and the conservative portion of it shakes its head dubiously and says, "Why should such things be?" and "What are we coming to?"

They don't seem to realize that the Socialist vote is not the result, as they like to suppose, of the work of "agitators and demagogues," but a result of conditions that fill the municipal lodging houses with thousands of homeless and penniless men.

Truly saith that arch-humorist, George Bernard Shaw: "How meaningless are our observations if we haven't the right thread to string them on."

GRACE ISABEL COLBRON.

EDITORIAL CORRESPONDENCE

MUNICIPAL HOUSEKEEPING IN WINNIPEG.

Winnipeg, January 10, 1912.

We, the citizens of Winnipeg, are now in possession of our own hydro-electric power. The current from the city's power plant (see The Public, vol. ix, p. 749; vol. x, p. 898) was first "turned on" on the 16th of October, 1911, being immediately put to use in lighting the streets, and shortly after, in lighting private buildings, as well as those belonging to the city. The plant is now in full operation, and installations for private lighting and power are now taking place. Some delay in this was caused by attempts of the city Executive to repudiate the rates fixed by the city's "power prospectus," previously issued, by raising them; but agitation carried on by the honest newspapers and citizens, as well as the approach of the civic elections, compelled the abandonment of those attempts. So, it has come about that we are now enjoying electric lighting at one-third its usual price to us.

For, no sooner had the city announced its rates than the Winnipeg Electric Railway Company—which hitherto has had a monopoly on our lights, both gas and electric, and our power—mailed a "special announcement re electric lighting rates" to its "customers," saying: "The Winnipeg Electric Railway Company wish to announce that on meter readings taken on and after the 5th of December, 1911, the rate for electric lighting will be precisely the same as that decided upon by the City Council, namely 3½c per kw.-hour, with 10 per cent discount for prompt payment within ten days from date of bill, thus making the rate 3c net per kw.-hour, with a monthly minimum charge of 50c."

When it is remembered that up to the present the company has been charging its customers at the rate of 10 cents per kilowatt-hour (kw.-hour) this reduction is enormous.

Think of having your monthly bill of $5.38 suddenly reduced to $1.63! That is one case. And the same proportion in larger and smaller amounts maintains throughout this happy community of light consumers.

Although—partly owing to the delay caused by the attempts to raise the rates—the installation of the city's lights comes upon a time when lights are much needed and all are not willing to swap masters in the lighting business, and although the electric company is stooping to conquer by lowering its rates below what has been maintained as profitable, yet all public-spirited citizens feel that, by installing the city current in their houses they are assisting in an undertaking in which they themselves are the stockholders; an undertaking, it may be added, which—as shown above, and indirectly confessed by the company's announcement—has relieved them of a certain amount of monopolistic oppression.

PAUL M. CLEMENS.

WASHINGTON'S CONSTITUTION AND THE SINGLE TAX.

Snohomish, Wash.

Anyone acquainted with the people of the State of Washington, and with the people of the Eastern States during the last decade of the nineteenth century, must have been struck with the marked difference in political thought existing in Washington and the older communities at that time. The democracy and social equality which seems always to exist in a new community, doubtless was the cause of the very progressive thought which pervaded the State of Washington at the time of its admission to the Union. Every community in the State had its little crowd of thinkers, all of whom who were not Socialists were Singletaxers.

Accordingly, when the Constitutional convention met in the Territorial capitol the following was adopted:

Art. 7, Sec. 2. Taxation-Uniformity and Equality-Exemption.—The legislature shall provide by law a uniform and equal rate of assessment and taxation on all property in the State, according to its value in money, and shall prescribe such regulations by general law as shall secure a just valuation for taxation of all property, so that every person and corporation shall pay a tax in proportion to the value of his, her or its property. Provided, that a deduction of debts from credits may be authorized: Provided, further, that the property of the United States, and of the State, counties, school districts, and other municipal corporations,, and SUCH OTHER property as the legislature may by general laws provide, shall be exempt from taxation.

This provision became a part of the Constitution of the State of Washington.

It seemed plain from this that any class of property which a legislature might by general law exempt, would be exempt from taxation. And one of the first laws enacted by the State legislature was a law exempting household goods and other personal property to the amount of $300. No one questioned this law, and property was exempt from taxation under it until the year 1897. In that year the Fusion legislature, in which was a large element of Singletaxers, passed an Act relating to revenue and taxation from which the following is taken:

Section 5. All property described in this section, to the extent herein limited, shall be exempt from taxation, that is to say: . . . (5) All fruit trees, except nursery stock, for four years after being transplanted from the nursery into the orchard. (6) The personal

property of each person liable to assessment and taxation under the provisions of this act of which such individual is the actual and bona fide owner, to an amount not exceeding $500.00. . . . (8) The improvements in and upon land of each person liable to assessment and taxation under the provisions of this act, of which such individual is the actual and bona fide owner, to an amount not exceeding $500.00, etc.

This law (partly because of its Singletax tendency but more because it was passed by a Populist legislature) was at once subjected to violent attack. Reputable and conservative men seriously said: "If this exemption is allowed, where will we get our taxes? The country will be bankrupt," etc.

The matter was taken into the courts, the title of the case being State ex Rel Chamberlain vs. Daniel, 17 Wash. 111. The opponents of the law argued that the expression, "such other," in the section of the Constitution above quoted, referred to property of the United States, and of States, etc.; while its proponents pointed out that this interpretation was impossible, inasmuch as the clause "other municipal corporations" was included in that class. They also argued that if it had been the intent of the Constitutional Convention to restrict exemptions by the legislature to government, State and municipal property, the phrase should have read "other such" instead of "such other."

The Supreme Court decided against the law. The actual grounds upon which the decision was based are stated in this quotation taken from the decision:

Mr. Sutherland in his work on statutory construction, paragraph 238, says: "When the meaning of a statute is clear, and its provisions are susceptible of but one interpretation, that sense must be accepted by law. Its consequences, if evil, can only be avoided by a change of the law itself, to be effected by the legislature and not by judicial construction." And this is no doubt the general rule.

Quoting further from the same work in statutory construction, the Court continued:

"But an interpretation of a statute which must lead to consequences which are mischievous and absurd is inadmissible, if the statute is susceptible to another interpretation by which such consequences can be avoided."

The Court thereupon decided that under Article VII, Section 2 of the Constitution, first above quoted, no property could be exempt from taxation except that of the United States, the State of Washington, and the counties, cities and other municipal corporations.

The decision was, at the time, regarded as political. At any rate, it had disastrous effects upon the political fortunes of the Democratic-Populist fusionists. The poorer class of people, who had listed personal property and improvements carelessly, relying upon the exemptions, were in some cases forced to pay as much as $50 in extra taxes. And the Fusion forces, being generally in power, were bitterly blamed.

The personnel of the State Supreme Court is now entirely changed, and is regarded as somewhat higher than that of the Court which rendered the decision in the case above referred to. The majority of that Court, however, were entirely sincere. They did not understand the philosophy of taxation. Public sentiment was against the exemption of personal property and improvements on real property from taxation; as was shown by the vote in 1908 on the so-called Singletax amendments allowing local option in taxation. And the more wealthy and substantial class was against everything emanating from the "Pop" legislature. The Court undoubtedly felt, and had a right to think, that its decision was popular.

But times have changed. In State ex rel Wolfe vs. Parmenter, 50 Washington 177, a recent case, our Supreme Court has rendered a decision which shows some progress in taxation-thought on the part of that body. The subject of the suit decided in this case is the taxation of credits, and in a somewhat lengthy opinion the Court says:

The great and principal subject treated in the section (Section 2 of Article 7 of the Constitution) is that of uniformity and equality of taxation. It overshadows everything else and whatever else is mentioned in the section is merely incidental to the main subject. . . . It may be stated in this connection as a matter of common knowledge, that one of the most fruitful sources of inequality in taxation is the attempt to tax credits. Laws for that purpose can never be effectively enforced. Efforts to conceal the existence of the credits are so successful that a few honest persons pay the taxes and the large majority of the holders do not. Moreover in practical experience the tax is not really paid by the holder of the credit but is paid by his debtor. . . . It was no doubt believed that all the wealth can be once taxed without the taxation of credits, and that with the Constitutional requirements as to taxation thus satisfied, uniformity and equality can be better effected and abuses above mentioned largely corrected.

The line of argument used above is quite as applicable to personal property and improvements on real estate as it is to credits. Relying upon the reasoning of this case I should think that if a law were passed exempting all improvements on real property and all personal property, instead of $500 worth of personal property and $500 worth of improvements on real property, as in the law of 1897 declared unconstitutional, such a law might be declared Constitutional by our present State Supreme Court.

Public sentiment, actually and properly a mighty influence with our Supreme Courts, is very different now from what it was in 1898. The most prominent and successful of our State and city politicians are now counted amongst the Singletaxers. The business men and the manufacturers now are wont to applaud Singletax sentiment wherever expressed. In one of our largest counties, W. H. Kaufman was a year ago elected by an overwhelming majority as County Assessor upon an open and radical Singletax platform. It is no longer "either a distinction or a disgrace" to be a follower of Henry George. Three years ago we planned a directory of Singletaxers in the State of Washington. Now the work has been abandoned, as we feel that the State directory is all we need, such has been the growth of Singletax sentiment in the past three years.

The city of Everett toward the close of last year and by popular vote adopted a Singletax charter amendment. Friends of Singletax will attempt to get this amendment before the Supreme Court, with the belief that there is a chance that the principle of the exemption of personal property or improvements upon real property may be sustained; or, failing that, that new light may be shed upon the attitude of the

Supreme Court toward this most vital question of taxation.

C. L. CLEMANS.

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, January 23, 1912.

Progress in the Ohio Constitutional Convention.

Pursuant to the authority conferred upon him by the Convention, its president, Herbert S. Bigelow, promptly appointed a committee on rules and one on employes, he being a member ex-officio of the former and its chairman. The other members are reported as thoroughly representative. They are E. L. Lampson (floor leader of the reactionaries), E. W. Doty (floor leader of the progressives), John W. Winn, Samuel A. Hoskins, Stanley Shaffer and Fred G. Leete. This committee reported a set of rules somewhat modified from a draft prepared by Mr. Doty. One of its features relates to lobbying. It requires an open registration without which no person not a delegate can gain admission to committee rooms or appear before the Convention or any part of it. At the election of vice-president of the Convention on the 17th, E. W. Doty was defeated by S. D. Fess, president of Antioch College and a leader of the "dry" faction as against the "wet," but a progressive. On first ballot Doty had 47, Fess 31 and Anderson 36. Most of Anderson's vote went to Fess on second ballot, making the vote 52 for Doty and 61 for Fess—a majority of 2 for the latter. Constitutional provisions on several burning questions were submitted by members on the 17th. Among them was an Initiative, Referendum and Recall amendment submitted by Robert Crosser, author of the municipal initiative and referendum law now in force in Ohio. It provides for State-wide legislative referendums on a petition of 50,000, State-wide legislative initiatives on a petition of 60,000, and Constitutional amendments on a petition of 80,000. Intending to make a diversion over the Singletax the reactionary leader, Lampson, offered a clause providing that no law shall be enacted taxing land or land values by a different rule from that applied to improvements and personal property. As this would prohibit all classifications of property for purposes of taxation, thereby interfering with the plans of the Ohio State Board of Commerce for exempting bonds, it is reported—we quote from the Cincinnati Enquirer of January 18—that "it can be stated with authority that this proposal will be modified by Mr. Lampson, whose only object was to strike at the Henry George cultus." On the 18th President Bigelow announced standing committees, the chairmen of some of the principal ones being as follows: Initiative and Referendum, Crosser; liquor traffic, Bowdle; taxation, Doty; municipal government, Harris of Hamilton; educational, Fess; equal suffrage, Kilpatrick; judiciary, Peck; labor, Stilwell. Judge Lindsey of Denver spoke before the convention on the 18th. [See current volume, pages 49, 52, 57.]

Municipal Ownership in Cleveland.

Mayor Baker has begun proceedings for extending the ownership and operation of the electric lighting system in Cleveland which the late Mayor Johnson established. Mayor Johnson secured the nucleus of this system through the annexation of suburbs which owned and operated. Subsequently a $2,000,000 bonding proposal for extension was adopted by the people of Cleveland on referendum, and on the 11th Mayor Baker opened negotiations with the lighting company which now monopolizes the private system. In his letter, as reported by the Plain Dealer of the 12th, Mayor Baker—

> **sets forth that the people of Cleveland have ordered the municipalization of the electric current industry and that there are two ways by which this can be done—either by purchase on just terms of the private occupant of the field, or the installation of competing plants. Mr. Baker says the long history of the traction war has shown that the people desire to avoid wasteful competition and to deal justly with the owners of private property. He therefore invites the company to sell its plant to the city, stating, however, that he proposes to continue the rapid development of the municipal plant, feeling certain that if the company feels disposed to negotiate he does not doubt a determination of the amount to be paid could be speedily reached. The price agreed upon would be submitted to the people for their approval.**
>
> **The letter explicitly states that the city would desire to purchase only such property as would be useful to the city. Other property the city would not desire, and he proposes that the city name an arbitrator, the company one, and that F. H. Goff be selected as the third member of a board to determine what property the city ought to purchase and the price to be paid for it.**

The reply from Samuel Scovill in behalf of the company, is regarded by Mayor Baker as closing the door to a peaceful settlement. Its terms are so frankly characteristic of the attitude of public service monopolies that we reproduce it in full as a type which should be of interest in every city. As reported by the Plain Dealer of the 13th, Mr. Scovill's reply to Mayor Baker was as follows:

> **Your letter of the 11th inst. received. The Cleveland Electric Illuminating Co. and its predecessors have for more than twenty-five years past been making continuous and large investments in its property**