

city gives to a citizen. The land value alone is the true and just and only measure of such services.

Fourthly, the excessively high rents paid by our citizens leave a small margin of surplus earnings that can be spent with the theatre, so in a dual way we hurt the theatre industry, first by artificially heavy overhead, and then by impoverishing their customers.

The remedy is to collect publicly created values for the support of public utilities, in lieu of all taxes now levied on any form of industry. In other words, substitute public value in the place of private property, for the support of the city.

Keep in mind all taxes levied on labor or capital values are added into the cost of living.

No tax levied on land value can be added into the cost of anything; only taxes not laid upon publicly created values can be added into the load carried by industry.

## Half of City Area Unbuilt

**A**LTHOUGH the Borough of Manhattan is more densely populated than Shanghai, China, and 2,500,000 persons in five boroughs live in overcrowded "old law" tenement houses, nearly half of the land in New York City is still unbuilt and largely available for dwellings, business and industry, according to a report prepared by the Regional Plan of New York and its Environs.

The Regional Plan survey, based upon five years of intensive study of the metropolitan area within a fifty-mile radius of New York City, finds a definite trend toward decentralization of population in New York City, with indications that the next few years will witness an even greater exodus to the suburbs.

"What may give us hope, if we have the courage to act," the report says, referring to the fact that some parts of the city show low population densities, "is that although certain parts of Manhattan and a few spots in adjoining boroughs and towns are overcrowded, the region as a whole is not populated too densely. The present population of the whole region could be housed within the corporate limits of New York City (297 square miles), at an average density that would be but scarcely higher than the present moderate average throughout Kings County—fifty persons to the acre. The area of the region is, however, 5,528 square miles, or eighteen times the area of New York City.

"On the unbuilt land in New York City," the report continues, "2,500,000 people could be housed without raising the population density of these new areas to more than thirty persons to the acre."

*Building Investment* for January, 1929.

**A** MINNESOTA FARMER inquires: "What is farm relief anyway?" Mostly it is the feeling that comes after a strenuous Presidential campaign.—

*St. Paul Pioneer Press.*

## False Education in Our Colleges and Universities

ADDRESS BY EMIL O. JORGENSEN

DIRECTOR OF THE MANUFACTURERS AND MERCHANTS FEDERAL TAX LEAGUE, BEFORE THE THIRD HENRY GEORGE MEMORIAL CONGRESS HELD IN CHICAGO, SEPT. 10-13, 1928.

(Reprinted from *The American Teacher*)

**O**NE of the saddest questions that I have heard since coming into this convention is "Why in view of the soundness and justice of the Henry George idea and its tremendous importance to every human being, are young people becoming less and less interested in it?"

I don't know that I can give you a full and satisfactory answer to this question. One thing, however, I am very certain of, and that is that the false education regarding the Henry George reform which is streaming through our schools, colleges and universities is chiefly responsible for the declining interest that our young men and women are taking in it.

Now when I say false education I mean just that. I do not have in mind intellectual error; I have in mind untruthfulness and downright dishonesty. I can and do have the highest respect for any one who disagrees with me so long as he is sincere, but I can have absolutely no respect for anyone who disagrees with me when I know that he is not sincere.

Let me give you an illustration of this false education which I feel is doing so much, not merely to turn the minds of our young people against the Henry George reform, but to hold back the movement for the public ownership of public utilities as well.

### TAX LEAGUE FORMED

About nine years ago, after a long period of thought and discussion, a group of men met in Chicago and formed the Manufacturers and Merchants Federal Tax League with my friend, Otto Cullman, as chairman. The purpose of this organization was to promote legislation along the Henry George lines and I was called in to act as the Director of Information. We had a bill drawn up which proposed to reduce the tax burden on the fruits of human labor about \$1,000,000,000 by substituting therefor a one per cent. tax on the unearned values of lands and natural resources in excess of \$10,000. This bill, was of course, a long way from the full Single Tax programme of Henry George but it was at least a step in that direction. It was drafted by Jackson H. Ralston and introduced into Congress by Representative Nolan of California and became known as the Ralston-Nolan bill.

We pushed the bill, of course, as hard as we could. Money was easier in 1919 and 1920 than it is now and we were able to send out over the country some two million pamphlets and circulars about it. Much discussion was aroused, a great deal of favorable sentiment was developed



and it looked for a time like the bill might go through, notwithstanding the fact that the National Association of Real Estate Boards, the railroads and other large "vested interests" were doing their best to inflame the farmers against it.

About a year after the bill had been introduced, however, something significant happened. It was announced that Dr. Richard T. Ely had formed in Wisconsin University an "Institute for Research in Land Economics and Public Utilities" which would investigate in an "impartial, disinterested and scientific manner" the various problems pertaining to land, public utilities and taxation. We were delighted to hear it. For any reform, as you know, that is as sound and just in principle as the Henry George reform is, has nothing to lose but everything to gain by having the searchlight of impartial investigation cast upon it and we therefore welcomed the news regarding Dr. Ely's research Institute.

#### PROPAGANDA—NOT RESEARCH

To our great surprise, however, the Ely Institute—which was privately financed—began its career by accepting contributions from the very corporations whose property interests it was going to investigate and which corporations had always fought any measure looking in the direction of the Henry George idea. To our still greater astonishment Dr. Ely next had Prof. B. H. Hibbard write, in behalf of the Institute, a special article for the National Association of Real Estate Boards—one of the largest corporations back of the Institute—an article attacking the Ralston-Nolan bill in every shape and manner and which article, broadcast by the real estate boards in 1921, probably did more than anything else to bring about the bill's defeat.

It was a very strange beginning for a "disinterested research institute" and it staggered us. It looked very much as though the real purpose of the Institute was not to carry on "impartial, scientific and disinterested research," but to carry on propaganda—propaganda for the benefit of the privileged interests supporting it.

And that this was the real purpose of the Institute has been amply demonstrated by the events that have occurred since this time. Today the Ely Institute, which is housed in Samuel Insull's favorite university—Northwestern—not merely has upon its Board of Trustees such representatives of monopoly as Rufus C. Dawes, William S. Kies, Frank O. Lowden and General Nathan W. MacChesney, but the contributions received from the Rockefeller and Carnegie corporations, from the National Association of Real Estate Boards, the railroads, the public utilities and other interests with big axes to grind (see "*Review of Reviews*," September, 1928) approximate \$100,000 a year. This would certainly indicate that the Institute is not "disinterested."

Again, from the very beginning the Institute has made a practice of submitting its manuscripts (and fifty books

are scheduled to be written) to representatives of the large privileged organizations back of it before these manuscripts have been published—all of which definitely shows that it is not "impartial."

#### EXPOSING ELY

Finally, the Institute started out on its long task by laying down its conclusions in advance of any investigations—conclusions, by the way, that are worth billions of dollars to the public utility and land speculation interests—all of which shows very plainly that it is not "scientific."

After some four years of "watchful waiting," therefore, we were fully satisfied that the Ely Institute, instead of trying to live up to its claims, was making a foul attempt to wipe us off the earth. And since we were not disposed to be wiped off the earth without at least a struggle in self-defense we boldly decided to attack it.

Our opening gun was fired in July of 1924. In that month we printed in our *Bulletin* an article entitled "Prof. Richard T. Ely Exposed" which was promptly reprinted in pamphlet form. I asked four men—Otto Cullman, Harry H. Willock, James A. Bell and J. H. McGill—to stand the expense of having 20,000 of these pamphlets sent over the country and they did. One thousand copies were sent directly to the authorities and faculty members of Wisconsin University where the Ely Institute was located. The shot hit the mark. Dr. Ely came out with an open letter denouncing the "unfairness" of his assailants while several of his colleagues rushed to his defense. We were pretty hard pressed for a while and many of our own friends withdrew their support but we kept right on. Each succeeding month we came out with a new article in our little paper about the institute.

#### WARNING FROM LAFOLLETTE

This running fire soon began to tell. The whispering increased and open discussion set in. Senator LaFollette wrote in his magazine an editorial entitled "Monopoly Subsidizes Education" and warned the university authorities to set their house in order. Rumors now began to float. Dr. Ely added Frank O. Lowden and Gen. Nathan MacChesney of Illinois to his Board of Trustees and in July of 1925—just one year after we fired the opening shot—the Ely Institute moved out of state-supported Wisconsin University (where Dr. Ely had been teaching for thirty years) into privately-owned Northwestern University in Chicago. In the following month the Board of Regents of Wisconsin met and passed the following 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."

Well, that was that. But what to do now? The spurious Ely Institute was not dead; it had only moved into safer quarters. After a few more months of "watchful waiting" we therefore decided that the best thing to do



was to lay the matter before some of the leading educational bodies of the land and ask for investigation of it. At once there was a wild scampering for cover. The officials of the American Economic Association and the American Association of University Professors, in particular, refused to look into the Institute regardless of the charges against it.

But not so the American Federation of Teachers. The Chicago local of this organization was the first to inquire into the case and in April of 1926 this local—the Chicago Federation of Men Teachers—passed a resolution denouncing the Ely Institute as “an insidiously dangerous factor in the social and educational fabric of our country.” The national body, however, not wishing to pass judgment on the Institute without the fullest possible investigation of it ordered its Educational Committee to make such an investigation. The Education Committee spent practically a whole year at its task examining books, records and documents and in 1927 reported to the annual convention of the American Federation of Teachers that the Ely Institute was “misusing the conception of research and masquerading under false colors”—in other words, that it was not a true investigational body, as it claimed, but was a huge propaganda organization in disguise.

#### BATTLE WILL GO ON

This report of the teachers was followed some two months later by a similar report from the Illinois Federation of Labor which, in annual convention assembled, condemned the Ely Institute for sailing under false colors and for “degrading research to the level of special pleading.” The American Federation of Labor, however, which met in annual convention in October not merely declined to concur with the teachers, but positively refused to investigate the matter in any shape or manner.\*

This action of the American Federation of Labor is all the more amazing in view of the startling disclosures now being made by the Federal Trade Commission. The Federal Trade Commission has shown that the Ely Institute has received from the National Electric Light Association alone, a total of \$75,000 during the last three years; that the “facts” it has gathered and the reports, pamphlets and textbooks it has published are decidedly favorable to the corporation from which its contributions are received; and that it has gathered unto itself, not merely officials high in public utility circles, but educators who have always been friendly to the utility interests—educators who have repeatedly fought legislation that would reduce the utilities’ profits, who are secretly paid by the utilities to address gatherings of students and teachers, and who are awarded munificent salaries and expense accounts to “survey” text-books and establish utility courses in American schools and colleges.

\*Since the above address was delivered, the A. F. of L. in its 1928 convention adopted resolutions condemning those institutions which have proven to be subsidized by special interests and which are “carrying on propaganda under the guise of disinterested research.”—Editor.

Notwithstanding the strange action of the A. F. of L., however, the storm of indignation against the Ely Institute is slowly but surely rising. Civic associations, reform leagues and other bodies, one after another, are now voicing their protest in resolutions against it and it may well be that the A. F. of L. itself will soon reverse its decision. The publishers of the Institute’s books, we have reason to believe, are growing alarmed at the course events are taking and if the publishers once refuse to accept new manuscripts from the Institute the financial support back of it will soon peter out.

However, in a matter of this kind it is never safe to count your chickens before they are hatched. The Ely Institute is still going strong and every fortification is being thrown around it. Its vitality appears to be unimpaired and its financial support is certainly as great as ever before. It has turned out seven crops of teachers, it has published fourteen of its proposed fifty text-and-reference books, and these teachers and text-books it has, with the aid of the public utilities and the real estate boards, now got into more than three hundred schools, colleges and universities in the United States.\* So while the movement has been started that will certainly finish the Ely Institute if it keeps on, there is always a danger that it might not keep on. And if the movement does not keep on to the bitter end the great battle for honest education will be lost instead of won.

\*This, however, is only a small indication of the real length of the Institute’s arm. Ely’s popular old text-books, for instance—notably his “Outlines of Economics,” and his “Elementary Principles of Economics”—two text-books used in more than 2,200 high schools and colleges in the United States, do not now merely bear the name of the Institute but they have been skillfully revised during the last few years to conform to the teachings of the Institute. These two text-books alone are now influencing the minds of at least a half million students a year.—E. O. J.

## The Coming World Conference

FROM July 27 to August 2 the Fourth International Conference of Georgists will meet in Edinburgh, Scotland, and a large attendance is expected. On this occasion will be celebrated the Fiftieth Anniversary of the publication of “Progress and Poverty.”

Arrangements are in the hands of the United Committee at 11 Tothill Street, London, England, and all those desiring reservations should communicate with the Committee. A great number of visitors from this side of the water are anticipated. Further details will be printed in forthcoming LAND AND FREEDOM.

IN the Los Angeles *Tidings* (Catholic Weekly) Mr. William Lacy, President Community Welfare Foundation, says:

“Very many large fortunes have been made through increases in the value of real estate. I feel that a very strong responsibility rests upon those whose material prosperity has been increased in this way.”