
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 \$355,160,780, 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-

four hour ultimatum demanding that mobilization cease. Meantime, an Imperial decree proclaimed martial law throughout the German Empire; established strict censorship over military news; announced military measures on the frontiers, such as armed protection of the railroads and restriction of wires and railroads to military purposes; and prohibited the export of food, fuel and autos. The Imperial railroad administration on the same day informed the Belgian State railroad management that all international trains into Germany had been suspended. The ultimatum to Russia having expired at noon of August 1, Kaiser Wilhelm signed a mobilization order that afternoon, and at 7:30 the same evening the German Ambassador at St. Petersburg delivered a declaration of war to the Russian Minister for Foreign Affairs and immediately left St. Petersburg. The German-Russian border was promptly crossed by both armies, and their ships met in the Baltic Sea.



On August 4 the German Ambassador to France declared to the French Premier at Paris that a state of war existed between Germany and France. On the same day the British Ambassador at Berlin announced to the German Foreign Office that a state of war existed between Great Britain and Germany, and asked for his passports. Next day and at later dates Germany was in communication with her former ally, Italy, against her attitude of neutrality, and on the 8th, with Portugal to ask her intentions. Italy maintained her position of neutrality and Portugal replied in favor of her treaty obligations with Great Britain. Early on August 5 the German-Atlantic cable was cut east of the Azores and all news thereafter could reach the United States only through the medium of countries hostile to Germany.



Three general movements of the German armies have been in progress: one has crossed into Belgium, headed for the French frontier; another is reported to be concentrating at the Swiss-French border; and the third is operating against Russia on the Polish border and probably the coast of Finland.



Russia.

All Russian army reservists were called to the colors by an Imperial Ukase on July 31. German and Russian Poland, immediately after the German declaration of war, became objects of invasion, small troops of cavalry only being reported as engaged and the Germans on the whole the victors. Next day after Austria-Hungary declared war, ukases were issued calling out the whole arm-bearing population of Russia, and on the 8th Austrian troops crossed the Russian bor-

der. On August 3 the Czar had issued a manifesto in the course of which he said:

The fraternal sentiments of the Russian people for the Slavs have been awakened with perfect unanimity and extraordinary force in these last few days when Austria-Hungary knowingly addressed to Serbia claims unacceptable for an independent state.

Having paid no attention to the pacific and conciliatory reply of the Servian government and having rejected the benevolent intervention of Russia, Austria-Hungary made haste to proceed to an armed attack and began to bombard Belgrade, an open place.

Forced by the situation thus created to take necessary measures of precaution, we ordered the army and navy put on a war footing, at the same time using every endeavor to obtain a peaceful solution. Pourparlers were begun amid friendly relations with Germany and her ally, Austria, for the blood and the property of our subjects were dear to us. Contrary to our hopes in our good neighborly relations of long date, and disregarding our assurances that the mobilization measures taken were in pursuance of no object hostile to her, Germany demanded their immediate cessation. Being rebuffed in this demand, Germany suddenly declared war on Russia.

It was announced on the 7th at St. Petersburg that not a single newspaper correspondent would be allowed with the Czar's armies.



Austria, Servia and Montenegro.

Two days after Austria-Hungary announced on July 28 that she considered herself "from that moment in a state of war with Servia" the bombardment of Servia's capital, Belgrade, an open city, was begun from the Austrian bank of the Danube. The Servians were subsequently reported to be offering everywhere stubborn and sometimes successful resistance to the Austrian invasion, both on their north and west boundaries, and Montenegro, as was announced on August 1, took up arms for her next door neighbor, Servia, and by August 10 had crossed over into Bosnia, Austrian territory. On August 1 after Russia had made her intention to support Servia plain to the Powers, Russia and Austria were reported to be again in diplomatic communication; but next day Austria began to move her troops eastward apparently to guard her Russian boundary. On August 6, war on Russia was declared by Austria-Hungary. Next day Austrian soldiers crossed into Russia and Servian dispatches reported less activity on her borders. On the 9th large bodies of troops from Austria-Hungary were reported to have crossed into Germany, and on August 10 the French government proclaimed a state of war to exist between Austria-Hungary and France.



France.

On the evening of July 31, as reported in press dispatches, Baron von Schoen, the German Amba-

sador to France, informed the French Premier of Germany's ultimatum to Russia the time limit of which would expire at noon next day, and asked what would be the attitude of France in case of a German-Russian war, requesting an answer before one o'clock on August 1. France asked in reply whether Germany could not avert war. The German Ambassador said he would communicate with Berlin and return to the French foreign office at four o'clock that afternoon. This he did; and immediately after his visit there was ordered the mobilization of the entire French army to be complete at midnight of August 2. This order was accompanied by a joint proclamation from President Poincaré and the members of his Cabinet explaining that the other states of Europe, even the neutral ones had already taken "this measure as a precaution" and saying that—

The powers whose constitutional or military legislation differs from ours have, without issuing a decree of mobilization, begun and carried on preparations which in reality are equivalent to mobilization and are but the anticipated execution of it. . . . But our legislation does not permit the completion of these preparations without a decree of mobilization. Conscious of its high responsibility and feeling that it would fall in its sacred duty if it did not take this measure, the Government has signed the decree. Mobilization is not war. Under the present circumstances it would appear, on the contrary, to be the best means of assuring peace with honor. Strong in its ardent desire of arriving at a peaceful solution of this crisis the Government, under cover of these essential precautions, will continue its diplomatic efforts and still hopes to succeed.

Martial law was declared through France and Algeria on August 3 and Parliament was summoned to convene in two days. On August 4 the French Minister of War issued the following note:

The German Ambassador has demanded his passports and diplomatic relations between France and Germany have been broken off. War is declared.

Jules Cambon, French Ambassador to Germany, was instructed to ask for his passports and before leaving Berlin to protest to the German government against its violation of Luxemburg and against its presentation of an ultimatum to Belgium. General Joseph Joffre was appointed commander-in-chief of the French army. For days previous to this there had been circulated conflicting reports of military activities at the Franco-German border on the part of both nations. The Germans semi-officially charged that French airmen had dropped bombs near Nuremberg on August 2, that on the same day "French troops crossed the German border in upper Alsace near Belfort," and at various other places. The French war office declared on August 4 that "the only instance within a week of a French soldier having been on German soil was in the case of a military aviator who descended at Muehlhausen and resumed his flight without reporting to the local authorities."

Each nation's high officials continued to charge the other with provoking the war. The French Deputies, upon the convening of Parliament on August 5, ratified martial law and unanimously passed a bill conferring French nationality on any natives of Alsace and Lorraine enlisting in the French army. French troops advanced into those Provinces on the 7th, occupying several villages and taking possession of the town of Muelhausen on the 9th. On the 10th, France declared a state of war to exist with Austria-Hungary, the French Foreign office giving out the following statement in explanation:

Contrary to assurances given by Austria to the French minister of foreign affairs that no Austrian troops were taking part in the Franco-German war. the French government has ascertained beyond any possible doubt that certain Austrian troops are at present in Germany, outside the Austrian frontier. These troops, which have set free certain German troops destined to be employed in fighting the French, ought indubitably de facto and de jure, to be considered as acting against France.



Belgium.

On July 31 Great Britain asked France and Germany simultaneously whether they would respect the neutrality of Belgium guaranteed by Great Britain, France, Austria, Russia and Prussia in the Treaty of London, 1831. France promptly answered "Yes." But Germany's Foreign Secretary declined to say. The Belgian government on this same day ordered complete mobilization. On August 2 Germany marched into and occupied the Grand Duchy of Luxemburg, a small territory the neutrality of which was guaranteed by the five great Powers in the London treaty of 1867. Next day, August 3, Belgium received from Germany a twelve-hour ultimatum demanding that German troops be suffered to cross Belgium to the French frontier and promising in return that at the end of the war, Belgian territory should stay unimpaired and Belgium compensated. Germany stated as the reason for her request that she had learned of the presence of large bodies of French troops on the west Belgian border ready to operate via Namur [a Belgian fortified city] and that Germany must defend herself. This communication further stated that if Belgium adopted a hostile attitude against the German troops and put difficulties in the way of their advance, Germany would be obliged to consider Belgium as an enemy. In that case Germany would not enter into any undertaking with Belgium, but "would leave the final relations of the two states to the decision of arms." The reply of Belgium expressed her surprise at Germany's statements since France had just given reassurance of her intention to respect Belgian neutrality. Belgium it said, had too high sense of her dignity and interest to accede to such demands as Germany's and therefore refused them

definitely and, protesting against any violation of her territory, was resolved to defend her neutrality. It was officially announced that evening that France, in the event of hostilities, had undertaken to fulfill her obligations to preserve Belgian neutrality. King Albert of Belgium presided over a joint session of Parliament which had been hurriedly convened; and Emil Vandervelde, the Socialist leader, joined the Cabinet so that all parties might be represented. Throughout the day of August 3, Germany had continued to pour troops into Luxemburg and mass them along the Belgian border. Next day, August 4, the German soldiers crossed into Belgian territory at several places, taking small towns on the way to Liege, evidently their objective point. Liege, the first fortified city in the way of the Germans across Belgium, is an important industrial and educational center, a French-speaking city noted for its beautiful mediaeval cathedral. It is strongly protected by twelve forts, sweeping both banks of the river Meuse, "the principal weakness of which is," as explained by an official of the Paris war office, "that they cannot see each other, a fault that would facilitate the entrance of an enemy into the city." This city the Germans attacked in force on August 5 and were met with two days' determined and decimating resistance by its Belgian garrisons. The Germans whose infantry had advanced upon the city in absolutely close order between the firing forts and had been mown down by thousands, asked on the morning of August 7 for an armistice of twenty-four hours in which to care for their dead and wounded. This was refused by the Belgian general, because, he said, it would give the German reinforcements time to arrive. So the Germans immediately continued their attack and on the 7th and 8th German troops effected entrance and made a peaceable occupation of the city of Liege. The forts still held out. General Emmich, the German commander, according to a dispatch from Brussels in the London Daily News, "immediately issued a proclamation warning civilians not to fire upon soldiers and announcing that should the offense be repeated the city would be bombarded by artillery stationed in the citadel. . . . The Germans having taken up their abode in the university, schools and other public buildings. They do not intrude into private dwellings and are conducting themselves in every way well, paying for everything they want in the few shops that are still open."

By August 11 the French and Belgian armies had joined somewhere near Namur, and British troops were on Belgian soil; the German force in Belgium, after falling back for a day's rest had resumed its attack on the Liege forts.



Great Britain.

Premier Asquith announced in the British

House of Commons on July 30 that by the consent of all Parties—including Irish Nationalists and Ulster Covenanters—the second reading of the Irish Home Rule Amending Bill would be postponed "for the present, without prejudice to its future, in the hope that by the postponement of this discussion the patriotism of all parties will contribute to what lies in our power if not to avert, to at least circumscribe, the calamity which threatens the whole world." Sir Edward Carson announced next day that a majority of the Ulster volunteers were ready for home service; and on August 4 John E. Redmond, the Irish Nationalist leader, declared in the House of Commons: "Every soldier in Ireland may be withdrawn tomorrow. The coasts of Ireland will be defended by her armed sons, the Catholics of the south and the Protestants of Ulster." The headquarters of the Women's Social and Political Union, the militant suffragist organization, had sent on July 31 a proclamation to all its branches in the United Kingdom ordering the cessation of all acts of militancy during the continuance of the international crisis.



After Great Britain failed to receive from Germany on July 31 an assurance of her intention to respect Belgian neutrality, mobilization was begun, and on August 2 the naval reservists and territorials were called out. August 3, Sir Edward Grey announced the governmental policy in the House of Commons. On August 4 Premier Asquith addressed the House of Commons. He said:

We understand that Belgium categorically refused to assent to a flagrant violation of the law of nations.

His Majesty's government was bound to protest against this violation of a treaty to which Germany was a party in common with England and must request an assurance that the demand made upon Belgium by Germany be not proceeded with and that Belgium's neutrality be respected by Germany, and we have asked for an immediate reply. We received this morning from our minister in Brussels the following telegram:

"The German minister has this morning addressed a note to the Belgian minister for foreign affairs stating that as the Belgian government has declined a well intentioned proposal submitted to it by the imperial German government the latter, deeply to its regret, will be compelled to carry out, if necessary by force of arms, the measures considered indispensable in view of the French menace."

Immediately afterward we received from the Belgian legation here the following telegram from the Belgian minister of foreign affairs:

"The Belgian general staff announces that Belgian territory has been violated at Verviers near Aix-La-Chapelle."

Subsequent information tends to show that a German force has penetrated still farther into Belgian territory.

We also received this note this morning from the German ambassador here:

"Please dispel any distrust that may subsist on the part of the British government with regard to our intentions by repeating most positively the formal assurance that even in case of armed conflict with Belgium Germany will under no pretensions whatever annex Belgian territory. The sincerity of this declaration is borne out by the fact that we have solemnly pledged our word to Holland strictly to respect her neutrality. It is obvious that we could not profitably annex Belgian territory without making territorial acquisition at the expense of Holland. Please impress upon Sir Edward Grey that the German army could not remain exposed to a French attack across Belgium which was planned according to absolutely unimpeachable information. Germany has as a consequence disregarded Belgian neutrality to prevent what means to her a question of life and death—a French advance through Belgium."

We cannot regard this as in any sense a satisfactory communication. We have in reply repeated the request made last week to the German government that it should give us the same assurance regarding Belgian neutrality as was given to us by France last week. We have asked that the German reply to that request and a satisfactory answer to our telegram of this morning should be given before midnight tonight.

That same day the British Foreign Office issued the following statement:

Owing to the summary rejection by the German Government of the request made by his Britannic Majesty's Government that the neutrality of Belgium should be respected, His Majesty's ambassador at Berlin has received his passports, and His Majesty's Government has declared to the German Government that a state of war exists between Great Britain and Germany from 11 o'clock p. m., August 4.

On that day, also, a proclamation by King George ordering army mobilization, was read from the steps of the Royal Exchange. An emergency fund of \$525,000,000 was voted by the Commons; Sir John Jellicoe was appointed commander of the British fleets, already mobilized; an order was issued giving the government control of all the railroads in Great Britain. Next day, Field Marshal Earl Kitchener was appointed Secretary of State for War; Earl Beauchamp was named to succeed Lord Morley as Lord President of the Council, and Walter Runciman to take John Burn's position as President of the Local Government Board, both of these officials having resigned through disagreement, it was said, with the Government's war policy. Martial law was not in force except at the military and naval stations. Premier Asquith, in his address to the Commons on August 6 said:

If Great Britain had accepted, what reply could she have made to the Belgian appeal? She could only have replied that we had bartered away to the power threatening her our obligations to keep our pledged word. What would have been Great Britain's position if she assented to this infamous proposal and what was she to get in return? Nothing but a promise given by a power which at that moment was announcing its intention of violating its own treaty. . . . The Government is confident that the nation is

unsheathing the sword in a just cause. We are fighting, first to fulfill international obligations which, if entered into by private individuals, no self-respecting man could have repudiated, and, secondly, to vindicate the principle that small nations were not to be crushed in defiance of international good faith at the arbitrary will of a strong and overmastering power.

The Commons voted unanimously a \$500,000,000 war budget—in addition to the emergency fund—and an army increase of 500,000 men, Earl Kitchener issuing an immediate call to arms for 100,000 men, this being supplemented a few days later by another call for a like number. In England as in many of the other countries all except official war news is shut off.



The British war fleet which had sailed with sealed orders for an unannounced destination before war was declared, had not been reported in action up to August 11. Various single encounters between German and British vessels in European waters were reported after August 4, one mine-laying German vessel being sunk by an English cruiser which soon after struck a mine in the North Sea and sank. On August 8 and afterward, several thousand British troops landed at Calais and other points to join the French and Belgian armies in their opposition to the German advance across Belgium.



Other European Nations.

Italy, whose semi-official decision for neutrality—despite her defensive treaty with Germany and Austria—had been ratified by the Cabinet Council on August 3, and who had called certain classes to the colors, was said to have been sent an ultimatum by Germany on the 7th, and in answer to have reaffirmed her declaration of neutrality. Switzerland, a neutral State, on July 31 ordered out every man between twenty and forty-eight years old. The Federal Parliament met on August 3; on August 4 dispatches announced that every railroad bridge and mountain pass was guarded. Germany sent official announcement to Switzerland that her neutrality would be absolutely respected. Holland, Denmark, Norway and Sweden have each proclaimed strict neutrality and are all mobilized. Sweden, it is reported, was asked by Germany and by Russia on August 2 regarding her attitude, and made no answer. Norway and Sweden have "exchanged obligatory assurances with the view of preventing hostile measures being taken by either against the other because of the war." Portugal, being asked her intention on August 8, by Germany, announced that she would fulfill her treaty with Great Britain, which involves the furnishing by Portugal of 10,000 troops to England when at war. And her Premier announced therewith that this "did not mean that Portugal intended immediately to abandon her stand of neutrality."