

"Know the Truth and the Truth shall make You Free"—St. John, 8, 32

THE BULLETIN

OF THE MANUFACTURERS AND MERCHANTS FEDERAL TAX LEAGUE

6973

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No. 2

DEFEAT THE ILLINOIS REVENUE AMENDMENT

The tax amendment to be voted on by the people of Illinois in November should be defeated! This amendment not only opens up the state to the imposition of an income-tax and other harmful levies on the products of capital and labor but provides that "all real estate shall be in one class, except that mineral lands and land devoted to reforestation may be in different classes."

This provision is deliberately intended, not merely to aid the land speculators, but to prevent the introduction of any plan of taxation whereby buildings and other improvements are taxed at a lower rate than land, as for instance, in Pittsburgh and Scranton. There are other objections to the proposed amendment but this one is enough. If industry in Illinois is to be subjected to further tax burdens and at the same time prevented from resorting to any measure of relief its "goose is cooked!" The amendment must be defeated.

HENRY GEORGE CONGRESS TO CONVENE IN FRISCO

Readers of this paper will be glad to know that the next convention of the Henry George Foundation will be held in the city of San Francisco, September 2-4th. This is the city where Henry George in 1879 wrote his famous "Progress and Poverty" in which he gave to struggling humanity a vital truth that has since spread around the world.

Owing to the long distance many friends from the eastern states will doubtless not be able to attend but as an unusually interesting and inspiring program is being arranged all those living in the middle and western states should by all means try to be there.

PROFESSOR BROWN ASKS A PERTINENT QUESTION

After pointing out the hypocrisy that lies in the attempt to increase the tax on intangibles, incomes, commodities, etc., under the pretense of "relieving the tax on real estate," Prof. Harrison Garrison Brown of Missouri University goes on to say ("Tax Relief for Real Estate," p. 23):

'Tax relief for real estate? And with **no distinction** between improvement values and socially-produced site values! It is this which is being sought in many states, including the writer's own, and with growing promise of success. Already a number of states have ceased to levy any taxes on land for state purposes. What do you think is likely to be the consequence to equality of opportunity and the future of American democracy? What shall be done about it?'

A FAR-REACHING VICTORY FOR DEMOCRACY

The acceptance of funds from private sources by professors and colleges investigating controversial public questions has been pronounced undesirable by the Committee on Ethics of the American Association of University Professors—a Committee which consists of Prof. C. P. Costigan, California University; C. W. Cunningham, Cornell; John Dewey, Columbia; E. A. Ross, Wisconsin; E. R. A. Seligman, Columbia; C. F. Taussch, Harvard; C. J. Tilden, Yale; J. H. Tufts, Chicago; T. G. Weatherly, Indiana.

The Committee's report, which is made public after a long study of the disclosures of the Federal Trade Commission and other bodies, and which constitutes one of the most important documents of its kind that has ever been published, is to be found in the "Bulletin of the American Association of University Professors" for May, 1930.

A most valuable feature of the report is that, unlike the report of the National Education Association, a clear-cut and well defined distinction is made between propaganda that is secret and propaganda that is open and above-board—the first, of course, being condemned and the second approved. To quote the report's own language (p. 357):

"It is clear, therefore, that there can be no objection to propaganda as such, always provided that it be open and above board... Where the statements are accurate and the character of the argument obvious and open, only good can result. If the American Federation of Labor seeks to sway public opinion by its tracts, if the American Telegraph and Telephone Company publishes, as it did in the controversy of a decade or two ago, the figures as to comparative charges and comparative efficiency of service; if the League for Public Ownership sends its documents broadcast to the colleges and universities—all this is not blameworthy, but praiseworthy...."

"On the other hand, where the propaganda is concealed, where it is full of misstatements, where it becomes difficult or impossible for the public to ascertain its source, where it is so cunningly drawn as to lead to conclusions that are opposed to the truth, or where it definitely states conclusions that are controversial or tentative, then the propaganda becomes dangerous and is rightly to be reprobated."

After making this excellent and sound distinction between the two kinds of propaganda the Committee heretofore proceeds to make certain recommendations as to how the secret propaganda, in its most dangerous aspects at least, can be eliminated. These recommendations follow (pp. 366-367):

While much may, therefore, be said on both sides of the question, the wise conclusion would seem to be for all our institutions, academic or research, to refrain from soliciting, and to refuse to receive, gifts from any business source, whether public utilities or otherwise, if these funds are destined to support research or other academic activities on any specific question of actual or probable controverted public policy... But if it is undesirable for a university to accept funds from private sources on controversial topics of public policy, it seems equally illegitimate for individual members of the faculty to do so.'

We shall have a good deal more to say about this far-reaching and extremely important report as time goes on. Meanwhile we shall watch with interest whether certain institutions, such as Prof. Richard T. Ely's "Institute for Research in Land Economics and Public Utilities" in Northwestern University—an Institute that is financed by the National Association of Real Estate Boards, the public utilities and other large corporate interests, abides by the decision that the Committee on Ethics has reached.

ASSESSMENT MANUAL IS PUBLISHED IN CHICAGO

After having completed the scientific reassessment of all land and buildings in Chicago and Cook County—an assessment that augurs well for fundamental tax reform in the "Windy City"—the Board of Assessors has published a 90-page pamphlet showing in considerable detail just how the big job has been done. For this pamphlet, or "Assessors' Manual," which has been prepared by Harry S. Cutmore, the Director of Valuation, the Board deserves a great deal of credit. Information in political and economic circles as to how land and buildings may be scientifically appraised is sadly lacking over the whole world and this Manual, which explains the various steps that have been taken, will do much to supply this information. Anyone desiring a copy may receive it by addressing the Board of Assessors, County Building, Chicago.

LABOR BROADCASTS TALKS ON SINGLETAX OVER WCFL

Some months ago Maurice Lynch, the Financial Secretary of the Chicago Federation of Labor, his associate L. P. Straube, the Editor of the "Federation News" and other local leaders of the labor movement, started to broadcast talks on Henry George's proposal to abolish all taxation save that upon land values, and the way they have since been keeping at it is one of the most encouraging signs of the times.

The talks are given each Friday evening at 8:30 over WCFL—the "Voice of Labor"—last from twenty to thirty minutes and although sometimes a little too heavily loaded with philosophical thought, are masterly discussions for the rank and file in the science of economics and taxation. After they have been given over the radio the talks are printed in "The Federation News" and other labor papers. It is safe to say that if the tax-ridden homeowners of Chicago and Cook County get a little more of that kind of leadership during the next few years they will not wind up in bankruptcy—a direction in which they are now certainly headed.

AN OUTRAGEOUS SWINDLE

Satan was clearly disgusted. "What's wrong, Old Boy?" asked Beelzebub. "Oh, it's this," was the reply, "I'm being swindled outrageously. When I accepted the contract to find work for idle hands to do I never figured on such a thing as Hoover prosperity. Now, I'm being damnably—I mean blessedly—overworked, and on top of it all comes that Grandy tariff bill. That will make it impossible to fill my contract. I have a notion to throw up the sponge even if I should be cast into highest Heaven for it."

A SHOCKING TALE OF CORRUPTION

Exhibits of the Federal Trade Commission Reveal Duplicity of Prof. Ely's "Research" Institute in Northwestern University

By EMIL O. JORGENSEN

Those who believe that our educational institutions are in no danger of being corrupted by organized wealth and privilege should read the letters and documents which the Federal Trade Commission has gathered in its investigation of the public utility corporations and which letters and documents are now being published by the Commission as "Exhibits" under Resolution No. 112 introduced by Senator Norris.

These Exhibits, 4,489 of which have already been printed, tell a tale of a conspiracy between the private power companies on the one hand and trusted educators on the other to poison the fountains of

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If ignorance is bliss what a happy lot our statesmen must be.

The tariff bill is still unfinished business. That is the difference
between it and most other business in the United States.

Perhaps President Hoover intends to abolish poverty by putting
everybody where they may have free board, lodging, and clothes.
That must be why he urges more restrictive laws, stricter penalties,
and more jails.

A CENSUS LESSON

The census returns give Fairhope, the single tax town, a population of 1540 as against 857 in 1920. This is an increase of 80 per cent. Of a string of towns on the eastern shore of Mobile Bay, opposite the city of Mobile, Fairhope is now the largest and is nearly tied for first place in the county with the county seat, Bay Minette. There are many other towns in the country which undoubtedly can show as great or greater growth than Fairhope but there is one thing Fairhope can show which they can not. The newcomers in all these places have increased land values and in every place but Fairhope these increased values have been given to individuals who have not created them. Only in Fairhope have those who produced the values gotten them also. They have received them in the form of governmental services for which they were not taxed a penny. Fairhope may well be proud of its increased population and increased land values. Pride in the other places will be as ridiculous as the pride taken by the old black slave in the price he had fetched for his master on the auction block.

PROGRESSIVE MUNICIPALITIES

The Square Deal of Toronto reports that over 400 cities and towns in British dominions now raise their municipal revenues by taxation of land values only.

Of this number no more than half a dozen have ever voted to return to old methods, although in some places in western Canada the city council has taken backward steps regardless of public opinion. In these latter cases, however, the reaction has never been more than 50 per cent. The largest city to adopt single tax locally is Sydney, Australia, a metropolis of more than a million people which has now had the system for many years. In Canberra, capital of Australia, the government retains title to all lands; leases lots to producers and retains ground rent for public use. Rentals are subject to re-appraisalment after 20 years.

This long term leaves considerable leeway for speculators, so that it would be a mistake to claim that anything like complete single tax prevails in Canberra. A land policy similar to that of Canberra is planned in Canada for the new city, Fort Churchill, to be built at the terminus of the new Hudson Bay railroad. Brisbane, capital of Queensland, and Wellington, capital of New Zealand are among the other big cities which have adopted local single tax.

THE INCOME TAX SWINDLE

Those who think it funny to see simpletons fall victims to the transparent tricks of swindlers must be splitting their sides now over the way farmers and farm organizations are coming out for the state income tax. Back of this demand fattered by such concerns as the Ely Institute of Land Economics are the nation's predatory interests. The arguments used are of a kind that would or could be used with effect on none but the half-informed or ignorant, such as the statement that "real estate is being taxed too much" or that "more incomes are derived from intangibles than from property." All are based on the long discredited fallacy that taxes should be levied according to ability to pay.

The farmers fall for this swindle because they assume—as the swindlers want them to assume—that adoption of the income tax will lower or abolish taxes on real estate although there is nothing to prevent continuation of one with the other. They fall for the argument about intangibles because they do not stop to think that the value of intangibles consists entirely of the value of property which these intangibles represent, and when this property is taxed it is double taxation to tax the intangibles.

That real estate is taxed too much is true. Real estate consists of land and improvements and every penny laid upon improvements is overtaxation. Farmers in western Canada realized this fact long ago and have for many years secured exemption of all improvements on farms as well as of crops, machinery and other personal property. The same remedy can and should be applied to overtaxation of real estate in this country, not only on farms but in cities also. But this does not suit land speculators or other privileged interests. It would block their game. Hence the use being made of the farmers, to further the income tax scheme. In falling for it they furnish another example of gullibility and its consequences depicted in the song:

Uncle Si Farmer, he longed for a charmer
To charm all his troubles away.
To charm the sly tariff thief
With slick talk of relay,
And Si insisted he stay,
Farmers, Farmers,
Dig, you bunceod farmers!
Bend your backs and pay your tax,
Led by false alarimers.

—Samuel Danziger.

WHERE THE TROUBLE LIES

Land is one thing, land value is something else. It is not private property in land we suffer, but from private property in land value. * * * Monopoly of land arises not from our tenure in fee-simple but from our stupid tax system.

If we had a correct tax system, there would be no land question. Private ownership of LAND VALUE, shuts the door of opportunity—not private property in LAND. * * * There is nothing socialistic, anarchistic or communistic about the land value tax. It is the one suggested social reform that does not violate the right of private property, nor interfere with private production. It recognizes the dual status of man, and gives perfect liberty to the individual and also recognizes the need of social services, and provides the actual and natural revenue for such services.

Farmers have always paid more than their fair share of taxes, and they always will until they learn to destroy the scheme that originated in the desire of the British barons to get something for nothing. No aristocratic government ever placed taxes upon the value of land so long as it could raise revenue from any other source. The tax upon the products or processes of industry is the aristocratic tax. The tax upon the legal privilege of holding land is the democratic tax.

Our social structure, as expressed in police power, property in products, and the legal institution property in land, is democratic. Of this structure our people are properly both proud and tenacious, but our revenue system, in three-quarters of its entirety, is aristocratic, and it is the antagonism between our democratic social structure and our aristocratic revenue system that is causing our industrial troubles.

—Lagram Institute News.

"I favor the gradual reduction, so far as possible, of the tax burden on industry and labor and taking instead the economic rent of the bare land."—Prof. Irving Fisher, Yale University.

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, 1930.

STATE OF ILLINOIS.

COUNTY OF COOK.

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 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 449, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of the publishers, editor, managing editor, and business managers are:
Publisher, Manufacturers and Merchants Federal Tax League, 1346 Altgeld Street, Chicago.
Editor, Emil O. Jorgensen, 1346 Altgeld St., Chicago.
Managing Editor, none.

2. That the owners are: (Give names and addresses of individual owners, or, if a corporation, give its name and the names and addresses of stockholders owning or holding 1 per cent or more of the total amount of stock.)
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None.

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EMIL O. JORGENSEN, Editor.
Sworn to and subscribed before me this 26th day of April, 1930.

(SEAL) JOHN M. DEERING,
Notary Public.

(My commission expires August 30, 1930.)

A SHOCKING TALE OF CORRUPTION—Continued

knowledge for the sake of profit that is enough to make one's blood run cold!

Here are a few of the facts that have thus far been disclosed.

Three or four years after the World War had ended the privately owned utilities woke up to the fact that the criticisms levelled against them by many scholars were reaching the danger point. The cry of excessive rates, of over-capitalization, of the pyramiding of stocks, of franchise stealing and of political corruption was everywhere rising. At the same time the demand for public ownership of these utilities, as revealed in the textbooks used in our schools, colleges and universities, was steadily increasing. As W. A. Jones, Chairman of the Public Relations Section of the National Electric Light Association (the so-called "power trust") sadly pointed out (see Exhibit 15):

"In a survey recently made of the textbooks of the country eight states were found to be using textbooks which advocate the government ownership of the light and power business. This is a thing that we all ought to be ashamed of."

Instead, however, of making a direct attempt to correct the evils and abuses complained of in the textbooks, and thus check the growing sentiment in favor of public ownership, the National Electric Light Association, in 1923, embarked upon a very different course. It organized in this year a "Committee on Co-operation with Educational Institutions" with many prominent educators and utility officials, such as Dean Edmund E. Day of Michigan University, Prof. Paul M. Lincoln of Cornell, Prof. Charles F. Scott of Yale, Dean Ralph E. Deilman of Northwestern, Mr. C. E. Grosbeck of the Electric Bond and Share Company, Mr. M. S. Sloan of the Brooklyn Edison Company, and General George H. Harries of Bylesby & Company, on its list of members.

This Committee (which had had back of it, of course, the plentiful funds of the N. E. L. A.) was to try the persuasive teachers and textbook writers in our schools and colleges that public ownership of utilities was a "bolshievic idea"—inefficient, impractical, unsound and unjust—and that private ownership of these utilities, with its "greater efficiency," its "economical methods of financing," its "freedom from politics," its "superior service," its "low rates to consumers," etc., was the best thing for the people of this country.

The first Chairman selected for this "Committee on Co-operation with Educational Institutions" was John C. Parker, an engineer of the Brooklyn Edison Company—and, significantly enough, a former professor of the University of Michigan. Parker, who thus knew the academe as well as the technical side of the job, plunged into his new task with vigor. The minutes, for example, of the Public Relations Section of the N. E. L. A., for December 13, 1923 (see Exhibit 4134), read as follows:

"Chairman Parker, of the Committee on Cooperation with Educational Institutions, reported that the work of his committee is progressing very satisfactorily. He stated that the committee is not at present concerning itself with the schools of engineering, but is concentrating its attention on the work in economics given to students of liberal arts. His committee is aiding in the preparation of two textbooks on public-utility economics. He emphasized the need of public-utility textbooks for use in universities. In addition to a textbook for universities, he stated there is a demand for a textbook for use in the secondary schools, high schools, and junior colleges of the country. He stated that a member of his committee had in preparation high-school textbooks on civic and economics, and stated that his committee will do all it can to assist."

A very encouraging report! But let no one suppose that the above was an easy thing to accomplish. Anyone who undertakes to tamper with textbooks—particularly with textbooks that are to be used in high schools—treads on very "delicate ground" and no one knew this better than Chairman Parker did himself. To quote, for example, his own language (see Exhibit 12):

"The committee has given serious thought to the problem of the secondary school. Here we tread on indeed delicate ground; particularly, inasmuch as a good deal of work has already been done in the way of introducing, among many other things, specific instruction along our particular lines. Without presuming to dogmatize, or to speak in discouragement of efforts already under way, the committee may perhaps urge that haste be made rather slowly."

Let us here give an illustration of this "delicate ground" and the reason why Chairman Parker urged that "haste be made rather slowly":

At the very time the "Committee on Co-operation with Educational Institutions" was organized the most dangerous man in the United States probably, from the standpoint of the privately owned utilities, was Prof. Richard T. Ely, then at Wisconsin University. Prof. Ely was dangerous for two reasons:

In the first place he had, during his life time, written many textbooks both for high school and college, and these textbooks, which were widely in use all through the nation, not merely denounced the utility corporations for their exorbitant charges, their frenzied finance, their habitual bribery of public officials and a host of other evils, but they boldly and distinctly stood for municipal ownership.

In the second place, at the very time Mr. Parker's Committee was organized Prof. Ely had just launched in Wisconsin University an "Institute for Research in Land Economics and Public Utilities" which proposed, not merely to publish a score or more of books on the utility subject, but to go into the whole utility question, particularly in Los Angeles, Toronto and other places where public ownership was making a very notable success, in a more thorough and scientific manner than had ever been done before.

To capture Prof. Ely and his Institute and to swing them from a position favorable to municipal ownership into a position favorable to private ownership was, therefore, one of the first big tasks which

(Continued on Page 4)

NAT'L EDUCATION ASS'N IS ACCUSED OF BETRAYING OUR PUBLIC SCHOOLS

An "Open Letter" of Protest is Sent to the Officers Charging
Discrimination Against the Radical and Liberal Groups
in Favor of Large Corporate Interests

Charges that the National Education Association is seeking to rule out of the schools the open propaganda of the radical and liberal groups while at the same time protecting in the schools the secret propaganda of real estate boards, the "power trust" and other special interests was made on June 16 in a 31-page "open letter" addressed to the officers of the National Education Association by Emil O. Jorgensen, Secretary of the Education Protective Association of America. "The records of your Association," writes Mr. Jorgensen in his pamphlet, "distinctly show that the N. E. A. is making, on the one hand, a systematic effort to **exclude** from the schools the theories, convictions and courses of action of outside groups and organizations, such as the single taxers, the socialists, trades unionists, free traders, drugless healers, public ownership advocates, etc., while on the other hand it is making no effort to exclude, but on the contrary, is doing all it can to **protect** in the schools the secret propaganda of the public utility corporations, the National Association of Real Estate Boards and other large monopoly interests."

New interest is now being lent to Mr. Jorgensen's "Open Letter" by the report which has just been made public by the Committee on Ethics of the American Association of University Professors. The Professor's report gives unqualified approval of propaganda which is carried on openly but condemns propaganda which is carried on secretly—i. e., by subsidized teachers, textbook writers, "research" institutes, etc. It is thus diametrically opposed to the action which has recently been taken by the National Education Association—in other words, the very kind of propaganda which the N. E. A. is now seeking to keep out of our schools is the very kind of propaganda which the professors have **approved** while the very kind of propaganda which the N. E. A. is protecting in the schools is the very kind of propaganda which the professors have **condemned**.

Mr. Jorgensen's "Open Letter"—which is entitled "The Betrayal of Our Public Schools" and which contains among its official correspondence and other records four large charts devoted to the books and activities of the Ely Institute in Northwestern University—is now being mailed to persons and organizations interested in educational affairs. Copies may be had by addressing the Education Protective Association of America, 1344 Altgeld Street, Chicago. Price 50 cents.

PROF. ELY INVADES CHINA—AND THE REPUBLICS OF SOUTH AMERICA

Not content with poisoning the economic thought in the schools and colleges of the United States for the benefit of the monopolistic interests whose favors and contributions he is receiving, Prof. Richard T. Ely is now extending his noxious influence into foreign nations. The "Northwestern University Alumni News" for March, 1930, for example, says:

"An affiliation between the Institute for Research in Land Economics of Northwestern University and the University of Nanking was announced recently by Dr. Richard T. Ely, director of the Institute. By the arrangement just completed between the two universities, a member of the staff of the Institute leaves for China this month, where he will participate in the research in land utilization and population planned by the Department of Agriculture of the University of Nanking.

"The establishment of this outpost in China is the first direct relationship the Institute has made with a research group in a foreign country. The plan is that the Institute shall always have one or more representatives in China, according to Dr. Ely."

Again the "Northwestern University Alumni News" for April, 1930, says:

"Prof. Richard T. Ely, director of the Institute for Research in Land Economics and Public Utilities, recently received an invitation from Dr. L. S. Rowe, director general of the Pan-American Union, to present a report on "Municipal Land Policies" at the Pan-American Congress of Municipalities to be held in Havana next January. Papers to be read before the congress will be translated and distributed throughout Latin America before the congress assemblies."

And to think that in China alone—to say nothing of the South American countries—the economic fate of 400,000,000 people is involved!

How long, O Lord, how long?

LEGISLATIVE ASININITY

The Kentucky senate by a vote of 27 to 11 passed a bill laying a graduated tax on the gross sales of retail stores. The bill has already passed the House and is aimed at chain stores. Chain stores can evade it by incorporating each store separately. The fact that business is already suffering from too much taxation has not occurred to the Kentucky solons, nor has the fact that the chain store is an unconscious effort to furnish goods cheap in spite of taxes on products.

Paying the running expenses of government by taxing labor products is as sensible and honest as paying dividends out of capital.

A SHOCKING TALE OF CORRUPTION—Continued

Chairman Parker's Committee cut out for itself but how to perform this delicate task without arousing any suspicion or creating a public scandal was a problem that sorely taxed the imagination.

Und Mr. Parker, of course, known Prof. Ely more intimately he might have spared himself a good deal of anxiety. Prof. Ely had already demonstrated, at least upon one occasion, that he could change his point of view if it were made profitable for him to do so and he would undoubtedly have been very glad in this instance to change from an advocate of municipal ownership to a defendant of private ownership if the proper inducements had been laid directly before him. But this was something that Mr. Parker did not know. Parker assumed, at any rate in the beginning, that Ely's scholarship was not for sale and consequently the utmost tact and diplomacy would have to be exercised if the professor was ever to be won over on the side of the N. E. L. A.

In opening up his negotiations with Prof. Ely, therefore, Chairman Parker employed all the unctuousness and suavity of a "confidence" man. He began by praising Ely for his scientific mind, his sincerity of purpose and his integrity, by complimenting him on the fearlessness and impartiality of his investigations, by agreeing with him about the deep importance of academic freedom and last but not least by impressing him with the great value of his researches to the National Electric Light Association. In a letter, for instance, written to Prof. Ely in the early part of 1924 and read by Ely in his speech before the Wisconsin Utilities Association on April 17 of the same year, Chairman Parker said:

"I believe that you can well stress the fact that no big national industry has anything to fear from impartial investigation and dissemination of truth—that on the contrary it has everything in the world to gain. Equally, I think it important that the Association get something of what you suggested; namely, truth which hurts will enable us to order our affairs in the way in which they must inevitably be ordered in the long run.

"If you can say a word or two about Academic Freedom, the absolute necessity for it, and the value of it to us in a selfish way, this will be of very considerable value."

Ely knew, of course, that all this show of friendship and good-will was the sheerest bunk. He was too old and too sophisticated in the ways of the world to be deceived thereby. What is more, at the very time these blandishments were being heaped upon him his various text and reference books—books which contained about the utility corporations many "truths which hurt"—were being examined by the State Bureaus of the National Electric Light Association (see Exhibits 446, 463, 467, 1150, 1151, 1184, 1270, 1271, 1440, 1581, 1773, 3029, 3264, 3473 and 4177) and classified by them as "bad."

Instead of using, however, and wrathfully denouncing Mr. Parker and the N. E. L. A. for their hypocritical attempt to purchase his scholarship Prof. Ely suddenly experienced all the emotions of one who is about to land a big fish, received Mr. Parker with open arms, assured him that everything would be made all right, and awaited eagerly the gold that was to be laid at his feet!

And the gold was soon laid at his feet. The minutes of the meeting of the Public Relations Section of the National Electric Light Association on April 9, 1925 (see Exhibit 4134), read in part as follows:

"On behalf of the co-operation with educational institutions committee Chairman John C. Parker read a report covering the activities of the committee and containing recommendations for more complete cooperation between the electric light and power industry and the educational institutions of the country. . . . The committee also recommends an additional appropriation initially placed at \$12,500 a year to be dispensed to the Institute of Research in Land Economics and Public Utilities, which is now located at the University of Wisconsin and is about to be transferred to Northwestern University. This institute is under the direction of Dr. Richard T. Ely and has in preparation eight general texts on public utilities and has in contemplation a series of 22 books. . . . The committee further recommended that the committee of three be empowered to advise the officers of the Institute for Research in Land Economics and Public Utilities that this appropriation will be increased to \$25,000 a year in proportion as definitive publications issue."

The job was done. Prof. Ely, the famous scholar and scientist, the impartial investigator, the staunch defender of academic freedom and merely had to agree to accept the funds and capitulated. Not Electric Light Association but he had consented to move his Institute out of state-supported Wisconsin University into the privately-owned university of which the utility magnate, Samuel Insull himself, is a trustee.

It was, indeed, a great victory for the "power trust"—a victory of which it might well be proud but a victory nevertheless for which each member on the "Committee on Co-operation with Educational Institutions" ought to be deeply and everlastingly ashamed! As a piece of work in the betrayal of the public it stands without a parallel. Yet in the Proceedings of the National Electric Light Association for 1926 (see Exhibit 44) we find Chairman Parker boasting about it as follows:

"I am not rendering a formal report of the committee, but rather will attempt very briefly to give you an interpretation of what seems to be the outstanding development of the year's work, namely, the inauguration under the financial support of the association—under the generous financial support of the association—of research work in public utility management at Harvard University and in the Institute for Research in Land Economics and Public Utilities, housed at Northwestern University."

It is needless to go into any details as to how Prof. Ely and his "research" Institute have discharged their academic duties and their obligations to science since they entered Northwestern University.

Looking over the sickening record as revealed in the reports of the Federal Trade Commission and other documents we find, among

PREDICTS INCREASE OF \$3,000,000,000 IN CHICAGO LAND VALUES

Chicago's land values should increase three billions of dollars during the next twenty years, according to George E. Nixon, former president of the Chicago Real Estate Board who spoke over W.M.A. recently and whose speech appears in part in the Chicago Daily News of March 8, 1930.

"In 1830", said Mr. Nixon, "when the first land on which Chicago stood was sold to raise funds to build the Illinois-Michigan canal, 59 lots, 80x100 feet, in the district bounded by Kinzie on the north, Desplaines on the west, Madison on the south, and State on the east, sold for a total of \$2,822."

"The site of the Sherman house, lots 4 and 5 in block 34, sold for \$24 each, being a bidder and it could have been picked up for \$1

"On Nov. 26, 1927, E. W. Woolworth leased a portion of this lot for ninety-nine years at a reported rental of \$24,500,000, which at a 4 per cent capitalization rate would place a value of \$57,500 per front foot on the property. The other portion of the lot was leased by the same firm for 99 years for \$29,000,000. The two parcels of this lot that would not bring a dollar, in 1926 brought \$53,500,000 for a ninety-nine year lease. The cause of this increase in value has been the coming of 3,500,000 people to this 210 square miles that constitutes Chicago, where there was only a handful of people a century ago.

"This pressure of this number of people and the 125,000 a year that come to this metropolitan area each year, increases the value of land \$1,500,000 every twenty-four hours. This amounts to more wealth than is taken out of all the gold mines of the world in the same period.

"What does this past indicate us to the future? . . . Using the population figures of the Chicago Regional Planning association, \$3,000,000,000 worth of real estate, or enough to purchase one-third of all the automobiles and of all the gold and silver and coin in the United States will be added to that already held by metropolitan Chicago property owners during the next twenty years."

Yet we are told by some—Prof. Ely's "research" Institute, for example—that "land is a poor man's investment" and can't go on "paying the taxes that it does now!"

SINGLE TAX COLONIES MARCHING RIGHT ALONG!

"There are now thirteen enclaves varying in age from thirty-four years down to less than two," writes Fiske Warren in his latest book "The Enclaves of Economic Rent." "They cover 2,355 square kilometers, or 921 square miles, yield a rent of \$429,598, have a population of over 9,000 and are to be found, for America, in the States of Alabama, Delaware, Maine, Maryland, Massachusetts, New Jersey and Pennsylvania; for Australia, in Canberra; and, for Europe, in the Republics of Andorra and France. They have all been financially successful. They have two guiding principles:

First—The levy of the economic rent, meaning the rent of site-value alone, for the benefit of the community, whether the land is used or not.

Second—The freedom of all improvements, or enterprise, from any levy.

The first principle means the taking of the whole site-value as rent. This is right, because the people at large, by their presence and the market they afford, create this site-value.

The second principle means that no part of what a man makes for himself shall be taken away from him by taxation (or rates).

The result of these principles is that industry is freed and a man retains the full reward of his labor. On the other hand, land cannot be kept idle for purposes of speculation, and each citizen or member has equality of opportunity to employ his talents in whatever direction seems to him best."

A DOG IN THE MANGER

Hoarding land is almost as bad as hoarding money. Occasionally we see a man who gets in possession of a valuable tract of land who will neither utilize it nor sell it. It is doing no one any good. There is no income from it. He complains about his taxes, yet he will not sell it for many times the valuation placed on it by the tax adjuster. If he would sell it to some person who would develop it and make it property from which an income would be realized the tax values would be greatly enhanced.—Southern Democrat.

"Of course, I'm for the income tax," said the statesman who had long advocated a special tax on soap, towels and brushes. "I've been trying to tax cleanliness for years because a man who keeps himself clean will do much better in business than a dirty one and so he can afford to pay more. The income tax is based on the same principle."

other things, that the personnel of the Institute is being constantly watched by the utility men; that nothing is undertaken that might strengthen the case for municipal ownership but that everything is done that will tend to strengthen the case for private ownership; that various investigations, such as that of the publicly-owned Los Angeles Light and Power system which was begun by the Institute while it was still in Wisconsin, have been suppressed; that college text-books, such as Prof. Martin G. Glaeser's "Outlines of Public Utility Economics," have been deliberately censored by the officials of the N. E. L. A.; and that Prof. Ely himself has surreptitiously pulled out of his old high-school text, "The Elementary Principles of Economics"—a text which is today being studied in more than 1,700 American high schools—all the words and ideas for which it was "blacklisted" by the utility corporations in 1924 and put into this text the particular words and ideas which these corporations desire to have taught—the most cowardly and contemptible betrayal of public trust for the benefit of organized wealth and monopoly of which our history probably has any record!