March 13, 1914.

Tax Reform News.

The Kentucky State Senate on February 27 passed a bill to submit a constitutional amendment to classify property for taxation. It must now pass the House and then be voted on by the people. A similar measure was voted on last November and carried, but on account of a technicality the result was declared void. [See current volume, page 86.]

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The bill introduced by Congressman Henry George Jr., to reform assessment of land and improvements in the District of Columbia was amended into an unrecognizable shape by the District Committee of the House of Representatives. As amended the bill provides for taxation of all kinds of personal property at a fixed rate of one and one-half per cent. Mr. George had proposed a budget system, and annual fixing of the tax rate by the Commissioners. These propositions were eliminated by the Committee. [See vol. xvi, p. 1231.]

In pursuance of a fight against the poll tax, two men are in the Mercer County jail at Trenton, New Jersey, for refusing to pay the tax. They are Louis Josephson and Horace Hervey, president and secretary of the Mercer County Anti-Poll Tax League. They have been imprisoned since February 6. The law requires that they be kept in prison until the tax, with interest, costs, and fees, shall be paid. Bail is not permitted and the right of trial is denied. Should the authorities, therefore, persist in strict enforcement of the law and no one pay the tax and other charges for them, both men must remain in jail for life.

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The British Columbia ministry has undertaken to solve the timber question by introducing a bill in parliament at Victoria providing for a royalty on timber cut that shall rise in keeping with the price of lumber. In presenting the measure, Mr. Ross, Minister of Lands, said:

The Royalty Bill comprises four things. It fixes the royalty increase for 1915, and establishes a level of lumber prices on which future increases will be based; it provides seven 5-year periods for royalty adjustment; and it provides that for each of these periods a given percentage of the price increment for lumber shall be added to the royalty. This percentage is 25 per cent for the first five years, and rises gradually to 40 per cent for the last fiveyear period. The fourth of the accomplishments of the Royalty Bill is to readjust the rentals between the coast and the interior, and fix them for the whole period of the act.

The first royalty increase takes effect Jan. 1, 1915, and it fixes the rate on the coast at 75 cents per thousand, an increase of 50 per cent. In the interior, the increase for 1915 is made by intro-

ducing the British Columbia log scale instead of the Doyle, now in use.

This, he figured, would make an increase of 40 to 45 per cent. In the central and northern interior the royalty is increased to 65 cents for 1915. These three increases hold till 1920, a period of five years. After that there comes in the new principle of progressive increases in royalty based on percentages of the price increment above the base level of \$18 per thousand selling price of lumber.

These increases are made subject to the result of governmental investigations and are applied at the end of each five years, to hold for the next five years.

"Therein lies the great principle around which hangs this bill," said the minister. "The principle that the government, the people and the lumbermen are co-operators in an industrial enterprise, the principle that by frequent re-adjustment based on the actual facts, timber royalty will keep pace with the growth in lumber values. So far as I am aware no such principle has ever been enacted before on so broad a scale by any other nation. In it lies not merely the great solution of the royalty question, but also the new principle of disposing of other public natural resources which will live, it is my earnest hope, and which will form the basis for the right handling of other similar policy questions by our government."

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Resisting the Personal Property Tax.

Mrs. Belle Squire of Chicago, who has resisted payment of personal property taxes on the ground of having no vote, calls attention in a letter to the County Treasurer to other reasons still remaining for non-payment. Aside from the fact that the bill presented includes charges for taxes during the time that she was denied suffrage, and the further fact that the suffrage act may yet be declared unconstitutional, Mrs. Squire says:

Not the least of these issues is rebellion against a system that penalizes the poor and practically exempts the rich; a system that allows private individuals to collect for personal use the social values that accrue wherever people gather, and which forces the State into the belittling and undignified task of levying upon the paltry household effects of the humble for its extra revenue.... If I was wrong in my original contention, then I am not the only law-breaker concerned, nor the worst, for I never swore to obey the law, nor was paid money to uphold it. In fact, I never had a chance to prove my allegiance except in a way that men scorn as intolerable. So if I am to be punished, I must insist that the partners in my previous crimes be punished with me. Needless to say it is immaterial to me whether you settle the matter by ignoring it: by levying upon my few personal belongings; by bringing suit or what you do. All I ask you is to please remember that, while I am willing to suffer for a great principle, there is a vast difference between playing the part of a solitary martyr and that of a scapegoat.

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Mexico and the United States.

General Carranza, after a long conference with

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his cabinet, appointed a commission on the 3d to investigate the Benton case. Great Britain's assurance that the American government would be given a free hand to deal with the Benton case, has led to Carranza's gradually yielding his original contention that he would answer only to England for Benton's death. Constitutionalist friends at Washington have also brought pressure to bear. Evidence of the desired effect is seen not alone in the General's investigation of the Benton and the Bauch cases, but in the fact that General Villa did not execute Terrazas, Jr., when his father failed to pay the \$250,000 demanded. As soon as it became apparent that the Constitutionalists would lose standing with the United States because of their lawless policy, a decided change came over them. Villa now announces that it was not the ransom money that he sought but the suspension of the elder Terraza's aid to Huerta. [See current volume, page 230.]

Wanton murder seems to have been established in the case of the Texas rancher, Clemente Vergara, who was decoyed into Mexico by Federal soldiers, on the plea of settling for horses that had been stolen from his ranch. Officers in charge of the post at Nuevo Laredo declared to the American authorities that Vergara had escaped and had joined the Constitutionalists. But on the night of the 7th the body was exhumed from the Hidalgo cemetery, and brought across the Rio Grande to American soil. Press dispatches report it as the exploit of Texas rangers and friends of Vergara, who crossed the river in the middle of the night to accomplish their purpose. But Governor Colquitt declares that the rangers did not cross the river; but that the body was brought to the American shore in the middle of the night by persons whose identity is unknown. Vergara's family and friends have identified the body.

General Huerta took a bold step on the 7th, in creating a government bank, which will issue 400,-000,000 pesos (\$200,000,000) in fiat money, based on the \$160,000,000 bonds authorized by President Madero, but which Huerta has been unable to sell for lack of recognition by the United States. The dictator is reported to be rapidly completing plans for taking the field in person; and the rumors are reviving that he will appoint as his successor in the Presidential office some one acceptable to the Administration at Washington.

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Rebellion in Brazil.

Not to be outdone by Peru, Brazil presents to the World a complete and going revolution without previous warning. Rio de Janeiro and the neighboring cities of Nictheroy and Petropolis Seventeenth Year.

were proclaimed in state of seige on the 5th, and the troops held in barracks in anticipation of trouble. The government censorship of the telegraph has prevented more than meager reports of the causes and extent of the trouble. The managing editors of three of the principal newspapers of Rio have been placed under arrest, together with a number of officers of the army. [See current volume, page 32.]

The states of Ceara, Para, and Pernambuco in the northern part of Brazil are struggling with revolutionary movements, said to be due to racial questions, but circumstantial details are lacking. The three states in question have 533,729 square miles, and 2,472,633 population. Business is reported virtually suspended. Appeals of the Governor of Ceara and citizens for assistance have been received at the capital, but the government, mindful of the naval mutiny of 1910, is cautious. Advices received at the Brazilian embassy at Washington are to the effect that there are no disturbances in Rio de Janeiro, and that martial law, which is merely precautionary, may be revoked before the 31st of March, as originally fixed.

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English Politics.

Premier Asquith presented to the House of Commons on the 9th the government's plan for the conciliation of Ulster, in connection with the Home Rule bill. The terms of the Premier's offer are that a poll of the parliamentary electors be taken in each of the Ulster counties to decide whether it shall be excluded from the operation of the bill for a period of six years from the first meeting of the new Irish parliament. It is understood that such a vote would exclude four of the nine Ulster counties, Antrim, Armagh, Londonderry and Down, which have Protestant majorities. [See current volume, page 231.]

Mr. Asquith said the government named a period of six years because it would give ample time to test the working of the Irish parliament, and also an opportunity to the electors of the United Kingdom, guided by experience, to pronounce whether the exclusion of the counties of Ulster should end or be made permanent. Two parliaments would be elected before the expiration of the exclusion, which would give the people of Great Britain ample opportunity to reverse the action of the present parliament.

Andrew Bonar Law, leader of the opposition, opposed the six year limit, urging the dissolution of the imperial parliament, and the same sort of referendum for the United Kingdom as the government was offering to the counties of Ulster.

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