

preme Court of the United States, Frederick W. Lehmann, former solicitor general, and Diplomatic Secretary H. Percival Dodge, on the eve of their departure for the conference at Niagara Falls, Ontario, that the United States regards the settlement of the Mexican problem in a definite form as a prerequisite of the withdrawal of the American forces from Vera Cruz. Aside from this and the well known fact that President Wilson wishes the Mexican question settled on comprehensive lines that will include the economic contentions of both Zapata and Carranza, no instructions were given. The date of the meeting of the conference was changed from the 18th to the 20th, in order to give the Mexican delegates time to stop in Washington.



The military events of the week show a marked advance of the Constitutionalist forces. Tampico was evacuated by the Federals under General Zaragoza on the 13th, after five days of continuous fighting. The casualties have been heavy on both sides. The Federals retreated in the direction of San Luis Potosi, but are likely to receive rough treatment at the hands of the Constitutionals. General Gonzales, the victorious general, promises order in Tampico, and invites Americans and other foreigners to return and resume business.



Tuxpam, a port midway between Tampico and Vera Cruz, and the shipping point of rich oil fields, was evacuated on the 15th. It was in this section that Lord Cowdray and the English syndicate had extensive holdings. Tepic, on the Pacific coast, and capital of the State of Tepic, was reported captured by the Constitutionals on the 16th. Mazatlan, north of Tepic, still holds out against the Constitutionals, but its garrison and defenses are said to be in a desperate condition. General Villa is converging his forces on Saltillo, which he seems confident of taking without delay.



#### Carnegie International Peace Report.

The special commission appointed by the Carnegie Endowment for International Peace has completed its report. The commission was composed of Dr. Josef Redlich, professor of public law in the University of Vienna, Austria; Baron d'Estournelles de Constant and M. Justin Cerdart, Chamber of Deputies, France; Dr. Walther Schucking, professor of law, University of Marburg, Germany; Francis W. Hirst, editor of the *Economist*, and Dr. H. N. Brailsford, journalist, of Great Britain; Professor Paul Milyoukoff, member of the Russian Douma; and Dr. Samuel T. Dutton, professor in the Teachers' College, Co-

lumbia University, New York. The report of the Commission, made after an exhaustive study on the scenes of conflict, is one unbroken and unrelieved tale of rapine, murder, and outrage, in which Turks and Christians alike were guilty, before, during, and after the recent Balkan wars. The report closes with these significant words:

What, then, is the duty of the civilized world in the Balkans especially of those nations which by their location and history are free from international entanglements? It is clear in the first place that they should cease to exploit these nations for gain. They should encourage them to make arbitration treaties and insist on their keeping them. They should set a good example by seeking a judicial settlement of all international disputes. The consequences of the recent war, economic, moral and social, are dreadful enough to justify any honest effort by any person or by any nation to alleviate the really distressing situation.

[See vol. xvi, p. 973.]



#### Suit Against Fairhope.

In his bill filed in the chancery court at Mobile, Alabama, on April 30, asking for a dissolution of the Fairhope Singletax Corporation, Alexander J. Melville declared that the corporation had failed in its purpose to demonstrate the benefits incident to the singletax theory and must continue to so fail because "the singletax theory can never be tried out or demonstrated in any jurisdiction whose laws deny the essentials of that theory." He further charged that "rentals have been arbitrarily increased far beyond their actual values," and that "the monies are being expended for the benefit of only a portion of the members, in that considerable sums are paid from the rent fund to maintain telephones and waterworks and to pay taxes on about 2,500 acres of unoccupied land." He complained that its "open practice is to cause all of its lands and all of the property of its lessees, except money and credits, to be assessed for taxes under the general laws of Alabama and to pay all of said taxes out of the corporate taxes realized from the rent of its land." This practice he complained caused the same rent to be charged for two adjoining lots of the same size and character. "if one have a mansion thereon and the other a hovel," while "at the same time, the occupant of the mansion will have all taxes upon his carriages, automobiles, pianos, elegant furniture and valuable silverware paid out of the rent fund, while the owner of the adjoining hovel gets for his share only the meagre amount, if any, levied as a tax on the scanty and cheap furniture of his humble home." He also complained that lessees under this system cannot get the benefits accruing from land ownership and that "such a system is a miserable parody upon the teachings of Henry George." [See current volume, page 435.]

In a public statement commenting on Mr. Melville's suit, E. B. Gaston, secretary of the Fairhope corporation, said:

The question of greatest interest to Singletaxers in this suit is whether or not there can be a substantial application of the singletax under "laws which deny its essentials." The essential feature of the singletax is the taking of land values for public purposes instead of levying upon wealth due to individual efforts. We claim that we accomplish this under our authority as landlords by taking as rent the annual rental value of the land and out of that paying the taxes not only upon the land but upon the improvements and personal property of the lessees.

The complaint of injustice because under the Fairhope plan the poor man has only small improvements relieved from taxation, while the rich man's much more valuable improvements are relieved, is exactly the same argument used by opponents of the singletax to its application by law. Rich and poor are alike benefited by the removal of taxes from their improvements. The poor man in fact receives the most benefit, because, not having money to "invest" in land, he could not, under ordinary conditions, be a beneficiary (even though wrongfully as we hold) by land speculation.

To the claim that our corporation should be dissolved because trying to "practice and enforce certain theories of government contrary to the established policy of the state" we reply that we have nothing to do with policies of government at all; that our corporation is simply a private, land-owning corporation, administering its property upon terms mutually entered into with those who desire to participate with it, and that we should be commended and encouraged rather than hindered, both because we are giving people, many of them unable to buy, access to our land, upon terms, which make them equal sharers in the increasing value of the land, rather than ourselves appropriating it for our special benefit as owners; and because, without interference with the laws, and at our own expense and instance, we are endeavoring to show the benefits which would follow the adoption by government, of a policy which we believe would be for the advantage of all men.

As to the actual results obtained by our policy and management we claim that instead of being oppressive to individuals and tending to "retard progress and create stagnation" the facts are exactly the contrary; that every lessee making such use of his holding as it is reasonably best suited for, is an individual beneficiary of our policy, and can be proven to be such to any man capable of understanding a business proposition—eliminating, of course, any benefits which might have accrued to him as a land speculator, from the increase in land value during the time he may have held it; and that our town has notoriously outgrown all other towns affording anything like a fair measure of comparison; and further, that this is conclusively shown to be the result of our policy, by the fact that though our corporation owns but about 40 per cent of the land within the limits of the incorporated town of Fairhope, every business institution in the town

is on our land, save the postoffice and one small "soft drink" stand; the ice plant and creamery, two sawmills, a brick yard, all the hotels, etc., are on the Colony land. In the country the difference in conditions of development on Colony land as compared with adjacent privately owned land, is equally marked in favor of the Colony land.

Instead of discouraging the erecting of factories upon Colony land, the Colony management is eager for the erection of such upon its land, and is the most active force for the upbuilding of the community today existing. As singletaxers its members have no fear whatever, but that the building on its land of such factories or other business institutions as the population and facilities will give reasonable hope of success (without which no one will put up the same) will add a land value which will easily take care of the taxes upon the same.

Further, the rentals for the last two years have been such as were fixed by the lessees themselves, regardless of membership; the corporation having gone beyond even its contracts with its non-member lessees, and agreed to submit the question of the rents for 1912, to a vote of the lessees and abide the result; the lessees themselves, at a formal election, after previous full discussion, voting for a ten per cent increase over previous rents by a very large majority and the rents thus fixed having remained unchanged until this year, when the lessees have again established the rent, under the Somers system and assisted by Mr. Somers himself and again increased the same substantially 10 per cent over the last year.

In regard to the payment of a deficit in operation of water works and telephones out of ground rents, it is the very policy advocated by Tom L. Johnson. Our telephone is now self-supporting, while the deficit in the water works is not greater than the advantage accruing to the people from free use of water for fire protection, for public watering trough, and for water furnished without charge to the public and organic schools.



#### Taxation in Alberta.

In an interview in the New York Times of May 15, Premier Sifton of Alberta says:

Alberta is growing rapidly. The towns are spreading out at a rate which some think is a little too fast. One of the things a new country wants to avoid, if possible, is too rapid growth of its towns. But we have not had a real estate collapse in Alberta. Prices have not gone down. There has been merely a cessation of speculative sales. I do not think any good property could be bought for less than it brought in the midst of what has been referred to as "the boom," but land is not selling except for use. . . . Americans are going to Alberta from the Dakotas and Minnesota, and we are getting some from Illinois and Indiana. We welcome them, as the bulk of them make as good settlers as any in the world. Most of them have families, and want more land for their sons, so that they sell out their land in the States at a good price, and buy three or four times as much over the border. What I have said about American settlers does not necessarily apply to