

"The Man Who Will Not Investigate Both Sides Of A Question Is Dishonest." — Abraham Lincoln.

THE BULLETIN

OF THE MANUFACTURERS AND MERCHANTS FEDERAL TAX LEAGUE

VOL. V.

CHICAGO, JULY, 1926

No. 1

Beware of Northwestern University!

By EMIL O. JORGENSEN

"Th' faxes the land, to hastening ill's a prey,
Where wealth accumulates, and men decay."

When Oliver Goldsmith penned these famous lines he little suspected that the evils he described might often be done as much or even more to the decay of the colleges and universities of a nation, than to the decay of its men. Yet such is the case. Colleges and universities can, notwithstanding their increase in size and wealth and power, decay as well as men—decay both intellectually and morally.

Take, for instance, Northwestern University in Evanston and Chicago—that rich and powerful institution of learning directed by Judge E. H. Gary of the United States Steel Corporation, Nathan William MacChesney of the National Association of Real Estate Boards, Samuel Insull of public utility fame and other financial magnates of the nation. On June 11 of this year Northwestern University dedicated to the McKinlock Memorial Campus in Chicago its new million dollar Hall of Commerce, donated to it chiefly by Mr. W. A. Wieboldt. The day was beautiful, the gathering was large and illustrious and the ceremonies were most impressive—Mr. Nathan William MacChesney of the National Association of Real Estate Boards being personally in charge of the dedication exercises.

Of course, when the cornerstone of any famous building is laid various addresses are expected to be delivered and on this occasion many addresses filled with noble sentiments and high ideals were delivered—sentiments and ideals that swelled the hearts of the listeners and lifted them into the realms of the sublimest thought.

Standing before the magnificent structure over whose stern and chaste doorway is carved the beautiful words of Edmund Burke—

"If we command our wealth we shall be rich and free;
If our wealth commands us we are poor indeed."

—the large audience that had come to witness the cornerstone ceremonies heard Mr. Robert W. Campbell, the president of the Board of Trustees of Northwestern University, eloquently tell how Wieboldt Hall would "long abide as a center of sound learning" and of "noble service to humanity"; it heard Mr. Melvin Hawley, the president of the General Alumni Association, declare how the Hall would be "nobly used in large and helpful service"; and it heard Dr. Walter Dill Scott, the President of the University, proudly exclaim how it had "added to Northwestern still larger abilities for service to mankind." Last but not least the vast assembly, thrilled with emotion, saw Dr. Ralph E. Heilman, the Dean of the School of Commerce, reverently lift his face to the skies and utter these exalted words:

"May this building, committed to our trust for noble use, be ever the home of truth and of service, of light and of hope and of a more abundant life."

A wonderfully impressive and inspiring ceremony it was, the most impressive and inspiring in the opinion of many that has ever been held in connection with any American university.

But alas! Now we come to an event that throws an unpleasant light on the whole affair—an event that indicates strongly, not merely that the ceremony itself, but that the words uttered by the speakers at the cornerstone of Wieboldt Hall were saturated with hypocrisy!

Just one day before the above dedication exercises took place in Chicago a large convention was being held in Tulsa, Oklahoma. It was the annual convention of the National Association of Real Estate Boards—an association having an active membership of about 27,000 and representing half of the total property values in the United States.

The knotty question of taxation was being discussed at the convention—how the burden could be better distributed; how "lightened" so that a smaller share of the load would fall upon the value of land and a larger share fall upon incomes, occupations, sales, tax-exempt bonds, articles for consumption and the like; how the growing sentiment in favor of Henry George's single-tax idea might be checked; how friendly "fact finding" bodies could be more liberally aided and supported; and particularly how larger funds needed in the fields of tax education and legislation might be raised by the Association. The discussion ended with the passage of the following resolution:

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

"THEREFORE, BE IT RESOLVED that it is the sense of the Board of Directors of the National Association of Real Estate Boards that the per capita dues of active members of Member Boards be increased from five to ten dollars per annum, such increase to be effective as of January 1, 1927."

Now since Nathan William MacChesney, the General Counsel for the National Association of Real Estate Boards, which on June 10th passed the above resolution to provide an additional \$135,000 a year for "education, taxation, research and legislation," is the same Nathan William MacChesney who, on the following day, presided at the dedication of Wieboldt Hall, it certainly indicates that the Hall will be

(Continued on page 8)

PROBE OF ELY'S INSTITUTE IS ASKED

Investigate Prof. Ely's "research" Institute! Let the world know the truth about it! If it deserves to be vindicated, vindicate it! If it deserves to be condemned, condemn it!

This is the substance of a letter sent out on July 31 by the Manufacturers and Merchants Federal Tax League to the officers of five of the leading educational associations in America. The letter as addressed to Prof. W. T. Semple, President of the AMERICAN ASSOCIATION OF UNIVERSITY PROFESSORS, University of Cincinnati, Ohio, is as follows:

My dear Prof. Semple:

We respectfully beg to lay before you a matter of very grave concern—a matter involving not merely the honor of the whole teaching profession, but the welfare of every citizen of this nation. We further entreat you, as the President of the AMERICAN ASSOCIATION OF UNIVERSITY PROFESSORS, to appoint a special committee to make a thorough investigation of this matter and publish its findings to the world.

You are no doubt familiar to some extent with the recently organized "Institute for Research in Land Economics and Public Utilities" founded and directed by Prof. Richard T. Ely of Northwestern University. This Institute, as you probably know, claims its purpose to be the scientific, impartial and disinterested investigation of all problems pertaining to land, taxation, etc.—the object being, of course, to find the correct solution of these problems.

We hold this claim of the Institute to be absolutely false. In the first place the Institute has laid down its conclusions in advance of its investigations. By doing so it has violated hopelessly the first law of scientific procedure. In the second place the Institute has, before any of its facts have been gathered, condemned certain far-reaching measures which an increasing number of scholars believe to be beneficial to the people and approved certain other far-reaching measures which many scholars also believe to be detrimental to the people. By doing so it has disregarded completely the principle of fairness and impartiality. In the third place the particular conclusions and recommendations which the Institute has laid down at the very beginning, instead of at the end, of its career, harmonize exactly with the views of the corporations and special-privileged groups which are financing it.

These are by no means all the reasons that can be submitted for terming Prof. Ely's Institute a fraud, but they are sufficient at least to justify our charge that such is the case—in other words that the Institute is not, as Prof. Ely affirms, a true research Institute—fair, impartial and disinterested—but a cunning propaganda Institute in disguise.

Were the activities of this Institute confined to Northwestern University alone it would still be a matter for prompt and rigid investigation. For no matter how much we may disagree on men and measures, on one thing we must all agree; namely, that there should be no dishonesty in our educational institutions, no carrying on of propaganda for special interests under false pretenses.

But the activities of the Institute are, unfortunately, not confined to Northwestern University alone. A tremendous effort is being made by Prof. Ely and the leading organizations which are financing him to extend the influence of his Institute into all parts of the nation. Of the fifty volumes on land economics and related subjects, for instance, which the Institute proposes to write for the "education" of the next generation, eleven have already been published; one large quarterly journal has been launched; over twenty courses for the mistreating of teachers and specialists have been injected into the curriculum of Northwestern University—courses leading to the Bachelor's, the Master's and the Doctor of Philosophy degree—and connections definitely established, via the National Association of Real Estate Boards, with more than 210 schools, colleges and universities in the nation.

Such a colossal deception on the people (if, as we charge, it is a deception) can plainly not be allowed to continue. You will, we feel certain, wholly agree with us in this, yet Northwestern University, strange to say, has ignored our protests entirely. We, therefore, earnestly beseech you again to appoint a special committee to investigate this matter thoroughly and either vindicate Prof. Ely and his Institute completely of all charges of wrong-doing or condemn them unreservedly as we believe they should be condemned.

That you need have no fear that our charges are based upon insufficient grounds we are sending to you today a copy of our recent book "False Education in our Colleges and Universities" in which you will find 200 pages devoted exclusively to Prof. Ely and his "research" Institute. We have published in addition to this considerable other information on the same subject, copies of which, together with the book we shall be pleased to lay before each member of your investigating committee when it is appointed.

Will you kindly let us hear from you soon.

Very sincerely yours,

MANUFACTURERS AND MERCHANTS FEDERAL TAX LEAGUE.
(S) EMIL O. JORGENSEN,
Director, Bureau of Information.

Copied to all officers of the A. A. U. P.:

Prof. W. B. Munro, Harvard University, Cambridge, Mass.
Prof. H. W. Tyler, Mass. Inst. of Tech., Cambridge, Mass.
Prof. Joseph Mayer, Tufts College, Tufts College, Mass.
Prof. R. A. Armstrong, W. Va. Univ., Morgantown, W. Va.
Prof. E. C. Barker, Univ. of Texas, Austin, Tex.
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Prof. Marlan P. Whitney, Vassar Coll., Poughkeepsie, N. Y.
Prof. T. S. Adams, Yale University, New Haven, Conn.
Prof. H. B. Alexander, Univ. of Nebraska, Lincoln, Neb.
Prof. H. V. Ames, Univ. of Penn., Philadelphia, Pa.

(Continued on page 2)

THE BULLETIN

of the Manufacturers and Merchants
Federal Tax League
Published Monthly, except August,
in the interest of Lower Taxes on
Industry

by the
Manufacturers and Merchants Federal
Tax League

Telephone Buckingham 7134
1346 Alhgeld St., Chicago, Ill.

Editor, Emil O. Jorgensen.

Entered as second-class matter April 9,
1925, at the post office at Chicago, Illinois,
under the Act of March 3, 1879.

Subscription price, \$1.00 per year.

Vol. V. July 1926. No. 1.

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PROBE OF ELY'S INSTITUTE IS ASKED — Continued

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Prof. C. F. Scott, Yale University, New Haven, Conn.
Prof. J. V. Denney, Ohio State University, Columbus, Ohio.
Prof. A. O. Leuschner, Univ. of Calif., Berkeley, Calif.

The above letter was also sent on July 31 to Dr. Edwin W. Kemmerer, President of the AMERICAN ECONOMIC ASSOCIATION, Princeton, N. J., and copied to the following officers and past presidents of that association:

Prof. Ira B. Cross, Univ. of Calif., Berkeley, Calif.
Prof. Frederick S. Deibler, N. W. Univ., Evanston, Ill.
Prof. Edmund E. Day, Univ. of Mich., Ann Arbor, Mich.
Prof. William H. Kieckhofer, Univ. of Wis., Madison, Wis.
Prof. Glover D. Hancock, Wash. & Lee Univ., Lexington, Va.
Prof. Harold L. Reed, Cornell Univ., Ithaca, N. Y.
Prof. Richard T. Ely, Northwestern Univ., Evanston, Ill.
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Prof. Davis R. Dewey, Mass. Inst. of Tech., Cambridge, Mass.
Prof. E. G. Nourse, 26 Jackson Pl., Washington, D. C.
Prof. John M. Clark, University of Chicago, Chicago, Ill.
Prof. Abbott P. Usher, Harvard Univ., Cambridge, Mass.
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Prof. Ernest M. Patterson, Univ. of Minn., Minneapolis, Minn.
Prof. Paul H. Douglas, Univ. of Chicago, Chicago, Ill.
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Prof. Frank A. Fetter, Princeton Univ., Princeton, N. J.
Prof. David Kinley, Univ. of Illinois, Urbana, Ill.
Prof. John H. Gray, Carleton College, Northfield, Minn.
Prof. Walter F. Willcox, Cornell Univ., Ithaca, N. Y.
Prof. Thomas N. Carver, Harvard Univ., Cambridge, Mass.
Prof. John R. Commons, Univ. of Wis., Madison, Wis.
Prof. Irving Fisher, Yale Univ., New Haven, Conn.
Prof. Henry B. Gardner, Brown Univ., Providence, R. I.
Prof. Herbert J. Davenport, Cornell Univ., Ithaca, N. Y.
Prof. J. H. Hollander, Johns Hopkins Univ., Baltimore, Md.
Prof. Henry R. Seager, Columbia Univ., New York, N. Y.
Prof. Carl C. Plehn, Univ. of Calif., Berkeley, Calif.
Prof. Wesley C. Mitchell, Columbia Univ., New York, N. Y.
Prof. Allyn A. Young, Harvard Univ., Cambridge, Mass.

The same letter was likewise sent on July 31 to Dean Virginia C. Gildersleeve, Chairman of the AMERICAN COUNCIL ON EDUCATION, Barnard College, Columbia University, New York, and copied to the following officers of that association:

Prof. Herman V. Ames, Univ. of Pa., Philadelphia, Pa.
Prof. K. L. Butterfield, Mich. State Agri. Coll., Lansing, Mich.
Prof. R. M. Hughes, Miami University, Oxford, Ohio.
Mr. C. Thom. Amer. Security & Trust Co., Washington, D. C.
Mr. C. E. Mann, Editor, 26 Jackson Pl., Washington, D. C.
Prof. S. F. Capen, Univ. of Buffalo, Buffalo, N. Y.
Mr. A. W. Harris, 150 Fifth Avenue, New York, N. Y.
Prof. Chas. H. Judd, Univ. of Chicago, Chicago, Ill.
Prof. Wm. Mather Lewis, Geo. Wash. Univ., Washington, D. C.
Mr. E. J. Condon, Supt. of Schools, Cincinnati, Ohio.
Mr. Anson P. Stokes, 2408 Mass. Ave. N. W., Washington, D. C.

Miss Mary C. Barker, President of the AMERICAN FEDERATION OF TEACHERS, 123 Myrtle St., Atlanta, Ga., also received the same letter as did each of the following officers of that association:

Miss Lucie W. Allen, 1803 Livingston Ave., Evanston, Ill.
Miss Selma Borchardt, 1741 Park Road, N. W., Washington, D. C.
Miss Carlotta Pittman, 669 So. Barksdale, Memphis, Tenn.
Mr. Abraham Lefkowitz, Grand Ave., East Elmhurst, N. Y. City.
Mr. Henry B. Lanville, 70 Fifth Ave., New York City.
Mr. E. W. Everett, 2740 Portola Way, Sacramento, Calif.
Mr. A. J. Muste, Brookwood, Katonah, N. Y.
Miss Florence Rood, 328 Cedar St., St. Paul, Minn.
Mr. E. E. Schwartzvauber, R. F. D. No. 5, Box 16, Portland, Ore.
Mr. C. B. Stillman, 292 Rog. Williams Ave., Highland Park, Ill.
Mr. W. J. Scott, 212 Kings Highway, Decatur, Ga.
Mr. F. G. Stecker, 512 Webster Bldg., 327 S. La Salle St., Chicago, Ill.

The same letter was also addressed on the above date to Dean John R. Effinger, President of ASSOCIATION OF AMERICAN COLLEGES, University of Michigan, Ann Arbor, Michigan, and a copy mailed to each of the following officers and past presidents of that association:

Pres. L. R. Briggs, Mii. Downer Coll., Milwaukee, Wis.
Dr. Robert L. Kelly, 111 Fifth Ave., New York, N. Y.
Pres. B. I. Bell, St. S. Coll., Annandale-on-Hudson, N. Y.
Dean Frank W. Chandler, Univ. of Cinn., Cincinnati, Ohio.
Pres. H. C. King, Oberlin College, Oberlin, Ohio.
Pres. Hill M. Bell, Drake Univ., Des Moines, Iowa.
Pres. D. J. Cowling, Carlton College, Northfield, Minn.
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Pres. Harry M. Gage, Coe College, Cedar Rapids, Iowa.
Chan. J. H. Kirkland, Vanderbilt Univ., Nashville, Tenn.

NEWS NOTES

The "Progress of the Singletax Movement" running in recent numbers of "The Bulletin" will be continued in the September issue.

In an appraisal just made for the City Council by the Manufacturers' Appraisal Company the value of the land in the "loop" district of Chicago has been raised more than 100% over the value placed upon it by the Board of Review.

Comparative valuations per front foot of inside lots, 100 feet in depth, on State street are shown by the following tables. The first column of figures in each table shows the board of review values and the second those of the appraisal company.

EAST SIDE OF STREET

Wacker to Lake \$ 3,300 \$ 7,500
Lake to Randolph 6,000 15,000
Randolph to Wash'ton. 12,500 20,000
Washington to Madison 15,000 26,000
Madison to Monroe ... 13,500 26,500
Monroe to Adams 12,500 24,500
Quincy to Jackson 11,250 18,000
Adams to Quincy 11,250 18,000
Jackson to Van Buren.. 9,500 16,000

WEST SIDE OF STREET

Wacker to Lake \$ 3,300 \$ 7,500
Lake to Randolph 5,000 15,000
Randolph to Wash'ton. 11,000 21,000
Washington to Madison 14,500 26,500
Madison to Monroe... 13,500 27,000
Monroe to Adams 12,500 25,000
Adams to Quincy 11,000 19,000
Quincy to Jackson 11,500 20,000
Jackson to Van Buren.. 9,000 16,000

Manhattan, Kansas,

June 25, 1926.

Dear Sir:

I and the boys—students at K. U. and K. S. A. C.—have received your marked copy and was interested in your arguments on the singleland tax, and the many fallacies of Richard Ely. Happily for us all Mr. Ely doesn't need the paid boosting of a bulletin to spread his many books over the world, and his ideas certainly look good to farmers and all men willing to bear a share of the tax for the benefits to be gained.

I am really glad your bulletin is so rank and unfair—it works against you desired end.

E. C. Ffuetze.

AMERICAN REVIEW OF REVIEWS

55 Fifth Avenue, New York
Albert Shaw—Editor

July 19, 1926.

Mr. N. A. Vyne,

Camp Verde, Arizona.

Dear Sir:

I have your interesting letter, which is in my mail this morning. The economics of private property and land are not altogether a matter of either metaphysics or logic, and have to be dealt with by research study of actual facts under conditions that differ greatly from time to time.

I think you would be interested in the work of Dr. Ely's 'Institute for Research in Land Economics', now connected with Northwestern University at Evanston, Illinois.

Very truly yours,

(S) Albert Shaw.

Camp Verde, Arizona,

July 24, 1926.

Mr. Albert Shaw,

Editor, "Review of Reviews,"

55 Fifth Avenue, N. Y.

Dear Sir:

I have read the three books by Prof. Ely upon which his research is to be based, and I have never read a more shameful attempt to mislead economic thought than these. I am surprised that a leading editor should direct attention to that mass of bunk.

Sincerely,

(S) N. A. Vyne.

"The power to reason correctly on general subjects is not to be learned in schools, nor does it come with 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."—Henry George.

BEWARE OF NORTHWESTERN UNIVERSITY! — Continued

used, not as the honorable Messrs. Campbell, Hawley, Scott and Heilman have said, for "noble service to humanity," but for advancing the special interests of a few. If it does not indicate this, what does it indicate?

It will be said, of course, that this event is a mere coincidence; that there is no more relation between the National Association of Real Estate Boards and Northwestern University than there is between the Powers of Darkness and the Lord's Prayer; and that it would be very unjust to infer from the resolution that Wieboldt Hall will be used for any purpose save as a "home for truth and light" and for "noble service to mankind."

Very well; let us then turn to the literature published by Northwestern University itself. Let us examine, for instance, the **NORTHWESTERN UNIVERSITY BULLETIN** dated August 9, 1926, which 128 page **BULLETIN** is the official catalogue of the School of Commerce for the year 1926-1927.

In this **BULLETIN** we are furnished with unimpeachable evidence that our inferences are correct. We have here given definite proof that instead of being used as a "home of truth and light" and for "noble service to mankind," Wieboldt Hall is to be used as a spawning-bed for economic error, as a breeding-place of false ideas, and as the permanent home of what is without a doubt the most stupendous effort to mislead the people of the nation for the benefit of special privilege and monopoly ever attempted in modern times!

Since this statement is certain to be challenged let us examine the **BULLETIN** with the closest care.

In the first place we discover in this **UNIVERSITY BULLETIN**—or catalogue—an entirely new educational organization having its own staff of instructors and an elaborate program of study which has not appeared in the **BULLETIN** before. This organization, which will be quartered in Wieboldt Hall, is the separately incorporated and privately endowed "Institute for Research in Land Economics and Public Utilities" founded and directed by Prof. Richard T. Ely. The **BULLETIN** describes Prof. Ely's organization (pp. 21-22) in the following language:

"The Institute for Research in Land Economics and Public Utilities, which is separately incorporated and affiliated with Northwestern University, was organized for the purpose of conducting research in the economic problems of landed property and public utilities. The full time members of the Institute Staff devote to teaching in their respective fields only that amount of time which contributes most to a high quality of research. This teaching is done in regular university courses.

"Through the research and instructional work of the Institute exceptional opportunities are offered for advanced students in the fields of Land Economics and Public Utilities. The conference and tutorial method of instruction is followed with all graduate students in these fields, bringing students and instructors into close co-operation.

"Among the facilities at the disposal of students in these fields are the Institute's research library and the unique personal library of Dr. Richard T. Ely. A limited number of students with advanced training and the necessary background can be accommodated as research assistants in the work of the Institution on a part time basis."

On the surface, of course, there appears to be nothing wrong with this. And, indeed, on the surface there is not. Research, whether conducted within a university or outside of it, is always to be encouraged and never to be discouraged. This is particularly true in the field of economics. For, so many remedies of one kind or another have been prescribed for the economic ills that beset society that it is utterly impossible for the common man to determine which remedy is right and which is wrong. Hence he, who, in a scientific, impartial and fearless manner, undertakes the prodigious task of assembling, analyzing, classifying and interpreting the multitudinous facts of the body economic so that the ordinary man-on-the-street may reach a correct and sound conclusion—let us repeat, he who sets out on this heroic task deserves, not censure, but the sincere thanks of the entire world. Superficially, then, there appears to be great good in the Institute's undertaking as above described and no evil. But let us continue.

It will be noticed in the above quotation from the **UNIVERSITY BULLETIN** that besides "conducting research" the full time members of the Institute staff will also do teaching. The names of the members who will do this teaching are listed (pp. 7-9) in the **BULLETIN** as follows:

LAND ECONOMICS	Research Professor of Economics
Richard T. Ely, B. A., M. A., Ph. D., LL. D.,	Professor of Economics
Henry Charles Taylor, Ph. D.,	Professor of Economics
George S. Wehrwein, Ph. D.,	Professor of Economics
Herbert D. Simpson, B. A., M. A.,	Associate Professor of Economics
Arthur J. Mertzke, B. A.,	Assistant Professor of Economics
Albert G. Hinman, M. A.,	Assistant Professor of Economics
William H. Ten Haken, M. A.,	Assistant in Economics
Herman O. Walthey, B. A.,	Assistant in Economics

PUBLIC UTILITIES	Assistant Professor of Economics
Herbert B. Doran, M. A.,	Assistant Professor of Economics
Edward W. Morehouse, M. A.,	Assistant in Economics
Carl Magnus Hallgren, B. S.,	Assistant in Economics

Again there appears, on the surface, to be nothing wrong here. These men who will teach as well as "conduct research" in the field of land economics and public utilities are certainly as capable and as skillful in their profession as any that can be found.

They are indeed. But there is one point in this connection that requires some explanation. Why, in an undertaking of this kind, should teaching begin at the very moment the research is started? It takes time to gather, to arrange, to classify and to analyze facts of any kind, and in the vast field of land economics and public utilities it will

require a particularly long time, by the method adopted, before a safe and sound conclusion can be reached. Indeed, Prof. Ely himself is authority for the statement that it will take "more than one hundred years" to complete the gigantic task he has just begun. Hence why teaching should start at the very outset of the proposed investigation is something that by all rhyme and reason needs to be explained.

If we turn, however, to pages 73-78 and 87-91 of the aforesaid **BULLETIN** we shall find, in large measure, the answer to this puzzle. On these pages are given a total of thirty-five courses in Land Economics and Public Utilities to be taught in the Northwestern University School of Commerce—courses leading to the Bachelor's, the Master's and the Doctor of Philosophy degree. The courses in land economics alone, of which there are twenty, are listed in the **BULLETIN** as follows:

JUNIOR YEAR	
B 1—Elements of Land Economics	Open to students who have completed Economics A
B 3—Real Estate Merchandizing	Open to students who have completed Land Economics B 1
B 4—Urban Land Economics	Open to students who have completed Land Economics B 1
SENIOR YEAR	
C 1—Real Estate Valuation	Open to students who have completed Land Economics B 1 and B 4
C 2—Taxation of Land	Open to students who have completed Land Economics B 1 and B 4
C 4—Property Management	Open to students who have completed Land Economics B 1 and B 4
C 5—Economic Institutions	Open to students who have completed Land Economics B 1
C 6—Real Estate Finance	Open to students who have completed Land Economics B 1 and B 3
C 10—Land Planning	Open to students who have completed Land Economics B 1 and B 3

GRADUATE DIVISION

D 1—Principles of Land Economics	Open to graduates only
D 3—National Land Policies	Open to graduates only
D 6—Land Income	Open to graduates only
D 7—Economics of Forestry	Open to graduates only
D 8—Advanced Urban Land Economics	Open to graduates only
D 9—History of Land Systems	Open to graduates only
D 10—Economics of Agriculture	Open to graduates only
D 12—Economics of Mineral and Water Power Resources	Open to graduates only
E 1—Round Table in Economic Theory	Open to graduates only
E 2—Seminar in Urban Land	Open to graduates only
E 3—Seminar in Land Problems	Open to graduates only

It will be noticed that the very first course in the above program of study is numbered B 1 and is called the "Elements of Land Economics." The text-book used in this course is also called the "Elements of Land Economics." It was written jointly by Professors Ely and Morehouse of the Institute staff and published by the MacMillan Company in 1924.

It is important to bear these facts in mind because this first course with its accompanying text-book is one course that all students, not merely in the twenty different classes in Land Economics, but in the fifteen different classes in Public Utilities in the Northwestern University School of Commerce, must take before they can secure the Bachelor's, the Master's or the Doctor of Philosophy degree, and thus go out into the world as "competent" teachers of the rising generation.

We have then reached the end of the trail. In this primary text-book—the "Elements of Land Economics"—lies the solution of the whole mystery. The reason that teaching has been started by Prof. Ely's "Institute for Research in Land Economics and Public Utilities" at the very beginning, instead of at the end, of its career, is because the purpose of the Institute is not research, as the Northwestern University catalogue says, but propaganda—propaganda for the special benefit of a few as against the welfare of the many—the greatest intellectual swindle that has ever been imposed upon an unsuspecting people!

Let us now examine this text-book and see if our statement is not fully justified.

In the first place the fly-leaf of the "Elements of Land Economics" bears upon it the insignia and stamp of approval of the National Association of Real Estate Boards—the same monopolistic association which is contributing financially towards the support of the Institute, and which at its annual convention in Tulsa on June 10 approved the resolution to increase the dues of its 27,000 members from \$5 to \$10 a year for "education, taxation, research and legislation." This fact alone is weighty evidence that the book is not, as Prof. Ely religiously asserts, and as the **NORTHWESTERN UNIVERSITY BULLETIN** affirms, a "scientific, impartial and disinterested study" in the problems of land economics.

In the second place the book, instead of introducing a collection of facts and breathing a spirit of scientific inquiry and research, is loaded with conclusions of the unsoundest character, with views and doctrines of the most dangerous kind and with propaganda of the most vicious sort.

Beginning with an attempt to get away from the terminology in economics that makes for clear and logical thinking and to substitute in its place a terminology that is destined to cause confusion of thought? the book goes on to lead the student into a maze of economic

¹Footnotes 1-12 have been omitted in this article for lack of space. They will appear in the reprint when it is made.—E. O. J.

BEWARE OF NORTHWESTERN UNIVERSITY! — Continued

fallacies and absurdities that would be positively laughable if it were not so tragic. The student is gravely told, for instance, that invention, discovery, improvement and material progress in general, have the effect of reducing land values instead of raising them;³ that it is per- fectly right and proper for the individual to take what society produces and for society to take what the individual produces;⁴ that farm ten- ancy is a "rung in the agricultural ladder"—a "step towards owner- ship"—and therefore a large percentage of tenant farmers is not to be deplored but to be desired;⁵ that the partial exemption of buildings from taxation, as in New York, Pittsburgh and other cities, has re- sulted in a lessening of home building operations instead of an increase in them,⁶ etc., etc.

All this fallaciousness and humbuggery, of course, is simply a part of a preconceived plan to do two things:

First, to turn, as the National Association of Real Estate Boards and other financial supporters of the Institute desire, the mind of the student and future teacher against any further taxation of land and monopoly values, and particularly against the singletax theory of Henry George; and

Second, to build up sentiment in favor of placing more taxes upon wages, sales of goods, incomes, occupations and articles for consump- tion.

As for the singletax doctrine of Henry George—a doctrine which has now taken deep and firm root throughout the world, and the advo- cates of which are, as these words are being written, holding their Third International Convention in Denmark with more than 400 dele- gates from twenty-six nations present—this great and sound doc- trine is treated in the book (pp. 323-324) in the following fashion:

"The single tax would take all of the income from land, thus affecting a com- plete confiscation of land values. The idea was popularized in the United States by Henry George in 1879, although in recent years its adherents have apparently lessened in numbers. According to the single tax theory all land is a gift of nature to society; consequently all the returns from utilizing land belong to society, not to any individual owner. Part of the theory is that the confiscation of all land values will bring such revenue to the government that all other taxes may be dis- carded; hence the name, single tax.

"The single tax has serious defects which it will be well to consider briefly. In the first place, it is clear that the expenses of government have increased so rapidly in recent years that the single tax will not yield enough revenue to meet those expenses. It is estimated that barely 60 per cent of the normal governmental expenses could be paid by taxing all the net income from land. In the second place, if the State takes all net income by taxation, it should logically reimburse an individual for a net loss. In the third place, the effect of the single tax would ultimately be a system of State tenancy. If all the net income from land were taken in taxes, the desire for owning land would disappear, so that in effect the State would own the land while private individuals utilizing land would be in the position of tenants of the State, paying to the government the net land income as a rent."

A remarkable set of words, indeed! Probably never before in the whole history of economic literature have so many errors, misleading ideas and falsehoods been compressed into so small a space.⁷

On the other hand, just as the effort is skillfully made to turn the student's mind away from any further taxation of land and monopoly values, so is it also cunningly made in the "Elements of Land Eco- nomics" to turn his mind in the direction of placing heavier burdens upon labor and the fruits of labor. Throughout the full length of the book constant references are made by the authors to the need of "broadening the base of taxation" and "uncovering new sources of revenue;"⁸ to the wisdom of meeting the cost of public improvements, such as roads, by higher gasoline and motor license taxes, instead of by special assessment of the property benefited;⁹ to the soundness of increasing the income and occupation taxes; to the desirability of abol- ishing the tax-exempt bonds of states, cities and federal land banks,¹⁰ including even the present \$300 exemption of income from building and loan stock;¹¹ and especially to the necessity of developing a larger amount of indirect taxes upon sales and consumption.¹² The book closes with the following advice:

"The expenditures of government, particularly for social welfare, have in- creased and are still increasing. To meet these expenditures increased taxes are needed, and a disproportionate share of the added burden of taxation has fallen on land. . . . A policy of land taxation should be carefully worked out, keeping in view the effect of taxation on the utilization of land, and it should lead to modi- fications in these directions: (1) classification of property under the property tax; (2) reduction of the present taxes on property; (3) development of income and occupation taxes; and (4) enlargement of the range of taxation to include care- fully selected indirect taxes on expenditures for consumption."

The demonstration is complete. The facts above given distinctly reveal, not merely the duplicity of Northwestern University but the intellectual dishonesty of its leading men. They conclusively prove that Prof. Ely's "Institute for Research in Land Economics and Public Utilities" which will be quartered permanently in Wieboldt Hall, has for its object, not the finding of economic truth but the hiding of it, not the conducting of scientific and disinterested research, but the carrying on of propaganda to advance the special inter- ests of a few at the expense of the many. Thus in piously announcing to the world that Wieboldt Hall is to be used as "a center of sound learning," as "a home of truth and light," and "for noble service to mankind," Messrs. Campbell, Hawley, Heilman and Scott become by that very act as great distorters of the truth as Prof. Ely himself!

But it may now be said: "When Wieboldt Hall was dedicated the illustrious speakers at the cornerstone were not aware of the facts herein set forth; they did not suspect that the object of Prof. Ely's Institute was to carry on any propaganda for special privilege under the cloak of 'research'; and, therefore, in telling the public that the Hall will be used as 'a home of truth and light' and for 'noble service to mankind' they were guilty of no moral turpitude or intentional mis- representation."

Would, indeed, that this were true! But an abundance of evidence goes to show that it is not.

In the first place it can hardly be supposed that Mr. Campbell, the president of the board of trustees, Dr. Scott, the president of the Uni- versity, and Dr. Heilman, the Dean of the School of Commerce, are so ignorant of what is going on in the institution over which they exer- cise control.

In the second place these gentlemen could not have been innocent in the matter because Dean Heilman himself is, and was at the time of the dedication of Wieboldt Hall, a member of Prof. Ely's "Advisory Research Council" and moreover, had much to do with laying the founda- tion for the "Elements of Land Economics," we have just discussed. In the preface of this text-book the authors—Professors Ely and More- house—state:

"The writing of this book has been facilitated by the advice and encourage- ment received at two conferences on real estate education in Madison, Wisconsin, attended by representatives of the National Association of Real Estate Boards, the United Y. M. C. A. Schools, the Institute, and a number of colleges and uni- versities. . . . In these conferences many useful ideas were obtained from the dis- cussions of Mr. T. H. Nelson of the Educational Committee of the Y. M. C. A.; Mr. Herbert U. Nelson, executive secretary of the National Association of Real Estate Boards; Dean Ralph E. Heilman of the Northwestern University School of Commerce; Professor Edmund E. Day of the University of Michigan; Mr. E. M. Fisher of the National Association of Real Estate Boards, and Dean H. G. Akkin- son of the Chicago Y. M. C. A. School of Commerce. On other occasions also Mr. H. U. Nelson and Mr. Fisher have made helpful suggestions to the authors."

In the third place the learned heads of Northwestern University could not have been ignorant of the fact that Prof. Ely's object was to carry on propaganda for special privilege under false pretenses for the simple reason that they had long been advised of that fact. For two full years before the cornerstone of Wieboldt Hall was laid the Manu- facturers and Merchants Federal Tax League of America had been publishing monthly and distributing widely information showing that Prof. Ely's "disinterested research" Institute was a humbug and a fraud. What is more, in the early days of June, 1925—just two months before the Board of Regents of Wisconsin University passed the reso- lution that bars the Institute from that seat of learning—a special article was written in the League's paper, "The Bulletin," warning the authorities of Northwestern regarding Prof. Ely and his spurious or- ganization. This warning, which was sent "marked" under two cent postage to all leading faculty members, administrative officers and alumni of Northwestern University,—including Messrs. Campbell, Hawley, Heilman and Scott—appears in the May, 1925, issue of the League's "Bulletin" as follows:

BE CAREFUL, NORTHWESTERN UNIVERSITY, BE CAREFUL!

If newspaper reports are correct Northwestern University may soon have a "white elephant" on its hands.

Ever since this paper began a year ago to expose the hypocrisy and intellectual obliquity of Prof. Richard T. Ely of Wisconsin University and his so-called "Insti- tute for Research in Land Economics and Public Utilities," the breach in the ranks of the University authorities in Madison has been steadily growing wider until now, rumor has it, the axe is threatening to fall, and the worthy professor is look- ing around for a safe place to escape. That he has located such a place seems evident from the following news item taken from the Chicago Daily Tribune of June 2:

"Madison, Wis., June 1. (Special.) Prof. Richard T. Ely, veteran econ- omist of the University of Wisconsin faculty, may move to Northwestern University his famous institute for research in land economics and public utilities, according to reports on the campus here.

"Prof. Ely today admitted that the move had been contemplated and said the final decision rests with the board of trustees of the Institute, which is independently administered. He said Northwestern university would make the announcement of the transfer, if a transfer is decided upon."

This action, we may say, is a good deal sooner than we expected as much of our strongest evidence against the professor has not yet been published. But what most astonishes us, if the above report is correct, is that great old North- western University should be willing to take what Wisconsin University cannot morally afford to keep! We cannot believe that Northwestern really knows what it is doing!

Finally in December of 1925—almost six months before the corner- stone ceremonies at Wieboldt Hall took place—the author's book "False Education in our Colleges and Universities" was published and due announcement of the fact given to the world.* This book of more than 200 pages contains a complete expose of Prof. Richard T. Ely and his fraudulent "Institute for Research in Land Economics and Public Utilities." It shows where the Institute was organized; when and why it was formed; who is on its Board of Trustees; how it is being financed, in addition to its mode of operation; how Prof. Ely is bring- ing together a group of land monopolists, privilege seekers and uni- versity professors whose power to guide public opinion will be well- nigh irresistible; how he proposes, not merely to edit a large journal and to have fifty books on land economics and related subjects written for the "education" of the rising generation, but also how he proposes to train on a wholesale scale young men and women for teaching posi- tions in the schools, colleges and universities of the nation—in short, the most gigantic conspiracy to poison the fountains of knowledge and to lead the people away from their own best interests ever conceived in the human mind!

For these and other reasons it cannot be said that Messrs. Campbell, Hawley, Heilman and Scott, as they spoke at the cornerstone of Wie- boldt Hall, were ignorant of what they were saying. Their eloquent statements that the Hall is to be used as "a center of sound learning," as "a home of light and truth" and for "noble service to mankind," were not errors; they were plain lies!

*Published by the Manufacturers and Merchants Federal Tax League, 1346 Algeid St., Chicago. Price, paper cover, \$1.00; cloth, \$1.50, postpaid.