

Mr. Cooper. Some way to take it out?

Mr. Kelly. Take it out of the hands of the local assessor; in other words, to put it into the hands of the state board of equalization. It seems to me that it is all property that should be taxed by the local assessor. But that is immaterial as long as we get the correct valuation on it.

Mr. Cooper. You never have had, you think, a correct valuation on it yet?

Mr. Kelly. I don't think so; no, sir.

Mr. Cooper. About how much less than the true valuation do you think it was?

Mr. Kelly. Well, from the testimony brought out, it was considerably less. It was testified that those---I don't really know now. It was \$100 per watt for those engines out there. Our city electrician was up there, and also our city engineer. However, it was considerably more than what they have been having it at.

Mr. Cooper. In other words, you think, as a city official, that the City of East St. Louis was unjustly deprived of money for taxes to which it was entitled, and that it was so deprived because this property was not properly assessed and the true valuation given?

Mr. Kelly. Yes, sir.

Mr. Cooper. For how long has that been going on?



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Mr. Kelly. Well, I don't know; for several years.

Mr. Cooper. It has been going on that way for several years?

Mr. Kelly. Yes, sir.

Mr. Cooper. You said that \$45,000 was paid for eight-tenths of an acre?

Mr. Kelly. That is my recollection of the testimony that was given.

Mr. Cooper. <sup>It was</sup> /not as valuable, so far as its location is concerned, as some of the other property?

Mr. Kelly. No; I wouldn't think it was nearly as valuable as it would be directly west from here.

Mr. Cooper. Well, how much of that 600 acres---700 acres---nearly that---of railroad land in this city is more valuable than that eight-tenths of an acre that went for \$45,000?

Mr. Kelly. Well, at least a mile of it, if it is where I understand it to be.

Mr. Cooper. Well now, then, if that was worth \$55,000 an acre in that location, what was this mile---other mile---worth an acre? Twice as much?

Mr. Kelly. Well, no; I don't think so. I don't think it was worth twice as much. It would be worth more. I don't know as it would be a great deal more, either.

Mr. Cooper. You said that some lawyer before the board somewhere said that eight-tenths of an acre for some reason was bought at a higher price than---

Mr. Kelly (interposing). He said there were other <sup>which</sup> considerations entered into the transaction.

Mr. Cooper. He didn't know what they were?

Mr. Kelly. He couldn't enumerate them just then.

Mr. Cooper. Who was the lawyer?

Mr. Kelly. Judge Cramer. He told the board that he would furnish them with that information.

Mr. Cooper. Well, if he didn't know what these considerations were, how did he know they ~~was~~ were considerations?

Mr. Kelly. He said there were so many of them he couldn't enumerate any. The chairman of the board asked him if one of the considerations was that the **Water Company** now had the privilege of paying the taxes. (Laughter).

Mr. Cooper. What did he say to that?

Mr. Kelly. Well, he didn't like that very well.

Mr. Cooper. Well, can you understand how a man would represent to the county board that there were other considerations that interfered in the piece of land and he didn't know what any of the considerations were?

Mr. Kelly. He said he couldn't enumerate them then.

Mr. Cooper. He didn't specify one of them, did he?

Mr. Kelly. No; I don't think so.

Mr. Cooper. Was he an attorney for some of these companies?

Mr. Kelly. He was attorney for the Wiggins Ferry Co. and the Terminal Company.

Mr. Cooper. Attorney for the company interested in this land?

Mr. Kelly. Yes; the Wiggins Ferry Company property.

Mr. Cooper. Was that the company that sold this eight-

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tenths of an acre?

Mr. Kelly. Yes, sir.

Mr. Cooper. So the attorney for the company that sold this at an approximate valuation of \$55,000 an acre, arose and told the county board that there were other considerations that interfered in the sale of that, but that he couldn't specify even one of them?

Mr. Kelly. He said he couldn't enumerate them. He didn't specify any that I heard.

Mr. Cooper. Would it look to you that a statement of that kind might possibly have been made for the purpose ~~purpose~~ of keeping down the valuation of the rest of the railroad property?

Mr. Kelly. Well, that is possible. He wanted to show why that was sold at such a high price, I guess.

Mr. Cooper. And if the company valued the property at so high a price at ---comparatively speaking---a bad location, he knew, didn't he, that the authorities would be inclined to assess the rest of the railroad property much higher than that?

Mr. Kelly. Yes.

Mr. Cooper. So he said there were other considerations which made this company value this property at \$55,000, but he couldn't give one of them and didn't?

Mr. Kelly. No; He didn't give any. I don't know whether he could or not.

Mr. Cooper. Well, if he could, he would, wouldn't he?

Mr. Kelly. Well, I don't know.

Mr. Cooper. How long ago was that Ferry Company's stock

sold for \$1500 a share, par value \$100?

Mr. Kelly. Well, that was a good many years ago. The Rock Island and the Terminal were in a fight for <sup>the</sup> control of it, I believe, and ~~that~~ it sold at all prices. I understand a few shares went to \$1500. I guess probably it was fifteen years ago.

Mr. Cooper. The street lighting and the railway system are owned by the same company, you say?

Mr. Kelly. That is my understanding.

Mr. Cooper. The water company is a separate corporation?

Mr. Kelly. Yes, sir.

Mr. Cooper. A private corporation?

Mr. Kelly. Yes, sir.

Mr. Cooper. They get \$22,000 a year just for the rent of the ~~main~~ hydrants?

Mr. Kelly. Yes, sir.

Mr. Cooper. How many hydrants, are there?

Mr. Kelly. Well, quite a number of them; I don't know just how many there are.

Mr. Cooper. Those are the three <sup>heavy</sup> revenue producing private corporations in this city?

Mr. Kelly. Yes, sir.

Mr. Cooper. The library is owned by the city?

Mr. Kelly. Yes, sir.

Mr. Cooper. And the parks?

Mr. Kelly. Yes, sir.

Mr. Cooper. Everything that doesn't produce a cent of revenue is owned by the city?

Mr. Kelly. Yes, sir. They have a park board here, too; a park system.

Mr. Cooper. How long ago was ~~that~~ it that you heard that the saloon of this chairman of the county board of equalization had been put ~~away~~ out of business, because of violation of law?

Mr. Kelly. I didn't hear he was put out of business. ~~XXXXXXXXXX~~ I heard they were closed up. Whether it was ~~for~~ just for Sundays or for all the time I don't know.

Mr. Cooper. Was it closed by the authorities?

Mr. Kelly. Yes; I understand the sheriff---

Mr. Cooper. The sheriff closed them?

Mr. Kelly. The sheriff or deputy sheriff or some county officials or state officials. I understood---what I heard was that they went down there one Sunday and made them close up. Whether that meant just for that Sunday or for every day, or for all Sundays, I don't know.

Mr. Cooper. How long ago was that?

Mr. Kelly. I should think that was about six weeks ago.

Mr. Cooper. Since the riots?

Mr. Kelly. Yes, sir.

Mr. Foster. May I ask one question? Is it a fact, do you know, that these public service corporations---this public service corporation---known as the Utility Company of Northern, Central and Southern Illinois, that own the lighting plants in different cities, and that own street car companies in certain localities---that they get an assessment of their property as rolling stock and right of way, and then divide up that assessment between the different cities in which

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they operate?

Mr. Kelly. The railroads---it is divided throughout the state. The railroad valuation is divided on the mileage basis throughout the state.

Mr. Foster. On a mileage basis?

Mr. Kelly. Yes; for instance---

Mr. Foster. What I am getting at is this: In that sort of an assessment---of course I know that they are valued according to the mileage---but for instance, the property in the City of East St. Louis might be somewhat different to what it would be in the City of Edwardsville. Now arriving at a proper assessment of the value, would it be a fair proposition to divide up in that way?

Mr. Kelly. No; I don't think it is, but it is done that way. It is done---for instance, take the B. and O. Railroad-- it runs from one end of the state to the other. The valuation would be the same here in East St. Louis in this valuable territory here as it would be way out in the country 300 miles from here. It would be the same rate per foot.

Mr. Foster. But do they put up---

Mr. Cooper. For taxing, you mean?

Mr. Kelly:. Yes, sir.

Mr. Foster. For instance, in East St. Louis the railroad property might be much more valuable than it would be in the City of Edwardsville?

Mr. Kelly. Oh, yes.

Mr. Foster. I don't say it is. I am just making that comparison. Now if you are assessing the railroad property as a whole, and setting off so much to Edwardsville and so

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much to East St. Louis, would you be likely to all get an equitable valuation by taking the mileage and dividing up the mileage in East St. Louis and dividing up the mileage in ~~East~~ Edwardsville?

Mr. Kelly. Yes; that would be the way to get ~~mm~~ it, I think; just assess each town separately.

Mr. Foster. And not take the whole property, the right of way and rolling stock, and putting in their plant as that sort of property?

Mr. Kelly. Yes, sir.

Mr. Raker. How long did you say you have lived here,

Mr. Kelly?

Mr. Kelly. I have lived here nearly 28 years.

Mr. Raker. You are a man of a family?

Mr. Kelly. Yes, sir.

Mr. Raker. Grown sons and daughters?

Mr. Kelly. I have five daughters; no sons.

Mr. Raker. You are a fortunate man. Your daughters are grown ?

Mr. Kelly. Well, their ages are seven, thirteen, fifteen, seventeen and nineteen.

Mr. Raker. Have you a high school here in East St. Louis?

Mr. Kelly. Yes, sir.

Mr. Raker. City high school or high school?

Mr. Kelly. City high school, I think. It is not a county high school I know.

Mr. Raker. ~~mm~~ About how many attendants are there on an average at the high school?

Mr. Kelly. I couldn't give you the figures on that, but ~~xxxxxxx~~ they are quite high. I know they ~~mm~~ just had to

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build a new high school here. The old high school wasn't large enough, and they had to build a new one.

Mr. Raker. Three hundred?

Mr. Kelly. Oh, a good deal more than that.

Mr. Foster. You have got a fine looking high school.

Mr. Kelly. Yes. I think the attendance here is close to a thousand.

Mr. Raker. That would be young men and women who have passed through the grammar grades?

Mr. Kelly. Yes, sir.

Mr. Raker. Have you a high school for the colored people, too?

Mr. Kelly. Yes, sir.

Mr. Raker. Separate and distinct?

Mr. Kelly. Yes, sir.

Mr. Raker. The grammar schools are maintained separate for the white and colored?

Mr. Kelly. Yes, sir.

Mr. Raker. Then there is no general attendance at any of the schools by both whites and blacks?

Mr. Kelly. Whites and colored; no.

Mr. Raker. Where is this high school located, relative to Collinsville Avenue?

Mr. Kelly. The high school is on 9th and Summit. Collinsville Avenue would be about four blocks away; from Summit to Collinsville it is just about four blocks.

Mr. Raker. Do you know whether or not <sup>the</sup> school was in session on May 28<sup>th</sup> and 29<sup>th</sup> of this year?

Mr. Kelly. I think ~~it~~ so; I think it was. I have two



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daughters in high school, and I don't remember their being out.

Mr. Raker. You think school was still in session during that time of the year?

Mr. Kelly. Yes.

Mr. Raker. But it wasn't in session on July the 2nd of this year?

Mr. Kelly. I thought so.

Mr. Raker. It is your opinion it was?

Mr. Kelly. Yes, sir.

Mr. Raker. Both colored and white?

Mr. Kelly. I don't know about July---that is right; I guess that would be vacation.

Mr. Raker. Now these young men and women attending the white school are about evenly divided in numbers, as to boys and girls?

Mr. Kelly. I think there are more girls than boys.

Mr. Raker. About forty per cent girls and sixty per cent girls?

Mr. Kelly. I think it is something like that.

Mr. Raker. And about the same number of the colored boys and girls?

Mr. Kelly. I don't know. I am not posted on that.

Mr. Raker. Do you know about how many colored boys and girls<sup>were</sup> attending your high school last year when it closed?

Mr. Kelly. No.

Mr. Raker. Have you any idea, approximately, how many?

Mr. Kelly. No; I couldn't even estimate.

Mr. Raker. Five hundred do you think?

Mr. Kelly. I think there was nearly that, anyway.

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Mr. Raker. Now these young men and women come from all parts of ~~the~~ East St. Louis to attend these schools, to go to school?

Mr. Kelly. Yes, sir.

Mr. Raker. Some come from the other side of the City Hall; some from Broadway; some from Bond Avenue; some from Missouri Avenue; and from 1st, 2nd, 3rd, 4th, 5th Streets?

Mr. Kelly. Yes; they come from all over the city.

Mr. Raker. You have been over the city a great deal yourself?

Mr. Kelly. Yes, sir.

Mr. Raker. Your ~~family~~ familiar with the conditions so far as the outward appearances are concerned of the houses and the appearances of the streets and alleys?

Mr. Kelly. Yes, sir.

Mr. Raker. Have you observed where the colored people lived in East St. Louis? Have you observed the general surroundings of their homes?

Mr. Kelly. Yes, sir.

Mr. Raker. Have you ever been in any of the homes where the negroes lived for any business purpose?

Mr. Kelly. No; I don't believe I have.

Mr. Raker. Then you couldn't say as to the condition of the homes on the inside, as to the kind and character of furniture and cooking utensils, etc?

Mr. Kelly. No; the only thing--- while I was in the coal business, I used to go down 8th St. there to my plant down on the Southern tracks, and I passed right along by there and could see very often the conditions.

Mr. Raker. So you were familiar with them?

Mr. Kelly. Yes, sir.

Mr. Raker. Now when was <sup>it</sup> that the segregated white district for women of easy virtue was fixed over here near the City Hall?

Mr. Kelly. When was it fixed there?

Mr. Raker. Yes.

Mr. Kelly. I think somewhere in about 1912 or 1913; it may ~~have~~ have been before that time.

Mr. Raker. A good many, were there, that occupied those quarters?

Mr. Kelly. Yes; I understand they were full down there. I don't think they had any vacant houses at all, and they got pretty good rents.

Mr. Raker. Well, a thousand?

Mr. Kelly. No; I don't think there were that many. There couldn't be that many people down there; I don't think it is large enough.

Mr. Raker. Well, now, later, in 1916, the white women of ~~East~~ easy virtue were moved from those quarters, were they not?

Mr. Kelly. Before that time.

Mr. Raker. When was that?

Mr. Kelly. That was in 1915, I think; in the spring of 1915.

Mr. Raker. And commencing in 1916 sometime, the quarters were re-occupied then by women "on the town", as you call them, but colored women, prior to the riot?

Mr. Kelly. I don't know as to that. Negroes moved in there I know.

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Mr. Baker. Weren't there any negro women of easy virtue?

Mr. Kelly. Well, there may have been some down there; I don't know.

Mr. Baker. Well now, wasn't it understood that this was maintained as the segregated negro quarters?

Mr. Kelly. No; I didn't understand <sup>it</sup> that way. I understood ~~me~~ that it was just negroes lived there, and also heard them talk about these women that you speak of too living there.

Mr. Baker. Just negro women?

Mr. Kelly. Men and women, families, is the way I understand it.

Mr. Baker. Now you do your business right across the street, and you are not familiar enough to even know what class of people live there, whether they are men and women, or whether they are men engaged in the various businesses of the town---that is, merchants and bankers and real estate men?

Mr. Kelly. No; I would have to say I do not. I don't think I have been down that way for years. I have occasionally gone up through 3rd Street there, but I don't think I have been down in that territory for a year or two or more. I don't know what is in there.

Mr. Baker. That is right across from the City Hall?

Mr. Kelly. No; it is not across from the City Hall; it is down in that hole there across from Missouri Avenue.

Mr. Baker. Is it frequented by white men and black men too?

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Mr. Kelly. I couldn't tell you, Mr. Raker. I don't know. I know probably as little about that as anybody in town.

Mr. Raker. It is right on the streets where you go to and from the business of the town, where you go to the railroad?

Mr. Kelly. Oh, no.

Mr. Raker. Oh, yes; you go down this next street and you go right down and you have to cross right past it?

Mr. Kelly. But nobody goes down to the depot that way. They go down Missouri Avenue to the depot.

Mr. Raker. Alright. Now, do you know anything about the rents paid by the negro, in comparison to those of the whites, for these houses they occupy?

Mr. Kelly. No; I don't.

Mr. Raker. You have paid but little attention to that?

Mr. Kelly. No; any more than I heard of a few cases. After this great number of negroes got here in town, ~~that~~ they were able to secure better rents for little houses from the colored people than they were from the whites. I know nothing about ~~that~~ it personally.

Mr. Raker. Well, I understood you to say that they got good rents for these properties where the negroes lived, didn't you?

Mr. Kelly. No; that was in the white place, The Valley down there. They claimed they used to get very good rents down there; places were filled all the time. <sup>If</sup>/<sub>A</sub> fellow owned a house down there, he got a very nice income from it.

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Mr. Raker. Do you know from your records who owned that property?

Mr. Kelly. No; I wouldn't have any record of that.

Mr. Raker. Well the assessment list would show, wouldn't it?

Mr. Kelly. Well, it would show in whose name it was assessed. The assessor's books would show.

Mr. Raker. But you haven't any idea who was connected with that property at all?

Mr. Kelly. I know one man that owns a house down there.

Mr. Raker. Who is it?

Mr. Kelly. Dr. McCracken.

Mr. Raker. Wone of the leading business men of the town?

Mr. Kelly. Well, he is a doctor, a physician; one of our leading physicians.

Mr. Raker. Well now, you had heard before July the 2nd of the general conditions existing in East St. Louis, had you not?

Mr. Kelly. Before what?

Mr. Raker. Before July 2nd of this year.

Mr. Kelly. What do you refer to; what kind of conditions?

Mr. Raker. That is broad, but I'll put it more specific: General conditions as to <sup>the</sup> reign of crime having been in existence for six months. From September the year before until July, there were about 800 crimes committed in the corporate limits of this town?

Mr. Kelly. I heard that testified. That was rather news to me. I didn't know that there was that much.

Mr. Raker. Well, had you heard it?

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Mr. Kelly. Well, I didn't know that there was any great increase. I have heard about these hold-ups and one thing and another. We had one case here in the last year or so where one of our policemen shot a colored man for an attempt to assault---or for assaulting some white girl up here in the north end of town.

Mr. Baker. Who was Dr. McCracken, now, in addition to physician---what official position does he occupy?

Mr. Kelly. He is the health commissioner.

Mr. Baker. And this place down ---where is that now? It is north of the City Hall, down in that hole?

Mr. Kelly. He owns a house down there somewhere.

Mr. Baker. Is that the place? And he is the chairman of the health commission here in your town?

Mr. Kelly. Yes, sir.

Mr. Baker. It would almost keep a ~~living~~ frog busy to live there and be healthy, wouldn't it, with that slimy, dirty water and everything else connected with that? Isn't that about right?

Mr. Kelly. I don't think the conditions are good down there; no.

Mr. Baker. He used to be coroner?

Mr. Kelly. He was coroner of this county several years ago.

Mr. Baker. Is this ~~the~~ same Dr. McCracken interested in selling some property to the City of East St. Louis? He was connected with the city official government here and <sup>settled</sup> settled all the rest of the cases for \$300 per acre; then they held the doctor's case and his wife's till the last and then

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gave them \$800 an acre for the land?

Mr. Kelly. Yes.

Mr. Baker. He is the same Dr. McCracken, is he? Annie McCracken, she had 10.44 acres. She sold hers at the rate of \$800 an acre. This is the doctor's wife?

Mr. Kelly. I think she is; yes.

Mr. Baker. Then there is Dr. McCracken, and he had 15.4 acres, and he sold them at the rate of \$800 to this commission. When they had paid all the rest, the very highest was \$315, and the rest were \$300. This is the same ~~Dr. McCracken~~ doctor, is it?

Mr. Kelly. That is Doctor McCracken; yes, sir.

Mr. Baker. They settled all the other cases in court by judgment of the jury, and by the court, and they held the doctor's cases to the last and then got a judgment by agreement of these two cases, and they allowed the doctor \$800 an acre? Is that right?

Mr. Kelly. I think that is right. I am not sure of the figures. I heard it.

Mr. Baker. That is the same tract of land that was bought when the parties knew that there was going to be a necessity of this canal right of way for the City, and bought it from some lady for \$5,000?

Mr. Kelly. I don't know anything about that.

Mr. Baker. Isn't this the same tract of land and the same parties?

Mr. Kelly. All I know about it is what I have read.

Mr. Baker. Well, you understood it to be true and it has not been denied?



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Mr. Kelly. I don't think there is any question but what it is true.

Mr. Raker. Then they sold it to the City after paying this widow lady about \$5,000?

Mr. Kelly. No; they didn't sell it to the City; to the Sanitary District.

Mr. Raker. They paid this widow lady about \$5,000, ~~then~~ officers of the City and connected with the City and interested with the City officials. Then they turned around and by this ~~machination~~ sell it to the Levee District, in which the City was interested, for about \$45,000?

Mr. Kelly. I don't know what the figures were.

Mr. Raker. Something like that though, isn't it?

Mr. Kelly. Well, it was something like that.

Mr. Raker. Well, if the same treatment was given the people as to health as <sup>was given</sup> ~~was~~ this widow and the City as to the amount of this property, you wouldn't expect very good conditions, would you?

Mr. Kelly. Well, I don't know. I don't know what the facts were, in that case. I don't know anything except what I read about the purchasing and selling of it.

Mr. Foster. The Levee Board is separate and distinct from the City officials?

Mr. Kelly. Yes, sir.

Mr. Foster. They aren't controlled or have any connection with ~~any~~ in any way with the City officials?

Mr. Kelly. No, sir; they are elected by the people.

Mr. Foster. And act independtly of any City officials?

Mr. Raker. I didn't quite get that.

Mr. Foster. The Levee Board is separate from it and distinct from the City officials and have no connection with them whatever?

Mr. Raker. Well, wasn't Mayor Kollman at this time one of the Levee Board?

Mr. Kelly. He was a member of the Levee Board.

Mr. Raker. And Mayor Kollman appoints this man, Dr. McCracken, health officer, doesn't he?

Mr. Kelly. Yes, sir; I don't know whether he was on the Board when that deal was made or not; I don't recall that.

Mr. Raker. It is your impression that he was, isn't it?

Mr. Kelly. I think he remained on the Board unless his term expired in 1916.

Mr. Raker. And his friends, Tarlton and Kannavan, were especially interested in these entire deals---Isn't that right ---and who are now still interested?

Mr. Kelly. Tarlton was on the Levee Board, but Kannavan wasn't interested in it.

Mr. Raker. Tarlton was on the Levee Board and Tarlton and Kannavan were partners?

Mr. Kelly. Yes, sir. <sup>\*Mr. Raker.</sup> And what one partner would make would go to the benefit of the other?

Mr. Kelly. I suppose so.

Mr. Raker. Is Kannavan now one of the officers of the City and appointed by Mayor Kollman?

Mr. Kelly. Yes, sir.

Mr. Raker. And they are still partners, and from all the indications and statements here,--hearsay, rumor and other-

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wise---Kannavan and Tarlton are the real power, and are the master hands behind the Mayor? Isn't that right?

Mr. Kelly. That is politics. That is the political cry.

Mr. Raker. Well, isn't that about the way things are shaping up?

Mr. Kelly. No; I don't think so. I don't think so.

Mr. Raker. Well, all the rest I have stated is true, except you will not admit that Tarlton and Kannavan are the special warm friends of the Mayor.

Mr. Kelly. Oh, I say they are warm friends.

Mr. Raker. Then they are the special warm friends of the Mayor. Now everything I have stated to you is correct except when I said that they were the master hands behind the Mayor. That you don't accede to?

Mr. Kelly. No.

Mr. Raker. But you accede to every other statement I made?

Mr. Kelly. Yes; so far as I know.

Mr. Foster. You don't accede to the statement that the Levee commissioners have any official connection with the City administration, do you?

Mr. Kelly. No; I don't think Mr. Raker said that.

Mr. Raker. No; I didn't say that.

Now, you have heard the statements made here repeatedly as to the breaking down of the police, haven't you?

Mr. Kelly. Yes.

Mr. Raker. Did you know anything about those conditions before the 2nd of July?

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Mr. Kelly. No; I don't think there was any break-down before the 2nd of July.

Mr. Raker. Everything was ~~xxxxxxxx~~ virile and they were efficient and on their jobs early and late?

Mr. Kelly. I think we have had a very good department, so far as it went.

Mr. Raker. Then, so far you are the only man that has been able to state that to the Committee?

Mr. Kelly. Yes; I think we had some as good police officers on that force as ~~mm~~ they have in any town in the United States.

Mr. Raker. Did you understand ~~mm~~ that during the day of the riot there wasn't any of them around at all?

Mr. Kelly. I understand a good many of them were not on duty that day.

Mr. Raker. If they were right good officials and did do their duty, where do you think they should have been?

Mr. Kelly. They should have been on duty, of course, if possible for them to be there, and if not sick.

Mr. Raker. You haven't heard <sup>that</sup> some of them were sick?

Mr. Kelly. I understand some of them were reported sick that day.

Mr. Raker. Some of them were pretty sick that day?

Mr. Foster. He said "reported" sick.

Mr. Kelly. Yes; reported sick.

Mr. Raker. How many?

Mr. Kelly. I don't know; I never investigated that. I understood there was a few of the white officers on duty that day.

Mr. Raker. ~~How~~ Very few of them, and they didn't show up there that day? You have understood that, haven't you?

Mr. Kelly. I have heard that some of them reported that day.

Mr. Raker. And understood that the black officers had been told to stay away?

Mr. Kelly. Yes.

Mr. Raker. Do you know what the fire department was doing before, say, half past five that day?

Mr. Kelly. No; doing what they were every day; just watching for something to turn up.

Mr. Raker. Have you learned that one most effective method to prevent a riot and to stop disturbance is the fire department?

Mr. Kelly. Turn the hose on them?

Mr. Raker. Answer my question, please.

Mr. Kelly. No; I have never heard that.

Mr. Raker. You haven't heard of it?

Mr. Kelly. No.

Mr. Raker. Don't you know that some of the riots that may have been the most expensive and caused more loss of life and property have been stopped by the fire department, under the control of the police, by using the hose to turn on them---just stop them within five minutes and with no trouble?

Mr. Kelly. No; I don't believe I ever read of such an occurrence. I think it would be a pretty good idea, but I never heard of it being ~~utilized~~ used.

Mr. Raker. You can see how it could be used as a very

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effective method?

Mr. Kelly. Yes, sir.

Mr. Baker. If it was used down here at Collinsville Avenue and Broadway, ~~where~~ the people couldn't come down Collinsville or come up Broadway, as the fire department by playing the hose at these plugs could have stopped these marauding bands from going up and down these streets at each place, couldn't they?

Mr. Kelly. If they didn't come around and get behind them.

Mr. Baker. Then the other fellow would be on the other end, so they would have them cornered in the ~~block~~ block?

Mr. Kelly. It would take an awful lot of firemen to do that.

Mr. Baker. You never knew of a single one trying to do that a thing on the 2nd of July, did you?

Mr. Kelly. No; I don't think anybody ever thought of it.

Mr. Baker. And not a single one acted on the 28th or 29th of May, did they?

Mr. Kelly. No; not that I know of.

Mr. Baker. You say the people hadn't heard anything--- you consider you have an up-to-date fire department and chief of police?

Mr. Kelly. Oh, I wouldn't say it was up to date. It is up to date as far as it can be with the number we have on, and the salaries that we are paying. I think we have some very good men.

Mr. Baker. What ~~am~~ do you mean by the salaries paid? Does it make any good to your policeman if he gets \$100 or

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\$150?

Mr. Kelly. It makes a difference what kind of a policeman you get.

Mr. Baker. Then you figure on the ability and capacity and other qualities necessary to make a policeman, depending on the amount of money he is paid? Is that right?

Mr. Kelly. Not altogether. <sup>As</sup> I said before, I think we had some policemen on there just as good as any town in the United States.

Mr. Baker. But there isn't. There hasn't been <sup>the</sup> evidence of a single living man, so far as I have known, or even any volunteered by anybody or suggested, that any one of those policemen ever raised his hand on the 2nd of July and said, "Halt!" to the people ~~amongst~~ that were killing innocent people in this town and destroying their property. Isn't that funny?

Mr. Kelly. Well, I don't know what became of them on that particular day, I am sure.

Mr. Baker. They were alright 364 days of the year, but this last day and when they were needed, they weren't on the job?

Mr. Kelly. I wouldn't say they weren't on the job, those that were out.

Mr. Baker. You have heard that that is true, haven't you?

Mr. Kelly. Well, I have heard it in two different ways: I have heard ~~some~~ some people have told me the police were ineffective because the crowds would get around them and push them up against buildings and hold them there, and I have heard people say they couldn't see a policeman, and I heard testimony here that rioters took a man away from a policeman who was taking

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him to the station. So they must have been somewhere in evidence or they couldn't have done these things.

Mr. Raker. You have heard that the policemen were in - effective because the crowds would get around them and back them up against a building and hold them there?

Mr. Kelly. Yes, sir.

Mr. Raker. You never heard any shots being fired by the policemen, did you?

Mr. Kelly. No.

Mr. Raker. Or any cry for help from these policemen?

Mr. Kelly. No; I never heard of that.

Mr. Raker. You haven't heard of the policemen making any complaint that men unmasked held them up that day against the buildings by making them back up against the buildings, have you?

Mr. Kelly. No.

Mr. Raker. Well, doesn't it seem strange to you that if such a thing would have occurred that this "efficient" police force---or, at least, some of them---would have made known the fact that men had gathered around them that day and backed them up against the wall and held them there?

Mr. Kelly. No; I don't know what they have made known. I don't know whether they made it known, or whether it occurred or what happened.

Mr. Raker. Were you on the 28th of May?

Mr. Kelly. I was here in the City Hall.

Mr. Raker. Were you there all day?

Mr. Kelly. Practically so.

Mr. Raker. Did you see anything about the riots?



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Mr. Kelly. The riot happened on that night, you know.

Mr. Baker. Well, whenever it did happen.

Mr. Kelly. Yes; I was at the Council meeting when Mr. ~~Cannan~~<sup>van</sup> came up into the town meeting and made the statement that there was trouble on the street, so the Council adjourned and we went down stairs. As I got down into the hallway, there was quite a crowd there in the door, and I asked one of the fellows standing around what the trouble was. He said, "Well, they have gotten hold of a colored man up there and are trying to beat him up, but the policeman and"---I think he stated that Ex-Sheriff **Caschel** got the ~~man~~ colored fellow away from him and took him down and put him in the police station for safe-keeping. By that time there was quite a crowd in front of the police station. And I also heard at that time that there was somebody came in there---a newspaper reporter came in to report that a negro had just shot a white man; held him up and shot him, near 10th St. and Gatey Avenue. And it seems that probably that was the cause of that, that report coming just as those people had gone out of the hall, and they just got started after that colored fellow.

The Mayor went down to the police station and made a talk to these people out in front---they seemed to want the colored fellows that were inside---and he went out and asked them to desist and to go to their homes, not to do anything that would hurt the City, and after awhile they did leave. They hooted around there for awhile, but they left there and went down south, down towards the south end of the city.

Mr. Baker. Did you learn afterwards that the report

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was true or false about the negro having killed a white man at 10th St. and Gatey Avenue?

Mr. Kelly. No; I understood he was shot, <sup>but</sup> I don't know whether he was killed or not. Then all the police force were out looking this man up, trying to locate him, and the night chief police told me he thought ~~that~~ he would have gotten that fellow if he had been allowed to keep his men on, but he had to bring them on in on account of this trouble.

Mr. Baker. Nobody was arrested there that night around the City Hall for mobbing the negroes?

Mr. Kelly. Well, I really ~~can~~ don't know whether there was or not.

Mr. Baker. Well, let me get the thing straight, now. Were you in the City Hall in the auditorium---is that what you call ~~the~~ it, "auditorium"? ---

Mr. Kelly. Yes.

Mr. Baker. When the crowd gathered?

Mr. Kelly. No; I went up with the Council.

Mr. Baker. Then you waited until the Council went up?

Mr. Kelly. Yes, sir.

Mr. Baker. And yourself and the Council and the Mayor and the other city officials went up to this meeting?

Mr. Kelly. Yes.

Mr. Baker. And you were present and stayed until the meeting adjourned?

Mr. Kelly. No; I was only there about five minutes. I didn't go in---that is, I didn't take a seat; I stepped inside the door and stayed there, ~~the~~ the place was crowded and

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I don't think there was ~~an~~ a vacant seat in the place. People were standing up, and I went back down stairs again to the Council chamber and sat there.

Mr. Raker. So you didn't stay to hear what the proceedings were?

Mr. Kelly. No; I didn't hear much of it.

Mr. Raker. You were there about five minutes?

Mr. Kelly. Just about five minutes; yes, sir.

Mr. Raker. Now, did the Council stay until the meeting in the auditorium was through?

Mr. Kelly. I don't know whether they all ~~sa~~ stayed there or not.

Mr. Raker. Well, did any of them?

Mr. Kelly. I don't know; I couldn't tell <sup>you</sup> whether any of them stayed there.

Mr. Raker. Well, did any of the city officials stay there until the meeting was through?

Mr. Kelly. Well, I don't know. I think the Mayor was there.

Mr. Raker. Do you know?

Mr. Kelly. I don't know.

Mr. Raker. I am trying to find out something that you knew. That is all I was figuring on. You are unable to state, then, whether any of the Councilmen or any of the City officials or even the Mayor stayed in this auditorium until the meeting adjourned?

Mr. Kelly. I don't know that they did.

Mr. Raker. Then where did you go?

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Mr. Kelly. I went down stairs.

Mr. Raker. Where?

Mr. Kelly. I went down---I don't know whether I went from there direct to my office or to the Council chamber. I think possibly I went to my office first and then back to the Council chamber.

Mr. Raker. Well, did the Council meet after the people adjourned?

Mr. Kelly. The people were going out while---I think, now, the people were going out of the hall when the Council was in session.

Mr. Raker. You had a regular meeting?

Mr. Kelly. Yes. We adjourned just as soon as there was that trouble. News came there was trouble.

Mr. Raker. Before the people got out of the hall altogether?

Mr. Kelly. I think the meeting was called before the people got out of the hall.

Mr. Raker. All of them?

Mr. Kelly. Yes.

Mr. Raker. Now who did this rioting that night?

Mr. Kelly. I don't know really who they were; I ~~don't~~ couldn't tell you that. I looked around that auditorium there and I saw very few faces that I knew at all, a very few.

Mr. Raker. Well, did you look about on the streets to see who was doing it?

Mr. Kelly. Yes---well, of course it was dark; I couldn't see anybody there that I recognized.

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Mr. Raker. Well, the lights were lit, weren't they; the street lights?

Mr. Kelly. Yes.

Mr. Raker. You looked around to see who was there?

Mr. Kelly. Yes; but I didn't see a soul there that I knew.

Mr. Raker. You saw the people actually participating in the riot, didn't you?

Mr. Kelly. No; what I saw was the crowd up there in the street after the man had been put into the police station. I didn't get there until after that happened.

Mr. Raker. Did you know there was another that just followed that where they knocked a negro down and laid him across a street-car track.

Mr. Kelly. No; I never heard that till the other day.

Mr. Raker. You didn't hear that that night?

Mr. Kelly. No; I knew that they had done a lot of damage that night.

Mr. Raker. Well, to make a long story short, where were you on the 29th of May?

Mr. Kelly. At the office there.

Mr. Raker. Did you pay any attention to what was going on that day?

Mr. Kelly. Yes, sir.

Mr. Raker. Was there any rioting?

Mr. Kelly. I don't think so. I don't recall that there was.

Mr. Raker. Don't you know that in the evening of May 29th, it was as bad as it had been at any time?

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Mr. Kelly. My recollection isn't clear on it, but I don't know.

Mr. Baker. You don't remember seeing or know anything about what occurred on May 29th?

Mr. Kelly. No.

Mr. Baker. Did you do anything to prevent the re-occurrence of that riot?

Mr. Kelly. No.

Mr. Baker. Did you see the Chief of Police of any of the police?

Mr. Kelly. No---the only ~~man~~ thing that I---yes, I talked with them; yes.

Mr. Baker. With the Chief of Police?

Mr. Kelly. Yes.

Mr. Baker. What did they tell you?

Mr. Kelly. Well, I don't know now just what it was, but ~~when~~ I remember telling the night chief of police when ~~there~~ this gang started for the south end of the town that he ought to telephone down there and have the saloons closed.

Mr. Baker. That was on May 29th?

Mr. Kelly. Yes.

Mr. Baker. Well, what made you think about that?

Mr. Kelly. I thought if those people were going down there in that crowd and get into those saloons, they might get hold of some liquor and do some damage.

Mr. Baker. Would the saloons being there or the liquor being there have any tendency or effect upon the mob at all?

Mr. Kelly. I should naturally think it would.

Mr. Baker. What effect would it have?

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Mr. Kelly. Well, I should think that after they had got ~~in~~ hold of the liquor, it might have <sup>had</sup> a great deal of effect, in the excited condition that they were <sup>in</sup> just at that time.

Mr. Baker. Well, what do you mean by excited condition?

Mr. Kelly. Well, all excitement; they just seemed to want to get hold of a negro.

Mr. Baker. Do you know what caused this excitement?

Mr. Kelly. No; I don't. I don't exactly know what caused it.

Mr. Baker. Did you hear what caused this excitement? Everybody seemed to be excited and wanted to get hold of a negro?

Mr. Kelly. Yes.

Mr. Baker. Give the Committee your version.

Mr. Kelly. I think that particular evening it was due to the fact that this negro had held up a white man and shot him. I think---my opinion is that if it hadn't been for that those people would have gone to their homes and there would ~~be~~ have been trouble at all?

Mr. Baker. Then whenever it is heard that a negro holds up a white man, the people here just simply lose their general equilibrium and they become hysterical over the question of getting at the negroes? Is that about it?

Mr. Kelly. No.

Mr. Baker. Is that the only time, now, that you can state that you ever saw the people in the frame of mind and the condition <sup>in which</sup> they were as they came out of that hall on the 28th of May, that one time?

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Mr. Kelly. Yes; I never <sup>heard of</sup> ~~heard~~/anything prior to that.

Mr. Raker. You had heard of at least 29 homicides committed by negroes within six months before? Isn't that right?

Mr. Kelly. Yes.

Mr. Raker. But <sup>you</sup>/never saw the people in the frame of mind that they were in when they came out of that meeting?

Mr. Kelly. No, sir.

Mr. Raker. But coming out of the meeting had nothing to do with the frame of mind, had it?

Mr. Kelly. Oh, no.

Mr. Raker. What occurred in the meeting had nothing to do with the frame of mind?

Mr. Kelly. No.

Mr. Raker. Nothing was said there that would inflame them at all?

Mr. Kelly. Well, I don't know; may be. I have heard some remarks made on that, that there was something said there.

Mr. Raker. What was it?

Mr. Kelly. What attorney Flannigan said to them. Somebody testified here the other day---

Mr. Raker. I am talking about what you knew about it, and what you knew at that time, on the night of the 28th of May.

Mr. Kelly. I don't know.

Mr. Raker. <sup>You</sup> don't know anything about what occurred there that night before you saw the mob?

Mr. Kelly. Oh, yes; I know what I saw. I saw <sup>some</sup>/speaking there.



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Mr. Raker. What was said at the speaking there?

Mr. Kelly. I said the ~~mmmm~~ hall was full.

Mr. Raker. What was said at that speaking, the general tone of it, the trend of it?

Mr. Kelly. They were talking about the immigration or the influx of negroes to East St. Louis.

Mr. Raker. Who was doing that?

Mr. Kelly. All of the speakers. They were talking about some way of preventing them from coming in. I don't know who was talking at that time, but they were trying---they wanted to meet the Mayor and the Council and see if something couldn't be done to stop this great number that was coming in there.

Mr. Raker. The great number of colored people?

Mr. Kelly. Yes. They kept thinking all the time, ~~that~~ of course, that the city fathers should take some steps to prevent it. How they could I don't know.

Mr. Raker. Well, you heard them discuss it there that night ~~mmmm~~ that they should do something to prevent negroes coming to East St. Louis in such large numbers?

Mr. Kelly. Yes, sir.

Mr. Raker. Did you hear any recommendation given there that night that ~~mm~~ it was thought by those in attendance would be effective in preventing negroes from coming?

Mr. Kelly. I believe somebody made some suggestion there, but I don't know what it was.

Mr. Raker. But the whole sum and substance of it is that when the meeting adjourned and <sup>they</sup> got out of the hall, you think

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you think they weren't incensed at all as to the negro situation in East St. Louis?

Mr. Kelly. Oh, I guess probably they were.

Mr. Raker. What is your opinion of it now?

Mr. Kelly. I don't know. I guess probably they were incensed at it. Yes; I have no doubt but what they were, but I don't think that there would have been anything done---I think they would have gone home if they hadn't heard of this thing. I think they would have gone right home.

Mr. Raker. Well, didn't they go right on home?

Mr. Kelly. No.

Mr. Raker. Did they have anything to do with that mobbing?

Mr. Kelly. I think that is just probably some of the people in there.--I think it was some of the people that were in there.

Mr. Raker. Some of the people at the meeting are the ones that started the mob?

Mr. Kelly. I think so. I don't know as they started it, but I think they were in the crowd though. I don't know anything about the starting of the mob or anything. I am just thinking this. I do know it was a general supposition that they were. I didn't see the starting of it; I only saw what you told me I told you.

Mr. Raker. What did you say your theory was of the cause of the mob---of the riots, rather---on the 28th of May last?

Mr. Kelly. Well, I don't know as I know. I think probably several causes led up to it, but I think that the thing that started it was this little report about the hold-up. I think possibly that there were several reasons.

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Mr. Baker. Well, what were the other reasons?

Mr. Kelly. The race condition, I think; the fellows being afraid that the town would be over-run with colored people. I have heard it on the street-cars and elsewhere that soon we will have more negroes here than we will have whites, and so on and so forth, and it is getting to look awful bad for East St. Louis. I think all of those things are reasons.

Mr. Baker. Is there anything else? Is there any other contributing cause, as you understood or heard?

Mr. Kelly. I don't know of any other---I think that is about all of it.

Mr. Baker. Well now, about---between May 29th and July 1st, did you hear any discussion about ~~the~~ the riot spreading and what might occur in East St. Louis?

Mr. Kelly. No.

Mr. Baker. You heard no discussion?

Mr. Kelly. No; I didn't.

Mr. Baker. Everything was quiet?

Mr. Kelly. It looked very quite to me.

Mr. Baker. It was perfectly satisfactory so far as you were concerned?

Mr. Kelly. Yes, sir.

Mr. Baker. You heard no discussion of any kind ?

Mr. Kelly. No.

Mr. Baker. No complaint from anybody? No complaint that the negroes were coming here in too large quantities and liable to over-run the town; that they might take the work from the working man? Was any of this discussed at all after the riot of

May 29th? Was everything settled down and everything seemed to be lovely?

Mr. Kelly. Yes, sir; <sup>things</sup> / looked very nicely.

From last fall on, I had always heard rumors here about the namber coming in.

Mr. Raker. What do you say Flannigan said at this meeting on the 28th of May?

Mr. Kelly. I don't know just what he did say.

Mr. Raker. In substance what did he say?

Mr. Kelly. Well, I don't know in substance what he did say. He made some speech to them about labor conditions.

Mr. Raker. Well now, where were you on the 2nd of July?

Mr. Kelly. I was right here in the City Hall.

Mr. Raker. You went to your office at what time?

Mr. Kelly. Well, I was there about all day except when I went to lunch.

Mr. Raker. Where did you get your lunch?

Mr. Kelly. At Thesieres.

Mr. Raker. Across---you came up Missouri Avenue; then up Collinsville Avenue---a block and a half, or a block---and at Thesieres Restaurant you got your lunch?

Mr. Kelly. Yes, sir.

Mr. Raker. Had any rioting occurred before you got your lunch?

Mr. Kelly. I heard---as I came up I heard about some fellow getting shot---I believe ~~murran~~ a negro got shot down here on Collinsville Avenue and the shot went up through a window and hit a white man; shot him in the arm or rib or somewhere.

I don't know just where. I heard that as I came up to lunch.

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Mr. Raker. Didn't that make you kind of feel a little bit peeved to think that they would shoot at a nigger and hit a white man?

Mr. Kelly. I didn't say they shot a nigger.

Mr. Raker. Who did they shoot at?

Mr. Kelly. I don't know.

Mr. Raker. Who did you hear at that time?

Mr. Kelly. I heard there was just a nigger got shot down there.

Mr. Raker. Now who did you hear they shot at---the nigger or the white man?

Mr. Kelly. I didn't hear.

Mr. Raker. Just shot promiscuously and the ball missed the party they shot at and the ball went up stairs and hit the arm of a white man? Is that what you heard that day?

Mr. Kelly. No.

Mr. Raker. Well, what did you hear?

Mr. Kelly. I just heard that this man ~~zhama~~ was shot, received a slight wound, and he was up stairs in a building.

Mr. Raker. What were they shooting at?

Mr. Kelly. I don't know.

Mr. Raker. What did you hear they were shooting at?

Mr. Kelly. I didn't hear they were shooting at anything. I heard they shot a colored man down there.

Mr. Raker. And the ball went on and hit a white man?

Mr. Kelly. Well, I don't know; I just imagined it was two different shots.

Mr. Raker. Oh, that somebody shot a random shot and it hit this man up stairs in the arm?

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Mr. Kelly. That is what I heard.

Mr. Raker. Oh, I see. And then you heard that they had shot a negro?

Mr. Kelly. Yes.

Mr. Raker. You didn't know who was doing it---~~the~~ white man or negro?

Mr. Kelly. I understood it was a white man.

Mr. Raker. Did you really understand, now, when you went to get your lunch about 1 o'clock, that a white man really did shoot at a negro?

Mr. Kelly. I understood it was a white man.

Mr. Raker. Aren't you mistaken and it was a negro shooting at the other negroes?

Mr. Kelly. No; I heard it was a white men shooting.

Mr. Raker. Who told you that white men were shooting?

Mr. Kelly. I don't know who it was. I was going up the street there. I don't know as anybody told me; I heard them talking about it.

Mr. Raker. Who did you have lunch with that day?

Mr. Kelly. I couldn't tell you that?

Mr. Raker. You have forgotten that, have you?

Mr. Kelly. I don't know who was with me.

Mr. Raker. But you paid no attention to what was going on so far as the riot was going concerned, did you?

Mr. Kelly. No; I didn't.

Mr. Raker. And after you got lunch you deliberately walked down Collinsville Avenue and Missouri Avenue ~~and~~ and went to the City Hall and shut the door and leaned back in your eas. chair and said, "Let her go Gallagher"?

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Mr. Kelly. I didn't quite do that.

Mr. Baker. What did you do?

Mr. Kelly. I was around the City Hall. I talked to the Mayor several different times.

Mr. Baker. During that day, afternoon?

Mr. Kelly. Yes, sir.

Mr. Baker. Did you know the rioting was going on?

Mr. Kelly. I know that it had. I knew while we were in ---just before I finished lunch someone came in there and said they had turned over a street car up here on the Avenue, and said that they hauled off and beat up a lot of colored fellows there. When I went out I could see the crowd up there at a distance, but I think the report of the turning over of the street car was wrong. I don't think there was any turned over.

Mr. Baker. You went right on back to your place of business?

Mr. Kelly. Yes, sir.

Mr. Baker. About what time did you leave Chesieres to go home to your office?

Mr. Kelly. About 1:30.

Mr. Baker. How late did you stay in your office that day?

Mr. Kelly. I was there till five. I went to supper and came back and was there till after midnight.

Mr. Baker. Till midnight? Did they hold any meetings there that night?

Mr. Kelly. Yes.

Mr. Baker. What.

Mr. Kelly. That is, just consulting; talking.

Mr. Baker. Well now, up till 5 o'clock what did you do,

and what did you see going on at the City Hall?

Mr. Kelly. Well, there was all sorts of things going on there---people running around and asking the Mayor for one thing and <sup>98</sup>other. We had a meeting in there, and the Mayor called up the Governor; he asked the Governor to place the town under martial law. Several of the citizens were there and thought that was the thing to do. The Governor declined to do it.

Mr. Raker. Did you see anything of the policemen during this time?

Mr. Kelly. No.

Mr. Raker. Constables?

Mr. Kelly. I don't think I saw any of the policemen at all.

Mr. Raker. Did you make any effort to suggest to the Mayor or anybody else that they get <sup>the</sup> police force out and stop the rioting?

Mr. Kelly. No; I didn't. I think we had force enough out.

Mr. Raker. I didn't ask you about the force; I am putting a direct question now, if in your presence anything was done, or anything done by you, as a citizen city official here, to get the police force out to stop any of this rioting on Collinsville Avenue and Broadway and Missouri Avenue and the main streets in the city?

Mr. Kelly. The police force were all out. There was nobody at the station.

Mr. Raker. And when you got back again in the evening you did the same thing--you did nothing more than you did in the afternoon, so far as getting out the police force?



Mr. Kelly. Well, when I came back in the evening I went down the street there and I saw the fires, and when I came back the Mayor and Colonel Tripp were standing there in the reception room, and I asked the Mayor if anything had been done towards getting the St. Louis fire department over here, and he said "Yes", they had been over here but wouldn't stay; claimed they couldn't get any protection, and he said, "These fellows here don't seem to be able to protect them", and Colonel Tripp spoke up and said, "Well, we think they are a little thin skinned; they ought to be able to protect their hose"---a few fellows were down there cutting their hose, or something like that---"they ought to be able to protect that themselves". I said to him that I thought they had all they could do to fight the fires; that he should see that they got protection.

Mr. Baker. Go on and tell what occurred in this conversation.

Mr. Kelly. That is all there was to the conversation.

Mr. Baker. Then it turns out now, Mr. Kelly, that you were one of the Mayor's advisers on this day and evening?

Mr. Kelly. I was in his office several times.

Mr. Baker. To advise with him?

Mr. Kelly. Yes; we talked about it.

Mr. Baker. Well, "talked about it"---just talking at random talk or talking about getting results?

Mr. Kelly. Talking about what happened and what ought to be done, and ~~that~~ that the Governor should declare martial law here.

Mr. Baker. No one suggested that the citizens of the

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town make any effort?

Mr. Kelly. No; I didn't hear any such suggestion.

Mr. Raker. You feel that it could have been stopped if the citizens had gotten out and done anything, don't you?

Mr. Kelly. Well, I don't know.

Mr. Raker. You walked from the City Hall down Missouri Avenue and up Collinsville Avenue and had no trouble in doing it, did you?

Mr. Kelly. No; not at that time. There was no trouble around there at all. There was no more excitement around this corner than there is right now, when I went down there. I saw before that a good many people going up the street.

Mr. Raker. And heard that the riot was going on?

Mr. Kelly. Well, I heard this had happened.

Mr. Raker. Well, did you hear then that the riot was at that time going on and men were being taken off of the street cars and being maltreated just at this very time that you went in there? Did you?

Mr. Kelly. I heard this---that somebody came into the restaurant and stated that they had turned over a street car up Collinsville Avenue and had beaten up several negroes. And when I came outside I saw the street cars running right on along by there, and I understood afterwards it was a mistake about the street-car being turned over.

Mr. Raker. Did you understand it was a mistake about them beating up and killing some negroes there at the time?

Mr. Kelly. No.

Mr. Raker. You never inquired, did you?

Mr. Kelly. No; I didn't have to inquire.

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Mr. Baker. Why?

Mr. Kelly. Everybody knew it.

Mr. Baker. Well, did you know it?

Mr. Kelly. Yes; we all knew it after it happened.

Mr. Baker. Well, how did you find out it happened? I have been trying now for half an hour for you to tell me how you found out that those negroes on Collinsville Avenue, about a half block and a half from where you went in to get lunch that day, were actually killed.

Mr. Kelly. I told you someone came in the restaurant and I told you about this occurrence.

Mr. Baker. And you paid no attention to it, no more than to finish your lunch and go back to business?

Mr. Kelly. That is exactly what I did; yes, sir.

Mr. Baker. And you were a city official?

Mr. Kelly. Yes, sir; I was City Controller here.

Mr. Baker. That is all.

Mr. Cooper. You say that after luncheon, Mr. Kelly, you went around to the City Hall?

Mr. Kelly. Yes, sir.

Mr. Cooper. And in the afternoon were around <sup>the</sup> City Hall?

Mr. Kelly. Yes, sir.

Mr. Cooper. Were you inside or outside?

Mr. Kelly. Well, both.

Mr. Cooper. Were you inside most of the time?

Mr. Kelly. Yes, sir.

Mr. Cooper. How many times did you go out and where did you go?

Mr. Kelly. Well, I can't recall that.

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Mr. Cooper. Do you recall going out?

Mr. Kelly. I know that I was on the street. I know I went down the street as far as the police station.

Mr. Cooper. On what street?

Mr. Kelly. On Main Street.

Mr. Cooper. On Main Street as far as the police station?

Mr. Kelly. Yes, sir.

Mr. Cooper. From the City Hall?

Mr. Kelly. Yes; I don't think I was ever any further away from the City Hall than the police station.

Mr. Cooper. ~~What is the distance?~~ How far is that?

Mr. Kelly. About 100 feet.

Mr. Cooper. Which way?

Mr. Kelly. South.

Mr. Cooper. Away from Collinsville Avenue?

Mr. Kelly. Yes.

Mr. Cooper. In the opposite direction?

Mr. Kelly. Yes.

Mr. Cooper. How long did you stay at the police station?

Mr. Kelly. Well, I don't recall going in there at all. I think I went down as far as the police station.

Mr. Cooper. Did you turn around and come back?

Mr. Kelly. I think I went down there to see the Chief and he wasn't there.

Mr. Cooper. Your impression now is that you left the City Hall to go down and see the Chief of Police and he was not in. How came you to go down <sup>there</sup> that purpose? Did the Mayor ask you to?

Mr. Kelly. No; I just went down there.

Mr. Cooper. Then you walked down there a hundred feet and went back to the City Hall?

Mr. Kelly. Yes.

Mr. Cooper. Then did you come out again, do you remember, until you went home in the afternoon?

Mr. Kelly. I don't recall whether I did or not.

Mr. Cooper. So with the exception of coming out of the City Hall and walking south---or north---

Mr. Kelly. South.

Mr. Cooper. South to the police station, about 100 feet distant, and back, you don't remember that you went out again from the City Hall that afternoon until you went home to dinner in the evening?

Mr. Kelly. No; I don't.

Mr. Cooper. Now was Mayor Hollman in the City Hall ~~when~~ all the time in the afternoon that you were there?

Mr. Kelly. No; I think he went out to attend a meeting that afternoon of the Chamber of Commerce.

Mr. Cooper. Where?

Mr. Kelly. Right across the street.

Mr. Cooper. How long was he gone?

Mr. Kelly. Well, I don't know.

Mr. Cooper. Colonel Tripp you saw in there every time you went in, didn't you?

Mr. Kelly. No; I don't know as I did; I ~~cannot~~ don't remember seeing Colonel Tripp that afternoon.

Mr. Cooper. Did you see him in the morning?

Mr. Kelly. Yes; I saw him around there in the morning. I didn't see him ~~in~~ again until evening.

Mr. Cooper. What was it that Flannigan said at that meeting?

Mr. Kelly. I don't know. I don't know whether I heard all of his speech or not. I heard part of it. And I couldn't tell a word that anybody said up there; I didn't pay very much attention.

Mr. Cooper. Don't you remember that he made an extraordinary statement about there being no law which was ever enforced here to punish rioters?

Mr. Kelly. No; I don't know---I didn't hear him say that.

Mr. Cooper. Didn't you hear him say in substance that?

Mr. Kelly. No; He did say something about mob law. I don't know what it was. I wouldn't want to quote it, because I didn't hear all he said or what he said. I couldn't hear it.

Mr. Cooper. Did he say something about there being a law in this state about mobs ~~maintaining~~ violence on person and property and it was wrong to do that sort of thing, but, nevertheless, he never knew of anybody being punished for doing that---any mob?

Mr. Kelly. I couldn't tell just what he did say.

Mr. Cooper. Do you know that it was commonly talked about ~~xxx~~ around the city that he did say in substance that?

Mr. Kelly. I heard that.

Mr. Cooper. You heard that?

Mr. Kelly. Yes, sir.

Mr. Cooper. When did you first---now, you say you heard that talked around the city. When did you first here that talked around the city?

Mr. Kelly. I couldn't tell. It was shortly after that

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happened.

Mr. Cooper. Well, now if it was so extraordinary that shortly after the 23th of May the citizens of East St. Louis were talking about that speech of Flannigan's, don't you think it impressed some of them that night that it was so extraordinary that they talked about it that night after the meeting?

Mr. Kelly. Well, they may have; I don't know.

Mr. Cooper. Well, but their surprise and interest in that speech didn't originate a day or two after the speech, it originated that night, didn't it, at the time the speech was made?

Mr. Kelly. Well, of course it would if it did at all.

Mr. Cooper. But "it did at all". You said it did because you heard it talked about a day or two after that.

Mr. Kelly. Oh, yes; I heard the business people talking about it.

Mr. Cooper. Now then, if their interest in that speech originated sometime, <sup>--- it</sup> you said, "if it did originate at all, it originated that night after the speech"?

Mr. Kelly. Yes.

Mr. Cooper. And you were at the meeting?

Mr. Kelly. Yes.

Mr. Cooper. How didn't you hear it talked about that night?

Mr. Kelly. No; I never heard a word of it. I didn't talk to anybody, so far as that is concerned. I went up and stood up there near the door for a little while, and then came down.

Mr. Cooper. Did you hear all of his speech?

Mr. Kelly. I don't think I heard did; I think I heard just a part of it.

Mr. Cooper. Had he quit before you left the hall, or was he still talking?

Mr. Kelly. I think he was talking when I left there.

Mr. Cooper. That is all.

Mr. Baker. That is all, Mr. Kelly.

Mr. Cooper. I want to ask one question before we adjourn: Do you know plain-clothes men Heffner and Aldridge?

Mr. Kelly. Yes.

Mr. Cooper. Do you know anything about them meeting a couple of men, one by the name of George Fisher and the other one by the name of Arch Dodge, on the night of the 28th of May, and Dodge and Fisher were on their way to that May 28th meeting? Did you ever hear about that?

Mr. Kelly. No; I never heard a word of it.

Mr. Cooper. Did you ever hear that Dodge and Fisher, who were on <sup>their</sup> way to that meeting, were stopped by Heffner and Aldridge and told that the people going down to that meeting were after the negroes and that they had better not go to the meeting. Did you ever hear of that?

Mr. Kelly. No; this is the first I heard of it.

Mr. Cooper. Did you ever hear that Arch Dodge asked those two men if Mayor Hollman and the aldermen were ~~at~~ at the meeting, and that these two officers told them, "Yes". Did you ever hear of that?

Mr. Kelly. No; I never heard anything about the conversation at all.



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Mr. Cooper. In other words, that these two men going down to that meeting were told by plain-clothes men that the people at the meeting were after negroes, and therefore they had better not go to the meeting. You never heard that?

Mr. Kelly. No, sir.

Mr. Cooper. And the officers told them that the Mayor and the aldermen were at that meeting, and, nevertheless, it wouldn't be safe for Dodge and the other fellow to go to the meeting?

Mr. Kelly. I never heard a word of it. I never heard it mentioned.

Mr. Baker. That is all, Mr. Kelly. I thank you for your attendance.

We shall take a recess now until 2:15.

(Whereupon the Committee at 1.25 o'clock adjourned for recess ).

AFTER RECESS.

The Committee reassembled at 2:15 o'clock P.M., pursuant to recess.

STATEMENT OF S. J. CASHEL, CITY TREASURER, CITY OF  
EAST ST. LOUIS, ILLINOIS.

The witness was sworn by Mr. Baker.

Mr. Baker. Please give the stenographer your name and residence.

Mr. Cashel. S. J. Cashel; 337 North 7th St., East St.  
Louis, Ill.

Mr. Baker. And your official position?

Mr. Cashel. City Treasurer, City of East St. Louis.

Mr. Baker. How long have you been City Treasurer?

Mr. Cashel. Since the 7th day of May, 1917.

Mr. Baker. That is when the term of office commenced?

Mr. Cashel. Yes, sir.

Mr. Baker. Doctor, will you examine the witness?

Mr. Foster. Mr. Cashel, you have a statement with you in reference to the condition of the City funds, as shown by the treasurer's books at the close of the term preceding the one which you succeeded?

Mr. Cashel. I have.

Mr. Foster. Will you please give us what that report shows as to the receipts and disbursements, and as to the amount of money on hand when you took office, in each fund, whether over-drawn or whether money in it?

Mr. Cashel. Well, now, in all the funds for the year ending---

Mr. Foster. Have you got that statement showing that?

Mr. Cashel. No.

Mr. Foster. What have you there?

Mr. Cashel. The amount of money that was turned over to me as a debit, showing the amount of money that I received and deposited in the bank, together with a statement showing just what the amount of money covers, as a credit to me.

Mr. Foster. Well, you can give us that?

Mr. Cashel. Yes, sir; I have that in statement form here.

Mr. Foster. Please do that.

Mr. Cashel. Do you want me to read the record?

Mr. Foster. If you will.

Mr. Cashel. The total amount of the settlement,

\$146,448.12.

Mr. Foster. What do you mean by "total amount of the settlement"?

Mr. Cashel. In other words, the total amount of items set up on the books for which money was receivable was \$146,448.12, and for which I received that amount of money.

Mr. Foster. What does that represent? I mean in money or property, or what?

Mr. Cashel. Well, I was going to say as to that--- if I read all these in the record---

Mr. Foster. I don't think we need that.

Mr. Cooper. Was that cash turned over to you?

Mr. Cashel. \$68,890.15 represented cash.

Mr. Foster. The other consisted of what?

Mr. Cashel. The other consisted of a debit that was charged up on the books against the City, \$6,360.20. That \$6,360.20, in addition to \$1,000, was the amount that the City settled ~~with~~ with E. Fred Gerold for. As I understand it---this is only hearsay---I didn't attend the trial---there is an item of \$6360.20 set up on the books which reads as follows---

Mr. Cooper. You said \$68,000 in cash. Now you say ~~sixty-three thousand~~ sixty-three thousand. Do you mean \$6,300?

Mr. Cashel. \$6,360. No; I don't believe I said \$63,000.

Mr. Cooper. No.

Mr. Foster. That was an item, now?

Mr. Cashel. That was set up on the books by the auditor that made the audit of the city affairs at that time

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as due from E. Fred Gerold.

Mr. Foster. And you are still carrying that balance due from him?

Mr. Cashel. Yes, sir.

Mr. Foster. Does that represent all the balance that he owes the City?

Mr. Cashel. That I cannot say.

Mr. Foster. It is just held as a debt against him?

Mr. Cashel. It was held as a debt, but I have got something to add to that. Now, to the best of my knowledge and from what I have learned, Mr. Gerold presented statements, receipts and warrants claiming that he had made certain payments to the extent of \$6,360, or \$5,360.20, and in turn for the settlement that he made with the city he paid \$1,000.

Mr. Foster. He claimed that was all he owed?

Mr. Cashel. Yes, sir. Whatever the adjustment was I don't know, but as the records show, that is ~~to~~ my knowledge as to why the \$5,360.20 appears in the accounts. The \$1,000 has never been turned over to me, and I refused to accept it. I refused to accept it because I felt that ~~the~~ the man that made the settlement with Mr. Gerold, or through the attorneys, should be the man to make the settlement and make the distribution through the accounts. If I received the \$1,000, all I could do was to throw <sup>it</sup> into the cash draw and deposit <sup>it</sup> in the bank, and I would have no place to credit it. You understand this was ~~me~~ brought about to the best of my knowledge from a good many funds---money taken out of certain funds and applied to other funds. In fact, the account was so mixed up that it was <sup>a</sup> mighty hard thing to get

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a balance on it, and an auditor was hired that spent ~~month~~ months in the city, and he finally made a report which is the only report that we have got, some of the books having been missing from the city, and I have brought that report with me.

Mr. Foster. That shows what balance is due the city?

Mr. Cashel. Well, I didn't go into that. I covers---

Mr. Foster. You didn't take the total amount?

Mr. Cashel. Well, it is couched in such language there that you would have to analyze it very thoroughly before going into it. It didn't affect me, and I never bothered ~~me~~ about it. Mr. Keating was the city treasurer at that time, and, as I understand it, Keating didn't accept settlement from Gerold for a long while---two or three months---in fact, it was in the courts before they would accept it.

Mr. Foster. Now go ahead there with your statement.

Mr. Cashel. Well, this \$146,448.12 is represented as follows: \$1,000 of the Gerold settlement fund---

Mr. Foster. Which doesn't represent anything?

Mr. Cashel. No, sir; not so far as I am concerned, be-  
<sup>as</sup> cause, I said before, I don't know where to apply the money,  
 and I ~~won't~~ <sup>won't</sup> accept it until someone tells me where to ap-  
 ply it. Although I understand now---and I have talked with  
 the previous city treasurer a number of times---and he has  
 made a distribution of it now so it will be distributed  
 through the accounts where it properly belongs---\$68,690.15,  
 Special Improvement Fund.

General Revenue Fund, \$70,049.77; Gerold Special Fund,  
 \$6,000.20; and one item of \$148, of which I haven't---also

I have refused to accept because it simply says, "Accounts Receivable", and I don't know who it is receivable from. It seems to me it was a transaction where a duplicate or something was made, which Mr. Thomas says he'll straighten out between himself and Mr. Keating, the previous city treasurer. That amount was carried as credits as follows: \$52.15 in the Anticipation Funds for 1917; \$1.76 in the Anticipation Funds for 1914; \$23.23 in the Anticipation Funds for 1915; \$49,163.10 in the Anticipation Funds for 1916; \$158.42 in the Adjustment Fund; the City Funds Controlling Accounts, \$9,790.36; and ~~from~~ ~~the~~ ~~Deposit~~ ~~Shield~~ Account---that is where officers deposit money for the protection of the shield to see that it is returned---\$146.50; General Revenue Fund, \$154.17; Special Improvement Fund, \$75,250.55; General Fund, Special, \$9.10; Special Fund, for the year 1916, \$61.44; Special Fund for the year of 1917, \$26.35; the E. F. Gerold Settlement Fund, \$1,000---that is <sup>a</sup>cross entry on the books, debit and credit; Illinois Avenue and South 10th Street, amount Reconstruction Fund Account, \$706.17; Town Fund, \$9874.60, making a total of \$146,142.12.

I have itemized these statements as to how each one of these amounts are distributed, and I am glad to submit them as an exhibit if you want them.

Mr. Foster. What do you mean there, Mr. Cashel, about \$49,000, in round numbers, which you gave, and another item, put in the Anticipation Fund?

Mr. Cashel. That means that in the year 1916, there was anticipated for 1917 taxes \$49,163. The anticipation power, I think, is 75 per cent.

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Mr. Foster. That is what you mean by that?

Mr. Cashel. Yes, sir.

I have something here to add, if you will let me proceed.

Mr. Foster. Go right ahead.

Mr. Cashel. The receipts and disbursements from May 5, 1917 to October 31, 1917, were as follows: Receipts--City Taxes, \$76,415.70; Dram Shop License, \$98,726.61; Other Licenses, \$38,004.98; 2% Taxes Collected, \$658.75; Deposit Shield Account, \$95; Special Improvement Fund, \$247,589.32; Interest on Gerold Settlement Fund, \$35.80; Funds Donated for the Police and Fire Departments, \$41,774.34. This, together with the amount turned over at the starting of my term, amounted to \$505,080.50. I should have said this, together with the amount that was turned over to me, amounted to \$686,665.55.

Disbursements: On account of the anticipation warrant funds of 1916, \$75,710.13; the General Special Fund, 1917, \$55; General Revenue Fund, \$1,304.49; City Fund, \$157,303.29; Town Fund, \$6,890.13; and 1915 Anticipation Warrant Fund, \$12.30; Interest on the 1916 Anticipation Warrants, \$7,925.71; Special Improvement Funds, \$264,724.27; Fund donated for the Police and Fire Departments, \$41,774.34; or a total of \$555,689.85.

I am submitting herewith a statement of each of the receipts and disbursements for each month, during the month of May, June, July, August, September and October, bringing it down to the present time, together with a statement of the cash on hand at the present time, and how the distribution

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is made---that is, where it is and what banks it is with, etc., \$130,975.06.

Mr. Foster. You have finished your statement?

Mr. Cashel. Yes, sir.

Mr. Foster. ~~Exhauwmmmmmm~~ I note you gave \$98,000 saloon license. <sup>Do</sup> The saloon licenses end at one special ~~them~~ time, or do they expire at different times?

Mr. Cashel. Since my term of office, they have been pay-  
in<sup>the</sup> Saloon license quarterly.

Mr. Foster. They are paid quarterly? That is the reason you get \$98,000 in there?

Mr. Cashel. Yes, sir.

Mr. Foster. This Improvement Fund, \$247,000---that is an assessment---benefit assessment against the property?

Mr. Cashel. Yes, sir; on special improvements.

Mr. Foster. From which the property benefits and pays for?

Mr. Cashel. Yes, sir.

Mr. Foster. What do you mean there by this \$41,000 donated for the fire and police departments?

Mr. Cashel. That represents a fund which was secured by donations from corporations and business men, and which was on deposit in the Southern Illinois National Bank and turned over to me at the pay-day period twice a month, a certain amount of it to pay the City employes in the police and fire departments, and bills incurred by the police and fire departments.

Mr. Foster. So it represents that fund that was ~~mantra~~ donated in that way?



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Mr. Cashel. Yes, sir; it is really outside of this transaction, but the money came into the office and that is the reason we included it. It is outside of the City affairs.

Mr. Foster. How many more policemen are on duty now than there were before the riot?

Mr. Cashel. Before the riot?

Mr. Foster. Yes.

Mr. Cashel. Prior to the riot I had no occasion to examine the pay-rolls, but I made estimates on one or two occasions and it seems to me forty or fifty more. I think that, but I wouldn't like to state ~~th~~, but I think it is approximately that.

Mr. Foster. So that that \$105,000, I believe it has been testified that was raised here to pay the fire and police, would pay them---they would get, I suppose, how much---\$1,000 a year? What do they get now? I mean the policemen.

Mr. Cashel. They have raised the salary of the policemen to \$80 a month. I think the old figures were on the basis of \$70 for the first six months, and the subsequent six months \$75, and after a year, \$80. But I think they have increased them all to \$80. In fact, I know they have; that is the basis that we have been paying them on.

Mr. Foster. That is a little less than \$1000 a year for each ~~man~~ policeman?

Mr. Cashel. Yes.

Mr. Foster. So that that \$100,000 would employ an additional 100 police per year, wouldn't it?

Mr. Cashel. Well, you know there is the firemen included in that fund, too, and the bills that are incurred in those various departments.

Mr. Foster. What do you mean by that?

Mr. Cashel. For instance, if they repair a fire department wagon or truck, it is out of the commission. I know one item, I think, around \$1,000 that they paid for a truck out of the commission. It was in an account.

Mr. Foster. This is not just for the payment of salaries, but for <sup>the</sup> support of the fire department and the police department?

Mr. Cashel. Well, now I was never in any conference where it was agreed to as to what was to be made, but Mr. Reeb, of the Southern Illinois National Bank, has told me from time to time, "When the pay-rolls are turned over to you, let me know what they are and I'll give you credit for that amount", which has been done. As to whether or not any portion was agreed upon for <sup>the</sup> payment of bills, I really can't say.

Mr. Foster. So you get this fund just each month as the pay-rolls are made out and handed to you?

Mr. Cashel. Yes, sir. The total amount of the pay-rolls is made out in the controller's office and a copy is sent to the Illinois National Bank, and after they analyze it and approve it, that amount is placed to my ~~own~~ credit so I can make the payments to the officers.

Mr. Foster. That is done each thirty days?

Mr. Cashel. Twice a month.

Mr. Foster. How, you don't handle that money at all?

Mr. Cashel. Only by check.

Mr. Foster. This \$41,000; is that the amount remaining from the \$105,000 that was subscribed after the July riot?

Mr. Cashel. I really can't say what amount has been

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subscribed. I don't really know that.

Mr. Foster. Well, it has been testified it was \$105,000.

Mr. Cashel. I understood that they were to raise that much. I think they got pledges to that extent, but as to the actual amount I couldn't say.

Mr. Foster. Do you know whether this is the amount remaining, the balance, or whether this is the amount that has been paid in up to this time?

Mr. Cashel. No, I don't. All I know is when we get the pay-rolls, he gives us pay-rolls for that ~~amount~~ amount of money and <sup>we</sup> check those checks against that.

Mr. Foster. You don't know that?

Mr. Cashel. No, sir.

Mr. Foster. Now what was your business, Mr. Cashel?

Mr. Cashel. I was agent for the Louisville and Nashville Railroad.

Mr. Foster. Do you know anything about the ~~area~~ value of property around East St. Louis?

Mr. Cashel. No; I wouldn't like to qualify myself as being capable of valuing property.

Mr. Foster. You don't know as to the assessments here in East St. Louis?

Mr. Cashel. No, sir; I have nothing to do with the assessment.

Mr. Foster. No; but I thought maybe you had some experience; knew something about the assessments since this year, at least.

Mr. Cashel. Well, no assessment has been turned over to me as yet. In fact, I wouldn't get an assessment until

the 1st of January and I wouldn't make---in fact, I haven't made any city tax collections at all. I haven't got into that phase of the tax collections.

Mr. Foster. Were you ever sheriff of this county?

Mr. Cashel. No, sir.

Mr. Foster. Were you <sup>ever</sup> a collector in the office, where you helped to collect taxes?

Mr. Cashel. Have I collected taxes?

Mr. Foster. Have you been in the office of the county treasurer, where you collected taxes, in this county?

Mr. Cashel. Have I been in the county?

Mr. Foster. Yes.

Mr. Cashel. No.

Mr. Foster. You never were?

Mr. Cashel. No.

Mr. Foster. So that you don't know---you wouldn't like to say as to the valuation of property in East St. Louis?

Mr. Cashel. No, sir; I wouldn't like to pass on it.

Mr. Foster. In fact, you say you don't know?

Mr. Cashel. Yes, sir.

Mr. Foster. You haven't heard of anybody coming around to get the assessment raised; you haven't heard of anybody who didn't think he was paying enough taxes?

Mr. Cashel. I beg your pardon.

Mr. Foster. You haven't heard of anybody coming around saying he didn't believe he was paying enough taxes in the City of East St. Louis, have you?

Mr. Cashel. No; I never heard that. (Laughter). In fact, as I ~~Mr. Foster~~ said to you before, we haven't got into the

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tax-collecting period, and naturally we wouldn't hear anything about that.

Mr. Foster. They don't usually crowd any place, the officer's door, trying to pay more taxes, do they?

Mr. Cashel. I never heard of it.

Mr. Foster. *Even in other states* I suppose that is the case, outside of East St. Louis.

I believe that is all I want to ask, Mr. Cashel.

Mr. Cooper. You said that some of the books of this treasurer Gerold were missing; some of them were ~~burned~~ burned, weren't they?

Mr. Cashel. I don't know.

Mr. Cooper. Didn't they find some of the brass hinges? Didn't they find pieces of burned books in the basement to his office there?

Mr. Cashel. I don't know.

Mr. Cooper. You don't know, but didn't you hear it?

Mr. Cashel. I don't remember of that; no, sir; not that distinct feature of it at all. I remember that the books were ~~missing~~ missing. Now where they went to, I don't know.

Mr. Cooper. You heard they were destroyed, didn't you?

Mr. Cashel. I heard the books were missing.

Mr. Cooper. Didn't you hear that some of them had been destroyed?

Mr. Cashel. No; I don't believe I did. You see, that took ~~place~~ effect three--there were three---there were two treasurers since that time.

Mr. Cooper. But you have lived in this city how long?

Mr. Cashel. Thirty-nine years.

Mr. Cooper. All your life-time?

Mr. Cashel. Yes, sir.

Mr. Cooper. Do you say that after this discovery of the shortage in the office of the city treasurer of East St. Louis that you didn't hear discussed among the residents the rumor of the fact that the books weren't only missing, but the books were destroyed?

Mr. Cashel. As I said to you before, there was no question about the books being missing. Now as to how they were missing, I don't exactly remember.

Mr. Cooper. Now, I want to ask you a few questions relating to this "Report on Accounts, City of East St. Louis, Illinois, May 3rd, 1917, by the Certified Public Accountants Westerman Trainer and Co." , their report being dated St. Louis, July 29, 1917, addressed to the Honorable John M. Chamberlaine, Mayor of the City of East St. Louis, Illinois. In that report they say, "Our instructions did not contemplate an audit or verification of any of the funds or accounts, except the disbursements for special improvement bonds redeemed". Is it your understanding that they didn't make a thorough investigation of any other funds or accounts except only those, the disbursements for special improvement bonds redeemed? Is that your understanding?

Mr. Cashel. I would judge according to that report.

Mr. Cooper. Then they say on page 2, "It is obvious that the law relating to disbursements from special funds has been disregarded for a number of years." /I have been informed by Doctor Foster, in this state---and it is still on the books---which requires an appropriation for a specific

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purpose to be used for that purpose and only for that purpose. That is so, isn't it?

Mr. Cashel. Yes, sir.

Mr. Cooper. And to change it and appropriate it for another purpose amounts to embezzlement on the part of the official doing it?

Mr. Cashel. Yes, sir.

Mr. Cooper. That ~~thing~~ went on, for years in this city, according to the report of these accountants,--a deliberate violation of the criminal law of the State of Illinois by the officials in the city treasurer's office, or the controller's office, or some other of the city officials here, wasn't it?

Mr. Cashel. Prior to four years ago; yes, sir.

Mr. Cooper. I mean prior to four years ago?

Mr. Cashel. Yes, sir.

Mr. Cooper. Nobody charges you with anything of that kind. You don't look like that. Nobody charges you with that. I am reading from this report only.

When I read again from that report, "The special improvement bonds issued in anticipation of collection of assessments, and each series of bonds is a lien upon the particular instalment. In order to comply with the law, it would be necessary to revise <sup>the</sup> system of accounting".

Is there a different system of accounting now in this city than there was at the time this report was submitted?

Mr. Cashel. I should say very much so. In fact, I can't emphasize it too strongly, that the condition of the

accounting in the city today is so different than it was at that time.

Mr. Cooper. I read from another page here, "Anticipation warrants outstanding, which are included in the revenue deficit, are a lien on the delinquent taxes, and we endeavored to obtain information in ~~magnitud~~ respect to the amount of such warrants issued, the amount issued, the amount redeemed, and the amount outstanding. We found that no separate account was kept for anticipation warrants, and no separate series of numbers was used; and we were told by the controller that on account of the failure of his ~~examination~~ clerks to indicate on the stubs of the warrants the issues of <sup>the</sup> anticipation warrants, they considered it impracticable, if not impossible, to obtain the information requested".

I read from page 10, "During the work, special tax sale certificates"---this impresses me as a most extraordinary statement---"special tax sale certificates, under your instructions"---  
---that is, the instructions, I suppose, of the Mayor?

Mr. Cashol. Yes, sir.

Mr. Cooper. "We started to make a general examination of the books and accounts of the special tax collectors, but owing to the incomplete condition of the records and accounts, and the large volume of detail work involved, this examination was discontinued for the present. During the work in that office, we had occasion to confer with the controller, and he informed us that a large number of prominent property owners, from whom special taxes are due, never pay



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their assessments, except when they are compelled to do so to clear the title to the property; that these parties are known by the parties who buy at tax sales, and that there is no bid on the properties ~~nowly~~ owned by them. The result is the county treasurer bids in such properties for the city, and the city receives the tax sale certificates in settlement. The city does not make any payments to the special funds in connection with these certificates, nor does it make any payment of taxes as provided by law to protect its title and get tax deeds. The controller further said that he was personally informed that the abstracters do not report as a lien any sale that is over three years old, and that in such cases there is no recourse <sup>on</sup> the parties who fail to pay their taxes. If the condition of affairs as cited by the controller can be verified, it is evident that certain parties are escaping the payment of their special taxes."

Do you know whether that sort of escape of prominent owners in ~~the~~ this city from the payment of their special taxes, as indicated in this report, is now going on, or has been going on since that report was filed?

Mr. Cashel. No, sir; I can't say as to that. As I have said to you gentlemen before, so far the collection of taxes--the time for <sup>the</sup> collection of taxes has not arrived; and we won't get into that till the 1st of January.

Mr. Cooper. You didn't take charge of that office until May?

Mr. Cashel. No; and there hasn't been any tax collections since.

Mr. Cooper. But it is very evident, isn't it, from

that statement that at that time there were certain prominent property owners in the city, who were hand in glove with the city officials here, and they so manipulated things that they didn't pay their special taxes?

Mr. Cashel. The statement there is from what I understand reliable expert accounts.

Mr. Cooper. Exactly. Yes; they have offices, I see, not only in St. Louis, but they have them in New York, on Broadway; in Chicago, in the Marquette Building; in Kansas City, in the Reliance Building; and in St. Louis, in the Chemical Building. They are evidently accountants of standing.

But to get back to my question, Mr. Treasurer, it is demonstrated from that statement, providing that <sup>the</sup> statement of those accountants is true, that at the time this report was filed, and prior thereto, there were certain property owners---it says "prominent property owners"---in the City of East St. Louis, who must have been hand in glove with officials of the city administration at that time, so that they escaped the payment of their special taxes.

Mr. Cashel. I judge from the report that he refers to the county officials; the sale of property is made through the county officials.

Mr. Cooper. The office of the controller, whoever that is, the special tax controller---

Mr. Cashel. The office of the controller wouldn't have anything to do with the sale of property, knowing who bid it in and allowing it to be bid in without any competition---

Mr. Cooper. One moment. He says he started to make

an examination of the books of a special tax collector. Then he says, "During the work in that office"---it was work of the special tax collector, he learned that.

Mr. Cashel. But the sale of property is made through the county treasurer.

Mr. Cooper. Well, wherever those officials were in office, or whatever---regardless of what offices they were holding, it is a demonstration that certain prominent property owners in this city were hand in glove with either city or county officials--some public official---so that they manipulated affairs and escaped the payment of their special taxes.

Mr. Cashel. I would judge <sup>it</sup> from that report; yes, sir.

Mr. Cooper. Have you any idea who those prominent property owners were?

Mr. Cashel. No, sir.

Mr. Cooper. When was this so-called statement made?

Mr. Cashel. With Mr. Gerold?

Mr. Cooper. When was that settlement made with Mr. Gerold?

Mr. Cashel. I am satisfied that it was made about--- pretty close to five years ago. It was made during the time that Mr. Keating was city treasurer. Mr. Keating succeeded Mr. Gerold as city treasurer.

Mr. Cooper. It must have been---this report is dated 1917.

Mr. Cashel. That was four years ago. As I explained to you, Mr. Keating, as I understood it, refused to accept settlement from Mr. Gerold; then they began to take an accounting

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of the affairs, and settlement was made after Keating went in---in fact, several months after Keating went in.

Mr. Cooper. Well now, then this settlement---or so-called settlement---with Gerold was before Keating went in; before he would take the office; take the books or accept the accounts?

Mr. Cashel. Yes, sir.

Mr. Cooper. And was that before or after the trial of his case?

Mr. Cashel. Well, I think that after they established a man in the office there, an accountant, to analyze the accounts, I think that Mr. Keating accepted the money from them about three or four months afterwards; after Mr. Keating went into office. I know there was a lot of legal advice necessary, and it was going on for at least three months before<sup>a</sup> final settlement was made, and then I think that the suit against Mr. Gerold was subsequent to that.

Mr. Cooper. Well, Mr. Gerold was indicted and tried?

Mr. Cashel. Yes, sir.

Mr. Cooper. In a criminal court?

Mr. Cashel. Yes, sir.

Mr. Cooper. He was convicted and they took the case to the supreme court and it was reversed?

Mr. Cashel. That is my recollection; yes, sir.

Mr. Cooper. One ground of reversal being that an attorney in the case had been on both sides of it, to the jury, to the court---or possibly <sup>the</sup> jury---as the court intended, of the defendant. Do you know about that?

Mr. Cashel. No; I do not.

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Mr. Cooper. Do you know the grounds of reversal, or any of this?

Mr. Cashel. No, sir.

Mr. Cooper. It was sent back for another trial and there has never been any other trial, has there?

Mr. Cashel. No, sir.

Mr. Cooper. But there was this so-called settlement to which you refer, since which everything has been dropped?

Mr. Cashel. Well, I don't know as to ~~whether~~ whether it was dropped. I don't know just what the arrangements were.

Mr. Baker. It ought not to be necessary for me to ask a few of these questions, but I am going to do it.

According to your report here, there is only \$222.17 in the county treasury---in the city treasury?

Mr. Cashel. No; that is wrong---well, that is cash. That is just the actual dollars and cents items.

Mr. Baker. That is what I meant.

Mr. Cashel. You understand, that is in the cash drawer. Now that doesn't represent what we have got on hand with the bank.

Mr. Baker. No; I meant that specifically just as I asked and as you have answered it. The rest of the funds, about \$128,000, are on deposit in various banks?

Mr. Cashel. Yes, sir.

Mr. Baker. Does the law of the State of Illinois permit depositing money in these banks?

Mr. Cashel. Do you mean, is there any exception taken to any particular bank?

Mr. Baker. No; I mean does the law permit <sup>the</sup> deposit of the city funds in the banks?

Mr. Cashel. Yes, sir.

Mr. Raker. Are you sure of that?

Mr. Cashel. Yes; I require---since I have been in office I have required of the principal banks--you will notice there is a difference in the amount of deposits as compared with some of the banks, and we are gradually getting out of the miscellaneous.

Mr. Raker. Practically one bank, being the Union Trust and Savings Bank?

Mr. Cashel. Now, I have exacted from that bank since I have been in office a depository bond.

Mr. Raker. To you?

Mr. Cashel. Yes, sir.

Mr. Raker. Do they pay any interest to the city for this money?

Mr. Cashel. No, sir.

Mr. Raker. But you are unable to advise me---your understanding is that the law of Illinois permits the city treasurer, or county treasurer, to take the city or county funds and deposit them in various banks?

Mr. Cashel. Yes, sir.

Mr. Raker. No interest on the deposits is paid by the banks?

Mr. Cashel. No interest is paid on deposits.

Mr. Raker. How do you get the money out of these banks?

Mr. Cashel. Well, if there is any item that it is necessary for us to pay, we just check it out.

Mr. Raker. Well, now, a man comes with a warrant on the

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city, say for \$1,000. He has a regular city warrant. That warrant is issued by what officer in the city?

Mr. Cashel. It is issued by the controller and the signature of both Mr. Kelly and the Mayor must be affixed to the warrant.

Mr. Baker. Then a man comes with a warrant issued by the controller for a thousand dollars, signed by the controller and countersigned by the Mayor. He comes to the city treasurer to get that thousand dollars---

Mr. Cashel. No---

Mr. Baker. Now just a moment, please. He wants his money. The city is to pay it. He comes to the city treasurer: the city treasurer only has, say, \$222.17 in the city treasury, in cash. How how does that man get his money, his \$1,000?

Mr. Cashel. The warrant that you speak of, that you refer to there, would be stamped to show that we had that amount of money in the fund by the city treasurer, and he would then take it to the Union Trust and Savings Bank where the amount would be turned over to him, the Union Trust and Savings Bank taking up the warrant, which is subsequently taken up by the city treasurer, after they accumulate.

Mr. Foster. Each order as drawn shows out of what fund it is paid?

Mr. Cashel. Oh, yes.

Mr. Foster. And then it is, of course, charged to that fund when it is paid?

Mr. Cashel. Yes; when it is taken up.

Mr. Foster. And the city treasurer keeps his books accordingly and knows where, then, to charge that fund, if he has

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cash to pay it?

Mr. Cashel. Yes. We get a copy of the appropriation ordinance each year and when we know that there is a certain amount of money in each fund. When that amount of money is exhausted, of course we have no more funds to pay them.

Mr. Foster. All of the licenses and these other funds go into what is called <sup>the</sup> general fund?

Mr. Cashel. Yes, sir.

Mr. Foster. And that being appropriated and used by the city council as it sees fit to do?

Mr. Cashel. Yes, sir.

Mr. Foster. Isn't that about correct?

Mr. Cashel. Well; they make the distribution of it; yes, sir.

Mr. Foster. That is what I mean. I mean they can appropriate that general fund to any fund---all of it to one fund if they so desire, or divide it up?

Mr. Cashel. Yes, sir.

Mr. Baker. Well, here is a duly issued warrant on the city for \$1,000, properly signed and countersigned, on, we'll say, the police fund. It is brought to the city treasurer personally for payment, and what does he do with it? He has only got \$222 cash.

Mr. Cashel. The warrant has been approved by the controller and the Mayor.

Mr. Baker. It is ready for payment.

Mr. Cashel. We endorse the checks subject to payment at the Union Trust Company. It goes to the Union Trust Company.

Mr. Baker. What do you put on that warrant, now? What



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do you write on that warrant?

Mr. Cashel. "This warrant is payable at the Union Trust and Savings Bank when properly endorsed by so and so. By the treasurer". I can send you the stamp---

Mr. Baker. You stated that you---if an order was presented for \$1,000 upon the police fund, and you only had \$222, how would you pay it? I think you stated that you would do it by endorsing so and so.

Mr. Cashel. I understood---I didn't understand the question that way. That is very wrong; if we haven't got the amount of money in the fund, we don't.

Mr. Baker. I'll take another case, <sup>show</sup> to what I am trying to get the witness to illustrate and put into the record. The policeman's monthly salary we'll say is \$100. The warrant is issued. It is signed by the controller and countersigned by the Mayor. That is right, isn't it?

Mr. Cashel. Yes, sir; when there is money in the fund for it.

Mr. Baker. Well, yes, there is money in that fund--- say \$40,000 in the police fund. Now that is a claim against the city. duly, legally and properly in shape, for the city treasurer to pay. That is right, isn't it?

Mr. Cashel. Yes, sir.

Mr. Baker. Now policeman Smith comes to you to get his \$100. You have only got cash in the treasury now to the amount of \$20---~~anna~~ cash in the office; in the treasury vaults. How does he get that money?

Mr. Cashel. At the bank, just as I have described it to you.

Mr. Baker. Just tell us again what you put on this one-hundred-dollar check.

Mr. Cashel. We endorse the check---that is, the warrant ---not the check---we endorse the warrant to the effect that when this warrant is endorsed by the city treasurer, properly signed by the controller and the Mayor---

Mr. Baker. That is already done.

Mr. Cashel. Well, this also carries with it---this stamp that we endorse it with---that it is payable at the Union Trust and Savings Bank, if he presents it to the Union Trust and Savings Bank.

Mr. Baker. Then he, after leaving the city treasurer's office, this endorsed and signed by the city treasurer---that is right, isn't it?

Mr. Cashel. Yes, sir.

Mr. Baker. He then goes to the bank---

Mr. Cashel. And gets the money.

Mr. Baker. Just a moment. And there is more than \$1,000 in this fund that has been deposited heretofore with this bank. He goes there, now, to the bank, presents the warrant thus endorsed, and upon receipt of this warrant, they pay him \$100?

Mr. Cashel. Yes, sir.

Mr. Baker. How does the city treasurer keep any record of its business?

Mr. Cashel. Why, all of the warrants are registered. made a debit against the city, and when they are paid by the bank, the bank turns them over to the city treasurer and he gives him a check, taking it out of the particular fund

that it may be from, in offset for the warrants that he surrenders to us. Those warrants are canceled and kept on file as a receipt for the money turned over to that individual. You understand that I---

Mr. Baker. What I am getting at now is how you take up this canceled warrant.

Mr. Cashel. Just as I have told you.

Mr. Baker. You take it up only after it has gone through the bank?

Mr. Cashel. Yes, sir.

Mr. Baker. Well, then according to that---and that is the general way all the business is done?

Mr. Cashel. Yes, sir. We don't carry any funds on hand in the City Hall to pay any bills.

Mr. Baker. The banks really do the business---that is, the payment and handling of the money, so far as the warrants of the city are concerned?

Mr. Cashel. Yes, sir.

Mr. Baker. Irrespective of what fund the warrant is drawn on?

Mr. Cashel. That is correct. It is very seldom that we

Mr. Baker. Let me ask you right there---and I am going to look it up between now and next Wednesday---that is legal under the laws of the State of Illinois, is it?

Mr. Cashel. Yes, sir; I just don't understand why it wouldn't be legal, if you hold a deposit.

Mr. Baker. There is every consideration on earth that is ~~possibly~~ <sup>only</sup> not/ought to be legal, but it ought to be a <sup>not</sup>

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state's prison offense against the treasurer; it ought to be a state's prison offense against the bankers that participate in it, for every governmental reason that can be conceived. It brings about more corruption and fraud and more embezzlement in office, and misappropriation of funds, than any other one thing in city and state governments. It has so been demonstrated by many states and many officials. I cannot conceive anything more nefarious, if that is the law--I don't care if it is the law of this state or not---than that proceeding.

The banks must be interested, then, in electing the city treasurer, aren't they?

Mr. Cashel. The banks were never interested in electing me.

Mr. Baker. I didn't say that, Mr. Witness. I am not going to put that up to you. We can let the facts determine. The banks would be necessarily interested in electing the treasurer, wouldn't they? Now stop a moment and think before you answer that.

Mr. Cashel. I can't understand that they would be.

Mr. Baker. Now, if a treasurer is elected who has on hand an average of \$150,000---sometimes \$300,000---and he will put it in a particular bank, that bank, if any, must be interested in electing a particular treasurer that will put it in their bank instead of the other bank. Isn't that right?

Mr. Cashel. You will find on the statement that I have submitted to you that there are funds in all of the banks.

Mr. Baker. I will come to that in a minute.

Mr. Cashel. The reason that the funds are particularly distributed to this Union Trust and Savings Bank <sup>is,</sup> the City of East St. Louis several years ago was financially embarrassed. They couldn't meet their pay-rolls. The fire and policemen were for six months without ever getting a cent, without a dollar paid to them. Now subsequent to that, after Mayor Hollman, I think, was elected, he made arrangements with one of the banks---in fact, I think he called all three of the banks in to start with, to see if they wouldn't finance the city to get out of this predicament they were in. I think all three of the banks agreed to it originally, but it finally dwindled down to where the other banks were afraid of it, and one bank, the Union Trust and Savings Bank, still continued to take care of the city funds when it was necessary to issue an assignment ~~and~~ or take up anticipation warrants.

Mr. Baker. Now the bank that gets the largest deposit, ranging from \$100,000 to \$500,000, and remaining in this bank for a month, two months, three months, and sometimes six months, is necessarily interested in getting that deposit, isn't it?

Mr. Cashel. He is necessarily interested to this extent, that if he---as I say, if he takes a chance---and I understand it is a chance, and I believe every bank in the city will take a chance when you advance money on anticipation warrants, as well as assignments, and that is what has been done here in the city for a good number of years; several years.

Mr. Baker. Well, a man doesn't have to chance take any

chance on a warrant that is duly signed---

Mr. Cashel. You do on an assignment.

Mr. Baker. Just a moment. That is duly issued for a legitimate debt, upon which there is money that should be in the city treasury to pay ~~it~~ it, does he?

Mr. Cashel. I think a lot of them.

Mr. Baker. Now, just take my concrete question. I will give one right after another. Isn't that true?

Mr. Cashel. Repeat the question, please.

Mr. Baker. If a man holds a warrant legally issued--- and that covers all purposes now---duly signed by the right party, upon a fund which is amply large enough to pay it, the bank takes no responsibility on taking that warrant, does it?

Mr. Cashel. Not so much on a warrant; no.

Mr. Baker. Does it take any?

Mr. Cashel. I should say so; yes, sir; I believe anybody ~~in~~ in Gerold's time, under the conditions that existed at that period, was taking a chance.

Mr. Baker. Well, I'll put it again: A warrant legally issued, upon a fund which has sufficient money in it for a legal claim, by the right party---he takes it up for payment to the treasurer; the treasurer has no responsibility on earth, or any question of loss in the payment of that warrant, has he?

Mr. Cashel. No, sir; if he has got the amount in the funds.

Mr. Baker. Now that would be the same way with the bank, wouldn't it?

Mr. Cashel. Yes; it ought to be.

Mr. Baker. Now, I am assuming that it is legal, properly issued. The bank then has \$130,000 on deposit in its bank, and the bank that only has \$800, the one that has the larger sum is better off than the one that has the smaller sum?

Mr. Cashel. Yes, sir.

Mr. Baker. It gets the benefit of the use of that \$130,000?

Mr. Cashel. Yes, sir.

Mr. Baker. Then, if any, the bank that gets the large deposit is interested in keeping the deposit in its bank, isn't it?

Mr. Cashel. They should be; yes, sir.

Mr. Baker. Now, ordinarily most of the banks pay from two to three and a half per cent on daily deposits, don't they?

Mr. Cashel. If there is any bank in the City of East St. Louis that will say to me today, or any other individual, that they will finance the city of East St. Louis the same as the bank that has the finances or doing it at the present time, tomorrow morning I will turn any funds that we have over to them upon proper security.

Mr. Baker. Again now, the banks get all the way from two to three and one-half per cent <sup>interest</sup> on their daily deposits, don't they?

Mr. Cashel. They pay that, I believe; yes.

Mr. Baker. And therefore it would be worth that to them or they wouldn't pay it, would they?

Mr. Cashel. Yes, sir.

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I have asked the President of the largest bank in the city whether or not he would undertake to finance the city and pay the city of East St. Louis a reasonable amount upon the deposits that they may hold, and he said they would be taking a chance. In fact, I have asked two of the largest banks in the city whether or not they would be interested in such an arrangement.

Mr. Baker. Well, if you have got a properly constituted treasurer's office, with proper safes for the cash, you haven't any responsibility on earth except someone bringing in a forged check and causing you trouble or stealing your money, have you, in the treasurer's office?

Mr. Cashel. Why, I don't understand that question.

Mr. Baker. Here is \$150,000 belonging to the city--- it should be in cash---you have got the proper vaults; you are the city treasurer; you are alright, aren't you, as a city treasurer?

Mr. Cashel. I don't keep the money in the vaults.

Mr. Baker. Well, you ought to keep it there, if you had a vault <sup>in which</sup> to keep it. That would be the place for it. There would be no danger so far as <sup>the</sup> handling and paying out of that money <sup>is concerned,</sup> except the general conditions that there may be burglary, the building might be burned, or something of that kind, for which your bond wouldn't be responsible. Isn't that right?

Mr. Cashel. Well, I have always been led to believe, and I am satisfied, that the money in the bank on deposit is better---especially where you have it deposited.

Mr. Baker. Well, I can't understand how a bank vault is



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any safer than a vault belonging to a city with 100,000 population, with a building that has cost them \$1,000,000 and <sup>which</sup> ought to have good vaults to keep their money in. I can't understand why one of these little dingy bank buildings is safer for that money than this great big million-dollar building that belongs to the city, with proper police protection and officers there day and night, besides the fact that the city may have a burglar insurance for their entire property. Why isn't it just as safe in that city vault as it is in the little bank vault, and don't you think it is?

Mr. Cachel. No, sir; I do not.

Mr. Baker. Why not?

Mr. Cachel. Well, I---for instance, it is a custom that obtains generally---everybody that has any amount of money deposits it in a bank. Now, why is that? They deposit <sup>it</sup> for some reason. They deposit it because they figure the security is greater. Even those that have vaults do that. I don't believe I would sleep a night if I thought I had \$2,000 down in my safe, down in the vault; I would be down ~~there~~ there myself, I guess.

Mr. Baker. Wouldn't you sleep perfectly satisfactory and perfectly sound as city treasurer if you had \$150,000 down in the city vault belonging to the city?

Mr. Cachel. <sup>Then</sup> As if I had it in a bank?

Mr. Baker. Yes.

Mr. Cachel. ~~Why not?~~ A bank with a depositor security?

Mr. Baker. Yes.

Mr. Cachel. No, sir.

Mr. Baker. Well, there is no law in the state of Illinois

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making the ~~law~~ <sup>bond</sup> even good, except the common law bond, that you take from this bank for this money, is there?

Mr. Cashel. I understand so. It has been passed upon by our legal advisers.

Mr. Raker. That you have a statute or law making a bond ---permitting the bank to give a bond for receiving the money from a city treasurer?

Mr. Cashel. Yes, sir---I don't know that that is law. but, as I say, when the bond is approved by the legal advisers of the city, I presume that such is the case.

Mr. Foster. May I ask one question: Isn't there also some provision---I don't know whether I can tell just what it is---which provides that public funds shall be prior liens upon property of that kind, where there should be a failure; wherein for any reason it is lost?

Mr. Cashel. I don't know.

Mr. Raker. But without a law authorizing the city officials to act, they have no power on earth to act, and the only possible condition would be to make the bond of any value on earth ~~is~~ the common law bond where you turn over this money to the bank and the bank gives you a bond back to return it to you.

Mr. Cashel. Yes; the bank gives us a depository bond.

Mr. Raker. ~~It~~ gives the bond to you individually, doesn't it?

Mr. Cashel. Yes, sir.

Raker.  
Mr. Not as treasurer?

Mr. Cashel. As treasurer.

Mr. Raker. It makes the bond payable to you as treasurer?

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Mr. Cashel. Yes, sir.

Mr. Cooper. What kind of vaults have you in there?  
How recently was that city hall constructed?

Mr. Cashel. I don't really know; I think it is---

Mr. Cooper. It has been ten or twelve years?

Mr. Cashel. Oh, yes; close to twenty years.

Mr. Cooper. What did it cost?

Mr. Cashel. I don't know. Somebody told me it cost  
\$1,000,000.

Mr. Foster. Oh well, nobody believes that.

Mr. Cooper. An expensive building, is it?

Mr. Cashell Well, I understood the contractors that put  
it up went broke. It's a good building.

Mr. Cooper. What kind of vaults are there?

Mr. Cashel. How do you mean?

Mr. Cooper. Your vaults---are they steel, granite, etc?

Mr. Cashel. The interior of them; yes, sir.

Mr. Cooper. Steel and granite?

Mr. Cashel. Yes, sir.

Mr. Cooper. They are built from the foundation of the  
building up with ~~granite~~ granite?

Mr. Cashel. No; they are built in sections. In other  
words, the vault doesn't extend to the basement. Is that  
what you have reference to?

Mr. Cooper. ~~Ermm~~ It does not?

Mr. Cashel. No, sir.

Mr. Cooper. What supports it?

Mr. Cashel. It is built on the concrete floor.

Mr. Cooper. Now you said you couldn't sleep if the

money was in that vault. Why not?

Mr. Cashel. Because I would worry about it.

Mr. Cooper. Because you think it would be burglarized?

Mr. Cashel. Oh, I don't know. It is natural. If a man has \$100,000 or \$150,000 in his charge he naturally knows that there is a great deal of responsibility attached to it, and, as I said, if I would put it down in the City Hall safe, I would want to stay down there myself with it.

Mr. Cooper. Couldn't you have burglary insurance running to you as city treasurer?

Mr. Cashel. I have never inquired as to burglary insurance. I guess we could.

Mr. Baker. I want to drift back now and then come up again on the banks.

How is the money paid into the city treasury? A man owes \$1,000 to the City of East St. Louis. How does he get it into the city treasury?

Mr. Cashel. He pays it to the city treasurer.

Mr. Baker. How?

Mr. Cashel. He comes into the city treasurer's office and pays it.

Mr. Baker. He comes some place else before he comes to the city treasurer, I know.

Mr. Cashel. Do you mean, making a payment?

Mr. Baker. Yes. Doesn't he have to go to the auditor or controller and get an order to pay the money?

Mr. Cashel. Only a license, but <sup>with</sup> city taxes the man comes right in.

Mr. Baker. I am not talking about taxes.

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Mr. Cashel. You didn't specify what you were talking about.

Mr. Baker. He doesn't pay his taxes to the city treasurer, does he?

Mr. Cashel. You bet he does.

Mr. Baker. Direct?

Mr. Cashel. Yes, sir.

Mr. Baker. Without any order or warrant from anybody else to ~~him~~ show what he should pay it for?

Mr. Cashel. Yes, sir.

Mr. Baker. Doesn't he have anything to show for what he owes that money?

Mr. Cashel. Sure; he has got a tax receipt sent out by the city treasurer.

Mr. Baker. Outside of the tax receipt, is there any other money that is due?

Mr. Cashel. How?

Mr. Baker. I will give a concrete case, a fine: Here is a five-hundred-dollar fine that has been collected by the justice of the peace. How does he pay that in?

Mr. Cashel. That is turned over to him by the city attorney.

Mr. Baker. He goes to the controller and gets an order showing that there is so much due, doesn't he?

Mr. Cashel. Yes, sir.

Mr. Baker. Then he brings this order with the cash?

Mr. Cashel. Yes.

Mr. Baker. And he pays the money in and you receipt that order?

Mr. Cashel. That is correct.

Mr. Raker. And he goes back to the controller with this order and that makes the record complete?

Mr. Cashel. Yes, sir.

Mr. Raker. The controller then has got a record of the amount due, and with your receipt showing that it has been paid?

Mr. Cashel. Yes, sir.

Mr. Raker. And the treasurer's office then has the money and credits it up against the charge <sup>as</sup>/so much?

Mr. Cashel. Yes, sir.

Mr. Raker. Now, can you take anything else except cash, as treasurer, for taxes ~~or~~ any other business?

Mr. Cashel. If I believe a check ~~is~~ is alright. It is <sup>on</sup>/my own responsibility if I take a check.

Mr. Raker. Well now, that isn't it. What is the law? Can you take anything else under the law?

Mr. Cashel. Well, cash is legal tender.

Mr. Raker. Well, can you under the law?

Mr. Cashel. No, sir.

Mr. Raker. You must take cash?

Mr. Cashel. Yes, sir.

Mr. Raker. Legal tender?

Mr. Cashel. Yes, sir, or a certified check.

Mr. Raker. Does the law permit you to take a certified check?

Mr. Cashel. No; the law specifies---

Mr. Raker. Let us hang right to that. I am assuming that that must be the law. If it isn't, it ought to be <sup>said</sup> under your statement it is the law <sup>that</sup> you must accept cash?

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Mr. Cashel. Legal tender; yes, sir.

Mr. Baker. Gold, "green backs", notes, currency or silver, to the amount of legal tender?

Mr. Cashel. Yes, sir.

Mr. Baker. Now, the law requires the treasurer to keep the legal tender in his possession, for which he gives a bond. Is that right?

Mr. Cashel. Yes, sir.

Mr. Baker. How much bond do you give?

Mr. Cashel. \$500,000.

Mr. Baker. \$500,000 for keeping on hand cash to the amount of \$22.17! That is a most remarkable statement.

Mr. Foster. Mr. Chairman, I suggest you state \$222. How that doesn't represent the funds of East St. Louis?

Mr. Baker. That is all he has got on hand.

Mr. Foster. He may have that much on hand now, but in the course of a year, he has already stated he handles several hundred thousand dollars. I will leave it to Mr. Cashel if that isn't right.

Mr. Cashel. Yes, sir; his contention of the statement is entirely erroneous.

Mr. Baker. Well, isn't it true that there is only \$222.17 cash in the treasury?

Mr. Cashel. No, sir; that is absolutely not true. Do you mean to tell me that I don't consider the amount of deposits?

Mr. Baker. I didn't ask you that you consider; I asked you from a written statement that you presented to the Com-

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mittee here--are you trying to tell me that there was \$222.17 in the city treasury, cash?

Mr. Cashel. Yes, sir.

Mr. Baker. That is all there is there, isn't it?

Mr. Cashel. No, sir; I say that <sup>all</sup> these items here also include what is in the city treasury.

Mr. Baker. Well, we'll just go back and see. The money that you have deposited with the bank isn't in the city treasury, is it?

Mr. Cashel. Yes, sir; I say that it is in the city treasury.

Mr. Baker. Well now, you know the cash isn't in the city treasury, don't you?

Mr. Cashel. What do you mean by it is not in the city treasury?

Mr. Baker. You have deposited the cash in the bank.

Mr. Cashel. That is just the same as the city treasury; there is not any difference.

Mr. Baker. Oh, well, now---

Mr. Cashel. Well, I won't argue with you about it.

Mr. Baker. Well, I just want the facts now.

Mr. Cashel. I am giving you the facts. If you will excuse me for a minute, you made a statement about this \$222.17 being in the city treasurer's office. Here is the statement I submitted and read a while ago and if you will look at the total amount you will see that it is over **\$500,000.00.**

Mr. Baker. I have got it all in writing right before me. No, I will go at it again: In the statement that you



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have prepared here, it shows that you have on deposit with the Union Trust and Savings Bank, under one account, \$34,401.17, doesn't it?

Mr. Cashel. If you will let me look at it, ~~then~~ I will tell you, sir. (examining paper). What was the amount?

Mr. Baker. The red item over there (indicating). That is right, isn't it?

Mr. Cashel. No, sir; it doesn't show that.

Mr. Baker. It doesn't show right here that you have this one item? I am saying now the first item shows that there would be \$34,401.17 on that item?

Mr. Cashel. Yes, sir.

Mr. Baker. That would be cash you deposited with this company?

Mr. Cashel. Yes, sir; to the General Revenue Fund.

Mr. Baker. You turned over the cash to the bank?

Mr. Cashel. Yes, sir.

Mr. Baker. And took their receipt for so much deposit?

Mr. Cashel. Yes, sir.

Mr. Baker. Then that cash isn't in the city treasury; is it, as cash, legal tender--in the city vaults of the city treasury, is it?

Mr. Cashel. We never keep over \$200 on hand in cash.

Mr. Baker. Now, don't tell me that. Just answer my question; it is so easy and so plain.

Mr. Cashel. That amount of money is not on hand in the city treasurer's office; no.

Mr. Baker. That is plain.

Mr. Cashel. Now, I don't know whether that was cash or not; as it was received it may have been received in checks just the same as every business institution in East St. Louis does.

Mr. Baker. You told us awhile ago that the law of the State of Illinois required you to receive legal tender.

Mr. Cashel. If I don't do it, I am responsible on my bond.

Mr. Baker. <sup>under</sup> Now/the Union Trust and Savings Bank is another item, Special Improvement Funds, which shows that there is \$60,228.41 deposited in that bank. Isn't that right?

Mr. Cashel. Yes, sir.

Mr. Baker. Then the legal tender, either gold or silver series, gold itself, currency, greenbacks, or federal Reserve bank notes, were turned over---whatever they might be---to this bank, and you took for that money put deposited with the bank its receipt that it got that much money from you?

Mr. Cashel. Yes, sir.

Mr. Baker. Now that is the same with all the other items down here, showing that with these several banks and trust companies, there is \$130,972.60 of the city funds, that you are supposed to have received as legal tender, deposited with these banks?

Mr. Cashel. No, sir; that is not correct.

Mr. Baker. Alright.

Mr. Cashel. Just as you have said awhile ago, the cash

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at the office is \$222.17. Now there are stamps and vouchers and orders on hand necessary to take care of the daily operations of the City Hall, \$11.00, <sup>and</sup> \$52.50 side from ~~that~~ these items---that is, the items from here up (indicating) are in the bank.

Mr. Baker. All the items were legal tender received by you, and deposited in the bank, save and except coupons and bonds, and vouchers, money advanced---city deposit, \$52.50; stamps and orders on hand, \$11.00; and credit memoranda, \$72.75; and cash at the office, \$222.17. That is right, isn't it?

Mr. Cashel. Yes, sir.

Mr. Baker. Then, as a matter of fact, coming back again, there was only \$222.17 when this report was made---and this is supposed to be what date?

Mr. Cashel. It is headed up here, isn't it? (indicating).  
October 31.

Mr. Baker. October 31. That is all the amount of legal tender in the vaults of the city and treasurer of East St. Louis?

Mr. Cashel. The amount of cash that we have on hand in the office of the city treasurer in East St. Louis, <sup>is</sup> \$222.17, but that doesn't represent what is placed to the credit of the city treasurer.

Mr. Baker. I didn't ask you that.

Mr. Cashel. There is \$150,975.09, the total amount that is credited to the city treasurer.

Mr. Baker. I didn't ask you that credit.

Mr. Cashel. I gave it so there wouldn't be any misunderstanding.

Mr. Baker. There wouldn't be any---cash, \$222.17 is all the legal tender that is in the city treasurer's bank, isn't it?

Mr. Caspell. Repeat the question, please.

Mr. Baker. All the legal tender in the city treasurer's vaults on the 31st of October, 1917, was \$222.17?

Mr. Caspell. Yes, sir.

Mr. Baker. Then you had in there the receipts from the legal tender that you deposited with these various banks, didn't you?

Mr. Caspell. Yes, sir.

Mr. Baker. That is clear. So far as any money being in these banks belonging to you, as city treasurer, or personally, you haven't a dollar, have you?

Mr. Caspell. Yes; I have some money there personally.

Mr. Baker. They owe you that much money, don't they? You know from the banking business, and as a business man, that you haven't a single dollar in that bank that you can go <sup>and</sup> call your own. You only have a credit against that bank that they will pay you so much money when you present your check. Isn't that right?

Mr. Caspell. That is correct. I have the security, as I stated, a depository bond. I believe that the City of East St. Louis is just as well secured with that depository bond as anybody could be secured with a deposit. That was not exacted until I took office.

Mr. Baker. Now why should any bank finance the city when they have already got this money? What do you mean by financing the City of East St. Louis?

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Mr. Caschel. Finance the city on the assignments. Well, for instance, here is an improvement fund in here, <sup>the</sup> Special Improvement Fund. You couldn't take any of that money to pay the firemen or policemen.

Mr. Raker. Sure not; and you can't draw from the banks to do it.

Mr. Caschel. No; we aren't doing it. ~~ma~~ Now, they are financing the city to the extent of bills in the fire and police departments.

Mr. Raker. Do you mean to say that whether you have money in the treasury vaults or not---or say you have none there, but a very little---and you have none in the banks, that these orders---requisitions---these warrants can be taken over to the bank and will be paid whether or not there is any money there? ~~mmmmmm~~

Mr. Caschel. That is just exactly what I mean; yes, sir. That is the arrangement that I speak of of financing the city. They charge interest. The statement will show what the interest is. The statement I have submitted will show that they have exacted interest from the city for doing that.

Mr. Raker. Well, how much do they exact from the city for doing that?

Mr. Caschel. Five per cent.

Mr. Raker. In addition to what the warrant draws?

Mr. Caschel. I don't understand that question.

Mr. Raker. Doesn't the order draw interest when it is registered, when it is due?

Mr. Caschel. No.

Mr. Raker. It doesn't?

Mr. Caschel. No, sir.

Mr. Baker. If I have a warrant and present it for \$1,000 and there is no money to pay it, it is registered, and if I hold that for six months, don't I get five per cent on that?

Mr. Caspell. No, sir;

Mr. Baker. From the city?

Mr. Caspell. No, sir; in fact, if you had a warrant that there was no funds in the city, you wouldn't get a warrant of that kind---at least, I wouldn't give anybody a warrant if there wasn't any funds to cash it. If there were funds there, I would give a warrant.

Mr. Baker. Then I understand that this \$5,000---or this one item here, \$7,000 Interest---is what the banks charge for cashing the warrants issued by the city officials of East St. Louis. Is that right?

Mr. Caspell. Yes, sir; that is perfectly correct. I thought I had shown it in the statement here.

Mr. Baker. You did say "Interest", but I didn't understand it was interest of that kind. Who fixes this rate of interest?

Mr. Caspell. I guess the bank does.

Mr. Foster. It is the state law.

Mr. Baker. But when the bank pays it?

Mr. Foster. Do you mean on those warrants?

Mr. Baker. Yes.

Mr. Foster. The man who holds the warrant collects the interest.

Mr. Baker. Yes.

Mr. Foster. The state law fixes it.

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Mr. Baker. The witness has said, as I understand it. --- and I want to recapitulate to be sure: He gets a warrant and there is no money in the treasury to pay it. He gets no interest upon that warrant as long as he holds it, does he?

Mr. Caspell. No, sir.

Mr. Baker. But he can take that ~~money~~<sup>warrant</sup> to a bank and be paid by the bank, and the bank can draw then five per cent upon this money from the city?

Mr. Caspell. Until the time that the city takes up that warrant.

Mr. Baker. Draw it from the city?

Mr. Caspell. Yes; and that is what is in this statement that I read awhile ago---"Interest of Anticipation Warrants, \$7,915".

Mr. Baker. Yes; I remember hearing that.

Mr. Foster. But I think, maybe, ~~cash~~ that cash is getting mixed up in that. You don't mean to say if an order was issued to an individual and he would hold that warrant until the cash was in the treasury to pay that warrant, that that individual wouldn't get the interest, do you?

Mr. Baker. That is what he said.

Mr. Caspell. That is a fact.

Mr. Cooper. There is a conflict in testimony.

Mr. Foster. You are mistaken.

Mr. Baker. That is so vital and so important that I have been taking the time to just demonstrate that one fact.

Mr. Caspell. Put your question again, please.

Mr. Foster. Suppose instead *of the bank*

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issuing an order to me---an anticipation warrant, we'll call it---suppose you issue that warrant to me; it is stamped bearing five per cent interest, isn't it?

Mr. Caspell. Yes, sir.

Mr. Foster. Now suppose I take that ~~warrant~~ warrant to one of these banks and they pay the amount, they draw five per cent interest, don't they?

Mr. Caspell. Yes, sir.

Mr. Foster. Suppose I keep that warrant myself and I don't take it to the bank and cash it, but I hold it myself until the time---

Mr. Caspell. Having no funds to take care of it in the meantime, sure the city would have to pay it.

Mr. Foster. They would pay it to me ~~in~~ the same as they would to a bank?

Mr. Caspell. Yes; but I don't believe we have ever had a case of that kind.

Mr. Baker. Because the banks handle it?

Mr. Caspell. Yes, sir; because the arrangement is made.

Mr. Baker.. They hold enough money---they are holding about \$100,000 of the City's money of other kinds of money, and are still drawing interest upon the funds---the claims they have paid for the other fellow?

Mr. Caspell. Yes, sir.

Mr. Baker. So as of <sup>necessity,</sup> / then, getting back to my <sup>necessity,</sup> / second question---as of / the bank that gets the deposit of the city treasurer is interested in having that business to do, isn't it?



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Mr. Caschel. Having what business to do?

Mr. Raker. The business of the city.

Mr. Caschel. Well, I judge yes. This bank over here that is financing the city advertises it. They advertise ~~it~~ it extensively on their wagons and on their blotters and letter-heads, "The bank that finances East St. Louis".

Mr. Raker. They do?

Mr. Caschel. Yes, sir; they do that extensively. There is nothing concealed about that at all. They take pride in it.

Mr. Raker. Do you know of their paying any claims where they have no money and there is no money in the city treasury at all, and both places are drained of all the funds?

Mr. Caschel. No; I don't know of any case like that. Do you mean who would they pay or what would they pay?

Mr. Raker. Well, here is a claim for \$1,000 against the city. Do you know of the banks paying that claim when they have no money on deposit of the city at all, of any kind, on any fund? They don't, do they? That is really the truth of the matter?

Mr. Caschel. Your question is not clear to me, now.

Mr. Raker. Well, I have tried to make one that was not involved, if I could. None of these banks will pay these warrants against the city unless they have got city funds of some kind on deposit, will they?

Mr. Caschel. No, sir.

Mr. Raker. So then, as a matter of fact, they aren't financing the city at all. They at all times have a large fund on hand; while the warrant may be against the police

fund, they have a dozen other funds with lots of money in them; so if they do advance this police warrant of \$1,000, they have still got \$100,000, or \$150,000, or \$75,000 of the city's money in their bank, which they can use and loan out for any purpose that <sup>they</sup> want to. Isn't that right?

Mr. Caschel. I presume that is correct; they can do that.

Mr. Baker. I can't see what you give a bond for at all.

Mr. Caschel. I don't understand you.

Mr. Baker. I can't understand why you give a bond.

Mr. Caschel. Because I only carry that amount of cash?

Mr. Baker. Yes.

Mr. Caschel. To tell you the truth, I think that the \$500,000 bond---I believe that when that bond was exacted, when it was put into effect, it was done after this Gerold scare. I really don't see the necessity of it myself.

Mr. Baker. And the city pays for that bond?

Mr. Caschel. Yes, sir.

Mr. Baker. And then you take a bond from the banks?

Mr. Caschel. As security; yes, sir.

Mr. Baker. <sup>Do</sup> Private individuals go on bond, do they?

Mr. Caschel. No, sir.

Mr. Baker. A surety company?

Mr. Caschel. Bonded by a surety company bond.

Mr. Baker. Who pays for that?

Mr. Caschel. I think the bank pays for it. I exacted that from them. I don't know who is paying for it.

Mr. Baker. Well now, for the bank to give that bond and pay a large premium on it, they must of necessity make a profit

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out of holding the city's moneys, don't they?

Mr. Caspell. I presume there is a profit.

Mr. Baker. Oh, well, there isn't any doubt in your mind, is there?

Mr. Caspell. No, sir.

Mr. Baker. And I suppose the balances will run on an average about \$150,000, wouldn't they?

Mr. Caspell. No, sir.

Mr. Baker. Well, you have got down now to within a month of the end of the fiscal year---two months---you have got down within two months of the end of the fiscal year and got \$150,000, pretty near, in that fund, haven't you?

Mr. Caspell. Yes, sir; but you are liable to have \$50,000 there tomorrow on account of warrants that will be ready to be taken up.

Mr. Baker. But then along next spring you may have \$500,000 in the bank?

Mr. Caspell. No, sir.

Mr. Baker. How high does it run?

Mr. Caspell. The total amount of taxes collected perhaps will amount to/during tax collection time will amount to probably \$500,000, but that represents <sup>the</sup> tax collections for the schools, levee, county, state, city, that are paid in East St. Louis.

Mr. Baker. Well, again returning, if the bank makes a profit on the city's money, thus deposited, it of necessity is interested in having a city treasurer who will be friendly to them and deposit it in their particular bank. Isn't that right?

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Mr. Caspell. I say no. As I have said to you before, if there is any bank in the City of East St. Louis, any body of gentlemen that will say to me that they will finance the city just as this Union Trust and Savings Bank is doing, irrespective of any other arrangement that has been made, I will tomorrow morning turn over deposits to them, providing they will give me interest and proper security.

Mr. Baker. Then I understand from you that you are the one---or you as city treasurer---that determines that fact?

Mr. Caspell. Determines what fact?

Mr. Baker. Just what you have stated, about financing the city.

Mr. Caspell. No, sir; I am not.

Mr. Baker. Why, you have just said if any responsible lot of men, another bank, would agree to finance the city, you would turn over the funds to them.

Mr. Caspell. Yes, sir.

Mr. Baker. Then, *of necessity* ---

Mr. Caspell. I have the funds in my possession. I certainly wouldn't be guided---for instance, this is an arrangement in effect and has been in effect for a number of years. ~~and~~ My understanding is that it was perfected by the Mayor and aldermen, whereby the Union Trust and Savings Bank would take up these warrants from the City, and in lieu of that they would get the deposits. Now that is a custom that has obtained here ~~from~~ in Mr. Thomas' time, obtained in Mr. Keating's time, and prior to that **the** city treasurer, as I understand it, <sup>who</sup> was not on the salary basis at that time,

permitted the interest to accrue to this---whatever it was ---and I think that was his salary. I am not sure of that now, but I think that was the arrangement prior to Mr. Keating's time. But since that time *Mr Keating* through Mr. Chamberlaine, ~~a~~ mayor at that time, and the City Council arranged for the bank to finance the city, and that has continued in effect up to this present date.

Mr. Baker. That ~~arrangement~~ doesn't bind you.

Mr. Chamberlaine. I say it wouldn't. I don't want to go out here tomorrow morning and say that the employees of the city won't be paid simply because a bank refuses to accept <sup>an</sup> anticipation warrant on assignment. What would you do? We had that condition existing here for six months.

Mr. Cooper. What brought about the situation?

Mr. Chamberlaine. A depleted treasury of former administrations.

Mr. Cooper. So you say it is the depleted treasury of former administration. That depleted the treasury of this city?

Mr. Chamberlaine. Did you hear some of this report in there?

Mr. Cooper. What do you mean when you say "depleted treasury"? Was it charged at one time to have been an embezzlement of the city funds?

Mr. Chamberlaine. Well, extravagance went with it.

Mr. Cooper. Well, extravagance---yes; and a failure to obey the law by keeping the money in separate funds as required by the statutes.

Mr. Chamberlaine. Yes, sir.

Mr. Cooper. And the statute made the mixing of the funds embezzlement, didn't it?

Mr. Caspell. Yes, sir.

Mr. Cooper. So then, this depletion came around by what the law especially and particularly says is embezzlement, or was embezzlement; in other words, a criminal offense on the part of the city officials?

Mr. Caspell. Yes; I consider it a crime for a city treasurer to divert funds from one account to another and use them.

Mr. Baker. Now, Mr. Caspell, I just want to take this from your ~~answer~~ <sup>answer</sup>, if it is true. You say to Mr. Cooper that it is an embezzlement to mix these funds. Is that right?

Mr. Caspell. I say he said---Mr. Cooper, as I understood it, said to take a fund from one account and use it for another... **to** mix them.

Mr. Baker. Well, take from one account to another.

Mr. Caspell. Diverting the funds; yes, sir.

Mr. Baker. So under the law it is embezzlement to take money from one account to pay to another, and still you take all the money from all the accounts; put all in one pot; then pick it all up and take it over and deposit it in a private bank. Is that right?

Mr. Caspell. I don't agree with you; no, sir.

Mr. Foster. It would be pretty hard, wouldn't it, to keep the street fund in one separate package and the sewer fund in another?

Mr. Caspell. It would be the most ridiculous thing that any man ever thought of.

Mr. Raker: So ridiculous that in some States it is a misdemeanor punishable by imprisonment in State prison.

Mr. Caspell: But with all the street improvements and all the other funds, to try and separate that fund and put \$220 over here, and \$1,000 in one box here, and \$15 in another box-- it is ridiculous, in my opinion.

Mr. Foster: Does the United States Government keep its money in funds like that?

Mr. Raker: I never got my hands into the Treasury, Doctor. (Laughter)

Mr. Foster: Well, I never did either, but if I did I don't think I would find it in different tin boxes (laughter).

Mr. Caspell: No, sir; I don't think you would. There is no business in the city of St. Louis or East St. Louis that is transacted in that way.

Mr. Cooper: Now, Mr. Caspell, I want to ask you another question. You say that this depletion of the treasury was brought about by what the law characterizes as embezzlement of city officials, since which time the amount has never been made good in any way. Is that the time these anticipation warrants began to be issued?

Mr. Caspell: I wouldn't say positively.

Mr. Cooper: After that period?

Mr. Caspell: I wouldn't say positively as to that. I really believe that some time prior to that-- during the Cook administration.

Mr. Cooper: Well, what is the reason that the city

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doesn't bring about-- doesn't so regulate its taxes as to get the treasury even, pay its own bills and stop paying interest to banks for financing it?

Mr. Cashel: That would be a very fine arrangement. I hope that some day that can be done.

Mr. Cooper: Have you observed any very strenuous efforts to bring about that condition, that would stop paying interest to the banks for financing the city?

Mr. Cashel: As I have gone so far, as I have told you before, to talk to the presidents of two of the most prominent banks that we have got in town, to see if they would make arrangements for giving us deposits, and at the same time take care of the anticipation funds and pay the city the same as other banks.

Mr. Foster: You mean interest on the fund?

Mr. Cashel: Yes, sir.

Mr. Cooper: Here is a city that ought to be, if it is properly valued and the people that make money here pay their just share of the taxes, able to square up its treasury, meet its own expenditures, and not keep paying interest to banks to finance it. Isn't that a fact?

Mr. Cashel: Well, I don't know whether the interest would, but in the course of time, of course it would be quite a little sum. It would help out a great deal. That is what I had in mind when I tried to make the arrangement.

Mr. Baker: Now here are \$98,726.61 that are collected from drug-shop licenses; is that right?

Mr. Cashel: Yes, sir.



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Mr. Baker: Now let's see the method by which that is handled. Mr. Bram-shopper, of the hole in the wall, presents his check for \$100 to yourself as treasurer. You don't demand cash. You take that check for his license, do you?

Mr. Caspell: That is correct; yes, sir.

Mr. Baker: Then that check of Mr. Hole in the Wall is taken over as county money and put into the city bank?

Mr. Caspell: As city money.

Mr. Baker: As city money, yes. Then you have got the individual credit only of the bank to get that money back again. That is right, isn't it?

Mr. Caspell: I have the individual credit to go with the surety company bond.

Mr. Baker: Yes; that is right. Then the bank has the credit of Mr. Hole in the Wall and the bank upon which that check is drawn to get its money. That is right, isn't it?

Mr. Caspell: It would naturally go through the clearing-house.

Mr. Baker: So then the bank handling and dealing with the city funds becomes the debtor of this saloon man that is paying these licenses, to collect the check; is that right?

Mr. Caspell: You say the bank becomes the debtor of the saloon man?

Mr. Baker: The creditor, I meant to say.

Mr. Cashel: I don't understand what you mean by that. I don't get that.

Mr. Baker: Well, the bank now has a check deposited as city money, \$150, for a saloon license.

Mr. Cashel: All right; let's have a concrete case. It is drawn on the Southern Illinois National Bank.

Mr. Baker: Well, you didn't say anything. It could be drawn on a private individual. It could be drawn on one of the merchants.

Mr. Cashel: I have never accepted a check of that kind, and I have never seen one given, and I have handled checks for the past 20 years.

Mr. Baker: Well, could some other bank except the Illinois National Bank pay that?

Mr. Cashel: Well, the statement you make there-- the question you ask are so ridiculous--

Mr. Baker (interposing:) That is your view of it.

Mr. Cashel: But your statements are so absolutely ridiculous that I can't answer them. If you will put--

Mr. Baker (interposing:) That is wholly volunteered on your part, and it isn't ridiculous, and if you will just listen to it just a moment now--

Mr. Cashel (interposing:) All right; I will be glad to listen to it.

Mr. Baker: Yes, I guess you will.

Mr. Cashel: Well, maybe I am compelled to do it, but I think, though, that I am entitled to some--

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Mr. Raker: (Interposing) Now let me tell you something--

Mr. Caspell (Interposing:) Just a moment-- I think I am entitled to the courtesy of being treated here properly. I don't believe that this gentleman has asked me these questions in the manner that he ought to, and I appeal to you gentlemen if that isn't a fact.

Mr. Foster: Well, I think if you didn't understand the question you have the right to ask that it be restated.

Mr. Raker: You made no complaint that you didn't understand it.

846 Mr. Caspell: I did. I repeated several times to you, and then as I think, because I didn't understand the question, you brought it back and cited a case of which I said-- I will apologize if I say it wrong-- it was a ridiculous case, because, as I say to you, I have been handling checks for twenty years, and I have never seen one issued in the manner you say it was, on a private individual.

Mr. Raker: Why, it could be issued on the firm who does business. It is done repeatedly.

Mr. Caspell: I have never seen one.

Mr. Raker: All right; you ought to have said so.

Mr. Caspell: I didn't understand what you were driving at. I was thinking of the bank all the time.

Mr. Raker: All right. Here is the Drivers' National Bank, or any bank you take the check on. You take it and deposit the check with the firm or the bank that you are doing business with, wouldn't you?

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Mr. Cashel: Yes, sir. You mean if this check is drawn on the Drovers' National Bank?

Mr. Raker: On any bank.

Mr. Cashel: Yes, I would deposit that with the bank I was doing business with, the Union Trust & Savings Bank.

Mr. Raker: Then the Union Trust & Savings Bank would have this particular bank to look to as well as to the individual who drew the check?

Mr. Cashel: I think that is all done through the clearing house.

Mr. Raker. Now you understand my question, don't you?

Mr. Cashel: Yes, sir.

Mr. Raker: If the bank don't pay the money, the individual is responsible?

Mr. Cashel: Oh yes, if he hasn't got that amount of money on hand.

Mr. Raker: Now whether he has got it on hand, I just wanted to know whether you understood the liability of the bank upon which the check was drawn, as well as the man who drew the check?

Mr. Cashel: Oh yes, I understand that very thoroughly.

Mr. Raker: Then the bank that holds this check to represent taxes or license taxes due the city, has two debtors, the bank upon which the check is drawn, and the man that drew the check?

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Mr. Caspell: You mean debtors in the way-- speaking of debit and credit as to the individuals?

Mr. Baker: No, if the bank pays the money they would look to the individual that made the check?

Mr. Caspell: Yes; or turn the check back to the man that made the deposit, saying it wasn't any good.

Mr. Baker: Do you understand my question?

Mr. Caspell: I thought I did; yes, sir.

Mr. Baker: Well, you understand the man that draws the check is responsible, don't you?

Mr. Caspell: Absolutely so.

Mr. Baker: Until it is paid?

Mr. Caspell: Yes, sir.

Mr. Baker: And through any legitimate source where that passes they may come back to the drawer of the check?

Mr. Caspell: Yes, sir.

Mr. Baker: Then the bank dealing for the city would hold the saloon keeper, if the bank didn't pay, for the payment of that money, if they wanted to get their money-- if the bank upon which it was drawn didn't pay it?

Mr. Caspell: I don't agree with you. They would immediately cut it out of our deposits and send that check back to us. It will be up to me if I accepted a check for \$150 to collect that money.

Mr. Baker: Is that the understanding with you?

Mr. Caspell: Yes, sir; that is the understanding and that is what has been done.

Mr. Baker: That is what has been done? If they found a check that wasn't good by the drawer, they would

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return it?

Mr. Caspell: Yes, sir; they would return it to you and cut it out of the total of your credits.

Mr. Baker: And it has been done?

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Mr. Caspell: Yes, sir.

Mr. Baker: Why didn't you tell me that awhile ago. That is what I was trying to get and worked as hard as I could to get.

Mr. Caspell: Well, I will be frank with you, the way you asked the question I didn't understand it, and I tried to illustrate a concrete case to you, and I was going to go in and cite the Southern Illinois National Bank, and illustrate how the check would come through the bank, but you interrupted me, and said "listen to me", and that is the reason I listened to you.

Mr. Baker: All right. So the city taxes are shuttle-cocked around, as we have just been able to describe? When it receives the check, that becomes city money. It comes to the bank. If they look it over and it ~~runs~~ <sup>turns</sup> out the check isn't good, they credit it back to you, and then you look to the fellow that drew the check for you? That is right, isn't it?

Mr. Caspell: Yes, sir; that is correct.

Mr. Foster: Doesn't that occur in your business transactions where checks are used?

Mr. Caspell: As I have said, I have had it happen to me very often. I have been handling checks for 20 years, and it is a regular occurrence.

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Mr. Baker: Now, you haven't been handling checks for 20 years, have you? I understood you to say you took office the 3rd of April, 1917.

Mr. Cashel: Yes, sir.

Mr. Baker: You never were city treasurer before?

Mr. Cashel: I didn't say where I handled them. I said I had been handling checks.

Mr. Baker: I am talking about this governmental function.

Mr. Cashel: You didn't say that.

Mr. Baker: Well, you never acted as city treasurer or county treasurer or state treasurer before the 7th of April, 1917, did you?

Mr. Cashel: No, sir.

Mr. Baker: So you have had no experience in taking checks for money due a municipality or county prior to the 7th of April, 1917? That is right, isn't it?

Mr. Cashel: There isn't any difference in the handling of checks for a city than there is in any other private life, and I have handled checks and money to the extent of \$250,000 a month for the past fifteen years.

Mr. Baker: How will you answer my question?

Mr. Cashel: May be I have forgot it-- I beg your pardon, if I have.

Mr. Baker: I said, in an official capacity, as city treasurer or county treasurer, or any other public functionary in the State of Illinois, you have not handled any checks for payment prior to April 7, 1917, have you?

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Mr. Caspell: No, sir; I started to handle the city funds on May 8th, I think it was. There is a Saturday that intervened there.

Mr. Raker: Are these licenses, the checks that for these licenses, paid in right away?

Mr. Caspell: They don't get a license until they pay for it.

Mr. Raker: They can't run. They are shut up when they don't pay?

Mr. Caspell: They are supposed to. They have license inspectors that are supposed to go around, and if they haven't a license on a certain date they close them up.

Mr. Raker: And "other licenses, \$38,000", are those handled in the same way as the saloon licenses are, collected, and the checks paid to the City Treasurer?

Mr. Caspell: Yes, sir.

Mr. Raker: And then the checks are turned to the bank?

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Mr. Caspell: I will explain that feature. He comes to the City Treasurer-- the man making application for license comes to the City Treasurer's office, and he is given an order on the City Clerk, who issues the license, and the city clerk in turn issues an order on the City Treasurer, who collects the money for it. In this way there is a check against all departments issuing licenses in the City Treasurer's office. In other words, you can go to the stub-book of the City Clerk and find out how much money he has issued



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on licenses, and make a balance with the City Treasurer.

Mr. Raker: The bank by holding the individual licensee's check for a month or two months could, as a matter of fact, permit him to run along on a credit on his check, couldn't he?

Mr. Caspell: Holding it up, you mean, and not requiring it to be collected? Oh yes, as far as that is concerned, we have got a credit for the money and there wouldn't be any question about that.

Mr. Raker: What is your salary?

Mr. Caspell: The salary of the City Treasurer?

Mr. Raker: Yes.

Mr. Caspell: The salary is three thousand dollars, and there is two per cent to the maximum extent of \$1500 for the collections.

Mr. Raker: Are there any deputies authorized by law?

Mr. Caspell: One man.

Mr. Raker: How much is his salary?

Mr. Caspell: \$100 a month.

Mr. Raker: How much time do you devote to the City Treasury?

Mr. Caspell: Well, during the tax-collecting period I expect to devote almost all of my time to it-- practically all my time.

Mr. Raker: At the present time how much?

Mr. Caspell: At the present time there is very

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little business being transacted here. I am in the office three or four times a day, which is as much time as I am required to spend there.

Mr. Baker: Just tell us what your other business is.

Mr. Cashel: Local freight agent for the Louisville & Nashville Railroad.

Mr. Baker: They have an office at the Relay Station?

Mr. Cashel: Down at the levee.

Mr. Baker: So you leave the greater part of the work for the deputy?

Mr. Cashel: For the deputy, yes, sir. The deputy is an expert accountant, and I let him do the work.

Mr. Baker: Where did you say you were on May 28th?

Mr. Cashel: May 28th?

Mr. Baker: Yes, this year.

Mr. Cashel: You never asked me that.

Mr. Baker: In your general discussion as to your whereabouts, where were you on the 28th?

Mr. Cashel: That was the time of the first riot, May 28th, I think. The riot occurred on May 28th or the 27th, in the evening.

Mr. Baker: The 26th, I have understood.

Mr. Cashel: In the evening, if that is the day--the evening that the riot occurred I was at home in bed.

Mr. Baker: In the evening were you at the meeting at the City Hall?

Mr. Cashel: That evening I was at home in bed and knew nothing about it. It was the following day, I think.

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Mr. Baker: where were you on the 2nd of July, during the riot of July 2nd?

Mr. Caschel: July 1st was the night that the officers were killed?

Mr. Baker: That has been the general statement.

Mr. Caschel: July 2nd I was at the City Hall probably until about 11 or 12 o'clock. I don't remember the exact time.

Mr. Baker: At night?

849 Mr. Caschel: No, in the morning. I knew nothing about the killing of these men or anything that happened on that previous night. ~~xxxxx~~ The next day I was around the City hall from 7 o'clock in the morning until 11.

Mr. Baker: Then from-- what time did you say it was-- 11?

Mr. Caschel: From 7 to 11.

Mr. Baker: At 11 o'clock where did you go? Where were you from 11 o'clock till midnight?

Mr. Caschel: I had some business to transact over on the other side, and I think I spent several hours there.

Mr. Baker: Over at St. Louis?

Mr. Caschel: Yes, sir; and I came back here and stayed around on the levy for a while, up until probably 5:40 or 6 o'clock; and I came home, and most of my time was spent at home. I came down and went downtown once or twice, probably two or three times, but my folks at home were so excited that I just thought I should stay at home.

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Mr. Raker: As a city official you gave no attention to the riots that were going on that day?

Mr. Caspeli: You say I gave no attention to them? I didn't get around where the rioting was. I saw no rioting. The rioting practically all occurred, I think, prior to the time that I got back here. At least, up to 11 or 12 o'clock I had seen nothing to indicate that there was going to be a riot.

Mr. Raker: When you left you hadn't even heard of the riot-- when you left that morning for St. Louis?

Mr. Caspeli: No, sir.

Mr. Raker: That's all.

Mr. Foster: I would like to ask two or three questions. You have a post office in this town, haven't you?

Mr. Caspeli: Yes, sir.

Mr. Foster: Do you know whether the postmaster keeps all the funds that he takes in from day to day in his vault or in his safe?

Mr. Caspeli: No, sir.

Mr. Foster: Or whether it is his custom to deposit the funds in the bank each day, certain funds?

Mr. Caspeli: I think it is customary to deposit his funds in the bank.

Mr. Foster: You have an internal revenue clerk with an office here, don't you?

Mr. Caspeli: Yes, sir.

Mr. Foster: Is it his custom to keep all the funds that he takes in in the vaults of his office?

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Mr. Caspell: No, sir; the only thing, I think, that he keeps is the stamps.

Mr. Foster: Don't you deposit those funds every day in some bank here in the city?

Mr. Caspell: Yes, sir.

Mr. Foster: In paying taxes-- you have paid taxes here in the city of East St. Louis?

Mr. Caspell: Yes, sir.

Mr. Foster: I mean as a resident.

Mr. Caspell: Yes, sir.

Mr. Foster: You have paid them to the county treasurer?

Mr. Caspell: Yes, sir; payable to the City Treasurer.

Mr. Foster: I mean all the county taxes and all the other taxes are paid to the County Treasurer. That is what I am speaking about now. State taxes and county taxes, are those paid to the City Treasurer?

Mr. Caspell: Yes, sir; that is payable at East St. Louis. Outside the county of course they have other districts.

Mr. Foster: You never heard of anybody who paid taxes here going and hunting out amongst the moneys from the bank legal tender notes and gold coin, and carrying it over to the Treasurer's office and paying his taxes with it?

Mr. Caspell: No, sir.

Mr. Foster: That is not the custom in East St.

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Louis, is it?

Mr. Caspell: No, sir.

Mr. Foster: Did you ever hear any place where it was the custom?

Mr. Caspell: No, sir; I have never heard of it.

Mr. Foster: The man who takes the check, as you said, if he accepts the checks for taxes, if that check is not good and the man hasn't the money on hand to pay it in the bank, the check is turned back to him and he is responsible for it?

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Mr. Caspell: Yes, sir.

Mr. Raker: That has been the custom. That would be the custom if you collect money for the railroads, if you would accept a check it is on your own responsibility?

Mr. Caspell: Yes, sir.

Mr. Foster: In your judgment as a business man who has been fifteen years freight agent of the L. & N. Railroad, and since Vay as city treasurer, do you think it would be a good plan to require that every man who pays money to the railroad or to the city treasurer should bring his money, legal tender, what is known as legal tender, to the railroad company or to the City Treasurer's office and pay it?

Mr. Caspell: No; I think it would be a very, very poor arrangement. I don't think the business of a large city could be properly conducted by such an arrangement.

Mr. Foster: So that the proper arrangement is that men who do business ordinarily and pay their taxes or pay

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their freight in large amounts, where they are known-- where you know them-- pay it by check?

Mr. Caspell: Yes, sir.

Mr. Foster: And it is not an unusual occurrence in East St. Louis, or any other place in the United States, so far as you know, is it?

Mr. Caspell: No, sir.

Mr. Foster: When you deposit your funds in the bank, you deposit the lump sum, but your books show, as I see it-- if I am not stating it correctly you will make the correction-- your books show that out of that \$130,000, as you show there, there is so much belonging to each fund?

Mr. Caspell: Yes, sir.

Mr. Foster: Either the general fund or the special funds?

Mr. Caspell: Every cent is apportioned to the proper fund that it belongs to.

Mr. Foster: So that you don't-- if you got \$4.17 belonging to the fire fund, you don't put that in an envelope and mark it "fire fund" and deposit it in the bank?

Mr. Caspell: Why, no, sir.

Mr. Foster: You never heard of anybody doing business that way?

Mr. Caspell: No, sir.

Mr. Foster: What would you think of a man that did business that way?

Mr. Caspell: Well, I would at first say he wasn't a good business man.

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Mr. Foster: I would think so. You would think he never transacted much business?

Mr. Caspell: No, sir; and I don't think I would want to have him in my employ or around me very long.

Mr. Foster: Now the city deposits this money with the bank. You never had any instructions from the City Council or from any official who had the power to designate banks for the deposit of funds in East St. Louis, or there is no law providing that it shall be a deposit?

Mr. Caspell: No, sir.

Mr. Foster: So that whatever harm might come to East St. Louis-- or whatever East St. Louis as a city loses, is lost because they don't require a deposit, or payment of interest on current accounts?

Mr. Caspell: That is correct; yes, sir.

Mr. Foster: So that you have been willing and stand willing and ready to make that arrangement if you could make it?

Mr. Caspell: I would be tickled to death to make it if there was such a thing possible.

Mr. Foster: And there could be considerable money saved to East St. Louis if that was done?

Mr. Caspell: Yes, sir. As I said to the gentleman while ago when I was talking, I have gone so far, while I have been only in office a short while, and while we have had a great many things to distract us from our regular line of duty, I have gone so far as to go to these other two banks that are not interested at the present time--



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as late as yesterday I talked to one of the presidents of the banks and asked him if something couldn't be done whereby the city could derive a revenue from the interest on my deposits.

Mr. Foster: You have seen that the city of East St. Louis loses money each year?

Mr. Caspell: Yes, sir.

Mr. Foster: You realize that?

Mr. Caspell: I realize it, yes.

Mr. Foster: You know that several years ago the State of Illinois didn't have any law requiring the treasurer to deposit his funds in certain banks or any bank, so far as it was responsible, and receive interest on those deposits?

Mr. Caspell: Yes, sir.

Mr. Foster: And that the Treasurers of Illinois did make large amounts of money, amounting to almost ~~to~~ a fortune-- at least to a fortune of two or three hundred thousand dollars-- during the two years of his term of office; and they did change that law and require interest on deposits?

Mr. Caspell: Yes, sir.

Mr. Foster: Now, as I understand it from your statement to Judge Baker--

Mr. Baker (interposing:) I didn't get that last question and answer.

Mr. Foster: My statement was this: The State of Illinois up to a few years ago-- I don't remember the time--

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permitted the treasurer who was elected for a term of two years to deposit his funds in the bank and required no interest, and he pocketed the interest, which amounted to all the way, it is stated, from \$100,000 to \$200,000, depending on the amount of money they might have in the treasury; that afterwards they passed a law requiring interest to be paid on State deposits, which go into the State Treasury and the benefit should go to the State. Now you are familiar with that?

Mr. Caspell: Yes, I understand that.

Mr. Foster: Now what I am getting at is this--

Mr. Baker (interposing:): That don't apply to the county? The same law don't apply to the counties and cities, does it?

Mr. Foster: No, but the county boards in counties in Illinois, and cities in Illinois, make their arrangements whereby-- in some counties, possibly not all-- a good of them are so poor that they don't have any money; the anticipation of taxes takes it and they have got nothing when the taxes are paid in-- but they do require-- for instance, the town in which I live requires the city treasurer to deposit his money, and the city gets interest on the daily average, daily or monthly deposits for the year. That I am getting at is: You have felt that the city ought to have that profit that comes from its deposits in these banks?

Mr. Caspell: Yes, sir. I feel that way.

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Mr. Foster: And that you have talked to bankers about it, feeling as you did, that the city was losing that much money which they ought to have, and needing it badly?

Mr. Caschel: Yes, sir.

Mr. Foster: But the city, county nor the officials here, have never taken any action directing that you do that?

Mr. Caschel: No, sir.

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Mr. Foster: But there was some sort of an arrangement that they made some years ago in which the banks did some favors for the city, and the city permitted them to have these deposits without interest?

Mr. Caschel: Yes, sir.

Mr. Foster: And that whatever injury is done in this matter to the city, so far as the city has suffered, has been because no arrangements have been made requiring interest on these deposits?

Mr. Caschel: Yes, sir; I would say that; yes, sir. But I want to explain that, that to the best of my recollection the City Council, together with the Mayor, makes an arrangement with the banks for the financing of the city in lieu of deposits that they might have.

Mr. Foster: I understand that was done.

Mr. Caschel: That arrangement has continued in effect now-- after Mr. Gerold's time Mr. Keating was City Treasurer and the same conditions obtained; and under Mr. Thomas, the gentleman that I succeeded, the same conditions obtained. As I said, I felt that some compensation might

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be secured by the city, by an arrangement whereby the deposits would secure a certain amount of revenue, the interest that they were entitled to.

Mr. Foster: To go to the payment of the expenses of the city?

Mr. Caschel: I have started a move in that direction.

Mr. Foster: I think you are very commendable for that action.

Mr. Caschel: I expected to be the first City Treasurer of the city of East St. Louis that ever got interest on a deposit.

Mr. Foster: I think that is the proper thing to do.

Mr. Cooper: Mr. Caschel, can you tell about the average--

Mr. Baker (Interposing:) Before he leaves that, I want to just touch on a matter, if you please. Did I ask you on my examination about any of your dealings in cashing checks or otherwise with private individuals?

Mr. Caschel: Yes, I think that--

Mr. Baker (Interposing:) Outside of your business as City Treasurer.

Mr. Caschel: You say did you ask me any questions about it?

Mr. Baker: Yes.

Mr. Caschel: Well, you said, when I spoke as having had experience in the handling of checks for 15 *or twenty*

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years you said-- you started to tell me I didn't have that experience, and you would prove it by my own statement. Then you started to tell me the time I went in as treasurer. Then you diverted from it, saying that this was city affairs that you were talking about only.

Mr. Baker: And it was only. You understood I was talking about city affairs, and I tried to confine you to city affairs, didn't I?

Mr. Caschel: Well, I made the statement that I had had experience in the handling of checks, handling cash transactions. Then you said to me you would prove that I didn't.

Mr. Baker: Well, you didn't have any experience with city checks until the date that you took office some time in May this year. Isn't that right?

Mr. Caschel: Absolutely, so far as the city checks were concerned.

Mr. Baker: Then I didn't ask you about the mode and manner of your dealing, as agent or otherwise, for other people in receiving money or paying out money for claims, did I?

Mr. Caschel: Not directly; no, sir; but my reply was based upon what I thought you asked, and my reply was on a business basis, outside of the city affairs.

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Mr. Baker: On that, make it clear, so that your testimony may cover the point that undoubtedly will appear from the testimony, that we are driving exclusively as to receiving money as a city or county official.

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Mr. Caschel: Well, for the benefit of the record I will say I didn't understand it when you asked the question.

Mr. Baker: Well then, that makes that plain.

Mr. Cooper: Now, you misunderstood what the Chairman said, and the Chairman misunderstood your reply, and this war, like most other wars, is the result of misunderstanding. That is usually the case.

Now then, Mr. Caschel, can you give approximately the average amount of anticipation warrants out at any time during these months since you have been in office? About how many thousand dollars?

Mr. Caschel: How many anticipation warrants?

Mr. Cooper: The aggregate amount.

Mr. Caschel: I couldn't without <sup>reviewing</sup> ~~reexamining~~ the record. You understand, since this money has been turned over to the city to defray the police and fire funds, it has greatly reduced the anticipation warrants, because all the funds-- all the claims are being paid directly out of it.

Mr. Cooper: Now these banks advance this money and, as you say, finance the city on these anticipation warrants. That is what they advance the money on?

Mr. Caschel: Yes, sir.

Mr. Cooper: That is all of the financing of the city they do, isn't it? That is what you call "financing" the city? They accommodate the city to the amount of the anticipation warrants. That is it.

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Mr. Caschel: Well, for the benefit of the record I will say I didn't understand it when you asked the question.

Mr. Baker: Well then, that makes that plain.

Mr. Cooper: Now, you misunderstood what the Chairman said, and the Chairman misunderstood your reply, and this war, like most other wars, is the result of misunderstanding. That is usually the case.

Now then, Mr. Caschel, can you give approximately the average amount of anticipation warrants out at any time during these months since you have been in office? About how many thousand dollars?

Mr. Caschel: How many anticipation warrants?

Mr. Cooper: The aggregate amount.

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Mr. Caspell: Well, there is a further accommodation with what they call an "assignment".

Mr. Cooper: Well now, just explain what you mean by that.

Mr. Caspell: Well, for example, if a man has \$100 due him by the City, a record is made of assignments, where the man assigns his wages over to the president of this bank, and that assignment is held, subject to the time that any funds will be secured in order to lift that assignment.

Mr. Cooper: Well, now, how much of an additional amount would have to be raised by taxation, so that the city of East St. Louis would have money enough to meet its obligations without paying interest to banks to pay its debts?

Mr. Caspell: Well, I wouldn't like to answer that without analyzing it.

Mr. Cooper: How much interest did the banks get a year, about \$7,000?

Mr. Caspell: The statement I have submitted shows that up to the present time the amount was \$7,925.71.

Mr. Cooper: And they get 5 per cent?

Mr. Caspell: That is May 5, 1917, to October 31.

Mr. Cooper: Well, that is June, July, August, September, October-- five months.

Mr. Caspell: May-- yes, that is correct.

Mr. Cooper: November would be six months-- half a year?

Mr. Caspell: There wouldn't be any November in there yet.



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Mr. Cooper: Well, \$7,000 of interest would be 5 per cent on \$140,000. Don't you think it would be a splendid thing for the city, the financing of its affairs and the general improvement of its financial condition, if they raised money enough so that the City Treasurer could meet the obligations of the city promptly, and not have to have banks advance money and collect interest for the taxpayers to pay year in and year out? Don't you think so?

Mr. Caspell: I think it would be a splendid arrangement.

Mr. Cooper: Of course. The only people that are not interested in having that arrangement made are the banks, aren't they?

Mr. Caspell. In not having it. I wouldn't use the words plural, because--

Mr. Cooper: (Interposing:) Well, "bank"?

Mr. Caspell: One of the banks. I don't know whether-- naturally they would rather have the arrangement the other way; that is very true.

Mr. Cooper: Yes; the banks that get the interest for advancing the money. You have all that money on hand that belongs to the city all the time in that bank, and it advances money and collects five per cent from the taxpayers, whose own money it has in its vaults, and is loaning out that interest; is that so?

Mr. Caspell: Yes, sir.

Mr. Cooper: Well, that bank don't want to give that

up, does it?

Mr. Caspell: No; I shouldn't think so.

Mr. Cooper: But it would be a proper thing and a wise thing, a just thing-- just for the taxpayers and just for the financial reputation of the city-- and this city especially-- to have the arrangement that you just said would be a splendid thing; that is, money enough in the treasury so that you, as treasurer, could meet its obligations at maturity. It would be a splendid thing for the city to have that arrangement brought about, wouldn't it?

Mr. Caspell: Yes, sir. As I said, I expect-- and if we hadn't been in such a turmoil I probably would have made better progress-- I expect to get interest on the money that is on deposit in our banks--

Mr. Cooper: Now the strength of the United States Government arises very largely through the fact that it pays its obligations at maturity. Now if the reputation of a State is that it repudiates its debts or postpones payment of its obligations, as happens sometimes, it is bad for the State and the people in it; isn't it?

Mr. Caspell: Yes, sir.

Mr. Cooper: Just so with a city that keeps dawdling along, taking the money of the taxpayers-- and I think you have done what city treasurers always do, and I am only free to say that you have done what is in accord with the practice everywhere, and it doesn't meet with my condemnation at all if you put it in the bank vaults. But to get

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back, it is just exactly what, if I were in your place in East St. Louis, I would do. I would do it the same day I got the money in East St. Louis.

Mr. Caspell: The day that I have to keep it in the vault in East St. Louis, that is the day I am going to resign as City Treasurer.

Mr. Cooper: Well, you look like a fellow with horse sense. I thought you would just about feel that way. Now it doesn't sound well for the city of St. Louis; it looks as if somebody had hold of it somewhere, when they collect money from the taxpayers, big and little; it goes into the bank's vaults, and the banks ~~advance~~ <sup>loan that</sup> money out at interest and make money on it, and at the same time they finance the city to the extent of advancing money on these anticipation warrants and assignments. That doesn't look very well for East St. Louis, does it, as a business organization?

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Mr. Caspell: No, I agree with you. But as a matter of information-- and perhaps I was not clearly understood when I referred to it before-- you remember I stated that the city employes of the City of East St. Louis were for six months without a dollar, without being paid a cent.

Mr. Cooper: That is true, but is that wise financial management where money is collected by taxation?

Mr. Caspell: I am speaking about how this arrangement got into effect, to the best of my knowledge. It was at that time understood-- the arrangement was put into

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effect with some of the saloon men of the city of East St. Louis-- Mr. Olmstead, I think, was one of the men-- whereby a city employe that had a certain amount of money coming to him would go down there and they would make assignments--

Mr. Cooper (Interposing:) Assign<sup>ed</sup> to the saloon keeper?

Mr. Caspell: Yes, assign<sup>ed</sup> to the saloon-keeper. That is about five years ago.

Mr. Foster: You say assignment, you mean the bill that they might hold, that the city owed, and yet no warrant had been issued?

Mr. Caspell: Well, it was understood that the man would be protected, I presume, or he wouldn't take a chance on that. But these men that were employed by the city for six months received no pay. I think it was a period of six months, and they would go to the saloon keepers and assign their wages over to them.

Mr. Cooper: And they would discount it?

Mr. Caspell: Oh yes.

Mr. Cooper: They never forgot that?

Mr. Caspell: No, I think at one time that was really a campaign issue. I think that was one of the provisions that Mayor Wollman was elected on. He promised to discontinue any assignments to saloon keepers in cases of that kind, and it was discontinued after that. Today the city employes, even though the city pays five per cent interest on it, he don't have to discount his check ~~and~~

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one penny. ~~That's not why~~ He gets the full amount of salary that is due to him.

But I started to say to you that condition existed. These men were without money for six months. The grocery keeper and the hardware merchant and the business man around the city that had bills against the city couldn't be paid. Now they were trying to make some arrangement, some way of paying. They had no money. Now what would you gentlemen have done under that condition? What would you do? I don't know. They went to work and made the best arrangement they could.

Mr. Cooper: Well, if I was the prosecuting officer here I would get after the bondsmen of the men that stole the money out of the treasury.

Mr. Caspell: That was in court, you know, hanging along, but still you had these men to pay.

Mr. Cooper: But it wouldn't hang so long if some men were prosecuted.

Mr. Foster: The fellow, though, would starve to death before he got to the end of the suit.

Mr. Caspell: That is what I was driving at, just as this \$100,000 was raised by the business men.

Mr. Cooper: Well, I think I would have gone to some of these high-minded bankers, who have such philanthropic dispositions that they are willing to finance this city, and I would have gotten that money for these laboring men and poor employes of the city here at a lower rate of interest than they were obliged to pay when they went to

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the saloon-keepers to discount their pay checks.

Mr. Cashel: Well, I believe that the desire to do that was all right, but I don't think you would have met with very much success. Now you have asked the question, and we are all laying our cards right on the table and are being plain about it. Now what could have been done? I wasn't in the City Hall at that time and didn't have anything to do with it, and am mighty glad I didn't, but I have racked my brain a good deal wondering what I could do about it.

Mr. Cooper: How much discount did these saloon keepers charge the city employes?

Mr. Cashel: I don't know. I think as much as 20 per cent.

Mr. Cooper: Haven't you a bank in this town that would have done that for these workmen at less than 20 per cent?

Mr. Cashel: An arrangement was made *by which provided* *that* the workmen didn't have to pay one cent for that. That was the first arrangement that had been made.

Mr. Cooper: Now then, if the city government was not hard in hand with these discounting saloon keepers, why didn't they go to the banks-- the city officials-- and make that arrangement with the bank, so that the poor man shouldn't have had to suffer a 20 per cent discount on his salary?

Mr. Cashel: That is just exactly what Mayor Kollman did.

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Mr. Cooper: But what did just exactly his predecessor do?

Mr. Caspell: Well, I am telling you what they did. I told you about the ten and twenty per cent. Every man until the time of Mayor Vollman permitted this-- at least, I am speaking of Mr. Chamberlain; I am speaking of Mr. Lambert; I am speaking of Mr. Cook. Those conditions existed under their administrations.

Mr. Baker: Those are the mayors?

Mr. Caspell: Yes. But it didn't exist under Mayor Vollman's administration. He stopped it, and the poor man didn't have to discount his check one penny.

Mr. Cooper: I didn't suppose <sup>that</sup> there was anything new could be brought out about East St. Louis financial transactions, but there has been this afternoon something entirely original (laughter).

Mr. Caspell: Well, if I have been able to give you any information, I am mighty glad of it.

Mr. Cooper: You have given us a lot of it. One of the wealthiest municipalities of its size in the United States, with the approval of the city officials, permitted the poorly paid employes of that city-- not only permitted, but forced them practically-- to go to certain saloon-keepers in this town ~~on which~~ to get any money on which to live; and then to suffer a 20 per cent discount from their poor salaries by the saloon men.

Mr. Caspell: Don't misunderstand me to say 20

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per cent, but I have heard-- I never saw one of them, but I have heard it went as high as 20 per cent.

Mr. Cooper: I have heard that too, but before you went on the stand. I have been told that it was all the way from 10 to 20 per cent, and even higher.

Mr. Caspell: That is what I say. Here you are. Your city is financially embarrassed; they haven't got any funds.

Mr. Cooper: Financially embarrassed? It has been robbed.

Mr. Caspell: Yes. This condition existed. Now some one went to work and corrected it. Mayor Vollman corrected it. May be <sup>he</sup> corrected it through another evil, if you say so, but I think it was a God-send to the poor man that was earning his wages daily to try to get his money and be able to get his money. Furthermore, he paid the city twice a month, not every six months, as his predecessors have done. But I think it was a God-send to the man that he could make an arrangement of that kind. Now the arrangement is in effect. I don't know how to bring it up. I don't know how to get away from it and get this interest. If somebody will show me, and I can work it out, that is what I want to do.

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Mr. Cooper: You can't do it alone, but public sentiment ought to be so aroused in this municipality that they would force a change. What it amounts to is this: These employes, poorly paid, suffered a 20 per cent dis-



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count from their meagre salaries in order to get any money on which they and their families could live. That is one thing. Now that situation was improved to the extent of the bank's financing it, as you say, on these anticipation warrants, and charging a very much less rate of interest. That is an improvement to that extent, and yet the evil isn't done away with. It only will be done away with when the city has on hand the money so that you as treasurer can meet its obligations at maturity and stop paying interest to banks. Isn't that so?

Mr. Caspell: That is very correct.

Mr. Baker: Just one question I want to ask you. You stated that if you received money belonging to the city and had to keep it in the city vaults, you would resign the next day. Now why do you make such a statement and what is the matter behind it that makes you feel that way?

Mr. Caspell: Why, as an individual and as an ordinary man I certainly wouldn't want to be responsible to the extent of a couple of hundred thousand dollars at any time under my care, individually. I wouldn't want to deposit this money in the City Hall vault over there, which is an ordinary vault, and isn't any more secure than any vault that you might find in any business man's place. It is an ordinary vault, a fire-proof vault more than anything else, and I don't believe it was anticipated keeping any funds in the City Hall.

Mr. Baker: Do you have a safe?

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Mr. Caspeli: Oh yes, we have a safe.

Mr. Raker: And a vault besides?

Mr. Caspeli: Yes, because, as I say, as a business man, it is a bad policy. It is ridiculous to think that if I had \$500 that I would like to carry that around with me all the time. I think the place for it is in some secure place, in the bank. I would carry enough to last me during the ordinary transactions of business, but to carry any sum around with me-- I think it is ridiculous. I wouldn't want to do it. It amounts to just this: You invite something. Any time that you do anything of that kind you invite somebody to do something. You put a red flag in their face.

Mr. Raker: You mean to say by having a city vault with a safe inside of it, around which building are the city officials, policemen, police headquarters within a few feet; night watchers on this building all the time, as well as day watchers, that by keeping the city funds in a vault of that kind and in East St. Louis, you invite something? Is that right?

Mr. Caspeli: Well, I think that is the conclusion; yes, sir.

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Mr. Cooper: I want to ask you one question. What employes suffered this 20 per cent discount?

Mr. Caspeli: Why, all employes.

Mr. Cooper: The policemen?

Mr. Caspeli: All employes that didn't have enough funds to get by. Bear in mind now, you say 20 per cent

discount again. I have heard that they charged as much as 20 per cent. The exact amount I don't know, and I don't want to be misunderstood as saying that the 20 per cent was exacted.

Mr. Cooper: It would be very apt to be in accordance with the helplessness of the man who comes in to get the money, and the character of the money discounted?

Mr. Caspell: Yes, sir.

Mr. Cooper: Well, what salary did these men get at that time? Some of them \$70 a month, I believe?

Mr. Caspell: The police force of the City of East St. Louis when they were appointed first received \$70 a month. After they worked their six months they got \$75. After they were on a year they got \$80. They were supposed to leave their homes at six o'clock in the morning and report at the station at 7 o'clock in the morning--or at least leave their homes in sufficient time to get to the station and report for roll-call at 7 o'clock, and they were supposed to report at 7 o'clock that evening.

Mr. Cooper: Twelve straight hours?

Mr. Caspell: Yes, sir.

Mr. Cooper: For \$70 a month, and 20 per cent discount would be \$14. They would get the munificent sum of \$56 a month, working twelve hours a day. That is what it amounted to during that time?

Mr. Caspell: Well, that is what they had to contend with.

Mr. Cooper: And eighty dollars a month with a

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discount of 20 per cent would be \$16. They got \$64 a month. That's all.

Mr. Foster: So that under Mayor Vollman this has been corrected and these people have been paid their full amount?

Mr. Caschel: Yes, sir; under the arrangement of the Union Trust & Savings Bank financing the city, all of these evils that I speak of have been corrected-- the discount evils.

Mr. Cooper: But the bank has been getting interest on this money which they have paid for these things all the time?

Mr. Foster: That is true. As I said awhile ago, the 5 per cent is State law, but the evil that Mr. Caschel talked about, that he is trying to correct and collect interest on deposits, he hasn't yet been able to succeed in. That is the injustice to the city of East St. Louis.

Mr. Caschel: I feel that it is, yes, sir.

Mr. Foster: Now if you had the best bank vaults in the United States, if you had the best safe that could be made, do you think it would be the wise, the sensible thing for any man to do to keep all the money belonging to the city in the vault in actual cash?

Mr. Caschel: Emphatically no.

Mr. Foster: What would you think of a man who would do that? Wouldn't you think there was something wrong in his head?

Mr. Caspell: Yes, sir; I would think he was foolish, absolutely foolish. It is such a ridiculous ~~that~~ thing for a man to do a thing of that kind that I couldn't realize any sensible person would do it.

Mr. Cooper: Has this city been the headquarters of yeggmen?

Mr. Caspell: St. Louis has been the headquarters, and they adjourn over here.

Mr. Cooper: This is the headquarters?(laughter)

Mr. Foster: So the fact of the matter is, if every city treasurer in the United States, every State treasurer, every school treasurer, and every other man who handles public funds, even the United States Government, would keep all its funds in its own vaults, that would be an unfortunate thing for the people, wouldn't it?

Mr. Caspell: I believe it ~~was~~ <sup>would</sup>.

Mr. Foster: I should think so. I don't think anybody would maintain such a policy.

Mr. Caspell: Well, just take as an example, the business men don't do it. They get away from it. There isn't a business house in St. Louis or East St. Louis that don't at all times, to my knowledge-- and I have talked with a good representative number of them-- that don't try to keep their cash on hand always to the lowest possible minimum.

Mr. Foster: Of course. Now in reference to assessments made in East St. Louis, does the city of East St. Louis make the assessments in the first instance?

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Mr. Caspell: Does the city make the assessment?

Mr. Foster: I mean the city assessor.

Mr. Caspell: Yes, sir.

Mr. Foster: You have a city assessor who makes the assessments on the property of East St. Louis?

Mr. Caspell: Yes, sir.

Mr. Foster: Outside of these railroads and corporations?

Mr. Caspell: Yes, sir.

Mr. Foster: And then it goes to the county treasurer, doesn't it?

Mr. Caspell: The assessment goes to the County Clerk. The County Clerk spreads the assessment on the books.

Mr. Foster: Now suppose you want to get an increased assessment here, how would you get it?

Mr. Caspell: Well, it is up to the assessor to make it.

Mr. Foster: Do you depend entirely on him?

Mr. Caspell: The county treasurer has it within his power to raise it or decrease it.

Mr. Foster: That is what I am getting at. Suppose he refuses to do it, and even cuts down the assessment. Then what is done if you want to make a further protest as to the way the assessment is made in East St. Louis? You go to the County Board of Review, don't you?

Mr. Caspell: Yes, sir.

Mr. Foster: Appointed by the County Judge and the

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chairman of the board of supervisors?

Mr. Cashel: That is correct.

Mr. Foster: That constitutes-- that body constitutes the Board of Review?

Mr. Cashel: Yes, sir.

Mr. Foster: And their action is final?

Mr. Cashel: Yes, sir.

Mr. Foster: So that they have the right to cut down an assessment, or they have the right to raise an assessment?

Mr. Cashel: Yes, sir.

Mr. Foster: And do you know that many of these assessments in East St. Louis have been cut down from the amount fixed by the assessor after it goes to the county treasurer and the board of review?

Mr. Cashel: Personally I do not, but I have-- the only thing I know of are articles that have appeared in the newspapers from time to time where it was alleged that taxes had been reduced in that way.

Mr. Foster: You don't know about that yourself?

Mr. Cashel: No, sir.

Mr. Foster: Of course I forgot to say, in the assessment also, the State Board of Equalization has a right to equalize an assessment, even after it has gone there?

Mr. Cashel: Yes, sir.

Mr. Foster: But as a rule the County Board fixes it, unless it is done generally over the county. It may be sometimes raised a little or reduced?

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Mr. Cashel: Yes, sir.

Mr. Foster: So that in order to get a proper assessment and secure enough taxes in East St. Louis for the city to properly conduct its business, the price would have to be made first with the assessor, whoever he may be?

Mr. Cashel: Yes, sir.

Mr. Foster: And then to the county treasurer and to the county board of review?

Mr. Cashel: That is correct, yes, sir.

Mr. Foster: Do you know of any effort being made on the part of the citizens of East St. Louis to get a proper assessment? To go before the board of review with the idea of securing an equalized assessment and a raise of the assessments where they thought it was unjust-- too low?

Mr. Cashel: I know that Mayor Kollman and Alderman King-- I think he was perhaps chairman of the Aldermanic Committee-- at one time within the past year endeavored to have the school authorities and the others that were interested in financial conditions cooperate with them with a view of getting an increased assessment.

Mr. Foster: Who is the county treasurer of St. Clair County?

Mr. Cashel: Fred Warning.

Mr. Foster: Do you know anything about the St. Louis Bridge Company being assessed at \$3,500,000 here, and then the board cut that assessment to \$2,500,000? That is this



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half of the bridge on this side.

Mr. Caspell: I saw that in the newspapers. I don't know whether those are correct figures or not.

Mr. Foster: Do you know that the Aluminum Company was assessed by some assessor-- O'Day, I think, is your city assessor?

Mr. Caspell: He was at one time.

Mr. Foster: That he assessed the Aluminum Company at \$699,000, and Treasurer Warming raised it to \$799,000, and the board cut it to \$200,010?

Mr. Caspell: I think that is a fact. I don't know exactly-- I don't know that the figures are exactly correct, but approximately they are.

Mr. Foster: Do you know that the Wiggins' Ferry Company was assessed by your local assessor for \$1,508,470, and it was cut by the board to \$103,245?

Mr. Caspell: Is that the Wiggins or the Terminal?

Mr. Foster: The Wiggins.

Mr. Caspell: Well, either one of them. I remember of reading that also; yes, sir.

Mr. Foster: Do you know that the Malleable Iron Company was assessed by this Mr. O'Day at \$405,000, and it was raised by Mr. Warming to \$519,000, and was cut by the board to \$132,000?

Mr. Caspell: No, I don't. All those are just-- I remember of reading a good deal of it at the time, but I was not in office. I had nothing to do with the transaction. I never had occasion to review the records.

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Mr. Foster: Do you know that the American Steel Foundries was assessed by Mr. O'Day at \$454,000, and was raised by Mr. warning to \$500,000, and was cut by the board to Mr. O'Day's original assessment?

Mr. Caspell: I can't recall that.

861 Mr. Foster: Do you know that the Republic Iron & Steel Company was assessed at \$31,330 and was raised by Mr. warning to \$63,990, and was cut by the board to \$16,788?

Mr. Caspell: I can't recall as to that.

Mr. Foster: Do you recall that the Elliot Frog & Switch was assessed by Mr. O'Day at \$12,290, raised by Mr. warning to \$24,420, and was cut by the board to \$9,000?

Mr. Caspell: No.

Mr. Foster: Do you know that lots owned by the City Water Company were assessed by O'Day at \$6,660, raised by warning to \$19,908, and cut by the board of review to \$3,338?

Mr. Caspell: No, sir.

Mr. Foster: And that these assessments, fixed by the board, will stand for years, of course, as they do in Illinois?

Mr. Caspell: Yes, sir.

Mr. Foster: When you assess real estate, that assessment stands for four years, and so it was quite an item to these corporations to get as low a value fixed as possible, because that would continue during the four years, until another assessment took place. So that

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this assessment, fixed by the board, stands for these four years, and under the changes made by the board the St. Louis Bridge Company will save in taxes in four years \$116,654; the Tiggins Ferry Company \$84,240; the Aluminum Ore Company, \$69,952; the Malleable Iron Company, \$45,148. They will save that in four years. That is all, I believe.

Mr. Cooper: If you had collected all those taxes, or the amount by which they were reduced, you wouldn't have had to pay any interest to the banks, would you, for financing the city?

Mr. Caspell: Certainly not.

Mr. Foster: That is only a few.

Mr. Cooper: You said a moment ago, in reply to a question of the Doctor, that Mayor Nollman consulted the school authorities and others interested in the financial situation. You meant the school board?

Mr. Caspell: Yes, sir; the school directors.

Mr. Cooper: They have been interested in the financial situation for some time, haven't they?

Mr. Caspell: Well, I should think that they were; yes, sir.

Mr. Cooper: When did they lose that \$45,000 out of the school fund?

Mr. Caspell: I don't know whether that was during Le Page's time or not.

Mr. Cooper: How long ago?

Mr. Caspell: I think about three or four years ago.

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Mr. Cooper: Has that been made up?

Mr. Caspell: Not as I know of. You see he is not the treasurer of the East St. Louis district. He is the school treasurer of the outlying district adjacent to us.

Mr. Cooper: Now who represented the city of East St. Louis on this County Board of Equalization?

Mr. Caspell: I don't know, *I don't remember.*

Mr. Cooper: Don't you recall who it was?

Mr. Caspell: When do you have reference to?

Mr. Cooper: When they reduced these taxes this way, and equalized this thing up by cutting everything down, these large corporations, below the amount fixed by the local assessor? Who represented East St. Louis at the time that out was made on those taxes?

Mr. Caspell: I don't know. It was prior to the time that I had anything to do with the City Treasurer's office, and I don't know whether the city had a representative there or not.

Mr. Cooper: The judge appointed somebody, some representative, didn't he, from this city, on that board?

Mr. Caspell: Oh, you are speaking of the members of the board?

Mr. Cooper: Yes.

Mr. Caspell: Well, to the best of my recollection there was a gentleman by the name of Miller on there.

Mr. Cooper: From this city?

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Mr. Cashel: Yes, sir. Swartrauber was one. He was from the southern district. At that time I think he was a member of the county supervisors. I think he was chairman of the board of county supervisors.

Mr. Cooper: Where was this saloon located?

Mr. Cashel: Which saloon?

Mr. Cooper: Swartrauber's.

Mr. Cashel: I didn't understand you.

Mr. Cooper: Well, Mr. Felley this morning said Mr. Swartrauber kept a saloon that the authorities shut up.

Mr. Cashel: I don't know that he did now. I think that must be wrong. Swartrauber lived out of the city of East St. Louis.

Mr. Cooper: That is what he said, at Carondelet.

Mr. Cashel: In East St. Louis I don't think the authorities would permit them--

Mr. Cooper (interposing:) The State officials shut them up. Well, he was chairman of the board that made that out?

Mr. Cashel: Well, he was a member, from the fact that he was chairman of the supervisors, the board of supervisors. I think he was a member of that committee. His position entitled him to that.

Mr. Cooper: And who is Mr. Miller, in this city, who was on that board?

Mr. Cashel: He has a brother by the name of Edward Miller.

Mr. Cooper: Well, that doesn't identify him very

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specially, because I don't know his brother. Who is this Mr. Miller that was on that board?

Mr. Caspell: I don't really know what his business is. I know he is a brother of Edward Miller, if that is what you have reference to, and Edward Miller was at one time secretary to the Congressman from this District.

Mr. Cooper: Well, Mr. Rodenburg's former secretary's brother?

Mr. Caspell: Yes, sir.

Mr. Cooper: Well, you don't know what the business was of this brother of the former secretary, Mr. Miller, who was on this board representing this city?

Mr. Caspell: No, I don't.

Mr. Cooper: Real estate, wasn't it?

Mr. Caspell: I don't want to be positive about that. I believe it is. I see him around real estate offices a good deal.

Mr. Cooper: Do you know how old a man he is?

Mr. Caspell: Oh, I would judge he is a man perhaps between 35 and 40.

Mr. Cooper: Do you know how vigorous a contest was made before that heard against those reductions in taxes?

Mr. Caspell: No.

Mr. Cooper: By a representative of this city or anybody else?

Mr. Caspell: No, I can't say. I don't know that any effort was made.

Mr. Cooper: To stop the reduction?

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Mr. Caspell: No, I don't know whether they knew about it or not.

Mr. Cooper: You mean whether anybody from this city knew about it?

Mr. Caspell: Yes, sir. Here is the idea: If you go before the board of review there are two or three gentlemen assembled there, and if they agree to make a reduction, I presume the fact that the reduction is made don't come out till later on, and perhaps then your chance for protesting is over. Now I don't know that to be the fact, but I think that is so.

Mr. Cooper: Why, when the board is to meet to consider this subject of taxation, with a view of reducing or not reducing assessments, that is a matter of tremendous importance to the taxpayers, and especially to the small taxpayers, and isn't public notice given of that? Isn't the meeting public?

Mr. Caspell: Yes.

Mr. Cooper: With an opportunity for the pros and cons to be submitted and argued?

Mr. Caspell: Yes, sir.

Mr. Cooper: You don't know whether in this particular instance there was a hearing at which East St. Louis was represented?

Mr. Caspell: No, sir.

Mr. Cooper: And a protest made against reduction?

Mr. Caspell: No, sir. As I said, that was three or four years ago, and I was pretty busy, and I didn't

bother with it.

Mr. Cooper: Well, but this valuation continues for four years?

Mr. Caspell: Yes, sir.

Mr. Cooper: What was the reason given for that great reduction in those amounts, do you know?

Mr. Caspell: No, sir. At that time I believe it was an understood fact that there were attorneys around here that were being hired to fight the cases-- that is, to take it up with the boards to get the reductions.

Mr. Cooper: A witness on the stand this morning, one of the city officials, Mr. Welley, said that the chairman of that board, Mr. Swaztrauber, said at the meeting that the poor property owners here were under-assessed, but that the big interests were over-assessed, and so they made these reductions. The small property owners didn't have any lawyers to appear before that board, did they?

Mr. Caspell: I never heard of any.

Mr. Cooper: You say the big ones did?

Mr. Caspell: I heard of it; yes, sir. I couldn't specifically point out any particular large factory that had any attorney hired, but I heard of it.

Mr. Baker: Was there any particular interest involved that brought about this reduction in the assessment that you heard of?

Mr. Caspell: It was common gossip around town, at that time, you know, that there were certain attorneys hired



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for the purpose of fighting their assessments. It was just generally understood, and I can't recall who it was, but I know there were a lot of attorneys around town.

Mr. Cooper: And if these assessments had been allowed to stand, or if the reduction hadn't been so great, there was the possibility of collecting by legitimate taxation enough money, so that if put into the city treasury, you could have paid these obligations when they were due and put a stop to the payment of interest to the banks. Is that so?

Mr. Caspell: Yes, sir. Not only that; you could have done a great many more things; repaired streets, but them into some kind of shape. You could have at least maintained a little higher standard for the city than she has at the present time.

Mr. Cooper: Now, Mr. Treasurer, there isn't any doubt at all, is there, that what this city needs is an enforcement of law and order; it needs a fair equalization of taxes-- first, a fair assessment, then a collection of them? Isn't that so?

Mr. Caspell: All of those things are essential.

Mr. Cooper: All of those things are essential. They are vital, aren't they, to the future welfare of this community?

Mr. Caspell: Yes, sir.

Mr. Cooper: If it is to be what it ought to be, a great, successful manufacturing center. Isn't that so?

Mr. Caspell: Yes, sir.

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Mr. Foster: I just want to ask one or two questions. When these reductions were made in these corporations, which saved them several hundred thousand dollars, how long was it till the people of East St. Louis woke up to the fact that they had been reduced for four years? How long was it till it was published?

Mr. Caspell: I don't know, but to my mind it was some time before it was generally known. I didn't know it was when the reductions were going on.

Mr. Foster: It was several months, wasn't it?

Mr. Caspell: Yes, to the best of my recollection, after it was practically all over I heard about it--

Mr. Foster: So that they didn't publish it?

Mr. Caspell: Had I been downtown around the City Hall or around the board of review, probably I would have been familiar with that, but my duty didn't call me around there.

Mr. Foster: You think you probably would have heard of it if they had been increased, don't you?

Mr. Caspell: Well, I guess that is a fact.

Mr. Foster: Usually that is the case. But having it reduced, it wasn't it to the interest of these corporations to have it published to the people of East St. Louis at all, if they could help it?

Mr. Caspell: No, that is very true.

Mr. Foster: That's all.

Mr. Baker: Is there anyone who could have manipulated that? Is it claimed that anyone manipulated that situation

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so as to keep the notices from being published?

Mr. Caspell: I don't claim that.

Mr. Foster: They are not required to publish it.

Mr. Raker: You didn't hear of anything of that kind?

Mr. Caspell: No.

Mr. Raker: That is all, so far as I am concerned.

Mr. Caspell: Now, gentlemen, what are you going to do with this record (indicating record from the City Treasurer's office)?

Mr. Raker: I think we don't want it.

Mr. Cooper: I read some extracts from it.

Mr. Caspell: It is the only thing we have, and we ought to have it.

Mr. Raker: That is an original document, and we don't want to keep that.

The Committee will not meet tomorrow, and we will take a recess now until Wednesday, at 10 o'clock a.m.

(Thereupon, at 5:05 p.m., the Committee adjourned until 10 o'clock a.m., Wednesday, November 7, 1917.)