To answer your first question most intelligently I have obtained the amount of personal taxes collected for three years. It averages $4,500,000 a year. To raise this sum by a tax on real estate would increase the tax rate by six or seven cents on each $100 of assessed valuation. In making this estimate I have not taken into account the fact that there would be a considerable saving of expense if the assessment and the collection of taxes upon it were abandoned.

As you have pointed out in your letter, the question presented is not that of the effect of abandoning the taxation of personal property, but only that of abandoning the small relic of personal property tax now left. The tax on banks and trust companies alone exceeds the tax collected from personal property under the personal property tax. The tax on banks and trust companies is enforced with mathematical accuracy. Other classes of personal property have from time to time been withdrawn from the operation of the general property tax, and additional taxes have been imposed upon various classes of personal property, and these taxes yield a much greater amount than the general property tax.

There are very few places in the State of New York where any attempt is made to enforce the law for the taxation of personal property. In many places it is absolutely nullified. The entire assessment of personal property, outside of the City of New York, was only $113,000,000 in 1908. In one city, with a real estate assessment of $29,000,000, the entire assessment of personal property is $175,000. Not a single corporation is assessed. There are a large number of towns where there is no personal property assessment at all. I am informed and believe that there is not a single non-resident person or corporation assessed in the whole State of New York outside of this city.

While the actual collections in this city are trifling the law is a menace to our prosperity. Its enforcement drives from us property and business, the presence of which would enhance the value of real estate by much more than the sum from which personal taxes are collected. The increase in the assessed value of real estate has several times been twice as great in one year as the personal assessments on which taxes have been paid.

Respectfully,

LAWSON PURDY,
President.

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The Cleveland Traction Referendum.

Mr. Tom L. Johnson is back in Cleveland from New York, where he went to take a rest and recuperate at the close of his long service in the mayor's office (pp. 13, 34). The Cleveland Press reports him as being in greatly improved health, and with "about as much fight in him as ever." The street railway ordinance comes to a referendum vote of the people of Cleveland at a special election on Thursday of this week, the 17th (p. 110). In regard to it the Cleveland Press published on the 12th the following signed statement from Mr. Johnson:

It is said that the people of Cleveland are tired. I can understand it, if they are. They have fought a long fight, and I myself am tired and sick. But I am not sick and tired of the fight, and I doubt that the people are. They have shown a courage that would do credit to an individual; they have "stayed" with an endurance that has encouraged the people wherever our story is known. I believe they will finish the fight. They may be tired of me and, thinking that might be, I have hesitated to say anything at this time. But I have decided. I am going to point out the dangers of the pending ordinance.

As a representative of the people I have been guided by the belief that the people should rule their own affairs, and now that I am a private citizen I am going to say just how the thing looks to me and how I am going to vote at the referendum of February 17.

There are four vital defects in the street railway settlement:

The first is, the maximum fare is too high.

The second is, the valuation is too high.

The third is, the city's control by arbitration is too weak.

The fourth is, a friendly council can relieve the company of all the people's safeguards without a referendum vote.

The grant is for 25 years or longer.

It is a grant of a monopoly with no provisions in it to require extensions and betterments to keep pace with the growth of the town.

It is a grant to a company with neither interest nor inducement to operate at either a low fare or in the interest of the car riders.

It is a grant to a company that has said publicly that even the maximum fare is too low.

It is to a company which is one unit in the national street railway business which, fearful of reduced dividends in other cities, would like to see the "low fare enterprise of Cleveland" fail. There is nothing easier in the world than to fail, when you want to, even in the street railway business in a growing city.

This company will make low fare in Cleveland fail. It will find that it "has to" ask a friendly commissioner, administration and council to raise the maximum rate of fare now fixed at 4 cents cash, 7 tickets for a quarter and 1 cent for transfer without rebate, and a friendly administration can do this, so far as has been legally determined, without a referendum. And after that the company will find that it "has to" yield more and more to the temptation left in this settlement, not to get out of politics, but to go deeper into it and corrupt our city government.

Already the company proposes to buy power from the Illuminating company.

When Columbus was to get eight tickets for a quarter by reason of the fact that the company's gross earnings were about to reach the figure named in the ordinance the street car company consolidated with the electric light monopoly and other public service companies, and for the last five years the Columbus car riders have been denied eight tickets for a quarter, because through its consolidations the company has been able to conceal its true gross earnings.

In Cleveland substantially the same proposition is contemplated. The street car company proposes to buy power from the Illuminating company.

Some people believe such an arrangement would require approval by council. This is not true. The council's approval is only necessary when the company wants to increase its capital.

The only limitation on the company is the 11½c per car mile for operating expenses; and this limitation can be changed by the council without the consent of the people, or by a board of arbitration without the consent of either the people or the council; thus the company is absolutely free to buy current at any price it may choose.

It is a great deal easier to conceal net earnings, with which we have to do in the Cleveland situation, than gross earnings. It will be easy with a friendly commissioner and administration for the Cleveland Railway Co. to make it appear that under the maximum rate of fare proposed the net earnings are not sufficient to pay 6 per cent dividends, and therefore it is necessary to raise the maximum. This the council can do, and whether the people would have a chance to reject it at a referendum election is still unsettled.

The refusal of the council committee to even inquire into the proposed consolidation of the Cleveland Railway Co. and the Illuminating company shows how completely the council and the administration are controlled now by the Cleveland Railway Co.

The biggest danger to the people in the fare question lies in the proposed consolidation with the electric light monopoly.

My second objection is to the valuation. It is too high. It is too high by at least $6,000,000. Two million too much was allowed on "overhead charges" and "life of track." And two million more should have been deducted for the burdensome requirements of the East Cleveland and other suburban contracts.

And the inclusion of two million dollars for pavements is justified neither in law nor in equity. The company laid these pavements as part payment for their franchise, for which Judge Tayler allowed them three and a half million dollars. To add now two millions more "for pavement" is as absurd as it would be to count as an asset the moneys the company has paid in as taxes.

I don't believe the people should have to pay dividends on $6,000,000 more capital than the plant is worth.

As to the third objection: Arbitration—we have had a taste of that. And we have had as arbitrator as fair, square and fearless a man as we could well expect to get, Judge Tayler has won the respect of the town. But consider him a moment. With a sense of public interest rare in the judicial mind, after saying clearly that the public streets are public property, and that the street railway should not make more than 6 per cent on the actual value of the plant, Judge Tayler has fixed it so that this company can charge us 6 per cent on $6,000,000 more than the property is worth.

The third, the decisive arbitrator of the future is to be appointed by Judge Tayler or his successor. At the best Judge Tayler would name him. Judge Tayler's selection would not be as good as he himself. I am afraid of arbitrators. I am afraid of the best of them, for we have seen the best and he has displayed reverence for private property and lack even of respect for public property. What would a worse arbitrator do?

The enemies of low fare support this settlement. It is also true some people support the ordinance because they have not thought out the proposition clearly and do not see the real dangers ahead.

The men and institutions who for eight years struggled against low fare now appear to champion the cause. This can have but one explanation—they know it is a victory for high fare.

There is but one reason why we should vote for this settlement, and that is that we are tired of fighting and want to quit. I personally have been influenced unduly by the thought that the Forest City stockholders—a body of 2,400 men and women who put their money into an enterprise for the purpose not of making money but of proving that a low fare street railway would pay—would get out clean and whole.

But it seems that they may not even get their money back; and, any way, the right of this matter requires me to say to them, to the people of Cleveland, and to myself, let's fight on. And why not? We have now a street railway privately owned but publicly operated, and operated as well as the old company used to operate it.

Three-fourths of the people pay a 3-cent fare, and every time a franchise expires more of them get the low fare.

The arrangements are not perfect, but the public is in control. If we vote for this franchise the company will be in control.

As it stands now, the mayor and the council could, if they wished, lower the charge for transfers as they have lowered fares.

In other words, the situation is much better than it would be if we voted for this franchise.

The Cleveland Railway Co., with its 5-cent fare allies in other cities, has no notion of making 3-cent fare pay in Cleveland.

Whoever is appointed commissioner, he will raise the fares to the maximum, and there will be no hope then of any improvement for years. On the other hand, if we vote down this franchise the company or the new administration will have to suggest immediately another settlement which cannot be worse; and since it has to be submitted to us, must be better.

I shall vote against the ordinance. But I am sick now, and tired; it has wearied me to prepare this statement. I may not be able to say anything more at present, but if it were the last heartbeat in me I would urge the people of Cleveland—leaders as they are, in the fight for democracy in this country—I would urge them to vote with their eyes open.

This ordinance is not a victory. It is a defeat. Vote for it, or vote against it as we will, let us do it honestly. Let us not fool ourselves. If we vote yes, let us do it saying, "We are weary of fighting and being licked." And if we vote no, let us do it saying also the truth, that we expect a better settlement immediately, and if we don't get it we will fight till we do. We will fight till the fight is finished and won.

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To love a good woman is a liberal education. To love a lady of fashion is a commercial education.—Leslie's Weekly.