

argument might be as logically applied elsewhere. The people of Cincinnati, being stronger than Charles P. Taft, might conclude that the land he owns in that city could be made "more useful to humanity" if confiscated than "if allowed to stagnate under the conditions" which he allows to prevail thereon. The people of Texas might get a similar idea about the land he owns in that State, just as the people of Mexico already have concerning his holdings in that country. Then, again, the Times-Star's confiscation argument might impress some people sufficiently to cause its application to other lands than Taft's. In the strike district of Colorado, for instance, the argument might be very popular just now. Land monopolists, who can not calmly consider the suggestion of even the slightest application of the Singletax principle, ought to take notice of Charles P. Taft's endorsement of a measure far more drastic.

S. D.



### Houston Teaches New York City.

In fighting the movement to relieve congestion of population in New York City through untaxing of improvements, Mr. Allan Robinson, president of the Allied Real Estate Interests, saw fit to publish in the Wall Street Journal statements disputing the effect of a similar policy in Houston, Texas. He did not help his case by so doing, for Tax Commissioner J. J. Pastoriza published in reply the facts concerning Houston. Mr. Pastoriza showed that without figuring increase from annexation of suburbs, the population of Houston has increased 25,000 in two years. He showed that Mr. Robinson erred in denying Houston's building permits for the first six months of 1913 to have been greater by 55 per cent than for the same period of 1911. Mr. Pastoriza produced the official figures which showed an increase of over 66 per cent. Mr. Robinson had claimed that there had been but a small increase in Houston's bank deposits and that the banks of Dallas made a better showing. Mr. Pastoriza produced figures which showed a large increase in deposits and also that while Dallas, a larger city and the center of a richer country, should have larger deposits than Houston, yet she has not. Mr. Robinson had argued from the statements of Houston's handful of objecting land speculators that the people of Houston must be opposed to the Houston plan. Mr. Pastoriza enlightened him concerning the identity of these objectors.



Mr. Pastoriza also made very clear that one

effect of the Houston plan has been to lower house rent, the very thing needed in New York City to lessen congestion of population. Says Mr. Pastoriza:

The exemption of buildings from taxation to the amount of seventy-five percent of their value has had the effect to lower house rents, which is only another way of saying that it has raised wages. The following is a short list of houses (there are many more) showing the amount of reduction in rent since the Houston Plan of Taxation has been in existence. The plan has caused many new houses to be erected, thus creating competition and changing the condition which existed before the Houston Plan of Taxation was inaugurated. Before that time there were two or three tenants for every house that was newly built; as a result house rent jumped to the skies. Now there is never more than one tenant after a house when it is completed, and sometimes not that. The result is that the owners of houses, being anxious to rent, have reduced the rent until the revenue derived from improved property does not exceed very much the interest which you can get for money in the open market. I will ask if this is not a good thing for the people of our city?

S. D.



### Houston's Council Gets a Plain Statement.

Co-operation of a very unwelcome kind will be forced on Houston's land speculators should they carry out their threat to invoke the courts against the Houston system of taxation. H. F. Ring of Houston, one of the ablest and best known of Texas lawyers, will join in their efforts and add to their plea for full taxation of all improvements, full taxation of all other property including bank deposits, money loaned, stocks of merchants and manufacturers, and household goods. Mr. Ring has addressed a letter to the Mayor and Council calling attention to the fact that these forms of property are escaping taxation. Mr. Ring is already known as an authority on the principles of taxation and has done much to clarify that subject. His letter to the Houston Council is a plain statement of the case from a different viewpoint than his previous writings, and in a different form.



Mr. Ring takes the position of one who insists on strict enforcement of all existing tax laws. Since bank deposits and money loaned by banks are not taxed in Houston, he calls attention to the State laws requiring their taxation. He declares absurd "the vaporings of Singletax cranks to the effect that a systematic effort to tax credits—money loans—amounts to double taxation, since the land given as security is also taxed as well as the money loaned on it, and that the whole burden of such taxation in the long run falls upon the borrower in

increased rates of interest." He further ridicules "the most brazen claim of all made by these pestiferous malcontents, that a tax on any kind of property produced by human industry increases its cost." In advocating taxation of merchants and manufacturers he declares exemption of them to be inexcusable, even though "it is greatly to the interest of the city of Houston to encourage the coming here of manufactories and wholesale and retail merchants." He urges the enforcement of law for taxation of household goods, suggesting that it can be done through "a house to house visitation by properly authorized city officials, at a comparatively trifling expense." As to taxation of bank deposits he argues, "few people so fortunate as to have money in bank on the first day of January of any year would object to the payment of one per cent or two per cent of it for the support of the city government." The strongest objection he has to urge against the Houston system is that the exemption of improvements is a discrimination in favor of small homestead owners and of renters and is "injurious to the vacant lot industry." "Tax discriminations favoring the rich are bad enough," he says, "but those which favor the poor are intolerable."



Mr. Ring's letter makes clear the dilemma in which the Houston plan of taxation has placed monopolistic interests. If allowed to continue unmolested, the example will surely spread. If overthrown by the courts the city will be compelled to strictly enforce to the letter all the provisions of the general property tax. The result of this—with all due respect to Mr. Ring's statement to the contrary—must be a tremendous loss to the city, and will bring on such a storm of popular dissatisfaction as must lead to institution of a far more radical system than now prevails in Houston. The objectors' organization is playing with fire. s. d.



### Another Democratic Victory.

A splendid victory for democracy was won by Congressman Crosser of Ohio in securing a favorable report on his bill to municipalize the street railway system of Washington. He had to fight, not only the opposition of the Chairman of the House District Committee, but of the traction interests of the United States. Municipal ownership in the Capital of the nation will be too conspicuous an example to suit monopolists already greatly concerned over the spread of sentiment in favor of that reform. Then Crosser had to meet the additional obstacle involved in the fact that one of

Washington's biggest local monopolists is John R. McLean, owner of the Washington Post, and of the Cincinnati Enquirer. Of course these papers employ every effort to defeat the measure. Municipal ownership in Washington will remove one incentive that has made these papers, masquerading as Democratic organs, most bitter foes of democracy. Congressman Crosser has performed a splendid public service. s. d.



### Paying Other People's Taxes.

No taxation without representation! What a brave sound the words have as they come rolling down to us from the Revolutionary days; but how hollow when contrasted with present-day facts. Women have for years been calling attention to their lack of representation, coincident with their obligation to pay taxes. And of later times others have taken up, in a broader form to fit modern conditions, the cry of no taxation without benefits. For why should one pay to government for things not received any more than to a shopkeeper, or any other commercial agent? Why, indeed, should one pay for more or less than what one receives from government, any more than for what one receives from any other dispenser of values?



Chicago is now confronted with the problem in acute form. An attempt to bring some order out of the jangled street transportation brings to the front once more the question of whether the cost of operation shall be borne by the citizens who receive the pecuniary benefit of streetcar service or by those who patronize the cars. At the last streetcar "settlement" there was a conflict between those who sought to fix the fare at the cost of service and those who wished to add to the cost of service an amount to be used for the relief of other taxpayers. Had the proposition been to tax the users of automobiles for the benefit of the cash girls, messenger boys, and others, to whom car fare is an unpleasantly large portion of the income, it would have savored somewhat of benevolence if not of justice; but when it was proposed to tax the daily patrons of the street cars for the benefit of the automobile class, it was neither just nor benevolent. It might be inferred by a stranger that, since the vast majority of the voters belong to the street car class the latter plan was adopted. But it was not. The auto class won. And during the seven intervening years the cash girls, errand boys, and others who use the trolley instead of the auto, have paid into the city treasury, over and above the cost of their transportation, more than \$13,000,000.