

Are You Alive

to the fact that you are a potential asset to the Singletax movement

Or Are You Dead

to the consideration of how you might be numbered of those whose presence in the world has helped to make it better? In either case

Wake Up

and realize that by swelling the list of contributors to the Fels Fund you will encourage others to assist the movement. This list will be done in a permanent booklet for wide circulation. No matter what your contribution your name will be included and there will be no way to distinguish large contributions from small ones.

Learn Something

about the need we have of your help. We need it badly and we need it now. We ought to hear from you at once. We want you to realize that a long list of contributors who have given 10c each, will do more to stimulate interest in the Singletax movement than a dozen names, giving thousands. So if you have not yet contributed

Do It Now

Your moral support is as valuable as your financial support, and though we welcome contributions in large amounts, don't imagine for an instant that the smaller, yes the smallest contributions, are not wanted and will not be of immense help. We want the names of 250,000 at 10c each. Such a list would surely make supporters of monopoly

Sit Up and Take Notice

Such a list requires your name. No objection to your sending or pledging a larger amount but let us have your name. This will be a valuable contribution in itself. We can use postage stamps for the smaller amounts of one dollar and under.

The Joseph Fels Fund of America, Cincinnati, O

THE True Social Remedy



BY GEORGE L. RECORD

Published by the Publicity Bureau
THE JOSEPH FELS FUND OF AMERICA
Cincinnati, Ohio

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By John Z. White.

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The Case Plainly Stated

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By Joseph Fels

Taxation of Land Values

By Frederic C. Howe.

A Primer of Direct Legislation

Reprinted from The Arena, May, June and July, 1906.

LIST CONTINUED ON NEXT PAGE OF COVER

The True Social Remedy

Reprinted from "Everybody's Magazine" for which it was written by George L. Record, a prominent Republican attorney of Jersey City, New Jersey



PUBLICITY BUREAU
THE JOSEPH FELS FUND
OF AMERICA
CINCINNATI, OHIO
1912

THE TRUE SOCIAL REMEDY

For several years in newspapers, magazines, and speeches, the people have been educated as to the injustice of social conditions in the country. The most of this matter, however, has been devoted to an exposure of some wrong, an explanation of how some men, or sets of men, have built up fortunes out of some monopoly or privilege. If any remedy has been suggested, it has been a partial one; but generally the writers have been content to arouse public opinion to the existence of the wrong, leaving to the future the development of the remedy.

It seems to me it is now time to attempt to formulate a complete plan of reform, adequate to remedy the existing injustice of which the public mind is conscious. I think it is possible to outline such a plan, so that it can be easily understood.

The first thing to determine is the underlying social principle, the violation

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of which has caused the injustice we are trying to remedy. The Socialists say that the trouble is due to the principle of competition; that the remedy is the suppression of competition, and the substitution therefor of the principle of co-operation. I contend that the Socialist philosophy is fundamentally unsound: that the trouble is not competition, but the suppression of competition and the establishment of monopoly in its place. The proof of this point is found in the fact that not a single large fortune was ever built up in any business that was purely competitive; but that all such fortunes are clearly traceable to some form of advantage or privilege, by which the favored ones were able to escape the law of competition under which their competitors were obliged to work. We must, therefore, work out our remedy on the theory that monopoly, and not competition, is the source of our trouble.

The principle of monopoly is applied in this country in five ways, and only five, and to one or more of them can be traced every great fortune in America.

A Better Tax System

I propose briefly to outline these five monopolies, and show how they can be abolished.

The first is our system of indirect taxation. This includes the tariff, the internal revenue, the new corporation tax, in the nation; the tax or charge levied by the states for so-called franchises, or corporation charters; and the excise fees and taxes on personal property and improvements levied by municipal governments. All these should go. The national government should fix its budget or appropriations annually, and levy upon each state for its quota. The state in turn should fix its budget annually, including therein the amount levied for the national government, and levy upon each county for its quota. The county should fix its budget annually, including therein the amount needed for national and state purposes, and levy upon each municipality for its quota. The municipal government should in turn fix its budget annually, including therein the amount needed for county, state, and nation, and raise this amount

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by a direct tax upon the land values of the community. The owner of land, under this system, would pay all taxes directly, and no one would be taxed indirectly. The individual taxpayer should find plainly stated upon his tax bill how much he is compelled to pay to the municipality, how much to the county, how much to the state, and how much to the national government.

Consider the immense advantage of this system in simplicity, in certainty, and in its effect in enforcing economical government. It merely applies the plainest principle of business: that the man who pays should know exactly what he is getting, and precisely what it is costing him. In every blind and indirect system, those least able to protect themselves always pay more than their just share of the burden, and they do it only because they do not know, and can not find out, the real facts.

The second monopoly grows out of our patent laws. Without the government grant of a limited monopoly, no inventor could make money out of his

Public Ownership

invention. If, then, the government enables an inventor to realize upon his invention, should not the government share directly in the benefits which it thus directly creates? This again is the business principle. Every patent should be granted upon condition that anybody can use it, on paying a royalty fixed by the government, of which the government should have half and the inventor half. This would prevent the suppression of patented improvements upon inventions which monopolies now hold, would prevent any huge fortune growing out of a patent, and would insure and maintain competition among the users of patented inventions.

The third form of monopoly is the railroad, telegraph, telephone, express, Pullman palace car, trolley, electric light, gas, and water businesses. All these utilities should be owned and operated by the government of the nation, or municipality. This would squeeze out all watered stock, lower all the charges for the services of these companies, cut down the prices of all com-

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modities into the price of which these charges enter, and abolish gambling in these securities. It would stop the rebating, private car privileges, control of mines, privileges to favored shippers, etc. Incidentally, besides restoring competition by abolishing privilege, government ownership and operation of public utilities would remove the most powerful sources of corruption of our local, state, and national governments.

The fourth monopoly is land. This is the greatest monopoly of all. It includes mines, oil wells, terminal lands of railroad companies, and wharfing privileges. It grows out of the absurdity of applying to land, which the Almighty created, and which is limited and indestructible, the same law of private property which we apply to the products of men—which are unlimited, and which commence to decay as soon as produced.

The remedy is to be found by destroying private property in land. This can be done without destroying the right, and the permanency, of individual possession, through the simple device of

Destroy Land Monopoly

levying all taxes upon land values alone, exempting all improvements. This would divert into the municipal treasury the income from land of the Astors and the Goelets and other land-owning families. All rent of land is monopoly. It is getting something for nothing. The value of land is made by the community, increases with the growth of the community, and morally belongs to the community which creates it.

This reform would force into profitable use millions of acres of land adjacent to great populations, and millions of acres of mineral and timber lands that are now held in idleness for speculation. This, in turn, would give employment to the unemployed, and more lucrative employment to some who are now employed, and would thereby operate to increase enormously the annual production of wealth. Land values would be finally eliminated, and land would sell on a rental basis instead of on a capitalized basis. This would require less capital to get a home or start a business. In this way, all rents, both of houses

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and business buildings would be materially reduced, thereby making it easier and cheaper to live and do business. It would put the employe on the same plane as the employer. To-day the workmen must compete against each other, or starve. With abundant cheap land right at hand, requiring little or no capital to acquire, and carrying a rent determined by the competition of all unused land, no man would consent to work for less than he could make on the land. This would establish a minimum wage, below which wages could not sink.

The fifth and last monopoly is the control of the money and credit of the country. Our present law produces an inelastic currency, makes the issue of money difficult, and gradually is leading to a virtual monopoly in money and credit. The government should coin all gold and silver daily, as offered, at the ratio shown by the market price of the day, and issue no money itself. Then both metals would circulate as money, and neither would drive the other out by

An Improved Currency System

virtue of undervaluation. Then anybody should be allowed to start a bank, on any capital small or large, and issue paper money to the extent of the assets or the capital of the bank. The usual banking precautions and supervision should be exercised, as now, by the government, which should collect an insurance fund with which to redeem the notes of failed banks, as Canada now does. The directors of every bank should be made liable for its debts up to the amount of their stock interest. This plan would give a flexible, elastic currency, which would automatically increase in volume when the demand was large, and decrease when the demand fell off.

If this program were put in force nobody could get a monopoly; nobody could get an advantage or privilege that he did not earn; nobody could get a huge fortune; nobody would be ever out of work; nobody could live without working; no panic could ever occur; no money could be made in speculation in stocks or land, and competition, absolutely free, would automatically measure

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off and secure to every man the exact proportion of the annual wealth which he helped to produce by his mind, his labor, or his capital.

Before we attack these problems, however, we should concentrate our efforts on establishing the machinery of real popular government in our states and our nation. That machinery is the election of United States senators by popular vote; the selection of delegates to national conventions by the direct vote of the party voters, with an opportunity for each voter to express his choice for candidate for President and Vice President; the nomination of all state and municipal candidates by the direct-vote system; a drastic corrupt practises act; and the system known as the initiative, referendum, and recall.

- Open Letter to Rev. Charles Steidle of the Men and Religion Forward Movement
By H. F. Ring.
- Direct Legislation
By John Z. White.
- The Somers Unit System of Realty Valuation
- Taxation and the Land Question
By Leonard S. Herron, Editor of the Nebraska Farmer, Lincoln, Neb., from which it is reprinted.

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By Henry George.
- To Destroy the Rotten Power
By Henry George.
- Thy Kingdom Come
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By Henry George.
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