

THE BULLETIN

OF THE MANUFACTURERS AND MERCHANTS FEDERAL TAX LEAGUE

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TAX PUBLICITY RAISES A STORM OF PROTEST

Now that the publicity of income tax returns has become an established fact a wail of indignation has gone up.

The wail is not in good form. It has large groups of idle curiosity seekers peering and prying into the personal affairs of taxpayers may not be the most tasteful thing in the world, but the venom of the victims should be spilled, not against the groups who are doing the peering and prying, but against the income tax itself. As "Commerce and Finance" has rightly said:

"It is in the iniquity of the income tax, not in the exposure thereof, that injustice lies. It does penalize honesty, it does reward lying and perjury, and no country can maintain the system without impairing the morality of government and citizens alike." Get rid of it—not the publicity of the returns but the tax itself. There is no other solution.

DENMARK SHOWING THE WORLD HOW TO DO IT

Advocates of the taxation of land values the world over are highly encouraged at the progress Denmark is making with this great reform and they have good reason to be.

"The demand for the taxation of land values in Denmark," writes A. W. Madison of England in the October number of "Land and Liberty," "is rooted deeply and strongly in public opinion; already a sound and substantial step has been taken in legislation, and the prospects of further advance are very favorable.

"What Denmark has achieved thus far is to secure a periodic valuation of the whole country showing separately the value of land apart from improvements, and the introduction of a national tax on land values the first installment of which was due this year and has been collected. The land value tax is certainly small in amount, only 1½ per 1,000 of the selling value of the land, and not likely therefore to produce much revenue or, at its present rate to have any material economic effect.

But it is of great political significance for two reasons; firstly it is levied at a uniform rate and in both town and country, without graduation or exemption in favor of any special class of land owner; moreover, when it was imposed, some of the taxation levied on improvements was abolished. Secondly, what is of the utmost importance the existence of the tax, small as it is, establishes and justifies the valuation of land value, which can now become the basis and starting point for far-reaching reforms in both national and local taxation. The stage is set for this advance and its greatest promise lies in the persistence and determination of those who are working to make the question still better understood among the people."

ARTICLE III

PROF. RICHARD T. ELY EXPOSED!

Showing the Skill With Which Professor Ely Hopes to Carry Out His Great Scheme of Hiding Economic Truth and Fostering Economic Error – and Not Be Caught in the Act!

(This is the third of a series of nine articles by Mr. Jorgensen showing how a gigantic, nation-wide scheme, financed by special interests, engineered by Professor Ely of Wisconsin University, and masquerading under the guise of "research", has been set on foot to lead the people, not TOWARDS the right solution of our economic problems, but AWAY from it. The first of these nine articles was printed in the July number of this paper.)

By EMIL O. JORGENSEN

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We have now seen how the "Institute for Research in Land Economics and Public Utilities," directed by Prof. Richard T. Ely in the University of Wisconsin, originated. We have learned when it was formed; who is on its staff; who is putting up the money to run it; and why the money is being furnished. Moreover, we have shown that the real purpose of Professor Ely and his financial backers is not research to find the scientific solution of our economic problems, but an insidious attempt to get control of the well-springs of knowledge and to lead the people AWAY from what increasing numbers of men are certain is the scientific solution—namely, the gradual abolition of all taxes except that upon land values.

But our story is not yet ended. Let us now take a look at the shrewdness of the professor, the marvelous ingenuity by which he expects to carry out his great scheme of hiding economic truth and fostering economic error—and not get caught at it!—the matchless skill by which he proposes to have fifty books written on land economics to guide the public mind out of the right road into the wrong one—and not be suspected of having such an object in view! But to see this clearly it will be necessary for us to examine with some care the roots that he has planted for the growth of his great "educational" tree.

Prof. Ely Tried on the Grounds of Honesty

Let us be perfectly fair with Professor Ely. Let us assume that his motives are the purest and his intentions are the very best. Let us assume that his one desire is not to promote error, but to seek truth, and that his sole object is not to hide the solution of our land and tax problems, but to discover and disclose that solution, regardless of what it is or where it may be. Let us give him the benefit of every doubt and extend to him the fullest credit for courage, honesty and sincerity in what he is doing.

Can any charge then be laid against him?

Yes. The charge of **incompetency** must then be laid against him! If Professor Ely is sincere in the task that he has undertaken, then, as an economist, he is incapable, inefficient, and utterly unfitted for the position he holds. Then the books which he has already written and which he proposes to have his assistants, under his direction, write for the "guidance of state, national and international policy," must be relegated to the scrap-heap as unscientific, illogical and unsound!

The Preliminaries in Economic Science

The first thing that anyone must do when undertaking a technical discussion or analysis of any kind is to lay down carefully the terms, and the meaning of the terms, that he expects to use. For unless this is done the discussion will inevitably wind up in general misunderstanding and confusion of thought.

In the field of economics full and complete definition of terms and absolute accuracy in the use of these terms, is especially necessary. For economics is essentially an abstract science; it deals with the natural laws underlying the production and distribution of wealth; it has for its goal, not merely the finding of the right economic relations between man and man and the earth upon which he lives, but the prescribing of the best measures for the maintenance of such right relations. Hence in economic discussion, unless the terms to be used are first carefully laid down, defined and adhered to, the reasoning is almost certain to be faulty and the final conclusions as equally certain to be wrong.

Of course the number and kind of terms to be employed may vary somewhat in the different economic branches. For example, the terms used in a scientific discussion of capital may vary to a degree from the terms used in a scientific discussion of labor, and the terms used in a scientific discussion of land may vary somewhat from the terms used in a strictly scientific discussion of either capital or labor.

Importance of Correct Terminology

But while some of the terms employed in one division of economics may not be exactly like the terms employed in another division, yet in all divisions of economics there are certain basic and common terms—dove-tailing with one another—that must be laid down and precisely defined before the analysis of any economic problem can safely

(Continued on next page)

AUSTRALIAN TAX REFORM MARCHES RIGHT AHEAD

"Opponents of rating on land values for municipal purposes," says the "Melbourne Progress," never tire of telling of councils which have adopted the new system going back to the old one, but when examined these tales are found to have no foundation. In New South Wales, where all the councils now raise their ordinary revenues from a tax on land values there is a strong agitation to get the water and sewerage rates levied on the same basis. Fifty-nine progress associations have also petitioned Parliament for such power to be given to the councils. In 1923 one hundred and thirty-six petitions were presented to the N. S. W. Parliament in favor of rating on land value only for water and sewerage. This shows a very healthy forward movement, and there is no agitation whatever to go back to the old system of taxing improvements.

"In addition, county councils have power to levy water rates on land values, and 47 now levy water rates on this basis. In some instances county councils also levy a sewerage rate on this basis, notably Goulburn and Orange.

"At one time Victoria was considered the most progressive of the Australian States, but she certainly has a long way to travel to catch up with N. S. W. in the matter of freeing improvements from municipal taxation."

MAYOR OF PITTSBURGH O. K.'s GRADED TAX LAW

In 1913, Pittsburgh, Pa., began the process of cutting down the tax rate on buildings to 50% of the tax rate on land. Next year the job will be completed.

How has the law worked? Speaking in Pittsburgh on Sept. 26, Mayor W. A. Magee in part, said:

"The time has not come when the effect of the (graded tax) law can be fully appraised, but there is some data that is relevant even now. For instance, building values have gone up from \$275,000,000 to \$400,000,000 approximately, while land values have only increased from \$450,000,000 to \$530,000,000, this in a period during which, except the last three years, most investment entered anything rather than building! Another patent fact is that there are a very few large tracts of acreage not on the market. Another significant thing is that the law, while constantly under attack, seems to invite opposition only from the speculators in land. Another fact is that no opponent has yet opposed it on any but theoretical grounds. I have yet to hear of concrete harm resulting from it. If the case has not yet been conclusively proved it certainly has not been disproved. Time, of course, must tell, but so far the argument is one-sided and all in favor of the law."

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PROF. RICHARD T. ELY EXPOSED! — Continued

proceed. These basic and co-related terms are "land," "labor" and "capital"—called the factors of production; "rent," "wages" and "interest"—called the factors of distribution; and "wealth."

The extreme importance of having these seven terms accurately defined and their underlying laws thoroughly understood by a student before carrying him into any discussion in the realm of economics, is plainly to be seen. For these terms are the guides by which the student steers his course. They are the elements by which he tries all his reasoning. They are the lamps under whose light he tests all his conclusions. Hence, without a full knowledge of these terms, and the laws underlying each, the student's ability to reason in a straight line is hopelessly out of the question, and the action of his mind will be a good deal like the movement of a kite without a tail, or a ship without a rudder.

Prof. Ely's Basic Books—Their Fatal Defect

Naturally, therefore, any book or series of books which attempted to analyze a great economic problem without first settling beyond all dispute its terminology, would have a fatal weakness that could never be overcome. But it is just such a fatal weakness that the books written by Professor Ely for the guidance of his Institute, have. In his three "foundation" books written for the Institute in 1922, three books which he has entitled the "Outlines of Land Economics," and which he says "form the basis" for forty-seven other "more specialized works,"—in these three foundation books the definition of the primary terms in economics, and the laws governing them, are not only inadequately developed, but in many cases missing altogether!

There is, in these books, absolutely no definition to be found anywhere of the term "wealth"—doubtless the most important term to the seeker of truth in the whole sphere of economics. "Land" and "labor" are sufficiently defined for clarity of thought, but "capital" is not. To the definitions "rent" and "wages" no objection can be made, but because of the absence of any definition of "wealth" and an inadequate definition of "capital" the definition of "interest" is very much in the dark.

But this is not all. The usage of such terms as have been laid down is oftentimes not consistent—the usage being frequently in one sense and as frequently in another sense. Moreover—and here is the worst defect of all—an explanation of the necessary laws underlying the three factors of distribution—rent, wages and interest—is, in these foundation books, absent entirely!

Unsoundness of Prof. Ely's Foundation Books

This being the substance and the quality of the base upon which the economic philosophy of Professor Ely and his Institute is to be raised, what chance has the student for clear and logical thinking! What hope is there that his reasoning will bring him to a sound conclusion? What possibility is there of him ever finding the scientific solution of our land and tax problems? There is no possibility at all!

With his primary terms confused and undefined, and the essential laws and principles governing them remaining unexplained, the student who would follow Prof. Ely is as helpless mentally as a mechanic without his tools. He cannot, from the knowledge that has been given him, distinguish clearly between a right and a wrong conclusion. To cannot tell the difference between a right and wrong conclusion. To him the most fundamental questions of political economy could be submitted with but small chance of receiving an answer that can stand the test of careful examination. He cannot know for sure whether slaves are wealth or not; whether they should be placed in the category of labor or capital; or whether the returns for their services should be classified as wages or interest. He will not be able to state without guessing whether a commercial bond is capital or whether it isn't; whether its income represents wages, interest or rent, a combination of two, or a combination of all three. Ask him whether an increase in land values represents an increase in the wealth of the community and he will not be able to answer you positively—and prove it. He cannot know for certain and without a reference to Professor Ely's books, whether land values should be placed on the debit side of the economic ledger or on the credit side; whether there is more unearned increment in land rent than there is in wages or interest, or whether there is less unearned increment; which is the most fitting subject for taxation and which is the least fitting. He cannot, in short, prove or disprove in a scientific manner any economic proposition of a fundamental nature laid before him. For the chemicals by which he makes his tests are missing; the elementary principles by which he tries his reasoning are gone. He is lost. He is like a vessel that has slipped her moorings and drifted into the whirlpool; like a mariner sailing the seas without a compass. The only certain thing that could be expected from one attempting to build upon the three basic books written by Professor Ely for the guidance of his Institute members would be, not that his labors would bring him nearer to the solution of our land and tax problems, but that they would carry him further away!

Even, therefore, if Professor Ely were honest, even if his motives and intentions were the very purest, he would have to be charged with incompetency and his three foundation books, upon which forty-seven other books are to be published by his Institute for the "guidance of state, national and international policy," relegated to the limbo of economic fallacies as unscientific and unsound.

Prof. Ely Is Not Incompetent, But Intellectually Dishonest

But the charge of incompetency cannot be made against Professor Ely. Professor Ely is competent. He has been a professor of economics in famous universities for well-nigh forty years. He has read as many books on politico-economic subjects as any living man. He has studied all the works of Henry George. He knows the constructiveness of correct definition and complete terminology and the de-

(Continued on page 3)

Published by Edwards Brothers, Ann Arbor, Mich.

NEWS NOTES

The moderate but sound tax measure sponsored by the Tax Relief Association of California is going right ahead.

* * *

In New Zealand, during the year 1923-24, local taxation of land values was adopted in one borough, three counties and three town districts. The system is now in operation in 68 of the 118 boroughs, 49 of the 129 counties and 32 of the 74 town districts.

* * *

Mr. John Harrington of Madison, Wisconsin, a member of the State Tax Commission has published a very clear and forceful monograph entitled "The Single Tax for Wisconsin." It is a monograph that the students of Professor Ely of the University could study with great profit.

* * *

The effectiveness of the land value tax in western Canada in discouraging land speculation to the advantage of industry and enterprise is most convincingly set forth in a lengthy article published in "Land and Liberty," (11, Totall Street, London, S. W. 1, England), in its issue for October. Quoting from figures given in the Alberta Official Gazette in 1923 the article states that 43,280 parcels of farm land, 63,986 parcels of land in towns and villages, and 14,751 parcels of land in the cities, would probably be surrendered by absentee owners before the end of that year.

* * *

John Moody, President of Moody's Investors' Service and America's leading financial authority, says:

"Whenever I meet a really clear, straight thinker in business life, I generally find that he has read and mastered 'Progress and Poverty.' If the young man of today would read and study this masterpiece of economic science, the coming generation would not be befuddled in its thinking as the present one is, and my faith in the future of my country would be increased a hundred-fold."

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 monthly at Chicago, Illinois, for October 1, 1924.

STATE OF ILLINOIS,
COUNTY OF COOK,

ss.

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 443, of the 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 Altgeld Street, Chicago.

Editor, Emil O. Jorgensen, 1346 Altgeld St., Chicago.

Managing Editor, none.

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EMIL O. JORGENSEN, Editor.
Sworn to and subscribed before me this 30th day of September, 1924.
(SEAL)

ANTON O. LANDES,
Notary Public.

(My commission expires April 26, 1926.)

PROF. RICHARD T. ELY EXPOSED! — Continued

structiveness of incorrect definition and incomplete terminology. He understands well the analytical power of him who is equipped with a full knowledge of the fundamental terms, principles and laws of political economy, and he understands equally well the analytical weakness of him who is not so equipped.

It cannot be said, therefore, that Professor Ely is incompetent. He is not incompetent; he is intellectually dishonest. His purpose is not to enlighten the subject of land economics, but to befuddle it; not to inform his students and followers, but to confuse them; for only by so doing can he and his financiers effectively halt the world-wide movement in the direction of the only sound solution of our economic problems—namely, the abolition of all taxes save that upon land values.

The Single Tax Philosophy of Henry George

Let us remember in passing that the movement to transfer taxes from the fruits of capital and labor to the value of the bare land only—a proposal commonly called the singletax—owes its origin to Henry George, whose book "Progress and Poverty" was first published in 1879. In this masterful work, Henry George—without doubt the most powerful thinker in the field of economics that the world has ever seen—raised political economy to an absolute science, defined the primary terms with a precision and thoroughness that has since admitted of no dispute, showed the harmony and the necessary relation of these terms to each other, revealed the co-ordination of the natural laws and principles underlying them, and by a chain of reasoning which has stood every test of logic and scientific analysis, reached the conclusion that the remedy for our gravest economic problems, and particularly our land and tax problems, lies in deflecting all taxes from the fruits of human industry to the value of the bare land.

The Fundamental Truth in the Henry George Doctrine

Incidentally, one of the truths, hazily recognized by numerous economists previous to his time, but conclusively proved by Henry George in his "Progress and Poverty," is that the economic rent of land is a surplus unearned fund, created, not by individuals but by society—the whole community—and a surplus fund therefore which properly belongs to the whole community; while wages of labor and interest on capital are funds created, not by the whole community but earned by the individual members of the community, and are funds therefore which rightly belong to those individual members. It is perhaps upon this truth, more than upon any other, that the justice and soundness of Henry George's proposal to abolish all taxation save that upon land values, rests.

Of course there has always existed from the very beginning a most bitter hostility on the part of "vested interests" and land speculation groups to the land value tax and much prejudice among the mass of the people has been worked up against it. But the firm foothold in actual legislation that the doctrine has now secured in many parts of the world and the great satisfaction that it is giving wherever tried to any extent—notably in Australia, New Zealand, South Africa, Denmark and other places—this prejudice is gradually passing away. So steady, in fact, is the progress of the land value tax movement throughout the world that it has now become clear to the interests fattening on the unearned increment in our own country that unless the Henry George theory is combated in a scientific manner, or in a manner that has all the appearance of being scientific, and its underlying principles discredited, that its adoption in the United States is, within another decade or two, a foregone conclusion.

Difficulty of Overthrowing the Henry George Philosophy

But to overthrow the Henry George doctrine by scientific methods is like trying to overthrow the law of gravitation. For the Henry George doctrine is built upon principles as fundamental in their character as the law of gravitation. It rests upon natural laws that govern the actions of men and these laws never change. They are eternal. Notwithstanding this the decree of the beneficiaries of special privilege and monopoly is that the doctrine of Henry George must be scientifically overthrown and discredited beyond all hope of redemption!

The task resting upon Professor Ely is therefore not a simple one. His job of trying to discredit the land value tax principle in a scientific way is a good deal like trying to prove in a scientific manner that water runs up hill, that three plus three equals seven, that a man can go in opposite directions at the same time, or that a curved line is the shortest path between two points.

Prof. Ely's Two Methods of Attack

To an ordinary scientist such a task would be quite impossible. But not to Professor Ely. Professor Ely knows exactly how it can be done—and not be caught at it!

He has two methods at his command—both very simple but very effective.

His first method is to avoid complete terminology, accurate definition, and consistency in the use of his terms; also to omit showing the necessary relation of the primary economic terms to each other and disclosing the laws underlying them.

His second method is to cover his efforts thickly with "professional authority," "educational sanction," and university ranks, titles and degrees.

The first method he has learned from experience, will effectively prevent clarity of thought, logical reasoning and any challenge of his arguments by his students; the second method will insure belief and confidence in his conclusions.

Effectiveness of These Two Methods

With the skillful use of these two methods of attack Professor Ely

can make himself complete master of the situation. He can prove or disprove any economic proposition his heart desires without running the slightest risk of being checked up but with the most perfect assurance of being believed. He can demonstrate beyond all shadow of a doubt that a man who holds land idle is just as useful to society as a man who improves his land—if not a little bit more so; that land values are wealth just like houses and haystacks and horseshoes are wealth; that there is no difference between a natural resource and a factory so far as income is concerned; that taxation of thrift and enterprise is not harmful to the body economic, but beneficial; that taxes should not be deflected from industry and consumption to land values, but should be deflected from land values to industry and consumption; that the economic principles underlying the land value tax theory, even if they were all right many years ago, are not now applicable; that economic rent is no longer unearned by landowners, but earned; and that wages and interest are no longer earned by labor and capital, but largely unearned.

The Mental Acrobatics of Prof. Ely

Professor Ely, with his two powerful methods of procedure, cannot only go through these mental gymnastics and intellectual contortions and get by with it, but he does do it! Observe, for example, the ease with which, in the second of his three basic volumes written for the benefit of his Institute and for the "guidance of state, national and international policy," he juggles and shapes to suit his purpose the character of the income of all the land, labor and capital in the world:

"The older economists of the Classical School looked upon the rent of land as a surplus over and above the costs of production. It was the one great illustration of unearned wealth. Some attributed it to the bounty of nature, others thought it due to the ingratitudes of nature; but in either case rent was a surplus. The doctrine of rent made a rift, as it has been called, in the economic harmonies, for all other kinds of income were thought to be earned.

"As economic evolution has proceeded, however, changes have come about, and one of the chief peculiarities of this evolution has been the emergence of one form of surplus after another. Scattered all over the economic field of production and distribution we find the surplus—the excess over and above the return that is required to secure the application of the requisites of production. . . . Another type of surplus is the personal surplus—the return made for extraordinary capacity. This is very large—perhaps the largest—at the present time. . . . Interest is in part a surplus. . . . It is likely that in the last few years the largest item in the economic surplus has been the gains of conjecture—that is, the gains that are due to luck and chance and are not within the control of the individual, not even in some cases, within the control of society.

"The surplus then is no anomaly. It results from unequal advantages of producers—those peculiar advantages derived sometimes from human resources, sometimes from natural resources. . . . Considered as property yielding income, land and capital are on exactly the same footing. A single-taxer is much disturbed because the owner of a certain piece of land receives \$30,000 a year in ground rents without any burden of taxes, expense of improvements, etc., all of which are paid by the tenant. The same man seems quite unworried by the fact that trust companies are turning over incomes just as great from stocks and bonds, to clients who perform no personal services whatever, some of whom are moral delinquents and intellectual incompetents.

"From the individual point of view, at any given moment in civilized society, there is no surplus in land income. . . . The return to the pioneer in increased value of the land is a cost—a payment for the continuous toil, often lasting for several generations, that has been expended upon the land. . . . Land requires more care and gives smaller returns in proportion to what is put into it in the way of capital and enterprise, than standard investments of other kinds. . . . It is probable that nobody works harder for what he gets, considering it by and large, than the landowner; and he usually gives a big return to society for what he receives."

How Prof. Ely's Strategy Works

There are, in the above sentences and paragraphs just eleven fundamental errors—eleven errors involving the prosperity, the happiness and the very safety of civilization, but Professor Ely's students evidently do not know it. How can they know it? The economic equipment by which they may try his reasoning has not been given them. The necessary terminology, principles and laws by which they can test his conclusions have been withheld. They are helpless. They are like a mariner sailing the ocean without either rudder or compass. No guides are at hand to steer by, no anchors to let down in case of trouble, no sheltering harbors to enter in case of storm. Professor Ely can make the gravest errors and he does make them; he can omit the most essential discussions and he does omit them; he may advance the most preposterous propositions and he does advance them, but his students will not crack a smile. They are under his control completely—as completely as a farmer's bull led by a ring in his nose, and what is at once both tragic and comical their minds are being put to sleep by the lavish accumulation of professional authority and university degrees with which all his books are stamped, as effectively as if they had been gassed. Only one possible course appears to be open to the students and that is to follow Professor Ely like a flock of sheep follows its shepherd—timidly, blindly, faithfully—never stopping for a moment to question his motives, his logic, his conclusions, or to inquire whether he is leading them to green pastures or to the slaughter pen!

Truth and Fallacy—Their Opposites

Perhaps never before in the history of economic science has the great difference between truth and fallacy been more strikingly illus-

(Continued on page 4)

PROF. RICHARD T. ELY EXPOSED!—Continued

trated. For truth can be both understood and believed; but fallacy can only be believed; it can never be understood. The teacher who asserts that the multiplication table is correct need not ask the pupil to believe her; she need only ask that the pupil rightly understand her. But the teacher who, for any reason, insists that the multiplication table is wrong cannot allow herself to be understood; her chief hope of winning her point will have to be placed on simply being believed.

This is exactly the difference between Henry George and Professor Ely. Henry George, when setting out in his "Progress and Poverty" to find the scientific solution of our economic problems, discouraged every tendency on the part of his readers to accept his statements on mere faith, and begged his readers only to understand him. For he always felt certain that "when men think right, they will vote right."

But Professor Ely, who has a very different object in view, must pursue an entirely opposite method. He must first take precautions to see that he is not clearly and fully understood, and second he must take equally great precautions to see that in the end he will have the student's confidence and belief in what he says.

The Spirit of Henry George

Here is the first lesson that Henry George hammered and drilled into those who came to sit at his feet:¹

"The power to reason correctly on general subjects is not to be learned in schools, nor does it come from special knowledge. It results from care in separating, from caution in combining, from the habit of asking ourselves the meaning of the words we use and making sure of one step before building another on it—and above all, from loyalty to truth."

Taking this firm ground as a starting point Henry George lay down in his great book the all-essential terms and definitions in economic science, showed their laws and relation to each other, gave his followers the instruments by which they might try his reasoning and test his conclusions, and with these inspiring words plunged into the prodigious task before him:²

"I propose to beg no question, to shrink from no conclusion, but to follow truth wherever it may lead. Upon us is the responsibility of seeking the law, for in the very heart of our civilization to-day women faint and little children moan. But what that law may prove to be is not our affair. If the conclusions that we reach run counter to our prejudices, let us not flinch; if they challenge institutions that have long been deemed wise and natural, let us not turn back."

That was the spirit of Henry George! That was the mental quality and moral fibre of him who discovered the only sane and logical solution of our serious economic problems, who gave to bewildered humanity the knowledge of how it may elevate society to a better, higher and grander civilization, and whose constructive and practical doctrines have now taken deep and firm root throughout the world.

The Spirit of Prof. Ely

Different indeed is the case with Professor Ely. Professor Ely likewise knows the importance to logical thinking of correct and complete terminology. He knows the relation of the economic terms to each other and the laws and principles that underlie them. He realizes also the benumbing effect that an overdose of professional authority has upon the mind of the average person. Yet this, by his actions, is exactly what he says:

"I shall write three basic books on land economics, upon which the members of my Institute shall write forty-seven more books supposedly for the purpose of finding the solution of our land and tax problems. In these three books I shall avoid defining any terms or explaining any laws or principles by which my students can analyze my arguments or test my conclusions. To make sure, however, that my statements, and the statements of my assistants, will not be questioned by anyone, I shall label them with school, college and university authority and stamp them with all the professional ranks, titles, and degrees that I can assemble.

"In my apparent search for the solution of the problems of land and taxation I shall challenge no predatory institution; I shall disturb no monopoly; I shall offend no citadel of privilege; on the contrary I shall do all I can to uproot the very measure that is most hostile to them—the land value tax doctrine of Henry George. For upon me is the responsibility, not only of safeguarding for the future, but of increasing if I can, the large unearned profits of the corporations and organizations who are financing me."

That is the spirit of Professor Ely! That is the mental and moral calibre of the man who, sitting in the University of Wisconsin, is now reaching out to grasp the well-springs of knowledge and who has laid down the foundation upon which fifty books are to be written for the guidance of state, national and international policy!

¹ Henry George, "A Perplexed Philosopher," Introduction, Doubleday, Page & Co., New York.

² "Progress and Poverty," p. 13.

(In the next article Mr. Jorgensen will show further the ingenuity with which Professor Ely is attempting to guide the public mind away from the correct solution of our land and tax problems and towards a wrong one.)

STERN MORALIST

Ted, just home from Sunday school, where his teacher had been explaining the ten commandments, looked disapprovingly at a cackling hen that was proudly calling attention to a freshly laid egg.

Finally the little boy asked sternly: "Don't you know it's wicked to lay an egg on Sunday?"—Chicago Daily News.

BACKWARD

"Some ways children ain't as smart now'days as they used to be," vouched Gap Johnson of Rumpus Ridge.

"Ain't, har?" asked a feller from down in Booger Holler.

"Nope! Job cursed the day he was born but my boy, Beareat, was mighty nigh 3 years old before he could swear to amount to much."

Brickbats and Bouquets

Gentlemen:

Your expose of Prof. Ely is a useful and well performed task.

SAMUEL DANZIGER

Dear Sir:

I am glad to see you going so vigorously after Prof. Richard T. Ely and hope that you will keep at it until you have smoked him out.

C. R. SWICKARD

My dear Sirs:

Memphis, Mo., October 14, 1924.

I have just finished reading your worthless pamphlet entitled, "Prof. Richard Ealy Exposed." I consider it the biggest bunch of "Red" bunk I have run across for some time. You condemn yourselves in your arguments and expose your motives. Why send out circulars to counteract this research work? A blind man could see your motive. You know your own literature would not be read but by bringing in the name of a reputable man and trying to slander him and his work, you stand a little show to deceive a few people into reading your bunk.

I never heard of your organization nor Prof. Ealy but am drawing my conclusions from your harangue.

You had better get some brains in your organization and find out what you want to do. I doubt very much if Jorgenson is an American citizen.

I am burning your pamphlet, as I do not care for my pupils to know that we have American citizens so ill informed trying to lead the people.

We know that Chicago is a hot bed of Reds and all brands of Socialists. They even try to dominate the public schools. We find some of your ilk slipping in to the Universities but they are slipped out as soon as they begin to show their true color. I ran across one of your "Big Sweeds" in the University of Kansas this summer.

This all the time I care to waste on a gnat.

MEMPHIS PUBLIC SCHOOLS,

E. J. WELSH, Ph. B., E. S., Superintendent.

Brooklyn, New York, Oct. 15, 1924.

Gentlemen:

Your publication devoted to the exposure of Prof. Richard T. Ely just received by me is a courageous and needed work quite in harmony with my own convictions.

EBEN S. DOUBLEDAY

Washington, D. C., October 15, 1924

Dear Sirs: Those Ely articles of yours, the first and the second, are excellent. I hope your economic argument will be as convincing as the exposure with which you precede it.

LOUIS F. POST

Pierce, Nebr., Oct. 20, 1924

Gentlemen:

I have no confidence in what you say about the Department of Economics in Wisconsin University. In my mind you are absolutely wrong in saying that Professor Ely is trying to "Prostitute the Educational Institutions of America." I can conceive of its being entirely possible for a business man to be a crook but for a man like Professor Ely such a thing is well nigh impossible.

PIERCE PUBLIC SCHOOLS

F. E. ADLER, Superintendent.

Williamstown, Mass., Oct. 16, 1924

Gentlemen:

I am not surprised to learn what you say about Professor Richard T. Ely. His liberalism was always of the kind that left a loophole of escape in the opposite direction in case of need.

GARRETT DROPPERS

Brooklyn, N. Y., Oct. 17, 1924

Gentlemen: I think I can get along and be my own judge of what I read from Professor Ely's pen without your kindergarten instruction.

H. S. VOSEBURGH

Denver, Colo., Sept. 30, 1924

Dear Sirs:

I like the way you went after Ely in the last issue of the Bulletin. This pretentious old humbug has been the inveterate foe of freedom and honest taxation for more than thirty years. Until recently he has been trying to camouflage and cover his tracks under the guise of professional impartiality. You did well to unmask the old Pharisee, but keep it up. Take a few of his "arguments" since he came out in the open and tear them up.

JOHN B. MCGAURAN

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