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# JOSEPH FELS FUND BULLETIN

BLMYER BUILDING

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

PUBLISHED BY JOSEPH FELS FUND COMMISSION

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## THE CONFERENCE.

"The most successful National Single Tax gathering ever held in the United States," was the general verdict of those who attended the conference at Washington. In number of States represented and in strict attention to business it excelled any of its predecessors. Confidence in ultimate victory has prevailed at every conference, but in this one the members were cheered by the growing evidence that triumph is no longer far off.

It was a practical demonstration of the accuracy of the information given a year ago to the plutocratic scoffers who imagined that failure to secure a popular majority at the elections of 1912, would discourage our workers. These scoffers should realize now that in the Single Tax movement, elections are but incidents. When they result in a majority for the cause it means a great gain. When they result otherwise it only means a lengthening of the campaign with no cessation of fighting. In neither case will there be rest for monopoly. Its upholders might as well realize now as at any time that it is doomed.

A report of happenings at the conference will be sent in pamphlet form, to all presumed to be interested, or upon request of this office for a copy.

## PROSPECTS AND DUTIES.

The Home Rule in Taxation campaign in California, and local campaigns in Colorado, are two important matters that call for the support of friends throughout the country. Colorado has home rule in taxation for cities, and the city of Pueblo has already decided to take advantage of it and apply the Single Tax for local purposes. Other Colorado cities should not permit Pueblo to get ahead of them, and workers in these places will endeavor to have them adopt the same progressive policy.

The California amendment, if adopted, will give to the cities of the State the same freedom that the cities of Colorado and of Western Canada now enjoy.

Workers in other states are also planning campaigns the exact form of which can not be stated now. These campaigns are matters of interest to Single Taxers everywhere. The result in Pueblo was as good news to Single Taxers in New York

City and in San Francisco as it was to the local Pueblo workers. Since these distant Single Taxers could not help directly in campaign work it was their duty to help by contributing to the campaign fund.

The same duty exists in the campaigns to be fought this year. Joseph Fels stands ready as ever to match what others contribute and the commission calls on all in whose hands this may fall to send their pledges of support, and to send them now.

The opportunity we now have is the best in the history of the movement. It should not be allowed to slip by. Fill in and send to the commission at once the pledge card that has been sent to you.

## A \$14,000,000.00 HORSE.

By Herbert S. Bigelow, Cincinnati, O.

Promoters of public utility corporations, not infrequently, have been financial pirates. The public has invested its savings in the stocks and bonds of street railway, gas and electric light companies, without a suspicion of the inherent unsoundness of these investments. It is not until franchises begin to expire that investors wake up to the fact that they have been the victims of misplaced confidence and that serious loss is inevitable.

Now what have investors a right to expect from those who manage public utility properties? They have a right to expect this, that when the franchises expire there will be enough tangible property to support at par both their bonds and stock.

In other words, any capitalization of the franchise itself, is a palpable fraud, for when the franchise expires the capitalization based upon the franchise must collapse.

Every dollar secured by the sale of bonds or stock should be put into the property and enough should be set aside from the revenues, to keep the property unimpaired, so that when the franchise reverts to the public the physical assets will equal in value all outstanding securities.

But this is never done. On the contrary, the universal practice has been to capitalize and sell, as though it were a permanent asset of the company the franchise, which is only loaned to the company, and which sooner or later must be returned to the community without compensation. Invariably these franchises are capitalized and sold and treated as a part of the property, with the inevitable result that when the franchise expires, there is financial chaos.

When the day of reckoning comes these companies have but one way of escape. They seek to have an extravagant valuation placed upon their physical property, and they try to prevent the public from understanding that this extravagant valuation includes the capitalization of the franchise, which is no longer theirs.

Suppose the people of the little community of Fruit Hill where I live were so anxious to have some one run

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## RENEWALS.

If a blue "RENEWAL" subscription blank is enclosed, it means your subscription expires with this issue. Send at once your subscription, and get your friends to subscribe also.

### THE NEW YORK BANQUET.

A banquet to the members of the conference was given at New York City by the Manhattan Single Tax Club, on January 21. More than three hundred attended. As at Washington, William Marion Reedy was toastmaster. Readers of "The Mirror," know that as a writer who can, at the same time be witty, logical and convincing, William Marion Reedy has no equal. But his ability as a writer is not all of his talent. As a speaker he is capable of delivering wisdom in a humorous way which reminds one of Mark Twain. Like was the case with Mark Twain, his humor contains a serious message. Sometimes, too, he will put humor aside and then his serious eloquence is equal to the best.

Speeches were made by Charles T. Root, Bolton Hall, J. B. McGauran of Denver; George J. Knapp of Pueblo; Grace Isabel Colbron, and Joseph Fels.

### DOINGS IN NEW YORK.

Twenty-six members of the New York legislature attended the banquet on January 31, of the Society to Lower Rents and Reduce Taxes on Houses. Governor Martin Glynn sent a letter commending the object of the society, which is to secure legislation to reduce taxes on improvements and increase them on land values at the rate of ten per cent a year. The speakers included representatives of settlement societies and of building and loan associations. City Chamberlain Bruere, representing Mayor Mitchel, was also among the speakers. President Frederic Leubuscher made a splendid address showing how land speculation in New York causes both unemployment and high rents.

### TEXAS FARMERS AWAKE.

Forty thousand signatures have already been secured to the following petition circulated by the tenant farmers of Texas:

To Honorable O. B. Colquitt, Governor of Texas:

We, the undersigned citizens of — county, Texas, hereby join with the Renters' Union of America, in a petition to you to call a special session of the legislature to submit to a vote of the people an amendment to the State Constitution providing for a tax equal to its full rental value on all land held for speculation or exploitation—excepting homestead reservations only—all to the end that use and occupancy shall become the sole title to land in the State of Texas.

Texas has 167,000,000 acres of land, 27,000,000 acres are improved; three-fourths of these improved acres are either rented or mortgaged. Out of the balance there are over one hundred million acres suitable for cultivation—all held up by speculators, and the people are suffering from scarcity of products, high cost of living and ever-increasing land prices and rentals.

We have three-fourths of the state locked up in the hands of speculators, while tenantry has increased 129 per cent in the last twenty years.

Mexico is now bathed in blood because the lands of the nation are in the hands of the few until 7,500 families own the land upon which 15,000,000 people dwell. We are approaching that stage in Texas, but believe our people have

enough education and enlightenment to prevent bloodshed on this side of the Rio Grande.

Instead of a state of rebellious tenants we should have a state of patriotic home owners. This situation can only be grappled with and Texas opened to home builders by such a constitutional amendment.

With Texas cities considering and adopting the Houston plan and Texas farmers awakening to the situation described in the petition, something will soon be doing in Texas.

### REFLECTIONS ON THE CONFERENCE.

By Stoughton Cooley.

Special correspondent of the "Chicago Record-Herald."

If Thomas Carlyle could have attended the conference of Single Taxers in Washington, he would have had to amend his epigrammatic definition of political economy. The views, thoughts and ideas of the wide-awake men and women there assembled were anything but dismal. On the contrary, their faces were aglow with hope, their voices rang with confidence and their whole manner betrayed the spirit of triumph.

To understand the enthusiasm of these people one must remember that less than one generation has been sufficient to see a transformation of Carlyle's dismal science into Henry George's hopeful science. Many of those attending this conference under such flattering auspices—for they had the fellowship of senators, representatives and leading men in the government and out and were moving in an atmosphere fairly tingling with sympathetic encouragement—could look back a few years to a time when friends smiled at their vagaries and public men turned their backs, when university professors shrugged their shoulders and the press fiercely denounced and then closed its columns to the Single Taxers.

Twenty-five years ago it was a common thing to hear men say, when the Single Tax was mentioned, "What, give up my land! I'll fight first." Reason was set aside and men gave themselves up to passionate denunciation of men bent upon robbing them. But here again is the mark of truth. Once it is lodged in the human mind there is no way of destroying it. It cannot be shot, or hanged, or burned. Hence the wise man, when threatened by a menacing idea, should look into it well and determine whether it be truth or error. If it be error, it will soon die, and resistance is unnecessary; if it be truth, it will prevail, and resistance is useless.

It was the personal element, however, that made the Washington Single Tax conference so interesting. The members were pleased at the progress that had been made and they were in profound earnest in laying plans for the future. Yet, running through it all was discernible the kindly feeling of one for another. There was to be seen the air of a religious movement and the fervor that marked the activities of the early churchmen. A noted editor and author was ask-

ed what most impressed him about the conference, and his answer was, "The beautiful accord between that delightful couple, Mr. and Mrs. Post." And that was characteristic of the whole meeting. Men and women met on an equal footing—Mrs. Post presided throughout the conference—congressmen, governors, professors, writers, millionaires and workingmen, all were treated alike.

It was not necessary for those attending the conference to enumerate the strides taken by the the Single Tax during the last few years in order to hearten each other for the work yet to do. It was pleasant, of course, to know that a partial application of the Single Tax idea had been made in western Canada, where it was working so well that no one would consider the idea of returning to the old way, that a modified form had been applied by mutual consent in Houston, Texas, and had been voted in Pittsburg, Pa., and in Pueblo, Colo., but these men and women would have kept on with the work just the same.

The Single Tax of these people is not a mere fiscal measure, it is not simply a means of obtaining revenue for use of the government; it is a method of obtaining economic justice. The single taxer does not bother about minimum wage laws, eight-hour days or the rising cost of living. He confines all his fighting strength—and he is a fighter—to establishing a condition where every worker shall have exactly what he earns. If man could make a living a hundred, or a thousand years ago, when there was practically no labor-saving machinery, he should, the Single Taxer holds, with the use of these inventions and discoveries, have an abundance. When the laborer receives the full product of his labor, he will fix his own hours and terms of service. Wages tend downward only when an artificial barrier is placed between labor and the raw material upon which he works—the land. So long as the master owned the slave it mattered not how many labor-saving inventions were devised, nor how much the power of labor was increased, the wages of the slave remained the same; that is, at the point of bare subsistence. And so long as the owners of land that has been made valuable through the growth of the community and the service of government are able to foist upon labor the taxes that should be borne by themselves, wages will tend to the point of bare subsistence.

It is not alone the fact that taxes that should be borne by the land owner have been laid upon the shoulders of labor that works evil, but this exemption of land from its just burden leads to land speculation and the holding of vast areas of valuable land out of use, thus depriving labor of what it might have earned.

The future activities of the Single Taxers will embrace the whole field, but special effort will be made to carry the constitutional amendment submitted by the California legislature permitting the exemption of personal property from taxation, and to carrying more local territory in Col-

orado, where the constitution does not stand in the way and where one city, Pueblo, has already voted for the Single Tax. These prospects, taken in connection with the land reform movement in England, Germany, France, indeed throughout the world, may well fill the heart of the Single Taxer with confidence.

### PUEBLO'S OPPORTUNITY.

From "Pueblo Opinion."

Pueblo now has her opportunity; since we have adopted a Single Tax valuation, which will be in full operation in 1915, and for this year only 50 per cent of the improvements and personal property are to be assessed, we should grow fast.

Will Pueblo's business men take advantage of this wonderful power placed in their hands to push forward or will they sulk in their tents?

If they wish to do something worth while join the Pueblo Single Tax League, and help push. It means millions of new capital for Pueblo.

Everywhere Pueblo is being talked about as the first American single tax city, and it is up to Puebloans to get results.

The big milk condensing plant at Lamar was duly admitted to good fellowship this week. They will open a distributing station here in Pueblo, because the "single tax scheme looks mighty good to them."

### A GOOD BEGINNING.

A good beginning has been made by Mayor Mitchel of New York, in reappointing Lawson Purdy, head of the Tax Department, John J. Murphy, Tenement House Commissioner, and Henry Bruere, City Chamberlain.

### GETTING SCARED.

**Defender of Monopoly in New York Tribune Wants Single Tax Opposed.**

To the Editor of The Tribune:

Sir: What is the matter with the taxpayers and landlords of this great city? While we are resting in fancied security a crowd of malcontents are scheming to filch from us the fruits of our toil.

The doctrine of the single taxers, land confiscators, low renters, etc., is more deadly and dangerous than the harmless, impractical and utopian dream of the socialists. They aim to rob the landlord of his property by taxing him to death. They hope to coerce the Legislature this year into giving them permission.

The overburdened owners of real estate in New York should rise as one man and show these dangerous agitators that their presence in this city will not be tolerated.

Edmund Hurton.

Brooklyn, January 5, 1914.

## A \$14,000,000.00 HORSE—Continued.

an express wagon into town that they would offer to loan me a horse for a year, if I would buy a wagon and engage in the express business.

What would be said of me, if, after accepting the loan of the horse and investing in a wagon, I should sell the horse together with the wagon as though they were both mine. They would call me a horse-thief, and the community to which the horse belongs would have a right to send and take it wherever it might be found.

But suppose, after having accepted the loan of the horse, I organized a stock company and sell stock to the value of both the horse and wagon. At the end of the year I would be compelled to surrender the horse and the investors would discover they had nothing but a wagon for the stock and bonds which had been issued for the full value of both horse and wagon. I would still be a horse-thief, would I not?

The franchise is the horse—the physical property is the wagon or a street car or other public utility corporation. The horse is loaned to the company and must be returned. But all such companies sell the horse. When the day of settlement arrives they all try to get a valuation put upon the old wagon equal to the value of both a new wagon and the horse. The grim joke of it is the public is usually stupid enough to pay the price.

In the Cincinnati street railway situation, the horse in the case is the legal right to charge five cents fare until April 22nd, 1916. The wagon is the physical property which the company has. In April, 1916, this horse must be returned. After this date the company has no right in the streets with its wagon, unless it will agree to a reduction in its fares so that it may pay interest in the future on the wagon without demanding any further interest on the horse.

We know by comparing the property in other cities where physical valuations have been made, that in this case the wagon is worth from ten to fifteen millions. Fifteen millions would be an excessive price for it. The rest of the twenty-nine million capitalization is the horse—our horse.

The President of the Traction Company says there is not a dollar of water in the stock, but I submit that there is a fourteen million dollar horse in it.

That fourteen million dollar horse belongs to the people, or will belong to them in two years time. If the President of the Traction Company can cajole the people into paying him fourteen million dollars for their own horse which they loaned him for nothing, and which he is legally bound to return to them without compensation, that will be a horse on us. The jolly president will be entitled to enjoy his joke and also the dividends on the fourteen millions.

When the day of settlement comes, the court will have to say what the wagon is worth. Suppose the court finds it is worth fifteen millions. The company will protest that it should have fourteen millions more. "What for?" the court will ask. "Why for this horse," the company will say. Then they will bring the horse out and look it over. We will call the horse by the name of "Joey B." after a famous character in one of Dickens' novels. The horse is twenty years old. He is heavy, and spavined, sway-backed and stiff and thin. The poor old nag has been worked to a shadow. "Whose horse is that?" the court will demand. "Well, it is the city's horse now," the company's attorneys will have to admit. "But your Honor, we think it would be no more than fair for the city to pay the company for the horse, even though the horse now belongs to the city and not to the company."

The court will probably inquire with some surprise why the city should be expected to do any such thing. "Your Honor," the company's attorneys will say, "because the company has already sold the horse." "What! sold a borrowed horse—sold a horse that did not belong to the company?" "Well, if your Honor please," the attorneys would say, "that is not just the way we would express it, but something of that sort has been done. In short, the company borrowed the horse of the city—but after it borrowed the horse the company capitalized and sold the stock. At the time, your Honor, a transaction of this sort was not considered reprehensible any more than it should be considered reprehensible for a United States Senator to receive Standard Oil Trust certificates in return for legal services. Now, if your Honor please, we think you should let bygones be bygones. The fact is, the horse has been purchased

by innocent parties, and these innocent parties should be protected."

At this point, as may be imagined, the Judge inquiring with some heat why their client should not be prosecuted as a horse-thief, the learned counsel would very promptly and truthfully reply: "Your Honor well knows that it is the custom to put men in jail for stealing a twenty dollar horse, or a fifty dollar horse, or a hundred dollar horse, but if your Honor please, there is no precedent and no authority anywhere for taking criminal action against a man who steals a fourteen million dollar horse. The horse is so valuable, your Honor, that the very suggestion of any guilt in the theft is preposterous."

Of course, this court scene will never happen. Not in just this way. What will happen is this. When the public utility commission gets to work valuing the street car property, the company will employ experts of its own to make a valuation; but the company's experts will be hired not to value the property, but to hide the horse. They will be hired to hide that fourteen million dollar horse, so that the city can be induced to pay for its own horse without knowing it. Disguising horses of this kind has come to be a highly scientific and profitable business. The horse will be so successfully concealed in a mass of figures that to the untrained mind its presence would not be suspected. The horse will not be seen, it will not be heard, perhaps we should not say that it will not be smelled, for Bion J. Arnold made a valuation of the street car property in Kansas City and the Mayor of the city declared that it smelled of dead mules.

One of the tricks of hiding the horse is to get a name for it that does not sound a bit like a horse name. They will not call this horse "Joey B." They will not call it "Charley" or "Clarence" or anything of the sort. One of their favorite names is "Overhead charges." They sometimes call it a "going concern." "Obsolescence" is a favorite pet name for the nag. "Good-will" is still another. Yes, and the lawyers will tell you solemnly we must expect to pay something for the HISTORY of the company; that is yet another name for the horse.

During the coming year in Cincinnati as this work of valuing the property proceeds, much will be heard of these names, but whenever the learned counsel speak of "overhead charges, going concern, obsolescence, good-will," the public should be advised that what they are really talking about is this horse, this fourteen million dollar horse of our own, and that these fancy names are invented for the purpose of fooling us into paying for our own property.

Some of this old horse will get into the valuation, in spite of anything anybody can do; such is the deference that is paid to well capitalized wrongs. Besides it is so easy to take pennies from poor people to pay millions to rich people.

To get a valuation without some horse in it—that is too much to hope for—but probably we shall not have to pay within many millions as much for this horse as we should have paid a few years ago.

If the people of Cincinnati want to pay fourteen million dollars to somebody else for a horse which is already theirs, that is their privilege. All we insist upon is that this horse shall not be done up in packages and marked "overhead charges, going concern, obsolescence, good-will," and sold to us under false and misleading labels. The people have a legal right to give the company authority to collect from future street car riders enough money in addition to interest upon their property to pay for this horse, but we insist that these packages shall be marked "dead horse," and that the people shall know what they are getting for their money.

But we shall make it our aim to see that just as little of the people's money is squandered in this way. For this we shall be called hard names, but by the millions that we save we shall lighten the burdens of tired people, from whose poverty the burden should have to come. We are under no delusion. Not even those who are saved the burden of these taxes will remember long or care. But we cannot escape the conviction that it matters much to us, both now and in the eternal years, that we should do our part without hope of praise and without fear of hate, to promote justice and fair dealing among men. Whether there be few with us or many, whether we be weak or strong, we can at least fight a good fight and keep the faith to the end.