

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

# THE BULLETIN

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## POISONING THE FOUNTAINS OF KNOWLEDGE

Ely Institute in Northwestern University, Seeking to Uproot the Movement for the Taxation of Land Values, Is Spreading False Information Regarding the Problems of Agriculture

ELY'S DISTORTION OF FACTS AND JUGGLING OF CENSUS FIGURES A BLACK STAIN ON SCIENTIFIC RESEARCH AND EDUCATION

By *EMIL O. JORGENSEN*

While the ownership of agricultural land is steadily concentrating in the United States—i. e., the smaller farms slipping away from their owners into the hands of landlords and large corporations—while this is going on Prof. Ely's "Institute for Research in Land Economics and Public Utilities" in Northwestern University is busy telling the public that the tendency is just the other way.

There is a very powerful reason for this.

It is the belief of many people that the only real solution of our economic problems—and the concentration of land ownership is merely one of these problems—is to abolish gradually all taxation upon improvements and personal property and to raise the public revenue by a tax on land values only. But the special interests financing the Ely Institute are bitterly opposed to a tax on land values. What is more Prof. Ely himself bates the very idea of such a tax. As an old friend and associate of his recently wrote:

"There is, of course, a wide gulf between Ely's school of economic thought and the single-tax school of thought. A month ago I heard an old friend say that the single-tax was the only subject that Ely got mad about. Usually he won't say anything about it. Students in my day couldn't induce him to discuss it."

How cordially Prof. Ely bates the proposition of taxing land values is beautifully illustrated in the extreme lengths to which he has gone in late years to prejudice the people against it. Since his Institute was organized seven years ago it has prepared and edited a great deal of literature—reports, pamphlets, journals, textbooks, etc.—on the subject of land, public utilities and economics in general. In this literature there are probably more false suggestions, half-truths and outright misrepresentations regarding the single-tax idea and the principles upon which it is based, than can be found in any other dozen textbooks on economics used in our higher seats of learning at the present time.

Anyone who would go to such lengths to oppose a reform they disliked would, of course, not hesitate to garble and misstate the facts with respect to the concentration of land ownership.

### The Question

But is the ownership of farm lands really concentrating? That it is concentrating and not being diffused in the United States, as Prof. Ely says, the census reports for the last fifty years very clearly show. What is more the facts disclosed by the Census Bureau have been repeatedly pointed out by economists from the time of Henry George on down to the present day. Two decades ago Frederic C. Howe, ("Privilege and Democracy," p. 71) wrote:

"Along with the enclosure of the land there has gone an increase in tenancy as well as in the size of farm holdings. The free home owner is diminishing in comparison with the tenants, while the small farm is being overshadowed by the large estate. These movements are already well under way. They characterize the East as well as the West. The rapidity of the change is startling."

Similarly, Herbert Quick in his recent book "The Real Trouble with the Farmers," (pp. 183-184) says:

"This passing of the land into the hands of people rich enough to own high-priced land, is causing the average size of farms to increase. They are growing larger and larger. Statisticians show this. Anyone who will after a term of years visit a farming region almost anywhere, can see it with his own eyes.

"When I was a lad, my father lived on an eighty-acre farm. On three sides of this were other eighty-acre farms. One farm removed on the west was a forty-acre farm. All these people lived comfortably, as farm life goes on these small farms. Recently I visited the old home, after an absence of forty years. It is now the center of a farm of three hundred and twenty acres, worth from one hundred thousand dollars to one hundred and fifty thousand dollars. Its owner lives in town—I think not in the state, even."

All this, of course, Prof. Ely flatly denies. The tendency, he says, is just the opposite. In his recent book, "Elements of Land Economics," (MacMillan, 1924) pp. 112-113, for instance, he states:

"There is a belief in some quarters that there is a concentration in ownership of agricultural lands, and that there are 'corporation' farms and large land holdings. The truth is that we have some corporation farms and a few large land holdings, but in the agricultural industry as a whole they are not significant. In 1920 only 1 per cent of the farms in the United States were over 1000 acres in size, the average for all farms being 148.2 acres. Socialists have claimed that

agriculture would follow industry in its trend toward centralization and concentration, and during the period of 'bonanza farms' they seemed to have reason for their belief. However, the 'bonanza farms' have been divided and the family-sized farms have more generally taken their places."

### What Prof. Ely Fails to Mention

Prof. Ely is perfectly right, of course, when he says that in 1920 only 1 per cent of the farms in the United States were over 1,000 acres in size. But he fails to mention at the same time that this 1 per cent of farms had a total area of 920,635,519 acres—or 344,743 square miles, 344,743 square miles is a territory equal to fifteen American states—among them being South Carolina, Maine, Kentucky, Tennessee, Virginia, Indiana and Ohio.

Is not this fact worthy of some consideration? Think of it! The total number of farms in the United States under 100 acres in size in 1920 was 3,775,012. These 3,775,012 farms comprised 58.5% of all farms in the nation and they had an aggregate area of 162,784,025 acres. This is 57,851,494 acres less than the total area of the farms over 1,000 acres in size which farms, Prof. Ely says, amounted to "only 1 per cent" of the entire number! In other words, this little "1 per cent" of our farms had in 1920 an aggregate area equal to 58.5%—or 3,775,012—of our other farms and had in addition as much land as is contained in the nine states of Rhode Island, Delaware, Connecticut, New Jersey, Massachusetts, New Hampshire, Vermont, Maryland and South Carolina! To Prof. Ely this fact may be "not significant" but to other people it is a menace to the economic freedom of our rural population and a grave danger to the future prosperity of American agriculture.

Nor are these 'bonanza farms' and large holdings of land except in a relatively few instances being divided up, as Prof. Ely says, into smaller holdings; on the contrary they are growing larger and larger both as to number and size. This is very evident for several reasons.

### The Spread of Landlordism

In the first place there is and has been during the last half century a steady increase both in the number of farm tenants and in the total acreage cultivated by these tenants. The census reports (see Table I)

#### GROWTH OF FARM TENANCY IN THE UNITED STATES

(United States Census Reports)

Year	Total number of tenant farmers	Percentage of tenancy	Number of acres farmed by tenants	Per cent of total farm acreage
1925	2,462,608	38.6	264,866,987	28.7
1910	2,381,676	37.0	226,812,883	26.8
1900	2,024,964	35.5	186,033,587	23.5
1890	1,494,912	28.4	.....	.....
1880	1,024,601	25.5	.....	.....

show that the number of tenant farms has increased in the United States from 1,024,000 in 1880 to 2,462,000 in 1925, or from 25.6% to 38.6%. At the same time the total amount of land cultivated by these tenants has risen from 195,033,000 acres in 1900 (the first census year in which such figures were gathered) to 264,866,000 acres in 1925. Here is unimpeachable evidence that Prof. Ely is wrong when he states that farm land ownership is becoming more diffused. For while one tenant farmer can, as a rule, till but a single farm, one landlord can own any number of farms. Hence the steady growth, not merely in the total number of farm tenants, but in the total number of acres tilled by these tenants, is the strongest kind of proof that concentration in the ownership of agricultural land is going continuously on.

### Large vs. Small Farms

In the second place the number of large farms in the United States is constantly mounting.<sup>2</sup> The census reports show (see Table II) that the total number of farms between 500 and 999 acres in size has increased from 75,000 in 1880 to 143,000 in 1925, while the number of

<sup>2</sup>In the five year period between 1920 and 1925, it should be said, the number of farms over 1,000 acres in size dropped off 4,077 but the number of all other farms at the same time dropped off 72,626. It should be noted, however, that while farms below 500 acres in size decreased a total of 81,731,877 acres, farms above 1,000 acres in size increased a total of 1,913,371 acres.

From this it would seem that the concentration of farm land ownership has been going on even faster since 1920 than it did previous to this time. However, since the census of 1920 immediately followed the World War with its great expansion and over-development in agriculture, and further since five years is entirely too short a period from which to draw any safe conclusions as to tendency, it has been thought best in this article to leave the 1920 figures out entirely.

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WHO WILL GET THE PRIZE?

Here's a chance for some one to make some real money. Alvan T. Simonds, President of the Simonds Saw and Steel Company, offers \$1,500 annually for the purpose of arousing a more general interest in the subject of economics, as related to individual and general welfare and increasing general economic intelligence and knowledge of who pays in the end for governmental protection and control. The contest is open to "everybody everywhere," and this year's subject is "Who Ultimately Pays the Taxes?"

The first prize is \$1,000 and the second is \$500. The essays should be written in a popular style, to interest "the man on the street," the average person as well as the technical. They should not be less than 3,000 words nor over 5,000 words in length.

The judges will be selected from experts in economics, business and related activities. Essays should reach the Contest Editor, Simonds Saw and Steel Company, 470 Main Street, Pittsburg, Mass., on or before December 31, 1927.

WE MUST HAVE NO UNDERDOG

Thank goodness, there are some men high in business circles who realize that all is not well with our economic system and who have got the courage to say so. Dr. A. A. Mitten, vice-president of the Mitten Management Company of Philadelphia, for instance, is quoted in the Pennsylvania Public Service Bulletin as saying:

"Any form of civilization which gives to any particular class more than it is entitled to on the basis of what it produces is bound to supply a field for the communistic doctrine which provides that the common goods of the world shall be in common ownership. It is a plan that appeals to the underdog. The way to avoid it is to have no underdog."

"Present prosperity cannot last forever. Some day every member of the economic community will be called upon to justify that which he gets by that which he produces whether he works with his hands, with his money, or both. When that day of reckoning comes there will be intense suffering for the nation or the industry which has run afoul of this economic law."

That's talking straight from the button-hole. To obtain peace—permanent peace—society must eliminate its underdogs. But the underdogs, unfortunately, cannot be eliminated until the non-producers have been got rid of.

ILLINOIS FEDERATION OF LABOR CONDEMNS ELY INSTITUTE IN NORTHWESTERN UNIVERSITY

Adopts Report of the Committee on Schools — Institute is Charged With Operating Under "False Colors"

Chicago Daily Journal (Sept. 16, 1927)

LABOR RAPS N.W.U. BUREAU

University's Land Economics Research Work Hit; School, However, Praised

EAST ST. LOUIS, Ill., Sept. 15.—After a meeting here yesterday devoted to praise of Northwestern University, the Illinois Federation of Labor today adopted a resolution condemning the "institute of land economics and public utilities," recently transferred from the University of Wisconsin to Northwestern University.

Secretary Victor Olander of the federation objected to passage of the resolution until assurance was given by the committee on schools that it was not intended to attack the university.

After a morning session devoted to praise of Northwestern University, the federation adopted a resolution condemning the institute of land economics and public utilities, headed by Dr. Richard T. Ely, and recently transferred from the University of Wisconsin to Northwestern University.

Chicago Daily News (Sept. 16, 1927)

PUBLIC UTILITIES INSTITUTE AT N. U. IS HIT IN REPORT

Illinois Laborites Told It Exists Under "False Colors."

EAST ST. LOUIS, Ill., Sept. 15.—(By) Frances Curtis Hansen of Chicago, chairman of the committee on schools, today submitted a report at the convention of the Illinois Federation of Labor charging that the institute for research in land economics and public utilities at Northwestern University is "maintaining under false colors."

Secretary Victor Olander of the federation objected to passage of the resolution until assurance was given by the committee on schools that it was not intended to attack the university.

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Chicago Daily News (Sept. 16, 1927)

LABOR PRAISES N. U. BUT HITS UTILITIES INSTITUTE

EAST ST. LOUIS, Ill., Sept. 15.—(By) After a morning session largely devoted to praise of Northwestern University, the Illinois Federation of Labor today adopted a resolution condemning the "institute of land economics and public utilities," recently transferred from the University of Wisconsin to Northwestern University.

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WHO'S LOONEY NOW?

A generation ago a man bought the southwest corner of Clark and Adams Sts., 20 by 80 feet, where Chamber's store stood for years, for the sum of \$80,000. As part of the evidence in insanity proceedings, later brought against him, it was set forth that he had paid such an excessive price for this corner.

Soon after a circus man bought for proportionately the same amount the property to the south and surrounding the corner. He built on it a structure made partly of iron, the first attempt at a fireproof building in Chicago. He was called crazy by many for retiring an iron building.

Joe Letter bought both pieces for a total of \$180,000. When his "wheat corner" crashed he turned over the two parcels to his father for \$300,000, in settling up his unfortunate Board of Trade deal. The property remains part of the Letter estate under the management of Joseph Letter. On this loop and has been reared the Bankers' Building, one of Chicago's latest modern skyscrapers. For it is paid an annual ground rental of \$150,000.—William B. Stuart in the Chicago Evening American.

And the ground underneath the Hillman store in Chicago was recently leased to the Woodworth Company for ninety-nine years at an average annual rental of \$29,124—or a total ground rental for the 99 year period of approximately \$29,000,000.

Young Bride: "When I you met me when you asked him for money for the first time?" Her Friend (another): "No; I was calm and collected."

Insurance Agent: "You say your husband has no policy?" Lady: "No; I takes all our spare money to insure the car."

The man who is writing for something to put up usually has his eyes fixed on his nose.

Statement of the Orchestral Management, Circulation, Etc., Required by the Act of Congress of August 24, 1912.

Of Bulletin of the Manufacturers and Merchants Federal Tax League, published bi-monthly at Chicago, Illinois, for October 1, 1927.

STATE OF ILLINOIS, ) ss. COUNTY OF COOK, )

I, Before me, a Notary Public in and for the State and county aforesaid, personally appeared Emil O. Jorgensen who, leaving upon 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, and embodied in section 443, 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, Ill.

2. That the owners are: (Give names and addresses of individual owners, or if a corporation, give its name and the names and addresses of stockholders owning or holding 1 per cent or more of the total amount of stock.)

Manufacturers and Merchants Federal Tax League, 1346 Altgeld St., Chicago, Ill. Otto Cullman, Pres., 1346 Altgeld St., Chicago, Ill. James H. McGill, Sec'y, Valparaiso, Ind. Frank Lawson, Treas., Cincinnati, Ohio.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are:

4. That the two paragraphs next above, giving the names of the owners, stockholders, and bondholders, if any, contain not only the list of stockholders and security holders who have appeared upon the books of the corporation, but also the names of the stockholders or security holders whose names are on the books of the company as appearing in any other capacity for whom such returns are being given; also that the said two paragraphs contain statements embracing a full and complete and correct statement of the full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, held stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest, direct or indirect, in the said stock, bonds, or other securities than as so stated by him, or

EMIL O. JORGENSEN, Editor. Sworn to and subscribed before me this 30th day of September, 1927.

F. C. RATAJZAK, Notary Public. (My commission expires Jan. 23, 1929.)

LEGISLATORS IN LOBBY, SAYS UNIONS' CHIEF

Walker Names Browne, Igoe and Devine Before Convention; N. U. Course Assailed

EAST ST. LOUIS, Ill., Sept. 15.—(By) The Illinois Federation of Labor today named Michael Igoe, John Devine and Leo O'Neil Browne as among the lawyer members of the last Illinois general assembly whom it believes favored assemblymen as well as legislators.

"Such a thing should not be to name," Mr. Walker said. "I was speaking in favor of the present law for assemblymen to name legislators retained by the theoretical members of Chicago had voted after a morning session devoted to praise of Northwestern University, the federation adopted a resolution condemning the institute of land economics and public utilities, headed by Dr. Richard T. Ely, and recently transferred from the University of Wisconsin to Northwestern University."

Farms over 1,000 acres in size has increased during the same period of time, from 28,000 to 63,000. According to Prof. Ely, of course, this is of small consequence since the total number of farms over 500 acres in size in 1880 amounted to only 2.6% of all farms while in 1925 it amounted to only 3.3%. The percentages do indeed look small. But

TABLE II  
INCREASE OF LARGE FARMS IN THE UNITED STATES—1880 TO 1925  
(United States Census Reports)

Year	Number of farms over 500 acres in size		Total	Per cent of all farms	Average of farms over 500 acres in size	Per cent of total farm acreage
	500 to 999 acres	1000 acres and over				
1880	143,852	63,328	207,180	3.3	321,778.449	34.8
1910	120,295	60,135	175,430	2.8	260,795,531	28.5
1920	102,526	47,140	149,666	2.6	205,648,272	31.7
1880	84,395	31,546	115,941	2.6	.....	.....
1880	75,972	28,578	104,550	2.6	.....	.....

it must not be forgotten at the same time that the total area of these farms has now reached 321,778,000 acres—or more than one-third of the entire farm acreage in the United States!

**Two Opposing Tendencies**

If we look at the situation from another angle we are driven to the same conclusion. It is often pointed out, for instance, where big farms have been divided up into many smaller farms—into 40, 20, 10 and even 5 acre tracts—and it is said that this subdivision is in process all over the country. The statement is only slightly true. Everyone knows, of course, that there is a great deal of subdivision going on close to towns and cities but for every farm that is thus being cut up into smaller tracts, at least three or four farms lying farther out are being added to larger bodies of land.

Table III compiled from the census reports very plainly shows this to be so. Between 1910 and 1925 the total number of farms from 50 to 499 acres in the United States decreased to the extent of 187,000

TABLE III  
DISTRIBUTION OF FARMS AND FARM ACREAGE IN THE UNITED STATES—1910 TO 1925  
(United States Census Reports)

Size of Group	Total number of farms		Increase or decrease*	Total number of acres		Increase or decrease*
	1925	1910		1925	1910	
Under 20 acres	966,684	839,466	127,448	10,156,966	8,793,820	1,862,146
20 to 49 acres	1,450,643	1,414,876	36,267	46,406,872	45,798,449	608,423
50 to 99 acres	1,421,078	1,438,069	-16,991	101,906,927	103,126,868	-1,219,941
100 to 174 acres	1,383,777	1,516,386	-132,609	186,709,779	205,480,686	-19,770,907
175 to 499 acres	942,878	978,175	-35,797	258,392,359	269,329,559	-6,927,110
500 to 999 acres	143,552	125,295	18,257	83,653,487	83,653,487	15,578,672
1000 acres and over	63,528	50,135	13,393	232,048,890	167,083,047	55,466,843
Total	6,371,040	6,361,602	10,138	924,319,352	878,796,325	45,521,027

\* A minus sign (—) denotes decrease.

while the total area of these farms decreased to the extent of 27,911,000 acres.

Now where did this lost area of the farms between 50 and 499 acres go to? Part of it went, of course, into farms of less than 50 acres in size. But the majority, the overwhelming majority of it, went into farms over 500 acres in size. This is evident from a mere glance at Table IV. Whereas the total area of the farms under 50 acres in size has increased, in the fifteen year period between 1910 and 1925, only 2,389,000 acres, the total area of farms over 500 acres in size has increased, in the same fifteen year period, 71,042,000 acres. What stronger proof can be submitted that the ownership of farm lands is not being divided up, as Prof. Ely says, but is rapidly concentrating!

**The Concentration of Land Ownership**

But the situation is a good deal more serious than this. In making up its report the Census Bureau treats each farm separately and takes no cognizance of the fact that two or more farms may be owned by the same person or corporation. Therefore the concentration of farm land ownership is very much greater than it appears to be from the census returns.

The Ely Institute itself offers a good illustration of this very fact. In 1924 Prof. Ely and his associates organized the Parkway Farms Corporation, which corporation, after borrowing a considerable sum of money from John D. Rockefeller, Jr., proceeded to buy up at bargain prices a number of foreclosed farms in Montana. The object in getting hold of these foreclosed farms was, of course, to sell them again to "tenant-purchasers" at a profit. The lands acquired by the Parkway

of the property and see that the rents are collected on time. The F. C. Kroig Agency, for example, manages approximately 75,000 acres in Montana and Wyoming. Another agency manages over 400 farms for an insurance company in the same two states. In the corn belt states of the middle west and in the cotton states of the south and southeast whole townships and sometimes even whole counties, owned by a few large landholders, are managed in the same way.

What more need be said? The above facts and figures conclusively prove that the ownership of agricultural land in the United States is not being divided, as Prof. Ely asserts, but is concentrating at a most rapid rate. Not merely is the total number of farm tenants as well as the total acreage cultivated by these tenants growing, not merely is the total number of big farms getting bigger, not merely is the aggregate acreage going into farms under 500 acres in size getting smaller while the aggregate acreage going into farms over 500 acres in size is getting larger, but the holdings of individual landlords and landowning corporations are extending out in all directions.

**Is Prof. Ely Incompetent?**

Now it may be said that Prof. Ely's conclusion in regard to the concentration of land ownership is due simply to a faulty reasoning on his part and does not spring from his opposition to the land value tax movement.

But this explanation, much as one might wish it were true, will not bear examination. Prof. Ely is certainly not incompetent. He has been a professor of political economy for well-nigh two score years, he has taught as many, if not more students probably than any living man, and he is styled by many of his colleagues, and especially by the corporations and privileged interests backing him as the "Dean of American economists." To assert, therefore, that Prof. Ely is unable properly to read and interpret the census reports is absurd to say the least.

**What Ely's Assistants Say**

But this is not all. Were Prof. Ely alone in saying that the ownership of farm land is not concentrating in the United States—one might charitably conclude that his statement is really due to incompetency and not to any desire to defeat the movement for the taxation of land values. But his assistants and graduate students, strange to say, all write and teach the same thing. What is more these assistants and graduate students resort to the same intellectual gymnastics, garbling of facts and tergiversation to support their arguments that their agile leader does himself.

For example: In Prof. Ely's own "Journal of Land and Public Utility Economics," for August, 1927, there is an article entitled "The Size of Land Holdings in Wisconsin" written by Jonas Striplingson—a young member of Ely's research staff. Mr. Striplingson begins his article with these remarks:

"We have had considerable discussion in the past both for and against the concentration of landownership in the United States. The large landholdings in England in particular have been pointed to as an indication of what is going to happen and what is actually happening in this country. The increase in farm tenancy in certain regions is very often accepted as evidence of this fact. That is to say, concentration in landownership is held to be the chief cause of tenancy. Some have gone so far as to say that we are headed toward a land monopoly in the near future. One writer [Frederic C. Howe, "Privilege and Democracy," p. 71] says:

"Along with the enclosure of the land there has gone an increase in tenancy as well as in the size of farm holdings. The free home owner is diminishing in comparison with the tenants, while the small farm is being overshadowed by the large estate. These movements are already well under way. They characterize the East as well as the West. The rapidity of the change is startling."

"He interprets these tendencies as meaning that we are rapidly approaching a most powerful land monopoly. The fact that farms of 1000 acres and over in the United States increased from 28,578 in 1880 to 47,276 in 1900 is brought forward as an illustration of this trend. No mention was made, however, of the fact that the former figure represented 6.7% of the total number of farms and the latter 0.8%, indicating that the increase in the number of large farms was only proportionate to the increase in the total number of farms. . . . Economic conditions at that time (1900 and thereabouts) favored large-scale farming enterprises in the private status especially. The so-called "bonanza" farms, now almost extinct, were evidence of that fact."

After delivering this poisonous thrust Mr. Striplingson then goes on to say that—

"Any sweeping generalization from census figures without careful analysis and supplementary study is an unsafe basis on which to build conclusions. The better procedure is to study typical areas and note what proportion of the land is held in large landholdings, what the nature of such large landholdings is, and what the tendency is with respect to the concentration of landownership. Are large land holdings prevalent? Are they increasing or not?"

Whenupon Mr. Striplingson proceeds to answer the question he has just asked. He takes as his "typical area" the state of Wisconsin, discusses the nature of its agriculture, crop acreage, the history of land holdings and transfers, the price of cut over lands, farm tenancy, etc.—much of which has nothing to do with the real issue—and finally reaches this conclusion:

TABLE IV  
CONCENTRATION OF FARM LAND OWNERSHIP IN THE UNITED STATES  
1910 TO 1925  
(United States Census Reports)

Size of Group	Increase in number of farms		Increase in acres		Average increase per farm* (acres)
	1910 to 1925*	1910 to 1925*	1910 to 1925*	1910 to 1925*	
Under 50 acres	183,685	2,389,069	27,911,000	15	-1.5
50 to 499 acres	-166,997	16,971,487	6,927,110	320	.....
500 to 999 acres	18,157	51,063,812	4,394	.....	.....
1000 acres and over	13,193	.....	.....	.....	.....

\* A minus sign (—) denotes decrease.

Farms (corporation the first year consisted of nine separate farms (originally eighteen separate farms) with an aggregate area of approximately 10,000 acres. Now how is this holding of land treated by the Census Bureau? It is treated as though it were owned by nine different persons instead of by one corporation.

But the Parkway Farms Corporation is a small holder of land as compared with a host of others. Many individuals and companies in the United States own as much as 10, 20, 40 and even 80 different farms—these farms being supervised by "agencies" which keep track

\* See "The Parkway Farms Project," by M. L. Whisno, Published in the Journal of Land and Public Utility Economics (Frederic T. Ely, Editor), April, 1926.



"In so far as land in farms is concerned, there is practically no concentration in landownership in Wisconsin. The land in large farms or in other large holdings of farm land is an extremely small portion of the total acreage of farm land in the state. The data show a trend toward greater diffusion in landownership instead of toward greater concentration."

#### The Situation in Wisconsin

Now so far as the state of Wisconsin is concerned there is no question but what Mr. Sturlaugson is right. There is a trend in this state—a small one at least—towards greater diffusion in land ownership instead of towards greater concentration. Whether this is due to the economic policies inaugurated by the late Senator Robert M. La Follette during his life time, as some people believe, or whether it is due simply to the character of the agriculture carried on coupled with the proximity to markets, it is difficult to say. The fact remains, however, that land ownership in Wisconsin, as shown by the census reports, indicates a slight tendency towards greater diffusion rather than towards greater concentration.

But Wisconsin, be it observed, is only one of forty-eight states. What is more it is a state that, in political circles at least, is considered to be a very "radical" one. This being the case it is logical to take Wisconsin as a "typical area" to study the concentration of land ownership? Moreover can a tendency that holds good in this one state be said to hold good in the remaining forty-seven states of the Union? Plainly not. To suggest, therefore, as Mr. Sturlaugson does suggest, that the tendency in Wisconsin towards a greater diffusion of land ownership prevails throughout the whole country is not merely unscientific; it is absolutely false and misleading.

#### North Dakota

Let us take another example.

In Ely's "Journal of Land and Public Utility Economics," for October, 1925, there is an article entitled "Large Land Holdings in North Dakota." The author of this article is Alva H. Benton, Professor of Agricultural Economics in the University of North Dakota.

The purpose of Prof. Benton's article is to show, not merely that "there is no indication of a state-wide trend towards larger land holdings" in North Dakota but that the large holdings of land that did exist in the state ten, twenty or thirty years ago have now been divided into smaller family-sized units.

Prof. Benton appears, at first glance, to make a very strong case of it. He not only submits various tables to prove that "there is no indication of a state-wide trend towards larger land holdings" in

TABLE V  
DISTRIBUTION OF FARMS AND FARM ACREAGE IN NORTH DAKOTA—1880 TO 1925  
(United States Census Reports)

Year	Total number of farms			All land in farms (acres)	Number of acres in farms		Per cent of total acreage	Per cent of total acreage
	Below 500 acres	Per cent of all farms	Over 500 acres		Below 500 acres	Over 500 acres		
1825	54,434	71.7	21,596	34,937,410	16,314,935	47.5	52.5	
1910	74,360	70.7	19,076	28,426,650	15,763,406	55.4	44.6	
1900	45,832	85.7	6,460	15,512,640	12,673,244	60.7	39.3	
1890	27,611	93.6	1,760	.....	6,108,491	.....	.....	
1880	3,790	95.9	166	.....	.....	.....	.....	

North Dakota, but he specifically mentions several big "bouanza farms," which were quite conspicuous a decade or two back but which have since been cut up into smaller tracts. His article is well written, the evidence he submits is indisputable, and few persons will challenge the soundness of his conclusions.

#### The Weakness of Prof. Benton's Arguments

If we examine the article closely, however, we shall discover some very interesting things. We shall find to our amazement that Prof. Benton's arguments consist chiefly of a series of half-truths which when added to other half-truths makes a combination of no-truths. That the large land holdings mentioned by Prof. Benton, for instance, have been divided up into smaller units is unquestionably right but this fact alone is not only valueless but misleading so long as no atten-

TABLE VI  
CONCENTRATION OF FARM LAND OWNERSHIP IN NORTH DAKOTA—1910 TO 1925  
(United States Census Reports)

Size of group	Number of farms in N. D.		Increase or decrease*	Total number of acres	Increase or decrease*
	1925	1910			
Under 50 acres	1,250	679	571	18,388	9,705
50 to 174 acres	12,279	34,210	-21,931	3,734,802	-1,901,633
175 to 499 acres	40,905	34,393	6,512	12,000,616	2,452,757
500 acres and over	21,536	15,078	6,458	12,073,244	5,339,831
Total	75,970	74,360	1,610	34,327,410	5,900,760

\* A minus sign (—) denotes decrease.

tion is paid to the hundreds of other big land holdings throughout the state that in late years have been assuming larger and larger proportions.

Prof. Benton, it is interesting to note, brings in the census figures to support his arguments very frequently but he nowhere mentions a most important fact—namely, that the census reports show that the average size of farms in North Dakota in 1880 was 271.2 acres, in 1890, 277.4 acres, in 1900, 342.9 acres, in 1910, 382.3 acres and in 1925, 451.9 acres. This continuous rise in the average size of farms in the state should have told the professor at once, if he cared to see, that there is something radically wrong with his conclusions and that his statement that "there is no indication of a state-wide trend towards larger land holdings" is anything but correct.

As a matter of fact just the contrary of what Prof. Benton says is true—land ownership in North Dakota has been and is concentrating at a most rapid rate. This is evident from the census figures presented

in Table V. This table shows that while the number of farms below 500 acres in size have fallen from 95.9 per cent of all farms in 1880 to 71.7 per cent of all farms in 1925, the number of farms above 500 acres have risen from 4.1 per cent of all farms in 1880 to 28.3 per cent of all farms in 1925. Moreover, the number of acres in farms below 500 acres in size has fallen from 60.7 per cent of the total farm area in 1900 (the first year in which such figures were gathered) to 47.5 per cent of the total farm area in 1925, while the number of acres in farms over 500 acres in size has risen from 39.3 per cent to 52.5 per cent of the total farm area during the same period of time. If this doesn't prove that

GROWTH OF FARM TENANCY IN NORTH DAKOTA  
(United States Census Reports)

TABLE VII

Year	Number tenant farmers	Per cent of tenancy	Land operated by tenants (acres)	Per cent of total acreage
1925	26,096	34.4	10,582,925	30.7
1910	10,664	14.2	4,362,706	15.3
1900	3,885	5.5	1,341,240	8.7
1890	1,978	6.9	.....	.....
1880	78	2.1	.....	.....

the ownership of land is steadily concentrating in North Dakota what does it prove?

Let us look at the matter from another point of view. Between 1910 and 1925 the total farm area in North Dakota increased 5,900,000 acres. At the same time the area in farms between 50 and 174 acres decreased more than 1,901,000 acres. Since what one group loses the other groups must gain this means, then, that farms below 50 acres and above 174 acres had distributed among them a total of 7,802,000

acres. Now, just where were these 7,802,000 acres distributed? Table VI gives the answer. An insignificant number of them—9,705 acres—went into farms under 50 acres in size; less than a third—2,452,757 acres—went into farms between 175 and 499 acres in size; while over two-thirds—5,339,831 acres—went into farms over 500 acres in size! Yet, says Prof. Benton, "there is no indication of a state-wide trend towards larger land holdings in North Dakota!"

#### Research or Propaganda?

Such, then, are the lengths to which Prof. Ely's "Institute for Research in Land Economics and Public Utilities" in Northwestern University is going in its effort to uproot the movement for the taxation of land values. While the ownership of farms in the United States is steadily concentrating, while large land holdings are growing and vast estates increasing, the Institute, backed by special interests and supported by private funds, is garbling the census figures and misrepresenting the facts to prove that the tendency is just the other way.

But this is not the worst of it. This misinformation is not being given to the people under the label of "propaganda"; it is being given to them—and given out through our schools, colleges and universities—under the label of "impartial and disinterested research." Listen to the words of Prof. Ely himself:

"The Institute accomplishes its purpose through impartial scientific investigation. It has no thesis to defend nor preconceived conclusions to uphold. It obligates itself simply to search for the truth regardless of any special interests."

And again:

"We who belong to the staff of the Institute for Research in Land Economics and Public Utilities have a love for truth as such, and this love of truth we share with all men who are engaged in scientific pursuits. This is our first and all-including objective."

"Our first and all-including objective"—heaven save us! On top of an organized effort to mislead the people into a belief that the ownership of farm land is not concentrating in the United States but is becoming more diffused, on top of a constant stream of false suggestions, half-truths, insinuations and outright misrepresentations paid for by corporations seeking to advance their own selfish ends—on top of this we

have the pious declaration of Prof. Ely himself that the sole purpose of his Institute is research—impartial, scientific and disinterested research!

#### THE BASIC FACTS OF ECONOMICS

Louis F. Post, who was Assistant Secretary of Labor during the Wilson administration and whose name is a familiar one in the field of economic science, has written a new book. It is called the "Basic Facts of Economics." The book is indeed well named. It does not exploit any particular economic theory but it does something vastly more important—it clears the ground of that underbrush that has always prevented men from observing accurately and thinking clearly with respect to any and all economic theories. As a thought-provoking book for advanced students in colleges and universities the "Basic Facts of Economics" easily ranks at the top. Published by the author (2513 Twelfth Street, N. W., Washington, D. C.) Price 50 cents.