

INCIDENTAL SUGGESTIONS

TAXATION IN CALIFORNIA.

San Diego, Calif, August 1.

Section 1. Article XIII of the constitution of the State of California reads in part as follows: All property in the State, not exempt under the laws of the United States, shall be taxed in proportion to its value, to be ascertained as provided by law. The word "property," as used in this article and section, is hereby declared to include moneys, credits, bonds, stocks, dues, franchises, and all other matters and things, real, personal and mixed, capable of private ownership.

No assessor in the State dare, even though he could, enforce the clear provision of the constitution. In the year 1913 the total money and solvent credits in the state, returned for taxation, amounted to \$34,620,769, or about \$14.50 per capita. The deposits of the banks of Los Angeles alone are over \$80,000,000! Many counties show less than \$2 per capita money and credits. Every taxpayer is required to make oath that he has rendered a true statement of his property, and that he has concealed nothing. In the face of the returns but one conclusion is possible—some taxpayers have lied. Of course they have lied—few would deny it, and if money and credits could be taxed successfully, and the law of California was enforced, money would be driven out of the State, and business would be paralyzed.

When a State has a fundamental law, which would bankrupt its citizens, if enforced, it is time to make a change. How can that change be made? By adopting Amendment No. 7, providing for Home Rule, or Local Option in taxation. Then any city, town or county in California may do some needed experimenting without involving the rest of the State. Wherever the people understand this proposed amendment they are for it. In this connection it is interesting to note that the assessed land values of Los Angeles, Alameda and San Francisco counties, with a combined area of 4,842 square miles, is \$855,160,780, or \$51,114,997 more than the assessed value of the rest of the lands of the State, consisting of 150,810 square miles. The assessed value of the personal property in the three counties named is \$143,271,440, or \$14,805,783 less than the rest of the State, proving conclusively that personal property escapes taxation in the large cities. The three counties named contain the cities of San Francisco, Oakland, Alameda and Los Angeles.

Section 2, of Article XIII, of the California constitution provides that cultivated and uncultivated land of the same quality, and similarly situated, shall be assessed at the same value.

Section 2, of Article XVII, provides that the holding of large tracts of land, uncultivated and unimproved by individuals or corporations, is against the public interest, and should be discouraged by all means not inconsistent with the rights of private property.

R. E. CHADWICK.

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, August 11, 1914.

The European War.

On Friday, July 31, all Europe was shouldering arms. On Tuesday, August 11, only two short weeks after Austria-Hungary declared war on Serbia, the five great Powers were actually on the battle-field. To the east, Germany and Austria-Hungary had declared war on Russia. In the west, Great Britain and France, besides Belgium, were warring against Germany, and France was formally arrayed against Austria. [See current volume, page 753.]

Germany.

On the 26th of July Russia had told Germany through her Ambassador that Russia would not be able to remain indifferent if Serbia were invaded. On the 28th, while Russia and the Austrian ambassadors were negotiating to "localize" the Austrian-Servian conflict, Germany refused Great Britain's proposal that France, Italy, Great Britain and Germany should enter into a council of peace to mediate between Russia and Austria, stating as her reason—it was reported—that Austria and Russia were now in communication and that it would be unwarrantable interference. An official communication published in the North German Gazette stated that the Russian emperor, on July 29, telegraphed to Emperor William urgently requesting him to help in averting the misfortune of a European war and to try to restrain his ally, Austria-Hungary, from going too far; that Emperor William replied that he would willingly take up the task of mediator, and accordingly diplomatic action was initiated in Vienna; that while this was in progress the news that Russia was mobilizing reached Berlin and Emperor William telegraphed to the Emperor of Russia that his role as mediator was by this endangered, if not made impossible. The communication added that a decision was to have been taken in Vienna that day in regard to the mediation proposals in which Great Britain had joined Germany, but that meanwhile Russia had ordered the full mobilization of her forces. Upon this Emperor William addressed a last telegram to Emperor Nicholas emphatically declaring that his own responsibility for the safety of the German Empire had forced him to take defensive measures. On July 31 the Kaiser sent to the Russian Minister of Foreign Affairs a twenty-