

## POISONING OUR PUBLIC SCHOOLS

How the Ely Institute in Northwestern University, Masquerading Under the Cloak of "Research," is Miseducating the Youth of America for the Benefit of the Corporations Supporting it

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(Reprinted from a circular just published by the Education Protective Association of America, 1344 Altgeld Street, Chicago, Ill.)

Shall the public schools and colleges of the United States be poisoned? Shall they be turned from agencies for education into agencies for propaganda—propaganda to advance the selfish interests of a few?

These are questions which the American people are now called upon to answer.

Within the last few years a silent but prodigious effort has been launched by dominant economic groups—the same groups that in times passed have bribed editors, bought judges and juries and corrupted legislators—to exploit the public school system of the United States to promote their own selfish ends. In this effort they are being aided and abetted by certain university professors—professors who have a greater love for wealth and position apparently than they have for the general good of the whole people. As a result there is now pouring into our schools, colleges and universities, and from there out into the private walks of life, a widening stream of biased information regarding the ownership and control of property that may, in the opinion of many thoughtful men, sound the death-knell of economic liberty in America.

One of the dominant groups referred to is the privately-owned public utilities—sometimes called the "power trust." How these privately-owned utilities are using our school system in their effort to mold public opinion against municipal ownership and in favor of milder regulation, higher rates and "watered" stock, is now being brought to light by the Federal Trade Commission. The methods which the Federal Trade Commission finds the utilities to be employing are, to quote the words of Senator Norris, "enough to shock the minds of all sincere people when they read or hear about it" and belong, as Gifford Pinchot has well expressed it, "in the same class with the stealing of votes."

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"The evidence now being brought out before the trade commission is so sensational in its nature that it is almost impossible to overstate its significance. It indicates that the public utilities corporations of the country have brought to a high degree of perfection the technique of presenting their propaganda to the public in such a way as to pass for disinterested news or the objective conclusions of impartial students. It has been shown that these public utilities agents have succeeded in bringing about revision of textbooks in the public schools; that they have paid teachers in private and state colleges for services as public lecturers and writers of pamphlets; that they have induced newspapers by the hundreds to print as news or as editorial writing matter which originated with the corporation press agents. And all of this has been done without public knowledge."

-Who are some of these professors or educational bodies that are thus carrying on in the schools propaganda for the benefit of the public utility corporations? One of them—the leading one probably—is the "Institute for Research in Land Economics and Public Utilities" at Northwestern University. This Institute was organized in Wisconsin University in 1920, was moved to Northwestern in 1925, and according to its founder and director, Prof. Richard T. Ely, its purpose is to investigate the various problems pertaining to land, public utilities, taxation, etc., and to investigate them in an "impartial and disinterested manner."

Records in possession of the Federal Trade Commission, however, disclose the fact that the Ely Institute has received from individual public utility corporations tens of thousands of dollars in addition to an appropriation from the National Electric Light Association of \$75,000; that the "facts" it has gathered and the reports, pamphlets and text-books it has published are decidedly favorable to the corporations from which its contributions are secured; and that its graduates—graduates trained for teaching positions in the higher educational institutions of the country—are among the most outstanding defenders of the public utilities.

But this is not all. The documents of the Federal Trade Commission show that the Ely Institute has gathered unto itself, from all parts of the nation, educators who have always been friendly to the utility interests—men like Prof. B. H. Hibbard of Wisconsin University who repeatedly has fought legislation that would reduce the utilities' profits; men like Dean Ralph E. Heilman of Northwestern University who is secretly paid by the utilities to address gatherings of students and teachers and who, it is interesting to note, obtained for Samuel Insull—leading power magnate of the United States, Northwestern University trustee, and chief contributor to the slush fund of Senator-reject Frank L. Smith—the honorary LL. D. degree; and men like Dean C. O. Ruggles of Ohio University who is paid \$15,000 a year and expenses by the N. E. L. A. to "survey" text-books and establish utility courses in American schools and colleges.

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But more than this. Disclosures made by the Federal Trade Commission indicate that representatives of the Ely Institute have frequently attended secret conferences of the utility executives, that they have made long journeys to be of assistance to their benefactors and that in many cases they are intimately acquainted with the paid agents of the utilities who have censored text-books, "doctored" information in circulars and pamphlets, bribed editors, debauched ministers and corrupted teachers—one of the most shameless efforts to mold the thought of a people for the benefit of "Big Business" that our nation has ever seen!

But the public utilities are not the only corporations whose interests the Ely Institute is endeavoring to advance under the screen of "disinterested" research. Another group—and a group of far greater consequence—is the National Association of Real Estate Boards. This Association consists of some 660 state and local boards with 26,000 active members (largely land speculators) representing the greater part of the so-called "monopoly values" in the United States. The Association is concerned chiefly with the policies of taxation. That is to say, for the same reason that the public utilities are opposed to municipal ownership of electric light plants, street car lines, etc., so is the National Association of Real Estate Boards opposed to the taxation of land values as proposed by Henry George, and for the same reason that the public utilities want less regulation, higher rates and "watered" stock, so does the National Association of Real Estate Boards want **lower** taxes on land values and **higher** taxes on personal property, business earnings, wages of labor, sales of goods and articles for consumption.

Just how much the various real estate boards, including the National Association, are contributing to the Ely Institute is not definitely known but that the Ely Institute is not merely receiving such contributions but is surreptitiously promoting through the schools the tax ideas favored by the real estate groups, all available records abundantly show.

No sooner, for instance, was the Ely Institute organized in 1920 than it embarked upon a program of "education" in behalf of the real estate interests that for sheer immensity—and subtleness—has never been equalled. First, it wrote a special article attacking the Ralston-Nolan land value tax bill in Congress, an article which was broadcast by the National Association of Real Estate Boards and which article did more than anything else probably to bring about the bill's defeat. Second, it prepared, under the personal direction of Prof. Ely himself, and for the future guidance of the Institute staff, three books called the "Outlines of Land Economics"—three books upon which an announced fifty other books are to be based, three books in which the shifting of more taxes from the products of labor to land values is **strongly opposed** and the shifting of more taxes from land values to the products of labor is **strongly advocated**. Third, it launched, first in Wisconsin University and later in Northwestern, special courses for the production of teachers in the field of "land economics"—courses leading to the Bachelor's, the Master's and the Doctor of Philosophy degrees. Last but not least, it had Ernest M. Fisher—a member of the

staff—appointed Educational Director of the National Association of Real Estate Boards to aid in getting into the schools, colleges and universities of the country, the Institute's "impartial" teachers and books—the most deliberate and colossal attempt probably to poison the sources of information for the benefit of special groups of which our history has any record!

Such, then, is how our educational institutions are being prostituted to advance the selfish interests of a few.

Dare the citizens of the United States allow such a prostitution to go on? Clearly not. No greater menace to the welfare of society can be conceived. For our public schools, colleges and universities are the well-springs of knowledge. They are the institutions in which the minds of our young people are being molded—molded at their most impressionable age. Hence to allow these institutions to be corrupted—to permit self-seeking groups to inject into them unsound principles, distorted facts or false ideas for their own advantage, is to endanger the very pillars upon which our civilization stands.

This is particularly true with respect to the problems of political economy. Take, for instance, the properties of the real estate and public utility interests we have just mentioned. These properties represent over two-thirds of our total national wealth. They extract, in the shape of rents, rates and other charges—unearned as well as earned—hundreds of dollars a year from every man, woman and child in the nation—in short, the larger part of the average person's income. How these properties are to be owned, managed, operated and taxed so that justice will be done to all and wealth fairly distributed is, therefore, a matter of the most vital concern to every human being. For real estate and public utility corporations, therefore, to use our school system to teach those ideas that will increase speculation and advance rates and rents and to suppress those ideas that will eliminate speculation and reduce rates and rents—to repeat, for real estate and public utility corporations to do this and to do it under false pretenses is, as Secretary Crabtree of the National Education Association has rightly said, an offense against society and a "crime against youth."

Let us not be misunderstood. The right of free speech is not here being challenged. The public utility corporations have a perfect right to oppose municipal ownership and the National Association of Real Estate Boards a perfect right to oppose the taxation of land values or the singletax idea of Henry George if they so desire. But this opposition, especially when in the public schools, must be open and above board and not disguised under a cloak of impartiality by secretly subsidized teachers and text-books. As Dr. John A. Lapp of Marquette University said before the annual convention of the American Federation of Teachers on June 27, 1928: