The Public

commensurate power to collect taxes when imposed.

Hence, if a State system of taxation is right, State appointed assessors are not only right but necessary. State appointed assessors for local political subdivisions is undemocratic. But why? Only because the uniform system of taxation is undemocratic. This has long been recognized. The New York special tax commission reporting in 1907 said of the general property tax: "Such a method of collecting revenue would be a serious menace to democratic institutions, were it not so generally a howling farce."

The Tax Commission in New Hampshire in 1876 after recognizing the inefficiency of the existing laws for the taxation of personal property and "their corrupting and demoralizing influence" frankly admit that they are unable to frame any law to which a free people would submit or should be asked to submit that will bring this class of property under actual assessment more effectually than it now is."

Thomas Jefferson complained that those taxes covering our land with officers, and opening our doors to their intrusions, had already begun that process of domiciliary vexation which, once entered, is scarcely to be restrained from reaching successively every article of produce and property.

But is the Warnes law succeeding in "bringing out personality"? This year to some extent, yes, but in the big cities far below expectation, and the big cities and large school districts are facing bankruptcy. By next tax collection day it will be found that personal property is as mobile as ever. Just to the degree that such a law is a "success" it will be a "failure." Just to the extent that a law might uncover personal property if in the State, just to that extent will that property not be in the State.

"The assumption," said David A. Wells, "that it is necessary to assess everything in order to tax equitably involves an impossibility, and therefore unavoidable inequality, injustice and inequality in administration."

Governor Cox is really doing a great public service in trying to assess the general property tax for the surest way to repeal a bad tax system, as of any other bad law, is to enforce it. It is the grossest hypocrisy to in one breath praise the rigid State system of prescribing the subject matter and the rate of taxation and in the next breath condemn the only machinery that can by any possibility administer that prerogative system.

Home rule in taxation means not merely the local selection of tax administrators but local selection of the kinds of property to be assessed and taxed and also the local fixing of the rates of taxation.

ALFRED H. HENDERSON.

INCIDENTAL SUGGESTIONS

STATE CONTROL VERSUS HOME RULE.

Nisswa, Minnesota, June 27.

State control of utilities in Wisconsin has "set back" the former legal position of cities and towns in dealing with these local problems, and merely delays and complicates their solution. Now I propose to ask—

1. What is the attitude of the commission toward its place in government?
2. Is it infallible in either science or ethics?
3. Is state regulation desirable, even though true to label?

In the first place the attitude of the commission is that of a dictator. At every session of the Wisconsin legislature it seeks, directly or indirectly, to add to its own power, although already so overburdened with powers, big and little, that it must assign important decisions to individual members.

Thomas Jefferson complained that those taxes covering our land with officers, and opening our doors to their intrusions, had already begun that process of domiciliary vexation which, once entered, is scarcely to be restrained from reaching successively every article of produce and property.

But is the Warnes law succeeding in "bringing out personality"? This year to some extent, yes, but in the big cities far below expectation, and the big cities and large school districts are facing bankruptcy. By next tax collection day it will be found that personal property is as mobile as ever. Just to the degree that such a law is a "success" it will be a "failure." Just to the extent that a law might uncover personal property if in the State, just to that extent will that property not be in the State.

"The assumption," said David A. Wells, "that it is necessary to assess everything in order to tax equitably involves an impossibility, and therefore unavoidable inequality, injustice and inequality in administration."

Governor Cox is really doing a great public service in trying to assess the general property tax for the surest way to repeal a bad tax system, as of any other bad law, is to enforce it. It is the grossest hypocrisy to in one breath praise the rigid State system of prescribing the subject matter and the rate of taxation and in the next breath condemn the only machinery that can by any possibility administer that prerogative system.

Home rule in taxation means not merely the local selection of tax administrators but local selection of the kinds of property to be assessed and taxed and also the local fixing of the rates of taxation.

ALFRED H. HENDERSON.

In the first place the attitude of the commission is that of a dictator. At every session of the Wisconsin legislature it seeks, directly or indirectly, to add to its own power, although already so overburdened with powers, big and little, that it must assign important decisions to individual members.

And for the same reason it is jealous of outside initiative. It has an itch for petty interference. Even after it has rendered a decision which it may not enforce, it doesn't want the individual to be given the right to take enforcement into his own hands. Again it not only applies the rules of utility-regulation, but makes the rules too—instead of insisting that the legislature do that, as it should. And it invariably shows a self-righteous spirit, taking credit that belongs partly to others and hiding the new financial burdens which it is saddling on the state and its communities. And finally it goes out of its way to discredit views opposed to its own, even sending its men out of Wisconsin virtually to propagandize in other states.

Now if its decisions were invariably accurate and fair, they would at least offer better excuse for this dictatorship under men appointed, not elected, and that for long terms. But the actual fact is that these decisions are by no means unimpeachable, either as to their science or ethics. Engineers of equal standing and ability have taken strong issue with some of their technical findings. And thinking men all over the state protest vigorously against their arbitrary ideas of justice. The old limited charters, for instance, did not promise that the income which a company might develop beyond the expiration of the expiration should continue indefinitely afterward. Part of that later income may be regarded as making up for early losses or small returns, and as therefore abnormal. But the commission ordains that such losses, real or alleged, must come out of future buyers (e. g. the cities) instead of from income developed before the expiration of old franchises. It thus relieves corporations of risks voluntarily assumed in past days, thus sometimes capitalizing stupidity and bad judgment as well as bad luck. Throwing all this protection around utilities and making them such inevitable "sure things," we should suppose the commission would stop there. But no, it also capitalizes the exact opposite of stupidity, namely, "superior foresight." Heads I win, tails you lose.

And it protects them not only with income and valuations they were never promised, but also sometimes by granting immunity from competition which they were never promised. Antiquated electric plants have profited especially by this high-handed policy, which is not only questionable morally, but has a pernicious influence in holding back the conservation of Wisconsin water-power. And the same brand of ethics has shown up too in the gross exaggeration of certain items of cost (e. g. paving

ALFRED H. HENDERSON.
over mains that were never disturbed) in making valuations. But perhaps this is enough to show that commissions, no matter how smug, complacent and cocksure in their attitude, are of the same clay and the same infirmities as the rest of us. Yet if anyone still believes its judgments to be infallible let me remind him that it has disproved that claim by reversing itself within a short time on several occasions. The Wisconsin supreme court has also done some reversing, although sparingly.

But even though the commission were what its advocates claim, unambitious and all-wise and unerringly just, the question remains, is that kind of government in harmony with the ideals of American democracy? Emphatically no! We don't believe the Superman exists and we don't want to wither under his benedict wings if he does. We don't want to be saved from above—we can't. Conscience is not the monopoly of "experts." Let them report on facts and we'll do the rest. Popular rule (and municipal Home Rule) may make mistakes, but thathoists nothing—for paternalism makes more. Self-government does develop citizenship; "Regulation" kills it. The contracts clause of the Constitution protects these utilities against "the passing whims of the mob." But don't try to chloroform it; that won't work. It isn't working in Wisconsin. The public is probably more restless over utilities issues there than ever before. Instead of settling everything all nice and lovely the commission has simply added one more source of irritation; that is about all.

Now let us consider:

Isthe experience of Wisconsin with "Regulations" typical of that in most other states which have tried it? What guarantee can be offered that it will give any more genuine or permanent satisfaction elsewhere than it has in Wisconsin?

Do we want more understudies to the misnamed National Civic Federation, and more state training schools for utility employees, to get footholds in other states?

F. F. ANDERSON.

NEWS NARRATIVE

The figures in brackets at the ends of paragraphs refer to volumes and pages of The Public for earlier information on the same subject.

Week ending Tuesday, July 28, 1914.

Europe Under Arms.

Austria on the 23d sent an ultimatum to Servia, giving that country forty-eight hours in which to disclaim all responsibility for the assassination of Archduke Ferdinand. The Austrian note demanded punishment of all accomplices of the assassins, the suppression of all societies that have fomented rebellion in Bosnia, and the official disavowal of any connection with the anti-Austrian propaganda. The note even specified the terms of the apology. The Servian government must publish on the front page of its official journal a long formal declaration, condemning the subversive propaganda, deploring its fatal consequences, regretting the participation of Servian officers, repudiating any further interference with Austro-Hungarian interests, and warning all Servian officers and functionaries and the whole Servian population that rigorous proceedings will be taken in the future against any persons guilty of such machinations. The declaration must also be officially proclaimed to the Servian army. [See current volume, page 713.]

This was taken by the nations of Europe to be the climax in the Pan-Slavic movement, of which Russia is the head, and the Balkan states, the disturbing members. Russia is supposed to be backing Servia, while Germany supports Austria. And back of these stand Italy's alliance with Austria and Germany, and France's alliance with Russia. England stands somewhat aloof, but is thought to incline toward Russia rather than toward Germany.

Servia's reply to Austria on the 25th, after the Austrian Government had refused an extension of time, was considered unsatisfactory. Servia expressed a willingness to punish those concerned in the assassination of the heir to the Austrian throne, and to do everything in the matter that a civilized state could do without permitting an infringement of its sovereignty. The other demands could not, it was claimed by Servia, be disposed of on such short notice.

Strict censorship is exercised by Russia and Austria over all military matters, but mobilization of armies in both countries is reported to be in progress. Austria gave the Servian minister his passports on the 26th, and issued a formal declaration of war on the 28th. The Russian ambassador at Vienna will take charge of Servian interests. Reports state that Austrian troops have invaded Servia at Mitrovica, fifty miles northwest of Belgrade. Other unconfirmed reports are that the Servians have blown up the bridge across the Danube at Belgrade and that there has been fighting on steamers in the river.

Sir Edward Grey, the British Secretary of State for Foreign Affairs, announced in Parliament on the 27th that he had asked Germany, France and Italy to confer with Great Britain through their ambassadors in London with a view to arranging the difficulties between Austria and Russia. The German government on the 28th returned an unfavorable reply to the Secretary's invitation, and made the counter suggestion that negotiations for