

arms and ammunition from New York for the Constitutionalists, discharged its cargo at Tampico on the 11th. General Natera attacked the Federals at Zacatecas, but was repulsed with heavy losses. General Villa will go to Zacatecas as soon as possible with his army. As he will have 32,000 men in his command, he will endeavor to take the city and cut off the retreat of the Federal army. Mazatlan, on the west coast, though hard pressed from a long siege and repeated assaults and bombardments, continues to hold out against the Constitutionalists. The military governor of the city, in response to a large delegation of starving women, has issued an order permitting non-combatants to leave the city.



Ring Challenges Opponents.

The following challenge to debate the merits of the Houston plan of taxation has been issued by H. F. Ring of Houston under date of June 11:

Under the Houston, Texas, plan of taxation which has been in force here for three years land is assessed at 70 per cent of its value and building improvements and merchants' stocks at 25 per cent. Nothing else except the franchise value of public service corporations appears on the assessment rolls. Personal property of every other description, including so-called "credits," is ignored. Nine-tenths or more of the taxpayers favor the plan. A few large owners of vacant lots have organized the so-called Harris County Taxpayers' Association and are threatening to apply to the courts.

I hereby challenge the Harris County Taxpayers' Association, individually and collectively, to a newspaper debate, articles to be limited to 500 words each. I lay down and stand ready to prove the following propositions regarding the Houston plan of taxation, most of which are self evident.

It lessens taxes on a majority of homes in Houston, for as to the majority, the improvement values exceed the land values. It will also ultimately lessen office rent and the rent of stores and dwellings, if it is not already doing it.

In the long run, the exemption in whole or in part of building improvements from taxation will neither benefit nor injure the owners of office buildings, apartment houses and dwellings for rent. The saving to them in taxes will be offset by the reduction in rents caused by increased competition among landlords resulting from an increased number of buildings to rent, for the Houston plan greatly stimulates the construction of such buildings. Ultimately it benefits renters only, and not landlords.

It makes Houston famous all over the country. It advertises the city favorably as a place where capital may be used in the employment of labor in factories and stores without being fined by onerous and annoying taxation. It acts as a perpetual bonus, attractive to all enterprises which tend to make a city great and prosperous.

While the Singletax idea carried to its logical conclusion would, of course, ultimately impair land values, its partial and moderate application as now applied by Pastoriza will greatly enhance land values in Houston, because it accelerates the growth of the

city. It will be time enough for owners of unimproved and but partially improved land to appeal to the courts when Pastoriza attempts to so raise the tax on land values as really to depress the price of land.

To tax property according to the constitution and laws of Texas is utterly impossible. A tax on personal property catches the poor man all right. He has so little he can only hide a small percentage of it. Not so, however, as to the rich man. The most drastic laws ever framed have failed to put 5 per cent of a millionaire's personalty on the assessment rolls. The man unwilling to pay a far greater tax in proportion to his wealth than his neighbor is compelled in self-defense to commit perjury every time he lists for taxation his personal property and credits and swears to his assessment rolls. A serious and determined effort to tax credits and personalty with anything like uniform impartiality, including bank deposits and money loaned by banks and individuals as the constitution and laws require, would greatly increase interest rates, result in the withdrawal of bank deposits, bring ruin and destruction upon any community attempting it, and cause three-fourths of its taxpayers to be sent to the penitentiary for false swearing.

To kick up a row in the courts in connection with the matter as it now stands would be suicidal. To cast doubt upon the validity of the Houston tax rolls by an effort of that kind would lead to chaos and confusion highly detrimental to the growth of the city. It would kill the goose which under the present plan will continue to lay golden eggs for Houston real estate owners if let alone.

Taxes on things produced by human labor are passed on to the user or consumer and increase living expenses; taxes levied on land values, which are the gifts of nature, cannot be shifted, and tend to reduce the cost of living.

[See current volume, page 563.]



Tax Reform News.

The Cleveland Singletax Club has addressed a communication to the Municipal Finance Committee of the Chamber of Commerce, which is considering the constitutional amendments proposed by the Ohio Tax League and by the State Board of Commerce. The letter, signed by Henry P. Boynton, president, speaks concerning the propositions as follows:

The Ohio Tax League Proposal: This proposal, while apparently not drawn or initiated with due care, has the merit of giving the legislature broad powers to exempt from taxation such classes of property as it sees fit. This would break down the uniform rule which is the chief obstacle to tax progress in Ohio.

The Ohio State Board of Commerce Proposal: Two emphatic criticisms are registered against this proposal. 1. The proposed ordinary limit of the tax rate, one per cent, is so low that it precludes the untaxing of industry and will probably necessitate an even greater burden upon intangible personalty than is now levied. Quite aside from the question of the moral right to tax industry, it seems

clear to us that stocks, bonds, etc., are not wealth, and that their taxation is double taxation. 2. The classification proposed is not a natural classification. The substantial difference between land and buildings (here classed together as real estate) is much greater than the difference between buildings and tangible personalty and no rational classification can overlook the distinction between property created by labor and that not created by labor. The untaxing of industry is thus precluded. This proposal gives no substantial relief from the rigidity of Ohio's constitutional tax provisions and such changes as it proposes will do more harm than good.

We believe it to be obvious, and experiment elsewhere supports the conclusion, that nothing can so attract industry as perpetual freedom from taxation of anything but its site, and that nothing can prove such an incentive to production of wealth as the diversion into the channels of industry of wealth now paid and received in the barter for site privilege.

[See current volume, page 394.]



Labor Riot in Butte.

Two thousand miners who had seceded from the local union of the Western Federation of Miners at Butte, Montana, attacked the headquarters of the union on June 13, took away the safe and either overpowered or overawed the police. The residence of one of the union officials was dynamited. The rioters are said to be I. W. W. members who left the Western Federation on account of heavy strike assessments which for some months past have been levied on members. On June 15, Governor Stewart of Montana, sent a message to President Wilson seeking information as to the possibility of securing federal troops should they be wanted.



Balkan Rumbblings.

A renewal of hostilities between Turkey and Greece seems imminent. Turkey, smarting under her recent defeat, and with covetous eyes on Saloniki and her lost islands of the Aegean Sea, is apparently engaged in driving all Greeks from her dominions. Greece protests against this treatment of her citizens; and the relations between the two countries are strained to the breaking point. Americans are interested by the proposal of Secretary of the Navy Daniels to sell to Greece two of our old battleships, the Idaho and the Mississippi. The price agreed upon for the two ships is \$12,000,000 with which it is proposed to build one first class battleship. The Senate has agreed to the sale, and the matter is now before the House. Turkey protests against the sale. [See vol. xvi, pp. 973, 997.]



Labor Trouble in Italy.

The general strike which began in Italy on the 8th soon led to rioting in various parts of the country. Clashes with the soldiery resulted in

several deaths, and numerous woundings. The leaders on the 11th declared the strike ended, but the populace had become so inflamed that the supreme directorate of the Socialist party at Rome assumed the responsibility for the strike. The trouble is confined mainly to the towns and provinces along the northwest shore of the Adriatic Sea. The rural communities around Ancona, where communication with the outside world was cut off, a red flag was raised and the Italian Republic proclaimed. The appearance of the troops and the resumption of communications have served to restore order and to awaken the peasantry from their dream. Fourteen churches have been burned, trains have been stoned, tracks torn up, and telegraph wires cut.



English Affairs.

The Plural Voting bill, introduced in the Commons in April, 1913, and rejected by the Lords, by a majority of 124, was again passed by the Commons on the 15th by a vote of 320 to 242. This bill provides for "one man, one vote," instead of the present law, which allows a man to vote in as many places as he has residences and tax-paying qualifications. Since most of the plural voters are in the Tory party the Lords are likely to continue their opposition until the bill carries under the Parliament Act. [See current volume, page 734.]



Peace reigns in Ireland, but there is a welter of talk. Ulstermen declare they never will take orders from Dublin, and the Nationalists, with equal fervor, stand for a united Ireland. Heretofore Ulster has basked in the limelight because of its bold defiance of the Liberal party, and its spectacular volunteer troops. But of late the Nationalist volunteer troops have become active in their organizations. So long as Home Rule was making headway in Parliament the Nationalist volunteers were kept as much as possible in the background, for fear of adverse effect upon England; but now that affairs approach the point where Ulstermen declare they will fight rather than submit to Parliament, the Irish volunteers have assumed their former activity. [See current volume, page 565.]



Premier Asquith continues his overtures of peaceful settlement, going so far as to promise on the 11th to introduce his amending bill offering concessions to Ulster, before the Lords have acted on the Home Rule bill. The Home Rule bill cannot be amended by the Lords, but the amending bill will be open to their amendments and is likely to express, when returned to the Commons, the full demands of Ulster. These will be rejected by the Irish members of Parliament, and opportunity will then be given for a final compromise. The