

JOSEPH FELS FUND BULLETIN

BLYMYER BUILDING

Monthly Information for Contributors to THE FELS FUND and Single Taxers Generally

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ORGANIZED LABOR COMMITTED TO SINGLE TAX.

The American Federation of Labor has clearly committed itself to the unlimited Single Tax principle. At the meeting in Washington during the last week of February of the National Executive Council, the proposed Land and Loan amendment to the Constitution of Oregon was endorsed. This measure provides for taking for public use the entire rental value of land.

The resolution to endorse this measure was introduced at the December convention of the Federation at San Francisco by Delegate E. E. Smith, of Portland, Ore. It was referred to the Executive Council for action, which has now been taken.

In introducing the resolution Mr. Smith said:

In Oregon, as in many other States, or practically all the States, the large interests are backed by the money power and have control to a greater or less degree of the land and the natural resources. In Oregon we have as our fundamental industry the timber industry, and the Southern Pacific Railroad and the great timber barons have possession of our resources. In studying the unemployment problem we decided there was only one way to get these resources back. We have many men in our State, as you people have in your States, who would like to get out on the land. They can not do so without paying the inflated speculative prices, and if they do have an opportunity to get on the land they haven't the money to do so.

This bill is a combination of what is familiarly known as single tax and State aid. It does not go all the way. The only way we can hope to get the land and the natural resources back to the people is through taxation. It seems government has never been able to limit taxation, and we propose to levy as a State tax such a sum per year as is equal to the land rent, whether it is used or whether it is not. A third of all this rental will be placed in a home-seekers' loan fund. From this fund men and women in the country and in the city can borrow from the State a sum equal to \$1,500. They will have 20 years to repay it. The first five years they will pay no interest except the administration expense of the loan. The next 15 years they will pay a small rate of interest.

Under this bill there can be no tax levied on personal improvements by a mere scratch of the pen. It will have to be done by and through the consent of the people. If property is sold for delinquent taxes the State will pay all the delinquent taxes and the value of the improvements that have been made. When the State once acquires title to a piece of property because of delinquent taxes the title from that time on is vested in the State and it can not be sold to private individuals. It must be leased.

NEW YORK LEGISLATIVE HEARING.

At a joint hearing of Senate and Assembly committees of the New York Legislature on the Walker-Bleecker bill for a referendum on reducing the tax rate on buildings in New York City, Benjamin Marsh said, that had New York City secured the total tax levy on land and buildings last year by taxing land values only, the Astors would have paid \$507,625 more taxes than they did, the Goetts \$171,702 more, the Gerrys \$125,162 more, the Sloans \$55,231 more, E. H. Van Ingen \$69,082 more, the Vanderbilts \$100,924 more. The tax rate on their land holdings would have been increased by about 1 per cent on the assessed value, i. e., from about 2 per cent to 3 per cent, and so would have taken only one-fifth of their net ground rent that year, above taxes, calculating this rent at 5 per cent. Untaxing buildings would save most small home owners \$40 to \$50 a year, and would make nearly every owner of a big mansion pay more taxes. Many of them own vacant land in addition to their residences. Carnegie would have paid \$19,625 more.

Frederick C. Leubuscher, in speaking of the reactionary majority report of Mayor Mitchell's Committee on Taxation, called the legislators' attention to the fact that, in order to justify the report, the majority members had to repudiate their own expert, Prof. Murray Haig, as well as most of the testimony which they had heard. Professor Haig had said that the proposed change "promises ultimate benefits of considerable importance to all tenants and to many of the home owners in the outlying boroughs." He also declared unequivocally, in oral testimony, that he believed the tendency of the scheme to untax buildings to be "in the right direction."

Dr. Abraham Korn, of the United Real Estate Owners Association, opposed the bill. He feared the result of a referendum would be to carry the measure, and this would put over the Single Tax doctrine and eliminate the selling price of land in New York City. He forgot to mention that if that did happen the land would stay where it was; would be as capable of as good use as before, and would be more easily accessible to capital and labor than it had been. He further forgot

to mention the great relief from extortion which elimination of selling value would bring to the wealth producers of New York City.

If the New York Legislature actually represents the people, the bill will pass.

PREPAREDNESS FOR PEACE.

The following letter is self-explanatory:

March 10, 1916.

Munn & Co. (Inc.), Woolworth Building, New York:

Dear Sirs—Your invitation to manufacturers to offer ideas on Industrial Preparedness for peace has reached my hands. Manufacturers have proved themselves incompetent to deal with this subject. Their guiding principles continue to result in depression, panics, wars, and for the workers poverty, unemployment, misery and prostitution. The reason for this can be made plain.

Your most vital reference is to **our wonderful resources**. Do you not realize that these are monopolized; that so-called owners of land levy a tribute greater than all the rewards to labor and capital, and return **not one cent** for their enormous incomes?

If manufacturers realize all the benefits of your proposals, they will continue to fail, and labor will still be paid small wages or be unemployed. A few will get a large net reward, in spite of the unearned tribute to monopoly, and fully believe their economic measures are proved sound; but the many will grovel in failure and poverty until land monopoly is destroyed and labor and capital may enter upon natural opportunities and reap the natural reward—the full product, free of the fines and burdens we call taxes and monopoly rent. Natural rent, that is, the sums labor and capital should pay for advantage site in the absence of monopoly of vacant land, would be sufficient for public revenue, and all taxes should be levied on site rent, or possible site rent in the case of vacant land. As no one can pay for land which yields no income, vacant land would become free for use, excepting the reduced rents for actual advantage of site.

The right of everyone to land has been asserted by our best leaders. Thomas Jefferson said:

“Whenever there is in any country uncultivated lands and unemployed poor, it is clear that the laws of property have been extended so far as to violate natural rights. The earth is given as a common stock for man to labor and live on.”

The men who supported this principle are many: Horace Greeley, James Russell Lowell, Ralph Waldo Emerson, Cardinal Manning. **Henry George** gave the theory more definiteness than any other. Supporting him we find Joseph Fels, Tom L. Johnson, Newton Baker, Louis F. Post, and others who are well known.

No one ever justified the taking, by land and franchise values, of \$9 out of every \$15 produced in the United States. Land costs nothing, and should be **opportunity**, not merchandise.

The cause of war, poverty and all material miseries, is **exploitation** of producers, the result of land monopoly. Long ago **divine right** gave

the land to a few; it is now held by **legal or vested right**, which differs not at all from divine right, in effect. Monarchs and their favorites still exploit their own people; from this is but a step to the justification of robbery of other nations, and men are sent to death to accomplish such piratical ends. With a right to land and home, men could hardly be induced to fight, except in defense; and when all nations give their workers full opportunity, the reason for war will not exist. Many men now in the trenches of Europe find **better conditions** than they had in city slums, or as rack-rented tenants.

I would call your attention to the faulty economics of your demand that we **sell** to other nations, but **buy** little or nothing, in our efforts at **industrial independence**. Abolish all custom houses, make trade absolutely free, and only advantageous trading will follow. Whatever we can import at less than our cost of production, will be imported, but no more. As you will realize, commodities only are shipped from country to country, hence to continually export, and not import, is an impossibility. We need foreign markets only because our exploiters can not sell their unjust share of our products to our own people; this is due to lack of purchasing power of workers who receive but one-fifth of what they produce. When they can purchase all of our products that they need, a foreign market will no longer trouble us.

We, the Joseph Fels Fund of America, and all **Single Taxers**, assert with confidence, that the measures outlined above **must** be followed if we wish to eliminate war, poverty, child labor, misery, and the present slavery of our working people, especially of the hundreds of thousands of our women whom we permit to be “lost” with concern or care, and that this end is infinitely more important than the success of manufacturers.

Yours truly,

DANIEL KIEFER.

Chairman of the Joseph Fels Fund of America.

PROGRESS IN PITTSBURGH.

In varied ways our city is beginning to get results from the graded tax law, which reduces the rate on buildings. Council fixed the tax on land for 1916 at 12.6, and the rate on buildings at 20 per cent less, namely 10.08. The increased tax bills received by vacant lot owners has caused a number of allotments to be put on the market at reasonable prices. These were soon sold off, and many building permits were taken out. I have done considerable work examining titles lately, and have noticed many instances where improved property was involved and there has been a surprising decrease in the tax bills since the law went into effect. One case, where a workman on the North Side bought a house which was assessed at \$1,500 and the lot at \$300, when he looked over the tax receipts he soon saw that the law was a very good thing for him.

The big land monopolists, however, have set up a great howl about the high taxes. They petitioned council to appoint a commission to find some new source of revenue. Their report will be

watched with interest, for the factories will not stand a return of the old tax on machinery, and it is so long since we have taxed personal property that they would not dare propose that. There seems to be nothing left but to recommend a higher millage on land values, and that is just what the "Ground Hogs" do not want.

I think that the fact that the law provides that three years from now another 10 per cent must be taken off the building tax, making it 30 per cent less than the land tax, and so raising the latter just so much, has cut out a lot of this future speculative value from vacant holdings. There is not much buying of unimproved property for a rise in value. It is going to cost too much to wait till the rise comes.

None of our legislative candidates have come out for the repeal of the law, so it looks as if the common people are getting next to the proposition.

WM. N. McNAIR.

NEWS NOTES.

Mayor Curley, of Boston, has good ideas on taxation. Addressing the local tax assessors, he showed them how much of the property in Boston's business district is underimproved, and offered this advice—

Put up the land valuations and we will see how long these property owners will be willing to bear a burden so utterly out of proportion to their income.

The Tax Committee of the Fall River, Mass., Chamber of Commerce, after a year's study of taxation, has turned in a report unequivocally recommending the adoption of the Single Tax. The committee consists of C. R. Padelford, politician; S. B. Chase, banker and manufacturer, and John Gilbert, M. D.

High school students in the Sixth Superintendency Union, in which S. H. Howes, of Southboro, Mass., is chairman of the joint committee, have been offered prizes for the best essay on "The Single Tax, An Essential to Economic Justice."

Penrose N. Ions, of San Angelo, Tex., offers a prize for the best essay on Single Tax at the local high school commencement in June.

The practice of prize offers to students is growing. The Chicago Single Tax Club, the Cleveland Single Tax Club, the New York State Single Tax League, and probably other organizations, are thus creating interest among the young.

A REAL PEACE BILL.

A genuine peace measure is the bill introduced on March 17 by Congressman Warren Worth Bailey for reciprocal free trade between all nations of the Western Hemisphere. When introducing it Mr. Bailey made a few remarks making clear what the bill would accomplish, as follows:

"This will be a real insurance against war, not merely trying to put out the fire by pouring kerosene on it, as most 'preparedness'

is. It is to make trade as free between us and Latin America as it is among the States. It will benefit both our consumers and our manufacturers. If any one is curious to know what its probable effects would be on our trade with South and Central America, let him study the statistics of trade between the United States and the Philippines and Porto Rico since free trade became effective between those islands and the United States. The measure I propose will go farther toward the establishment of a solidarity of all America and to preserve the peace than all the fleets and armies that could be mobilized."

Back of the measure is an organization of which Charles H. Ingersoll is president. Other officials include A. B. Farquhar of York, Pa., W. D. George and H. H. Willock of Pittsburgh, Lawson Purdy, Charles Frederick Adams and Calvin Tomkins of New York. This is one of the bills which Congressmen should be urged to push.

ANOTHER WAY OF DEFINING IT.

Union, N. Y., March 25, 1916.

Definition: The Single Tax means that the raising of wages, the abolition of involuntary poverty and all that it implies, can be secured by the abolition of our "present system" of private property in land by the method of a single tax on rent or land values.

CHARLES LE BARON GOELLER.

THE FISCAL SIDE.

Madison, Wis., March 24, 1916.

Joseph Fels Fund Bulletin:

I have the March issue of your bulletin before me, and have read your first article, entitled "An Explanation and Argument in Brief," in favor of the Single Tax, upon which I wish to offer a criticism, or, perhaps, rather a suggestion.

The arguments in the article are all based upon the social improvements expected to result from the Single Tax, and from that viewpoint they are all good.

But taxation is a fiscal matter, and the average man thinks of it only as such. Hence, the first appeal for his approval should be based upon expected fiscal improvements. For that reason the objections to the present system should include the following:

- Bewildering variety of taxes.
- A small army of tax officials.
- Excessive cost of assessment and collection.
- Inequality and injustice between the taxpayers.
- Burden to the taxpayer.
- Insufficiency for public purposes.

The fiscal results to be expected from the adoption of the Single Tax should include:

- Ease and certainty of assessment and collection.
- Equality on basis of value among taxpayers.
- Great reduction in number of tax officials, and small expense.
- Ample revenue for public purposes.
- No burden to the taxpayer.

I do not wish to minimize the social advantages that Single Taxers expect; but it is my opinion that the every-day man on the street is not

readily interested in these proposed benefits. But if he is a taxpayer he is interested in a proposal which promises to improve the present situation of rapidly increasing tax burdens.

JOHN HARRINGTON.

EFFECTIVE PROPAGANDA.

The following letter was sent by Daniel Kiefer to the committee in charge of the dinner at Philadelphia on April 8, given by the Single Tax party:

"In methods of propaganda we can learn something from the experience of other movements. Let us take a look at the Socialist movement. We all know that the Socialist party vote is by no means the whole Socialist strength, and also that it gets a lot of non-Socialist votes. It is also true that the increasing vote of that party is due to a broadening of its policy—to the horror of the orthodox Socialist. For many years the Socialist movement in the United States was in the hands of a little group called the Socialist Labor Party. They put up a presidential ticket in 1892 and got 21,164 votes in the whole United States, though five years before, at a State election in New York they had got a bigger vote than that in New York City alone. In 1896 they got 36,974 votes. In 1912 their vote had sunk to 29,259. Their policy is, and has been, one of strict adherence to Socialism, with no encouragement to non-Socialistic elements to co-operate.

"The broader Socialists, under Debs, got tired of this and formed the Socialist party. They went so far afield from orthodox Socialism as to take active part in labor struggles, even when conducted by non-Socialistic labor organizations. Their vote has increased from 87,814 in 1900 to 901,873 in 1912, and they have succeeded in electing officials in many local contests. Their experience shows that a movement loses nothing in showing some interest in and sympathy with what takes place outside of its own narrow circle. As it is, if I were a Socialist, I am not sure that I would tie myself down to the support of the Socialist party. I think it would be better policy to work for the Initiative and Referendum and for Proportional Representation, which, once achieved, would put all voters in the position where they could afford to be indifferent as to how many votes any particular party might get, or as to who might be elected to office or defeated.

"Another movement is the Prohibition movement. The Prohibition party has put up candidates since 1876. They got their highest vote in 1892, somewhere around 265,000 in the whole United States. Yet we know that prohibition has been spreading. The spread is not the work of the party, but of the Anti-Saloon League, an organization of opportunists, one that is ready to work with whatever party or group that will help it get any part of its program if it can not get all. When it can not get State-wide prohibition, it will work with the group offering county option. When it can not get that, it will work for township option, or for ward or neighborhood option

in cities. It does not consider any worker as a friend of the liquor interest who works for local option, when he can get it, in preference to working for State-wide prohibition when he can not get it. The organization also has gone outside of the prohibition movement to work with others to get the Initiative and Referendum, knowing that with these tools of democracy they can more easily make a live issue of their principles.

"Another movement is the Women's Suffrage movement. That has never had a political party to speak of. But by working with friendly elements of all parties, taking municipal suffrage where it can not get State suffrage, or taking school suffrage when it can not get municipal suffrage. It has made practical progress and now Congressmen and Senators are kept busy trying to find excuses for dodging the vote.

"Now Single Taxers may profit by these examples, or they may disregard experience. I believe that the best Single Tax propaganda is to make the Single Tax a political issue. But I also hold that something more is necessary. It must be made a political issue under conditions that will bring to its support not only the thick and thin genuine, blown-in-the-bottle Single Taxer, but every one who favors the Single Tax—and there are many who favor Single Tax, who feel interested in other questions and can be diverted from Single Tax support, if voting for it implies that these other things must be neglected. Conditions which will make it possible to get the full Single Tax support can only exist under the Initiative and Referendum. Thirty-five per cent of the voters of Oregon would never have voted in 1914 for a Single Tax party. Forty per cent of California voters would not have voted for such a party. Eighty-seven thousand Missouri voters would not have voted for such a party in 1912. Pueblo, Colo., voters could not be induced to vote anything else than Democratic or Republican. A Single Tax party in any of these places would have polled an insignificant vote.

"In Ohio Bigelow will initiate an amendment this fall. I do not know how big a vote it will get. But I do know that it will get one hundred times as many votes as a Single Tax party would get, and every one of these votes will be set down by our opponents as a Single Tax vote. And after the votes are counted, there will be more respect shown for the Single Tax by politicians of all parties, especially in those counties that give it a big vote.

"Of course, in Pennsylvania conditions are different. You have not got the Initiative and Referendum. You can not submit a Single Tax measure directly to the voters. But five years ago we could not do that in Ohio, and I do not think we could do it today if Bigelow had formed a Single Tax political party instead of working for the Initiative and Referendum. And the same is true elsewhere.

"Where Single Taxers can use the Initiative and Referendum, the best work to be done is to use it. Where they do not have it, I think the best work to be done is to get it."