

### FACTORIES DRIVEN OUT OF NEW YORK.

"In 1869, along the easterly and westerly shores, there were large factories employing at one time a hundred thousand skilled workmen. The first case that came up was the Singer Sewing Machine Company. For three years they conferred with the department as to what their taxes would be. Finally they moved to New Jersey, and from that time up to the present they have been going almost every year and to day there is only one large establishment that was here at one time, and that is Hoe's establishment."

—Hon. Michael Coleman, Deputy Tax Commissioner of the City of New York, before the joint committee of the Senate and Assembly in 1893.

### BRAVO, CONGRESSMAN!

You see I do not believe in anyone making money out of land. I agree to their getting profit for their labor and for the actual investment of capital, but not for the use of the land. That should belong to the people. I believe in individuals having land for possession but not for profit. I believe this Williamson building should pay an interest on the actual capital invested on the building itself, but I don't think the land site should yield a profit. If that site were taxed for the full economic rent—for the six per cent which the land owner expects to make out of it—you see there would be no profit from it to the individual—that would go to the State.

I think the Single Tax is all right, except that it does not go far enough. A Single Tax means that the Tax on land shall be the only tax. It does not provide what the tax should be. That would not prevent people holding undeveloped natural resources; as it would if the tax were six per cent.—Representative Robt. J. Crosser in *Cleveland Leader*.

AND the people who work and who do not use strong drink, all have property.—Elbert Hubbard in October *Philistine*.  
*You humbug!*

### MISS COLBRON'S LECTURE TOUR IN NEW YORK STATE.

Miss Colbron's lecture tour through New York under the auspices of the New York State League was a notable series of successes. In Buffalo, where she remained for two and a half days, a full programme had been arranged. Here she addressed 1000 pupils of the Central High School. On the conclusion of her talk the principal, Dr. Vogt, expressed himself as highly pleased. Miss Colbron also spoke at a dinner to Mr. Rann, the newly elected Corporation Counsel of Buffalo, at the Hotel Touraine. Addresses followed at the meeting of the N. Y. State Federation of Women's Clubs, the Nichols High School, at the State Normal School, and the Rotary Club.

In Cleveland, N. Y., Miss Colbron had two meetings arranged for her by E. C. Clark, a veteran Single Taxer. At Sodus, N. Y., there was a successful meeting at the High school. In Albany there was a meeting on the 19th of Nov. at the People's Forum. At Marlborough Miss Colbron also spoke at the High School, which meeting had been arranged by C. H. Baidon of that town.

Miss Colbron expressed herself as highly pleased with the result of her New York tour.

### THE HOUSTON PLAN OF TAXATION.

#### SOME OF "HONEST JOE'S" METHODS.

(By H. F. Ring.)

The following clipping is from a recent article in the *Houston Daily Post*, a somewhat conservative publication:

"The Somers tax system is but the entering wedge for the Henry George system of taxation of land values, known as the Single Tax plan of raising revenues for the support of the government and of giving to each individual his rightful participation in nature's free gift to humanity—not to one generation, but to all generations—of land, air and water, without which, it is claimed there can be no equality of op-

portunity. There is too much land monopoly in Texas, hence with the unearned increment evidenced by the rising values of unimproved land appropriated by those who hold title to it, there is growing dissatisfaction with the State's policy of land taxation."

Twenty-five years ago this same paper under the same management as at present, published in full, with editorial headlines and introductory remarks which were hardly courteous, the address delivered by me at a Knights of Labor celebration, which Henry George afterward published in a tract named the "Case Plainly Stated." I had announced myself a Henry George man and was severely berated by the editor for such a brazen avowal of faith in his teachings. It was even mildly intimated that dangerous personages like myself ought not to be tolerated among honest citizens. The Chicago Hay Market bomb had exploded but a short time before, as I remember it, and as I walked to my office that morning after having read what the *Post* thought of me I wondered how many of the people I met were staring at me with ill-concealed aversion and terror.

What a change has since taken place in the public sentiment of this community! At that time Joe Pastoriza was apparently a mere money grubber. He did not see the "cat" until years afterward, but even then, deep in his heart, was the plan to devote the remainder of his life to the public good after he had acquired a competency. As a penniless orphan boy, he read Ben Franklin's autobiography, and he has never since swerved from the resolution then formed to emulate in all respects the example of that benign philosopher. He is now possessed of a great and taking idea about which he thinks and talks and writes and acts with the shrewdness and force of his great exemplar. When Joe Pastoriza first ran for city commissioner three years ago he went in with a whooping plurality. The mayor, at that time though bitterly opposed to him politically, was big enough and patriotic enough and intelligent enough to make him tax commissioner and back him up in his plan to introduce the Somers system and reduce taxation on personal

property and improvements, for the mayor even had become inoculated to some extent with the Single Tax virus which we had been stirring into things here in Houston for many years.

\* \* \*

This was the situation when Joe took hold: The constitution and laws of Texas and the ordinances of the city of Houston then, as now, required a tax levy for State, county and municipal purposes amounting in the aggregate to about  $2\frac{1}{2}$  per cent. on the full valuation of every kind of property owned by every citizen of Houston, including "credits," so called, and money in bank. That was the law then, and it is the law now. Money on deposit in the banks of Houston, amounting to about \$30,000,000 on the first day of January next preceding Joe's election, was subject to this tax of  $2\frac{1}{2}$  per cent, which would have come to \$750,000. But had Joe attempted, according to the plain letter of the law, to take from these bank depositors \$500,000, the city's share of it, what a howl would have been raised! And what rack and ruin would have ensued when the next first of January came around by the withdrawal of the \$30,000,000 from our local banks in order to prevent  $2\frac{1}{2}$  per cent. of it being grabbed by tax collectors. The banks also had loans outstanding on that fatal first day of January amounting to say \$15,000,000. Hence they were liable on these items alone to a tax of \$350,000; and citizens of Houston lending money on mortgages to the extent of at least \$10,000,000, as shown by the county records, were also liable because of these "credits" owned by them to taxes amounting to \$250,000. Here were money and "credits" to the extent of at least \$55,000,000 clearly subject to taxation, and yet none of Joe's predecessors had ever attempted to compel the rendition of hardly any of it, and so in plain violation of the law and contrary to the constitution of Texas upward of \$55,000,000 of "credits" had, year after year, escaped taxation. And not only so, but grand jury after grand jury had adjourned without indicting the hundreds and thousands of citizens who had committed perjury in swearing to the correctness of tax lists signed by them, in which

no mention had been made of money in bank and money loaned. This was certainly an awful condition of affairs for Honest Joe, as he is often called, to take hold of. Here he was, elected to office by a constituency, of which nine-tenths of those who had money enough for a bank account or for a loan were perjurers, liable under the wording of the laws to imprisonment in the penitentiary. Great is the constitution of Texas and that of every other State in the Union where provision is made for the collection of taxes on "credits."

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Of course every intelligent person knew that an attempt by the tax commissioner of Houston to collect from depositors a tax on money left by them in bank on the first day of January of each year would cause the withdrawal before that day of nearly every dollar on deposit and break every bank and three-fourths of the merchants and manufacturers in the city, but this fact did not change the legal effect of the language used. Neither was its legal effect changed by the fact that a systematic and persistent attempt to tax credits held by banks and individuals would enormously increase rates of interest and throw the full burden of the tax upon the borrowers. Yet these obvious facts had caused Mr. Pastoriza's predecessors in office and the grand juries of Harris county to ignore, year after year, the plain provisions of the law and thereby spit in the face of the sacred constitution of Texas.

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Now here is where the genius and hard common sense of Pastoriza came in. If his predecessors and the business men of Houston could, for the public good, ignore with impunity the existence of \$55,000,000 of "credit" values, clearly subject to taxation and easily listed and put upon the tax rolls, why couldn't he, for the same reason ignore the existence of large amounts of personal property and improvement values. Anyway, he went to work on this idea, and the mayor and the other commissioners readily acquiesced in it, for they were pretty good near Single Taxers themselves, and besides, Pastoriza and James Charlton, the county treasurer, an indefatigable

Single Tax worker, re-elected now for the third time, had demonstrated that belief in the Single Tax was really a valuable asset for any politician to hold, especially in Harris county.

And so to begin with, the Somers system of assessing property for taxation was adopted. It revealed here, as it will probably everywhere else, that the real estate of the rich was being assessed at about 40 per cent. of its value and that of the poor at about 80 per cent. The assessed values of land, exclusive of improvements, in the business part of the city and in the suburbs held in large tracts, was raised often from 100 to 200 per cent. and some times more, in one instance the increase was 1500 per cent., and that of the small homestead owners and often of rich land owners, too, were reduced in many cases. Yet no one seriously contended that the assessment rolls, as finally approved, were not fair, and immensely nearer exact right and justice than had ever been the case before. Land exclusive of improvements, whether platted into lots and blocks or not, was put in at 70 per cent of its value, and improvements at 25 per cent. Tax payers were encouraged to forget all about "credits" and money in bank, household furniture, watches and jewelry and nearly everything else pertaining to personal property, except in the case of merchants, whose stocks of goods went in on the 25 per cent. basis. The franchises of public service corporations, never taxed before by the city, were assessed at one fell swoop in all, at \$1,800,000, and Pastoriza gave them to understand that he would make it \$3,000,000 if, by refusal to sign assessment sheets prepared according to his valuations, predicate was laid for an injunction or any kind of legal disturbance. They paid up with eagerness. This year these franchises are assessed at \$2,200,000, in addition of course to the many millions assessed upon the value of the plants and land held by the corporations owning the franchises. Joe's policy is to raise the franchise assessment values in broken doses, for fear of shocking a management here and there into an apoplectic fit at the idea of a public service corporation, paying taxes on anything like the real

value of its property, as required in the case of an ordinary citizen. He will probably educate them up to it, however, within the next year or two.

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