

THE BULLETIN

OF THE MANUFACTURERS AND MERCHANTS FEDERAL TAX LEAGUE

Vol. VII

CHICAGO, APRIL-JUNE, 1929

No. 2

REASSESSMENT NEARLY FINISHED IN CHICAGO

After eight months of battling the tax-dodging forces and dozens of legal hair-breadth escapes the scientific revaluation of real estate in Chicago and Cook County for taxation purposes is nearing completion. A great deal, of course, remains to be done before the people can get their tax bills but the main work of the revaluation is over. Approximately 1,300,000 pieces of land and 900,000 buildings have been scientifically appraised—a task that for half a year has involved the labor of from 300 to 1,400 men and has cost in the neighborhood of \$1,500,000.

In order to acquaint the taxpayers better with the purposes and results of the reassessment an edition of 50,000 eight-six page pamphlets containing an abundance of vital information—photographs, diagrams, tables, rules, etc.—are now being printed for public distribution. There is no question but what errors have crept into the work but these errors can in time easily be ironed out and when once ironed out it is safe to say that Chicago and Cook County will have one of the best systems of assessing real estate for taxation purposes that can be devised—a system that will be a model to the whole world.

THE RIGHT ROAD TO LOWER FREIGHT RATES

"Most people urging lower valuations for railroads during the past ten years," says a recent Bulletin of the People's Lobby, "have ignored the obvious fact that the certain method of reducing the valuation of railroads is to tax all land values more heavily. No legislation is needed to do this in most states—merely exercise of administrative discretion in increasing the assessment of land values, and reducing the assessment upon buildings, and other improvements and other labor products.

"Efforts to shift taxes in this way have been vigorously opposed by the American Farm Bureau Federation and its state branches, and by the National and State Granges. That so many outstanding intellectuals should ever have failed to anticipate the decision of the Supreme Court—invariable with its present composition—is quite remarkable.

"The implications of land values taxation are most important. High 'costs' of production of farm products which lead to such vocal demand for high—if not embargo tariffs thereon—are in large measure due to high land values. There will be no real farm 'relief' until the farmers are relieved from land speculation—a basic form of parasitism. There will be no relief from high freight and passenger rates until land values are adequately taxed."

WHAT WILL SUPT. BOGAN DO? Will Ely's High School Text—a Text Loaded with Propaganda for the Real Estate Interests and the "Power Trust"?—Be Crossed Off the Approved List in Chicago?

Chicago, it seems, is developing into a battleground for one of the most significant fights between privilege and democracy that has ever been waged in this country.

In the closing months of 1928, as our readers may remember, the attention of the Education Protective Association was called to the fact that Prof. Richard T. Ely of Northwestern University had recently revised, under peculiar circumstances and in a very strange manner, his popular old high school text—the "Elementary Principles of Economics."

As Prof. Ely is now the director of a privately-financed "Institute for Research in Land Economics and Public Utilities" which various educational bodies have declared to be operating "under false colors" a careful investigation of the matter was made.

The most startling facts were disclosed. It was found that Prof. Ely had thrown out of the last edition of his textbook certain economic ideas which he has long held to be logical and sound but to which the various monopoly groups, whose support he is now receiving, are bitterly opposed. It was found for another thing that he has injected into the book certain other teachings with respect to land economics and public utilities which he has long considered to be illogical and unsound but to which the real estate interests and the private utility corporations now backing him—morally and financially—are eager to have taught.

Feeling that a textbook revised in such a manner and under such circumstances is not a proper textbook to lay before our high school boys and girls but is a profound danger to the future welfare of the whole people, the Education Protective Association on April 13, 1929, addressed an "open letter" of 26 pages to William J. Bogan, Superintendent of Schools in Chicago, laying the facts before him and respectfully requesting that the Ely (and Wicker) text be "crossed off the approved list and dropped" from the public schools of this city.

Supt. Bogan has referred the matter to a committee of teachers with instructions to investigate and report to him. What will his final decision be?

If the Ely text is not "crossed off the approved list in Chicago," as the Education Protective Association demands, it will mean more than a mere vindication of the book in Chicago. It will mean that Prof. Ely himself has been vindicated, that his "Elementary Principles of Economics" is not carrying propaganda of any kind but is a perfectly proper book to be used in the schools of the United States, and that his privately-financed "research" Institute in Northwestern University, with its increasing volume of subsidized textbooks, bulletins and reports may safely be trusted by the people in every respect. In other words, if the Ely text is not stricken from the approved list in Chicago it will mean that the corporate interests, in their effort to control the future thought in our schools and colleges, have won an overwhelming victory!

On the other hand, if the Ely text is "crossed off the approved list" it will mean more than merely getting the book out of the schools of Chicago. It will mean that all other localities where the book is used will sooner or later take the same action—and the Ely text is on the approved list in New York, Philadelphia, Boston, San Francisco and hundreds of other towns and cities in the United States. More than that, it will mean that Prof. Ely's private "Institute for Research in Land Economics and Public Utilities" in Northwestern University—an organization of college professors which has been carefully built up with the aid of the "vested interests"—is discredited and unworthy of the confidence and trust of the American people.

Supt. Bogan, contrary to other information received, has vigorously denied that the new Ely and Wicker text is being used in Chicago at the present time but he has so far failed to state whether or not the text will be removed from the approved list—the main point around which the whole controversy centers. The full correspondence between Supt. Bogan and the Secretary of the Education Protective Association up to this writing follows:

Supt. Bogan's Reply to the "Open Letter"

BOARD OF EDUCATION
450 South State Street
Chicago

Superintendent of Schools
William J. Bogan

May 10, 1929.

Mr. Emil O. Jorgensen,
Secretary, Education Protective Association,
1344 Alameda Street, Chicago.

My dear Mr. Jorgensen:

This will acknowledge receipt of your letter of April 13 referring to an open letter in which you discuss a book entitled "Elementary Principles of Econ-

(Continued on page 3)

WILL CONGRESS CUT TAX ON "EARNED INCOMES"?

If indications count for anything there may soon be another cut in the federal tax on "earned incomes." In 1924 Congress passed a law making a distinction between incomes that are "earned"—wages, salaries, etc.—and incomes that are "unearned"—rents, royalties and the like—and provided at the same time that the tax on the earned incomes below \$10,000 should be taxed 25% less than the unearned. Two years later the earned income limit was raised to \$20,000 and last year it was raised to \$30,000.

Now,—thanks chiefly to Hearst's large string of newspapers which are working to send to Congress a petition containing the names of millions of voters—an effort is being made to have both the rate and the total amount of the exemption increased. Meanwhile government officials announce that there will be in the treasury this year a surplus of about \$200,000,000 of revenue—all of which makes it highly probable that legislation will be passed lightening still further the federal tax on "earned" incomes.

CHICAGO'S TAX MIDDLE GROWING MORE SERIOUS

Even the bankers in Chicago, it appears, are now growing alarmed over the tax situation, and are wondering what the result will be when the people get their tax bills. Owing to the reassessment of all real estate in the county the tax bills for 1928 have not yet been sent out and probably will not go out for several months to come. That will mean that the overburdened taxpayers in Chicago will receive two bills with only a short interval between them—and, owing to the increased appropriations that have been made, the second bill will be larger than the first. Meanwhile, a paper of large circulation—the Taxpayers' Bulletin—has begun publishing serially a long article regarding the Pittsburgh Graded Tax Law—a indication that from now on this plan of taxation is going to be more thoroughly discussed in Chicago than ever before.

SINGLE TAXERS TO MEET IN PITTSBURGH

The Fourth Annual Convention of the Henry George Foundation of America will be held in the city of Pittsburgh, Pa., September 23rd to 25th inclusive at the Hotel William Penn. A splendid program is being arranged and a record attendance is expected. The central feature of the occasion will be the celebration of the Fifteenth Anniversary of "Progress and Poverty." All inquiries should be addressed to the Henry George Foundation of America, 1309 Berger Building, Pittsburgh, Pa.

THE BULLETIN

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by the
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Tax League

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Emil O. Jorgensen, Editor

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That depends on what one tries to do with it. A locomotive would be a failure if one tried to use it as a plow. Democracy is a form of government and should not be used for other purposes than proper governmental functions. But many people insist that it look after matters not properly in its sphere and then, of course, it fails, and ought to fail. Democracy succeeds when it minds its own business.

REVOLT AGAINST ELYISM STARTS IN CALIFORNIA

The opposition to Prof. Richard T. Ely's textbooks in our public schools is spreading—California being the latest state to show signs of a rising storm.

Early last winter, as a result of the disclosures of the Federal Trade Commission, a subcommittee of the Commonwealth Club of California—one of the largest and most influential clubs in the West—was appointed to investigate the matter of propaganda in the California schools. The men appointed to do the investigating was George Lincoln Putnam, Louis Bartlett and S. Edward Williams—three prominent men in San Francisco of recognized courage and ability.

After spending several months at the task the subcommittee on April 10 submitted to the Public Utilities Section of the Commonwealth Club a 22-page single-spaced mimeographed report of its findings. In these findings Prof. Ely's textbooks—particularly his "Elementary Principles of Economics" which is on the approved list for the whole state and which, for example, was being used in the high schools of San Francisco—came in for a terrific indictment. The report, we are told, was discussed, accepted and filed by the Section.

Three weeks later but before any further action had been taken by the Club the press managed to secure a copy of the report and on May 6 and 7 news regarding it was prominently displayed in the newspapers over the whole state.

The school officials, of course, were staggered. Joseph M. Gwinn, Superintendent of Public Schools in San Francisco said in explanation, that the book had been selected from the approved list furnished by the State Board of Education while Charles A. Adams, a member of the State Board of Education and chairman of the textbook committee declared that it was impossible for the board to examine minutely all the books published for use in the schools. "However," he went on to explain, "there is a rule of the board providing specifically for removal from our lists of any book found to contain propaganda."

It looked bad, indeed, for Prof. Ely—and for the special interests back of his "research" Institute!

But now the tide of battle turns—at least for the time being. According to the San Francisco Chronicle of June 19, Prof. Ely on June 5—or about a month after the subcommittee's report had been made public—wrote the president of the Commonwealth Club, William Fitch Cheney, a letter, denying that his research Institute is otherwise than "impartial, unprejudiced and thoroughly scientific" in its activities and at the same time protesting vigorously against the "unwarranted, unjust and very cruel attacks upon me."

Now while Prof. Ely was thus writing to President Cheney, President Cheney, according to the Chronicle, was writing an apologetic letter to Prof. Ely repudiating the report and expressing deep regret that it had ever been made public. To quote the Chronicle's own words:

"Professor Ely's letter was dated June 5, and while it was on its way to San Francisco there was on its way to Professor Ely in Chicago a letter assuring him that the Commonwealth Club was in no way responsible for the report concerning Ely, and that the organization had no official knowledge of such report. There were expressed regrets and the like that the report had been made public in the first place and that the Club's name had been identified with it."

We do not propose here to express any opinion regarding President Cheney's apologies to Professor Ely beyond throwing out a remark or two. The San Francisco Chronicle in the course of its article says:

"Referring to the statement made in the report that Ely's textbooks have been revised from strong advocates of public ownership to something to be interpreted as opposed to such form of ownership, Ely has this to say of circumstances attendant upon a decision to revise the editions:

"I was persuaded by my associates that I had made a mistake in standing so strongly for municipal ownership, and under this influence I changed my views." Among the associates named are Professor Allyn A. Young, Harvard, and Professor T. S. Adams of Yale."

Now this point is very interesting—interesting because of some new evidence just brought out by the Federal Trade Commission.

Even if Professors Young of Harvard and Adams of Yale had persuaded Ely that he was wrong in standing for municipal ownership this would not mean necessarily that his change of opinion had been free from special influence for Harvard University has for several years been receiving an annual subsidy of \$30,000 from the National Electric Light Association while numerous professors in Yale have long been active in behalf of the "Power Trust."

But there are abundant reasons for believing that Prof. Ely changed his views regarding municipal ownership independently of any persuasion on the part of his colleagues. Here are some facts disclosed by the Federal Trade Commission which were not available, and therefore could not have been known, to the members of the subcommittee at the time they wrote their report.

In 1924 the public utility corporations conducted a private survey of the leading textbooks on economics used in the schools of the United States to see which of these books favored the policy of public ownership and which of them favored the policy of private ownership. In this private survey Ely's "Elementary Principles of Economics" (the

(Continued on the last page)

UNEMPLOYMENT AND THE FARM PROBLEM

Unemployment in the cities is the other end of the farm problem. This unemployment is due to lack of markets for the quantities of goods the factories might produce. Men who have never been identified with any radical movement are saying that the reason for unemployment is the piling up of profits, profits made from the people, so that the people cannot buy all that is produced. Here again the doubt is raised whether actual overproduction exists.

So long as we have exploitation, so long as some groups take more than they give in return, we cannot tell whether we really have overproduction, or whether the apparent overproduction is due to needs remaining unsatisfied because of trade barriers and lack of buying power. The first step in the cure of the farm problem, and the unemployment problem in the cities as well, is to check exploitation and establish fair and equitable exchange of products for products, and products for labor.—Nebraska Farmers' Union.

DENVER LOSES

The partial Single Tax amendment submitted to the voters of Denver on May 21 resulted in a count of 6,000 for to 30,000 against. The largest contributing cause to this defeat, it is said, was the campaign of misrepresentation conducted by the land speculation interests to instill doubt and fear into the minds of the voters.

Statement of the Ownership, Management, Circulation, Etc., Required by the Act of Congress of August 24, 1912
of Bulletin of the Manufacturers and Merchants Federal Tax League, published quarterly at Chicago, Illinois, for April 1, 1929.

STATE OF ILLINOIS, 1st.

BEFORE me, a Notary Public in and for the State and county aforesaid, personally appeared Emil O. Jorgensen who, having been duly sworn according to law, deposes and says that he is the editor of the Bulletin of the Manufacturers and Merchants Federal Tax League, and that the following is to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 143, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are:
Publisher, Manufacturers and Merchants Federal Tax League, 1346 Algefeld Street, Chicago, Illinois.
Editor, Emil O. Jorgensen, 1346 Algefeld St., Chicago, Illinois.
Managing Editor, none.
Business Managers, none.
2. That the names and addresses of the owners, stockholders, and address of individuals, firms, or corporations, two by name and the number of shares of stockholders owning or holding 1 per cent or more of the total amount of stock, are:
None.
3. That the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing a full and complete and correct statement of the full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and bonds, mortgages, or other securities, if a bona fide purchaser for value and his name and address has no reason to believe that the person, firm, or corporation, or partnership, firm, or other securities, than as so stated, by him.

EMIL O. JORGENSEN, Editor.
Sworn to and subscribed before me this 14th day of April 1929.
SELYS E. PELLEGRINI
Notary Public.

(My commission expires Nov. 24, 1930.)

(Continued from page 1)

omes', by Ely and Wicker which is listed on the Chicago textbook list. You may be interested to know that we have had no order for this book from any of our schools up to the present time. Should any order be sent to us for the book we will give further consideration to the objections to its use which you have outlined.

Yours very truly,
(Signed) W. M. J. BOGAN,
Superintendent of Schools.

The Second Letter to Supt. Bogan

EDUCATION PROTECTIVE ASSOCIATION OF AMERICA, INC.
1344 Alameda Street
Chicago

May 22, 1929.

Mr. William J. Bogan,
Superintendent of Schools,
Chicago, Ill.

My dear Mr. Bogan:

Your letter of May 10, which is in reply to our open letter of April 13, requesting that you strike the 'Elementary Principles of Economics' by Ely and Wicker from the approved list of textbooks in Chicago, is at hand.

You say, "You may be interested to know that we have had no order for this book from any of our schools up to the present time."

We can't understand this, Mr. Bogan. Before we sent our open letter of April 13 to you we addressed a letter, and enclosed a stamped envelope for reply, to all of the high school principals in the city asking them kindly to state what economic textbooks are being used, either for text or reference purposes, in their classes. Of the twenty-four high school principals so addressed, ten of them failed to reply—two of these being deliberate refusals. Three others stated they had no economics courses in their school and therefore used no textbook. Of the remaining eleven which replied, five included Ely's name among the authors listed and three of them specifically mentioned the 'Elementary Principles of Economics' by Ely and Wicker. We do not believe either that all of these were for reference purposes only—one principal, for example, listing the name of no other book. On this basis, however, it would seem that there are in Chicago at least six or seven high schools where, either for text or reference purposes, the Ely and Wicker textbook is being used.

We cannot, therefore, understand your statement that you have received no orders for this book up to the present time. Much less can we understand your statement, if we may believe the press reports of April 19, that the text has 'never' been used in Chicago's schools.

You go on to state, "Should any order be sent to us for the book we will give further consideration to the objections to its use which you have outlined."

This answer, Mr. Bogan, is not sufficient. We cannot accept anything short of a plain statement from you that the Ely and Wicker text will be taken off of the approved list. For this book should not have been put on the approved list published last August and the fact that it was put on constitutes one of the most indefensible actions on the part of your subordinates that can possibly be imagined.

Consider this: In July of 1924 Prof. Ely's privately-financed 'Institute for Research in Land Economics and Public Utilities', which was then located in Wisconsin University, was attacked for the partiality it was showing to the special interests back of it. Just one year later (July, 1925) Ely's Institute, under very suspicious circumstances, was moved out of tax-supported Wisconsin University in Madison into privately-endowed Northwestern University in Chicago. As soon as the Institute was gone the Board of Regents in Wisconsin passed its now famous resolution that "No gifts, donations, nor subsidies shall in future be accepted by or in behalf of the University of Wisconsin from any incorporated educational endowments or organizations of like character." That was plain notice to the world that something was wrong and should have caused your textbook committee to hesitate before adopting any book prepared by the Ely Institute or any of its members.

But more than this. No sooner was the Ely Institute comfortably settled in Northwestern University than various educational bodies began inquiring into it—the American Federation of Teachers reporting, after a year's investigation, that the Institute was 'masquerading under false colors,' while the Chicago Federation of Men Teachers passed a resolution publicly denouncing both Prof. Ely and his Institute "as an insidiously dangerous factor in the social and educational fabric of our country." These reports were given wide publicity and should by themselves have been sufficient to cause your committees to reject any textbook prepared by or under the supervision of Prof. Ely.

But this is not all. At the very time the teachers were investigating the Ely Institute Professor Ely was engaged in revising his present high school text—the third edition of which the public utility corporations, in a private textbook survey conducted by them in 1924—had classified as a 'bad' book. Your committees, therefore, had before them last year both the third and fourth editions and had they examined them they would have discovered two things of great significance: (1) that Ely has injected into the fourth and last edition certain matter eagerly desired by the real estate interests back of him, and (2) that he has pulled out of the third edition those teachings for which it had been condemned by the private utility corporations and put into the fourth edition those teachings which these utility corporations want.

Yet even more. In the early months of last year the Federal Trade Commission commenced its present investigation of the 'power trust' and disclosed the fact that the Ely Institute had begun receiving in 1926 from the National Electric Light Association a regular contribution of \$25,000 a year. And 1926, mind you, was not merely the year in which the Chicago Federation of Men Teachers publicly denounced the Ely Institute as 'a danger to our country' but the very year in which the revision of the high school text took place.

Yet in spite of all this—in spite of the fact that in 1925 Prof. Ely moved his privately-supported Institute out of Wisconsin University into Northwestern under very strange circumstances, in spite of the fact that prominent educational bodies in 1926 and 1927 made investigations of the Institute and vigorously condemned it, in spite of the fact that in revising his text in 1926 Prof. Ely pulled out of the third edition those words and ideas for which it had been 'black-listed' by the private utility corporations and put into the last edition those very words and ideas which these corporations are eager to have taught, and finally, in spite of the disclosure made by the Federal Trade Commission in the early months of 1928 that the Ely Institute had begun receiving in 1925 an annual subsidy of \$25,000 from the N. E. L. A.—in spite of all these tremendous significant facts your textbook committee recommends and you authorize the new 'Elementary Principles of Economics' by Ely and Wicker to be placed on the approved

list of textbooks in August of 1928!

In all fairness to the public we do not feel that we can make any compromise in this matter and we therefore again respectfully request that you promptly strike the Ely and Wicker text from the approved list and notify the high school principals in Chicago to that effect.

Yours very sincerely,
EDUCATION PROTECTIVE ASSOCIATION OF AMERICA, Inc.
(Signed) EMIL O. JORGENSEN, Secretary.

Supt. Bogan's Second Reply

BOARD OF EDUCATION
460 S. State Street
Chicago

Superintendent of Schools
William J. Bogan

June 1, 1929.

Mr. Emil O. Jorgensen,
Secretary, Education Protective Association,
1344 Alameda Street, Chicago.

My dear Mr. Jorgensen:

This in reply to your letter of May 22nd, in which you state that the high schools have specifically mentioned that they are using 'Elementary Principles of Economics,' by Ely and Wicker.

I repeat the statement made in my previous letter that on the list of textbooks adopted in 1925 [*] the book by Ely and Wicker was not listed. Consequently, it could not have been used as a text. The new edition was not adopted until August 22, 1928, and we have not received a single order for this book. Again I repeat, there is not a copy of Ely and Wicker's 'Elementary Principles of Economics.' Revised Edition, in use in the schools.

A few copies of the old edition have been in use as library or reference books, and one school has used the old books as textbooks for eight years or more.

On the following page is a summary regarding these, based upon a report from the high schools, which I received this morning.

Of 24 High Schools—
17 report that they do not have any of Ely and Wicker's books, old or new;
4 report that they have a few copies of the old book, which are used for reference purposes.
1 reports that there is one copy of the old book in the library.
1 reports that there are several copies of the old book in the building which are not being used.
1 reports that 160 books of the old edition are being used, but these were purchased more than eight years ago.
A committee is now investigating other statements in your letter.

Yours very truly,

(Signed) W. M. J. BOGAN,
Superintendent of Schools.

*[NOTE: It should be mentioned perhaps, that Supt. Bogan made no reference to this matter in his previous letter. However, if the book was not on the approved list in 1925 it is all the more puzzling why, in view of the serious objections to it, it should have been put on the approved list in August of 1928.—E. O. J.]

The Third Letter to Supt. Bogan

EDUCATION PROTECTIVE ASSOCIATION OF AMERICA, INC.
1344 Alameda Street
Chicago

June 7, 1929.

Mr. William J. Bogan,
Superintendent of Schools,
460 S. State Street, Chicago, Ill.

My dear Mr. Bogan:

Your letter dated June 1 has just been received.

We are evidently not going to get anywhere discussing the question whether the 'Elementary Principles of Economics' by Ely and Wicker is or is NOT being used in Chicago. The reports we received from high school principals before we wrote you indicate one thing; the statements you make indicate another.

Fortunately, this particular point is of no great significance in the problem before us and may well be dropped. The all-important thing is that the Ely and Wicker text—which is loaded with propaganda for the real estate interests and the public utility corporations—is now on the approved list in Chicago. If the text is not removed from this list we may naturally expect it to be used by many of the high schools in the city in the years to come—regardless of whether it is being used to any extent at present or not.

Inasmuch as two months have already passed since we laid this matter carefully before you will you not now kindly advise us definitely whether or not the Ely and Wicker text is going to be stricken from the approved list?

Yours very sincerely,

EDUCATION PROTECTIVE ASSOCIATION OF AMERICA, Inc.
(Signed) EMIL O. JORGENSEN, Secretary.

Meanwhile, the leading newspapers of Chicago—and many outside of it—have been giving the matter prominent publicity. This publicity has tended to arouse still more the forces back of Ely to the danger that threatens them and a campaign of misrepresentation, intimidation and abuse (see, for instance the editorial of the Chicago Journal of Commerce printed elsewhere in this paper) has set in to prevent the text from being dropped from the approved list.

The struggle is on; it is growing in intensity; what will the outcome be?

For 'Education, Taxation, Research and Legislation' and 'Supported Financially and in Spirit by the Utilities'

"WHEREAS, in view of the increasing needs and growing responsibilities of the National Association of Real Estate Boards, especially in the fields of education, taxation, research and legislation, it is imperative that more adequate funds be provided for its activities.

"THEREFORE, BE IT RESOLVED, . . . that the per capita dues of active members of the Member Boards be increased from five to ten dollars per annum, such increase to be effective as of January 1, 1927."

—Resolution adopted at the annual convention of the National Association of Real Estate Boards, Tulsa, Okla., June, 1926.

"(The Institute for Research in Land Economics and Public Utilities directed by Prof. Richard L. Ely) is a sound institution, supported financially and in spirit by the public utilities, including the national associations. . . . They are very friendly to the public utilities; in fact, the same personnel that teaches the public utilities economics course at Northwestern University constitutes the active workers in the research. . . ."
—Federal Trade Commission Exhibit of a private letter written by Prof. Ely to the Committee on Public Utility Information on April 13, 1927, to a G. I. Wolfe of the Pennsylvania Public Utility Information Committee.

A Difference of Opinion

A SHAMELESS ATTACK

At the request of an organization of single taxers, Superintendent Bogan of the Chicago public schools has appointed a committee of teachers to inquire, in effect, into the sincerity of Professor Richard T. Ely, director of the Institute for Research in Land Economics and Public Utilities, which Professor Ely founded at the University of Wisconsin, and which he now conducts in affiliation with Northwestern University. That the sincerity of Professor Ely, who for nearly half a century has been one of the foremost economists in the country, should need investigation by a committee of school teachers or by anybody else, is absurd in the highest degree. Perhaps nothing could equal it in absurdity except the possibility, which may prove to be a fact, that the investigating committee is largely composed of single taxers.

The committee was appointed as the result of a violent and defamatory campaign waged against Professor Ely by single taxers and other radicals because in the revised editions of his textbooks on economics he has taken an unfriendly attitude toward the single tax and toward governmental ownership of public utilities than before. It has been alleged, without a particle of proof and with astounding effrontery, that such a modification of opinion—a modification caused by changed conditions—is proof of insincerity. Owing to the pressure of other duties, which prevented him from revising his textbooks single-handed, Professor Ely in performing the revision received the co-operation of other reputable economists, including Professor T. S. Adams of Yale and the late Professor Allyn A. Young of Harvard. Their views on the economic topics in question coincided with his. Yet for expressing these views Professor Ely has been subjected to a nation-wide attack, which is aimed not only at his character but at the use of his textbooks in schools and colleges and at the service being rendered by the Institute for Research in Land Economics and Public Utilities.

The intemperateness of this attack, the recklessness and viciousness demonstrated in the very language used, should have been evidence to school officials everywhere that the attack deserved to be disregarded. Yet, in Chicago, the superintendent of schools has felt it expedient to appoint a committee of teachers to examine into the merits of the one Ely book that is on the approved list of the Chicago public school system—Ely and Wicker's "Elementary Principles of Economics."

To those anybody in the Chicago public school system competent to pass on Professor Ely's work? Professor Ely became head of the department of political economy in John Hopkins University as long ago as 1881. In 1892 he removed to the University of Wisconsin, where he served as professor of political economy for thirty-three years. In 1925 he became research professor of economics at Northwestern University, to which he transferred his institute. On the board of trustees of this institute are men of high repute, including Governor Lowden, John H. Finley, associate editor of the New York Times: Rufus C. Dawes, Nathan William MacChesney, and Albert Shaw, editor of the Review of Reviews. Among the members of the advisory council are Dean Helman of the School of Commerce of Northwestern University, Dean Thompson of the College of Commerce of the University of Illinois, Professor Hibbard of the University of Wisconsin, Professor Fetter of Princeton, Professor Ruggles of Harvard, and Professor Seligman of Columbia. The institute and Professor Ely, its director, are of the highest standing. Who are the Chicago school teachers competent to pass on his textbooks?

It may be added, as a purely personal note, that Professor Ely is 75 years old; that with unflagging industry and marvellous acuteness of mind he is toiling to establish his institute on secure foundations, so that it may permanently perform a great service to the American people; that this work, the ardent effort of his old age; and that the present assault on his integrity is not merely baseless but venomously cruel.

—Editorial, Chicago Journal of Commerce, June 18, 1929.

Revolt Against Elyism Starts in California.—Con.

third revision of which had just been made in 1923) was listed by the utilities as a "bad" book.

In July of the following year (1925) Ely moved his research Institute out of state-supported Wisconsin University into privately-endowed Northwestern University—an institution of which, it may be worth noting, Samuel Insull himself is a trustee. From that month on, so the records show, Prof. Ely began receiving "reimbursements" from John C. Parker—then the Chairman of the National Electric Light Association's "Committee on Co-operation with Educational Institutions" and one of the cleverest propagandists the private power corporations have ever had.

In 1926, again, Prof. Ely revised his "blacklisted" high school text—**pulling out of the text** those words and ideas to which the utility corporations so strenuously objected and **putting ino the text** those words and ideas which these corporations desire to have taught. In this same year, also, the Federal Trade Commission shows, Prof. Ely began receiving for his "research" Institute an annual contribution of \$25,000 from the National Electric Light Association—or a total gift to date from this Association alone of \$100,000.

It thus appears that Prof. Ely who for a life time has been an advocate of municipal ownership radically changed his views within the period of a year—and the very year too, strange to say, in which the gold of the "Power Trust" was laid at his feet!

We have a hunch that the last word on this subject has not yet been said in California and that President Cheney of the Commonwealth Club may yet be convinced that he has been a little too hasty in repudiating the subcommittee's report and in extending his apologies to Prof. Richard T. Ely.

"THE MOST SHAMELESS TURNCOAT IN HISTORY"

Mr. Emil O. Jorgenson,
1844 Alameda St., Chicago, Ill.

14th May, 1929.

Dear Mr. Jorgenson:

I wish to thank you very sincerely for the copy of your "Open letter" to Superintendent Bogan, which you have kindly sent me. I have read it all with the deepest interest, and I shall be much surprised if you have not spiced the guns of the enemy very effectively. Your pamphlet has been to me most informative and has elucidated the situation wonderfully. My name may have been known to you as yours was to me during the five years (1914-1919) in which I lived in Boston, Mass., and wrote book-reviews for "The Public" which now, alas, exists no longer. At that time I made acquaintance with some of Professor Ely's writings, and got the impression that he coquetted in a half-hearted manner with the Single-tax doctrine and only lacked the courage to align himself with it. When I read your excellent book and reviewed it in "Land and Liberty" (thanks by the way for your kindly acknowledgment of my effort to express my appreciation of it and your all-too-flattering comments) I was astounded on discovering that he had become a militant reactionary. But the revelation you give in the Open Letter of his utterances in 1888 fix him irreversibly as the most shameless turncoat recorded in history, not excepting Herbert Spencer and Winston Churchill our quick-change-artist Chancellor of the Exchequer. Doesn't it produce a queer sensation when one tries to think oneself into the mental attitude of a man who can consider it worth while thus deliberately to introduce an inconsistency, a discord, a contradiction (let us call it at once a lie) into his soul? For the harboring of this most ignoble of untruths must make the man supremely unhappy; unless indeed, something has taken place within his consciousness that amounts to a petrification of those delicate tissues where the moral sense resides.

However, instead of commiserating my fellow single-taxers of the U. S. on the effort which you and they are forced to expend in combating this insidious and immoral teaching, I am almost inclined to envy you. Carlyle, you may remember, wanted much to see the Devil for a few minutes "that he might give him a bit of his mind." What we suffer from so badly in this country is that the cunning Devil remains hidden and won't show his face for us to shake a fist at. A conspiracy of silence on the part of the press and the politicians is pursued so persistently and consistently that one might never suspect from reading the public prints that man is a land animal, that he does not live in the air and nourish himself with vibrations and electrons. The consequence is that we have nothing to fight against except this exasperating silence. It is like punching wool-bags—you cannot even hurt your knuckles, much less can you make any impression on the inert and irresponsible mass.

I am just one of those who feel this state of things most badly, for I am at my best only when on the defensive. Eighteen years ago when the defenders of privilege were alarmed by the doings of Alex. Ere and Lloyd George, and came out in the open, I got my boxing-gloves on and did some service during the few succeeding years in letters to the Scottish newspapers. Now, however, the editors won't print anything that is plain spoken; and when occasionally a letter does pass their censorship and appear in type, no one pays the writer the compliment of differing with or contradicting him. I think you are really to be congratulated on the fact that you are forced to fight these enemies of liberty, for it gives you an opportunity of propagating the Truth as it is contained in Progress and Poverty, which I for one, should heartily welcome on this side of the water. If you can conveniently keep me informed from time to time of how the battle wages, I shall be greatly obliged. I dare say the "news from the front" is more interesting to me than to most of my colleagues here inasmuch as I feel myself like a kind of half-baked American. My sympathies have been with the American people all my life, and I have always felt that if there is one nation more than another that holds the future destiny of civilization in its hand, it is the people of the United States. . . . Now I shall close with the most cordial greetings and best wishes, and the assurance that it will give me the greatest pleasure to review your next book and the next again, if I should have time enough.

Yours very sincerely,

ALEXANDER MACKENDRICK.

44 Hamilton Park Terrace,
Glasgow, W. 2, Scotland.

PLACING A PENALTY UPON THRIFT

If a man saves and improves his property, he must pay more taxes. If he is lazy and thriftless his taxes remain low. If, constructing a great factory, he increases the efficiency of hundreds of thousands of workmen and so adds to the sum of commodities which all may enjoy, he is punished by increased taxes.

But if, instead, he keeps a piece of land vacant and unused until the activities around him and the growth and development of the community have given it high value; if he then makes money out of what these others have done, requiring the person who would use the land to pay him a high price for advantages of situation for which not his activities but the activities of others are responsible; we keep his taxes low.—Prof. Harry G. Brown, Department of Economics, University of Missouri.

BACK TO THE LAND

A New York editor, in discussing the unemployment problem, calls the Back-to-the-land movement a failure. Of course. Is there any more land left to get back to? Find me one acre fit for use and I'll find you a speculator who has "beat you to it" and wants his pound of flesh. For land speculation runs riot everywhere. "Ten down and two a week" will make everybody rich. Boom! Boom! And merchants wonder why business is so rotten! The Louisiana Lottery was a national disgrace and had to be put down. Yet the Land Lottery is a thousand times worse. For people need the land to live on, to work on, and to be buried in when they die. And because it has been turned into a gambling table, millions are unemployed and business is "in the red." Cannot this land-grabbing orgy be put down as the Louisiana vampire was? I'll say it can. Read seven pages of Henry George's "Progress and Poverty" (pp. 431-437) "the book that was read around the world" and learn how.—EORATIO.