

"Damn the Torpedoes! Go Ahead!" Admiral Farragut

# THE BULLETIN

OF THE MANUFACTURERS AND MERCHANTS FEDERAL TAX LEAGUE

VOL. V

CHICAGO, SEPTEMBER, 1926.

No. 2

## BREAKING MONOPOLY'S GRIP ON OUR COLLEGES AND UNIVERSITIES

## EDUCATIONAL BODIES NOT ANXIOUS TO INVESTIGATE ELY'S INSTITUTE

The other day the Republican Party of Wisconsin in convention assembled inserted in its platform a plank supporting the recent decision of the Board of Regents of the University to accept no more money "by or in behalf of the University of Wisconsin from any incorporated educational endowments or organizations of like character."

To many people the insertion of this significant and far-reaching plank in the Republican Party Platform, as well as the resolution of the Wisconsin University Regents, may seem like an effect without a cause. For this reason the outstanding events leading up to and beyond these acts are herewith given:

### PART I

1920 October —Prof. Richard T. Ely, famous economist, organizes in Wisconsin University his privately-financed "Institute for Research in Land Economics and Public Utilities" ostensibly for the purpose of seeking the scientific solution of our land and tax problems but really for the purpose of carrying on propaganda to advance the special interests of a few at the expense of the many.

1921 January —Prof. Ely commences the writing of three books—"The Outlines of Land Economics"—upon which fifty other text and reference books are to be based.  
June —Prof. B. E. Hubbard on Ely's staff writes a special article for the National Association of Real Estate Boards to defeat the Ralston-Nolan bill in Congress—a bill designed to reduce by \$1,000,000,000 the tax burden on human industry and consumption.

1922 July —Edwards Brothers, Ann Arbor, Michigan, publish the "Outlines of Land Economics"—the three basic books completed by Prof. Ely.

September—Six members of the Institute staff start teaching in the University of Wisconsin—the special training of instructors for the schools of the nation being a part of Prof. Ely's plans.

1923 April —Conference held in Ely's offices with E. C. Nelson, Secretary of the National Association of Real Estate Boards, E. M. Fisher of the Institute staff and H. G. Atkinson, Dean of the United Y. M. C. A. Schools [all three gentlemen are now in the employ of the National Association of Real Estate Boards] to establish special courses of study in the Y. M. C. A. Schools of America.

June —Wisconsin University turns out its first crop of leaders trained under the supervision of the Institute.

June —E. M. Fisher of the Institute staff is appointed Assistant Executive Secretary of the National Association of Real Estate Boards in Chicago, the better to promote the work of the Institute.

September—E. M. Fisher completes his "Principles of Real Estate Practice" (MacMillan)—this being the first of Ely's series of text-books to be used in the Y. M. C. A. Schools of America.

November—Ely holds two-day conference in his office with representatives of the National Association of Real Estate Boards and certain professors at which conference the basis is laid for four-year courses in colleges and universities.

1924 March —"The Elements of Land Economics" (MacMillan) is completed by Prof. Ely—this being the fifth book of his fifty-volume project.

June —Wisconsin University turns out its second crop of teachers trained under the supervision of the Institute.

June —With the foundation of his Institute firmly laid and with an income exceeding \$40,000 a year supplied by the National Association of Real Estate Boards, the Carnegie Corporation, the Rockefeller Memorial, the public utilities and similar interests, Prof. Ely now prepares to reach out into all schools, colleges and universities of the nation.

### PART II

July —Emil O. Jorgensen, the editor of THE BULLETIN of the Manufacturers and Merchants Federal Tax League in Chicago begins his expose of Prof. Ely's "Institute for Research in Land Economics and Public Utilities" in Wisconsin University. Declares the Institute to be a fraud because its conclusions

(Continued on page 3)

Readers of this paper will remember that on July 31 of this year the Manufacturers and Merchants Federal Tax League, through its Director of Information, Emil O. Jorgensen, addressed a letter to the presidents of five of the largest educational organizations in the United States requesting that a committee be appointed in each organization to investigate Prof. Richard T. Ely's so-called "Institute for Research in Land Economics and Public Utilities" in Northwestern University, and either to vindicate the Institute of all charges of wrong-doing or else condemn it unreservedly as the League believes it should be condemned.

We regret to say that this request for an investigation of what is without doubt one of the greatest educational frauds of history has not been received with much enthusiasm. One organization—the AMERICAN FEDERATION OF TEACHERS—we discovered, had already passed at its annual convention in July a resolution for just such an investigation as we requested, but what action, if any, the FEDERATION has taken in the matter since the adoption of its resolution is not known.

Of the four remaining organizations to which Mr. Jorgensen's letter was sent, one—the ASSOCIATION OF AMERICAN UNIVERSITY PROFESSORS—has not replied; two have stated they will lay the matter before their Executive Committee at the next meeting; while the fourth organization has, after its Executive Committee has met, declined to touch the matter at all.

Not hearing from the ASSOCIATION OF AMERICAN UNIVERSITY PROFESSORS Mr. Jorgensen again wrote its President, Prof. W. T. Semple under date of Sept. 30, as follows:

Prof. W. T. Semple,  
President, AMERICAN ASSOCIATION OF UNIVERSITY PROFESSORS,  
University of Cincinnati,  
Cincinnati, Ohio.

Dear Prof. Semple:

On July 31 we wrote you at length concerning the fake "Institute for Research in Land Economics and Public Utilities," directed by Prof. Richard T. Ely of Northwestern University and asked that your Association make a thorough investigation of it.

We have as yet not received a reply to this letter.

As stated at the time we have no desire to interfere with the rights of any educator to teach as he sees fit, but wholesale untruthfulness cannot by any manner of means be included in his list of "rights." To conduct under the name of "science," "impartial investigation," "disinterested research" and so on, propaganda designed to promote the interests of special groups at the expense of the masses, as Prof. Ely and his Institute in Northwestern University are now doing, is something that cannot be permitted in any institution of learning. It is not merely a base betrayal of the public trust but a menace to the welfare of the whole nation.

Kindly let us hear from you.

Very sincerely yours,

MANUFACTURERS AND MERCHANTS FEDERAL TAX LEAGUE.

EMIL O. JORGENSEN,

Copied to all officers of the AMERICAN ASSOCIATION OF UNIVERSITY PROFESSORS.

Director, Bureau of Information,

ASSOCIATION OF UNIVERSITY

THE answer received from President Effinger of the ASSOCIATION OF AMERICAN COLLEGES and Mr. Jorgensen's reply thereto follow:

UNIVERSITY OF MICHIGAN  
Ann Arbor

College of Literature, Science, and the Arts  
John R. Effinger,  
Dean

W. R. Humphreys,  
Assistant Dean

Mr. Emil O. Jorgensen,

August 16, 1926

1346 Algefeld St.,  
Chicago, Ill.

Dear Sir:

I desire to acknowledge your letter of July 31st and inform you that the matter will be referred to the Executive Committee of the Association of American Colleges at its next meeting. I question, however, whether or not a matter of this sort will be considered as a proper matter for our Association to take up inasmuch as it has never attempted to interfere in any way with the rights of Colleges and Universities to regulate their own curricula.

Very truly yours,

JOHN R. EFFINGER.

JRE-C

September 30, 1926

Dean John R. Effinger,  
President, Association of American Colleges,  
University of Michigan,  
Ann Arbor, Mich.

My dear Dean Effinger:

In your letter of August 16 you state you will lay the matter of investigating Prof. Richard T. Ely's "Institute for Research in Land Economics and Public Utilities" in Northwestern University before the Executive Committee of the ASSOCIATION OF AMERICAN COLLEGES at its next meeting.

(Continued on page 4)

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  
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THE INTERNATIONAL CONFERENCE IN DENMARK

No more inspiring event has occurred for many years than the Third International Conference on the Taxation of Land Values which met in Copenhagen, Denmark, during the latter days of July. The Conference held forth in the joint Assembly Chamber of the Houses of Parliament and the records of the British-Danish Secretariat show that more than 400 representatives of 26 different countries had enrolled for the Conference, with members from 17 nations actually in attendance on the opening day. It was by all odds, not merely the largest but the most important international gathering of the disciples of Henry George that has so far been held. To the leaders in England and Denmark whose initiative and enterprise and sacrifices made this Conference such an outstanding success the world owes a debt of profound gratitude.

LAND AND LIBERTY

Readers who want to know all about the Third International Conference on the Taxation of Land Values which was held in Denmark in July, should send for a copy of the September issue of "Land and Liberty"—that inestimably valuable journal published in England at 11, Tothill Street, London, S. W. 1. This issue—a masterpiece in reporting and printing—contains, besides the leading addresses, a full digest of each event.

The price of this particular issue of "Land and Liberty" is not one dollar but because one dollar will pay for a whole year's subscription to this remarkable journal, this is the sum we urge each one to send.

NEW LAND VALUE TAX UNION IS BORN

A new organization for promoting the Henry George ideas has just been formed. This time it is one that embraces the entire globe. It is called the "International Union for Land Value Taxation and Free Trade" and was formally launched at the recent Conference in Denmark. The officers elected are Charles O'Connor, Hennessy of New York, President; John Paul and A. W. Madsen of Great Britain and F. Polke and Abel Brink of Denmark, Secretaries; and Ashley Mitchell of Great Britain, Treasurer. The headquarters of the new organization are at 11, Tothill Street, London, S. W. 1, England.

DEFEAT THE ILLINOIS CONSTITUTIONAL AMENDMENT

By HENRY I. TIDEMAN

The proposed amendment to the constitution of the State of Illinois, which will be submitted in the November election, authorizes the legislature to levy taxes upon persons, property and income. It provides that "taxes levied under the authority of this section shall be uniform upon persons, property and income of the same class. All real estate shall be in one class, except that mineral land and land devoted to reforestation may be in different classes. Exemptions may be established only by general law."

If this amendment is adopted it is possible that we may have a taxation system and classification of property for taxes like this:

- A. Taxes on persons—a revival of poll taxes.
- B. Income taxes.
- C. Class 1. Real estate: land and improvements subject to any convenient tax rate, but uniform.
- Class 2. Mineral land; exempt or subject to specially devised taxes.
- Class 3. Forest land; exempt or with especially low taxes.
- Class 4, 5, 6, 7, etc., establishing special taxes or exemptions upon various kinds of personal property.

We will leave out the humorous implications involved in the classification of persons for various rates of poll tax.

We are now subject to all the income tax abuse, which a free people believing in the beneficent influence of a measurable reward for initiative, should tolerate.

The word "real estate" when used as a legal term is interpreted to include land and fixed improvements. So under the proposed system no generally beneficial exemptions could be made. It might for instance be desirable to exempt dwellings and farm improvements from taxation. This could not be done under any reasonable interpretation of this amendment.

Mineral and forest lands may be placed in separate classes and be subjected to especially high or low taxes. Please note that the word "land" is used in these instances. There is a vigorous movement afoot to get a "forestry" policy adopted, and the means proposed is to reduce taxes upon "land devoted to forestry." No more mistaken policy could be adopted. Whosoever wishes to grow timber upon land suitable therefor should certainly pay taxes on the value of the space occupied in that way—however wise it may be to permit the growing timber to escape taxes. Otherwise we may find that "forestry" may become one more means of withholding land from immediate use, while its price is increasing, to the ultimate enrichment of land speculators at the expense of land users.

Personal property now very largely escapes taxation. It is evident that our political brethren look forward to getting more money to squander from this source than they have been getting. By a thorough classification of personal property, with very low tax and graded tax rates this may be possible. But what the personal property tax needs is abolition, not tinkering, and tinkering is all that is promised.

The amendment has one redeeming feature. It is almost impossible for any legislature ever to act effectively under it. It provides: "No act . . . under this section shall become a law without the concurrence of two-thirds of the members elected to each house."

Some good, well-intentioned people will support the amendment hoping for improvement through change. Wise folks will oppose it. There is more progress to be made standing still than by galloping in the wrong direction. The amendment should be defeated.

NEWS NOTES

Voters of Illinois—defeat the Constitutional Amendment!

That indefatigable salesman of Henry George literature, Mr. F. W. Maguire, is at it now at the Sesqui-Centennial.

It is not kings, nor aristocrats, nor land-owners, nor capitalists that anywhere really enslave the people. It is their own ignorance.—Henry George.

Wise old Thomas Paine! "No matter," he said, "what your form of government may be, unless you take ground rent into the common treasury one-half of your children will be disinherited from the land of their birth."

In 1919 only four states levied a tax on gasoline. Now forty-four states levy such a tax. Moreover, in the beginning the general rate was one cent a gallon. Now three, four and even five cents a gallon are common.

Pretoria, the capital of the Transvaal in South Africa, has followed in the footsteps of Johannesburg. Local taxation in Pretoria is now on land values only—no taxes whatever being levied on the improvements.

"There is a principle which is a bar against all information, which is proof against all argument, and which cannot fail to keep a man in everlasting ignorance. That principle is condemnation before investigation."—Herbert Spencer.

Another win in New Zealand! On the 12th of May the County of Papanonga, in the provincial district of Hawke's Bay voted by a majority of four to one to adopt for local purposes the taxation of land values only. The area of Papanonga County is about 460 square miles.

The sixth volume of the "Enclaves of Economic Rent" telling the history and status of the single tax enclaves in the United States and elsewhere has now been published. It can be obtained from Fiske Warren, Harvard, Mass. Price \$4.00.

The fair cash value of the real estate in the "loop" district of Chicago, reports the Manufacturers' Appraisal Company on the completion of its assessment task, is \$1,268,000,000. The valuation used by the Board of Review is only \$692,890,380—or less than half as much.

The earth shall reel to and fro like a drunkenard, and shall be removed like a cottage; and the transgression thereof shall be heavy upon it; and it shall fall and not rise again, and it shall come to pass in that day, that the Lord shall punish the host of the high ones that are on high, and the kings of the earth upon the earth.—Isaiah xxvii, 20 and 21.

CLARIFYING THE SUBJECT!

"We all learn in school that land is one of the factors of production and most of us let it go at that.

"Tom Ricardo's law to the latest single tax brochure the subject has been surrounded by so much metaphysics and subtlety that the practical business man has derived little help from most of the texts. Of late the research work of Prof. Ely's bureau at Northwestern University has brought the subject into more intimate contact with everyday affairs."—Harper Leach, economic writer for the Chicago Daily Tribune.

A Fetching Letter

A Japanese who obtained a position with an English firm was asked to write a customer who had owed some money for a long time. "Write briefly," said the cashier, "but let them understand distinctly that we expect them to pay without further delay."

The letter was written and on the following day came a check for the amount due.

The letter ran thus: Dear Sir—If you do not send at once the money you owe, we shall be obliged to take steps which will cause you the utmost astonishment. Respectfully yours— Boston Post.

**BREAKING MONOPOLY'S GRIP—Continued**

have been laid down before its facts have been gathered. Shows that because it has condemned certain tax reforms in advance of its investigations and approved certain other tax policies also in advance of its investigations, the Institute is not a research bureau but a propaganda bureau in disguise.

- August —Jorgensen's first article reprinted in pamphlet form. Four men—J. A. Bell, Otto Cullman, Harry H. Willock and J. H. McGill—have 20,000 copies distributed throughout the nation. Two thousand copies sent to Wisconsin editors, state officials, Board of Regents and faculty members of the university.
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- September—Jorgensen's second article exposing Prof. Ely and the Institute is published.
- October —Ely in his "Institute News" attempts to answer the charges made.
- November—Jorgensen's fourth article appears.
- December—Curiosity in Wisconsin is aroused. Discussion sets in.
- 1925 January —Attacks on Mr. Jorgensen continue. Tulsa (Oklahoma) Tribune launches tirade of abuse.
- January —LaFollette's Magazine joins the fight in behalf of honest education.
- February —Seventh article by Mr. Jorgensen is published.
- February —LaFollette's Magazine warns the Regents of Wisconsin University to put their house in order.
- March —Jorgensen's eighth article exposing the Institute appears. Rumors abound that Ely has been asked to move.
- April —Ninth article is printed. Discussion and debate in Wisconsin spreads. Embarrassment to the Board of Regents grows more intense.
- May —Prof. Ely prepares to leave for safer quarters. Adds former Governor of Illinois, Frank O. Lowden and Nathan William MacChesney, a leading Trustee of Northwestern University as well as the General Counsel for the National Association of Real Estate Boards, to his own Board of Trustees.
- June —The eleventh article by Mr. Jorgensen is published.
- July —Prof. Ely moves his "research" Institute from the University of Wisconsin in Madison to the privately-supported institution controlled by Judge E. H. Gary, Nathan W. MacChesney, Samuel Insull and other financial magnates of the nation—Northwestern University in Evanston, Illinois.
- August —The Wisconsin University Board of Regents meet and pass by a vote of 9 to 5 the following resolution:  
"That no gifts, donations, nor subsidies shall in future be accepted by or in behalf of the University of Wisconsin from any incorporated educational endowments or organizations of like character."
- September—Passage of the Wisconsin resolution brings nationwide storm of protest. Privately endowed colleges and universities in other states see in it a reflection upon themselves. Vigorous efforts to have the resolution repealed sets in.
- 1926 September—Republican Party of Wisconsin in state convention backs up the Board of Regents by inserting in its platform the following plank:  
"We believe that the State of Wisconsin should maintain her educational institutions free from the corrupting and dangerous subsidizing of organized wealth and monopoly. We are whole-heartedly opposed to permitting Rockefeller or other monopolists, or their instrumentalities from corrupting democracy at its source. We pledge ourselves to the maintenance of our educational institutions free from trammeling influence from any source and declare our recognition of the principle of free and unrestrained search for the truth in all our institutions."

**PART III**

- 1925 August —Prof. Richard T. Ely having moved his "Institute for Research in Land Economics and Public Utilities" from Wisconsin to Northwestern University redoubles his efforts to inject the doctrines of the Institute into all schools, colleges and universities of the nation.
- September—He seeks to win public confidence in the Institute by adding thereto an "Advisory Research Council" composed of—  
Dean Edmund E. Day, University of Michigan  
Prof. B. H. Hibbard, University of Wisconsin  
Prof. Frank A. Fetter, Princeton University  
Dean R. E. Heilman, Northwestern University  
Prof. C. O. Rugles, University of Ohio  
Prof. E. R. A. Seligman, Columbia University  
Prof. John D. Black, University of Minnesota  
Dean C. M. Thompson, University of Illinois
- October —Ely establishes in Northwestern University twenty-four courses of study for the particular training of teachers and specialists in the field of land economics, public utilities and taxation.
- November —Statement is made by the National Association of Real Estate Boards that the number of colleges and universities which have so far installed the courses of study prepared by the Association in cooperation with the Institute total more than forty.
- December —Dr. Walter Dill Scott, president of Northwestern University, states that the income pledged to the separately incorporated "Institute for Research in Land Economics and Public Utilities" has reached \$65,000.
- 1926 January —The Manufacturers and Merchants Federal Tax League in Chicago publish in a book entitled "False Education in our Colleges and Universities" all of Mr. Jorgensen's articles exposing Prof. Ely and his "research" Institute.
- February —The eighth book of Ely's fifty volume project is completed.
- March —The National Association of Real Estate Boards state that the number of cities in which the courses of study drafted by the Association and the Institute are taught exceed 210.
- April —The Chicago Federation of Men Teachers pass resolution condemning Prof. Ely's Institute for "research" as "an insidiously dangerous factor in the social and educational fabric of our country."
- June —Northwestern University turns out the fourth crop of teachers trained under the direction of the Institute.
- June —The National Association of Real Estate Boards votes to increase the per capita dues of its 27,000 members from \$5 to \$10 a year for the purpose of pushing "research, education, taxation and legislation."
- July —Resolution is passed at the annual convention of the American Federation of Teachers to make a full investigation of the organization headed by Prof. Ely.
- August —Catalogue published by Northwestern University discloses thirty-five courses in land economics, public utilities and taxation taught by Prof. Ely and his "research" Institute—courses leading to the Bachelor's, the Master's and the Doctor of Philosophy degrees.
- September—Education Protective Association of America, 1344 Algeid Street, Chicago (George A. Schilling, President, Emil O. Jorgensen, Secretary) is formed to lay the danger of Ely's propaganda Institute more effectively before the American people. Association publishes its first booklet, "Beware of Northwestern University."

**TEACHERS TO INVESTIGATE ELY'S INSTITUTE**

At its tenth annual convention held in New York City in July of this year the AMERICAN FEDERATION OF TEACHERS passed the following resolution:

"WHEREAS, the Institute for Research in Land Economics and Public Utilities in connection with Northwestern University has caused many persons in the educational world great anxiety because, in the first place, it is supported by the very institutions that it professes to study in an impartial spirit, and, secondly, because, its critics assert, the head of this Institute believes and teaches that certain capital and property taxes should be abandoned in large measure and passed on to the masses in the form of indirect taxes, such as sales taxes, and others of like nature; and, thirdly, because the Institute teaches that land tenancy is not a bad thing and will not lead to the creation of a servile peasantry nor any form of serfdom; therefore, be it

"RESOLVED, that the incoming Executive Council of the American Federation of Teachers be requested to take steps towards a fair and impartial investigation of the Institute and its work, and report to the locals the results of its findings as soon as possible, the Executive Council to understand that it may call upon any locals that are willing to give assistance in this important investigation."

**THANK YOU, CAPTAIN!**

THE COMMONWEALTH OF MASSACHUSETTS  
Department of Education  
MASSACHUSETTS NAUTICAL SCHOOL  
U. S. S. Nantucket, St. George's,  
Bernuda, September 3, 1926.

Mr. Emil O. Jorgensen,  
c/o Manufacturers and Merchants Federal Tax League,  
1346 Algeid Street, Chicago.

My dear Mr. Jorgensen:  
I have read your book "False Education in our Colleges and Universities" and also your article in THE BULLETIN of July, 1926. You sure have hit Professor Ely between wind and water. You are right in calling his scheme the most gigantic conspiracy to mislead the thought of a nation the world has ever seen I believe, and I trust you will succeed in having him and the rest of the fakers show their true colors.

I enclose my check for \$5.00 to help the cause and I only wish that it was for \$5,000.00. You are surely doing a good work.

Very sincerely yours,  
ARMISTEAD RUST, Captain.

"The delay in tax reform is because nobody can follow the tax question to a logical and sane conclusion without becoming a single taxer."—David Gibson.

**BREAKING MONOPOLY'S GRIP—Continued**

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- July —Prof. Ely moves his "research" Institute from the University of Wisconsin in Madison to the privately-supported institution controlled by Judge E. H. Gray, Nathan W. MacChesney, Samuel Insull and other financial magnates of the nation—Northwestern University in Evanston, Illinois.
- August —The Wisconsin University Board of Regents meet and pass by a vote of 9 to 5 the following resolution:  
"That no gifts, donations, nor subsidies shall in future be accepted by or in behalf of the University of Wisconsin from any incorporated educational endowments or organizations of like character."
- September—Passage of the Wisconsin resolution brings nationwide storm of protest. Privately endowed colleges and universities in other states see in it a reflection upon themselves. Vigorous efforts to have the resolution repealed sets in.
- 1926 September—Republican Party of Wisconsin in state convention backs up the Board of Regents by inserting in its platform the following plank:  
"We believe that the State of Wisconsin should maintain her educational institutions free from the corrupting and dangerous subsidizing of organized wealth and monopoly. We are whole-heartedly opposed to permitting Rockefeller or other monopolists, or their instrumentalities, from corrupting democracy at its source. We pledge ourselves to the maintenance of our educational institutions free from trammeling influence from any source and declare our recognition of the principle of free and unrestrained search for the truth in all our institutions."

**PART III**

- 1925 August —Prof. Richard T. Ely having moved his "Institute for Research in Land Economics and Public Utilities" from Wisconsin to Northwestern University redoubles his efforts to inject the doctrines of the Institute into all schools, colleges and universities of the nation.
- September—He seeks to win public confidence in the Institute by adding thereto an "Advisory Research Council" composed of—  
Dean Edmund E. Day, University of Michigan  
Prof. B. H. Hibbard, University of Wisconsin  
Prof. Frank A. Fetter, Princeton University  
Dean R. E. Heilman, Northwestern University  
Prof. G. O. Ruggles, University of Ohio  
Prof. E. R. A. Seligman, Columbia University  
Prof. John D. Black, University of Minnesota  
Dean C. M. Thompson, University of Illinois
- October —Ely establishes in Northwestern University twenty-four courses of study for the particular training of teachers and specialists in the field of land economics, public utilities and taxation.
- November —Statement is made by the National Association of Real Estate Boards that the number of colleges and universities which have so far installed the courses of study prepared by the Association in cooperation with the Institute total more than forty.
- December —Dr. Walter Dill Scott, president of Northwestern University, states that the income pledged to the separately incorporated "Institute for Research in Land Economics and Public Utilities" has reached \$65,000.
- 1926 January —The Manufacturers and Merchants Federal Tax League in Chicago publish in a book entitled "False Education in our Colleges and Universities" all of Mr. Jorgensen's articles exposing Prof. Ely and his "research" Institute.
- February —The eighth book of Ely's fifty volume project is completed.
- March —The National Association of Real Estate Boards state that the number of cities in which the courses of study drafted by the Association and the Institute are taught exceed 210.
- April —The Chicago Federation of Men Teachers pass resolution condemning Prof. Ely's Institute for "research" as "an insidious, dangerous factor in the social and educational fabric of our country."
- June —Northwestern University turns out the fourth crop of teachers trained under the direction of the Institute.
- June —The National Association of Real Estate Boards votes to increase the per capita dues of its 27,000 members from \$5 to \$10 a year for the purpose of pushing "research, education, taxation and legislation."
- July —Resolution is passed at the annual convention of the American Federation of Teachers to make a full investigation of the organization headed by Prof. Ely.
- August —Catalogue published by Northwestern University discloses thirty-five courses in land economics, public utilities and taxation taught by Prof. Ely and his "research" Institute—courses leading to the Bachelor's, the Master's and the Doctor of Philosophy degrees.
- September—Education Protective Association of America, 1344 Altgeld Street, Chicago (George A. Sculling, President, Emil O. Jorgensen, Secretary) is formed to lay the danger of Ely's propaganda. Institute more effectively before the American people. Association publishes its first booklet, "Beware of Northwestern University."

**TEACHERS TO INVESTIGATE ELY'S INSTITUTE**

At its tenth annual convention held in New York City in July of this year the AMERICAN FEDERATION OF TEACHERS passed the following resolution:

"WHEREAS, the Institute for Research in Land Economics and Public Utilities in connection with Northwestern University has caused many persons in the educational world great anxiety because, in the first place, it is supported by the very institutions that it professes to study in an impartial spirit, and, secondly, because, its critics assert, the head of this Institute believes and teaches that certain capital and property taxes should be abandoned in large measure and passed on to the masses in the form of indirect taxes, such as sales taxes, and others of like nature; and, thirdly, because the Institute teaches that land tenancy is not a bad thing and will not lead to the creation of a servile peasantry nor any form of serfdom; therefore, be it

**RESOLVED**, that the incoming Executive Council of the American Federation of Teachers be requested to take steps towards a fair and impartial investigation of the Institute and its work, and report to the locals the results of its findings as soon as possible, the Executive Council to understand that it may call upon any locals that are willing to give assistance in this important investigation."

**THANK YOU, CAPTAIN!**

THE COMMONWEALTH OF MASSACHUSETTS  
Department of Education  
MASSACHUSETTS NAUTICAL SCHOOL  
U. S. S. Nantucket, St. George's,  
Bermuda, September 3, 1926.

Mr. Emil O. Jorgensen,  
c/o Manufacturers and Merchants Federal Tax League,  
1346 Altgeld Street, Chicago.

My dear Mr. Jorgensen:  
I have read your book "False Education in our Colleges and Universities" and also your article in THE BULLETIN of July, 1926. You sure have hit Professor Ely between wind and water. You are right in calling his scheme the most gigantic conspiracy to mislead the thought of a nation the world has ever seen I believe, and I trust you will succeed in having him and the rest of the fakers show their true colors.

I enclose my check for \$5.00 to help the cause and I only wish that it was for \$5,000.00. You are surely doing a good work.

Very sincerely yours,  
ARMISTEAD RUST, Captain.

"The delay in tax reform is because nobody can follow the tax question to a logical and sane conclusion without becoming a single taxer."—David Gibson.

## EDUCATIONAL BODIES NOT ANXIOUS TO INVESTIGATE—Continued

We regret to find, Dear, that after a month and a half we have not heard a word either from you or from any members of your Association regarding the evidence against Prof. Ely and his fraudulent "research." Institute—evidence which we have in great abundance and which we are anxious to submit. You certainly can't expect the members of your Executive Committee to act intelligently in this matter when they are unacquainted with the facts.

In your letter you also suggest that an investigation of the Institute may not be considered a proper matter for your Association to take up. "Inasmuch as it has never attempted to interfere in any way with the rights of colleges and universities to regulate their own curricula."

We beg you, sir, to impress upon your Executive Committee very emphatically that deception and untruthfulness do not come under any educational institution's bill of "rights." To carry on, under the label of "science," "impartial investigation," "disinterested research" and the like, propaganda designed to advance the special interests of a few at the expense of the many, as Prof. Ely's privately-financed Institute in Northwestern is now doing, is base and dishonest and something that cannot be tolerated in any college or university.

We realize that an investigation of this character will be for many of your members an unpleasant task but we are looking to you, Dean, to see that the ASSOCIATION OF AMERICAN COLLEGES does its full duty in the matter.

If you desire, not merely for yourself but for all members of your Executive Committee, the literature we have published regarding Prof. Ely's "research" Institute, kindly advise.

Yours very sincerely,  
EMIL O. JORGENSEN,

BOJ:E  
Copied to all officers and past presidents of the ASS'N OF AMERICAN COLLEGES.  
Director, Bureau of Information.

Following is the letter received from President Kemmerer of the AMERICAN ECONOMIC ASSOCIATION and the answer that Mr. Jorgensen made:

## AMERICAN ECONOMIC ASSOCIATION

Edwin W. Kemmerer, President,  
Princeton University.

Mr. Emil O. Jorgensen, Director  
Manufacturers and Merchants Federal Tax League,  
1346 Altgeld St., Chicago, Ill.

Evanston, Illinois,  
September 27, 1926

Dear Sir:

A short time ago I received in Warsaw, Poland, after considerable delays in forwarding, your letter of July 31 with reference to Professor Ely and the "Institute for Research in Land Economics and Public Utilities," but have not received the book which you said was sent with the letter.

At the time of the next meeting of the Executive Committee of the American Economic Association I will take up with my colleagues on the Committee the request contained in your letter.

Meanwhile I wish you would send me a copy of the book on "False Education in our Colleges and Universities" to which you refer.

Respectfully yours,  
E. W. KEMMERER,  
President.

September 30, 1926

Dr. E. W. Kemmerer,  
President, American Economic Association,  
Princeton University,  
Princeton, N. J.

My dear Dr. Kemmerer:

Your good letter of September 27 at hand.

We are very glad indeed to know that you will take up at the next meeting of your Executive Committee the matter of investigating Prof. Richard T. Ely's "Institute for Research in Land Economics and Public Utilities" in Northwestern University.

As already suggested in our letter of July 31 we have no desire to interfere with the rights of any educator to teach as he deems best but duplicity and untruthfulness cannot, by any stretch of the imagination, be included in his list of "rights." To carry on in our educational institutions propaganda designed to advance the special interests of a few at the expense of the majority is indefensible even if done openly, but when such propaganda is passed out to the people under the cloak of "economics," "scientific investigation," "disinterested research," etc., as Prof. Ely's Institute in Northwestern is now doing, it is utterly dishonest and cannot be allowed in any college or university.

I regret to learn, Doctor, that our book "False Education in our Colleges and Universities" did not reach you. Another copy, together with some pamphlets we have published, is being sent to you today. The same material will be gladly forwarded to any other member or members of your organization that you may designate.

Awaiting with interest the action of the AMERICAN ECONOMIC ASSOCIATION in this matter, I am,

Yours very sincerely,  
EMIL O. JORGENSEN,

BOJ:E  
Copied to all officers and past presidents of the Am. Econ. Ass'n.  
Director, Bureau of Information.

The correspondence between Chairman Gildersleeve and Dr. C. R. Mann of the AMERICAN COUNCIL ON EDUCATION and Mr. Jorgensen follows:

BARNARD COLLEGE  
Columbia University  
New York

Office of the Dean

Mr. Emil O. Jorgensen, Director  
Manufacturers and Merchants Federal Tax League,  
1346 Altgeld St., Chicago, Ill.

September 14, 1926

Dear Mr. Jorgensen:

On my return from abroad I find your letter of July 31st with reference to Professor Ely's Institute at Northwestern University. I have read with great interest what you say and I am sending your letter to Dr. Mann, the Director of

the American Council on Education, to be brought before the Executive Committee at its next meeting.

Believe me

Sincerely yours,

VIRGINIA C. GILDERSLEEVE,

Dean.

VOG:ACP

## AMERICAN COUNCIL ON EDUCATION

26 Jackson Place  
Washington, D. C.

September 28, 1926

Mr. Emil O. Jorgensen,  
Manufacturers and Merchants Federal Tax League,  
1346 Altgeld St., Chicago, Ill.

My dear Sir:

Your letter of July 31st, addressed to Miss Gildersleeve as Chairman of the American Council on Education, was brought by her to the attention of the Executive Committee of the Council, Saturday, September 26th, and was carefully considered. It was the unanimous consensus of the meeting that the function of acting as umpire in questions of the sort you raise is wholly beyond the scope of the activities of this Council. Therefore, we must decline to accept your suggestion that we appoint a committee to investigate the Institute for Research in Land Economics and Public Utilities at Northwestern University.

The Executive Committee is keenly alive to the importance of preserving the integrity for research and to the necessity of protecting research from intimidation by propagandists of special creeds. It is the duty of University Trustees to perform both of these functions, and we are thoroughly convinced that they are quite as competent to do this for themselves as is any outside agency.

Yours very truly,

C. R. MANN,

September 30, 1926

Dr. C. R. Mann,  
Director, American Council on Education,  
26 Jackson Place, Washington, D. C.

Dear Dr. Mann:

Your letter of September 28th declining to appoint a committee to investigate Prof. Richard T. Ely's "Institute for Research in Land Economics and Public Utilities" in Northwestern University, as requested in our letter to Chairman Gildersleeve of July 31st, has just been received.

With all due respect to you, Doctor, and the great Council you represent, we must ask for a reconsideration of this decision.

In the first place your Executive Committee has plainly acted in the matter before it was in possession of all the facts. During the past two years we have published in books and pamphlets a great deal of evidence against Prof. Ely and his spurious Institute in Northwestern University—evidence which we are not merely glad but anxious to submit, yet up to the present time no request has come in either from you or from any member of your Committee for this evidence. In the very nature of things, therefore, your Committee could not have acted as intelligently in the matter as it should.

In the second place we are not persuaded that the investigation we ask is outside of the province of your Council; on the contrary, we believe it is very definitely within this province.

In the third place you state that the Trustees of Northwestern University are quite as competent as is any outside agency to "preserve the integrity of research" and to protect it from "intimidation by propagandists of special creeds," and that it is their duty to do so.

We agree with you, Doctor, that the Trustees of Northwestern are fully competent to do this, but our experience during the past year and a half has very clearly demonstrated that they are unwilling to perform their duty. We have published in the last sixteen months many articles showing the fraudulence of Prof. Ely's "research" Institute, to which the attention of the Trustees has been called, yet up to the present time they have shown no disposition whatever to put their house in order.

Nor is this strange. The reason that the Trustees have not acted in the matter is simply because the propaganda sent out from the University under the mask of "research" is designed to promote the very interests of the leading Trustees who sit upon the Board.

Mr. Nathan W. MacChesney, for instance, is one of the most prominent Trustees of Northwestern University. Mr. MacChesney is furthermore the president of the Northwestern University Educational Foundation directed by a board of thirty-four governors selected from the alumni, and the main purpose of which is to hire and maintain "competent" professors. The voice of Mr. MacChesney is, therefore, indisputably the most powerful voice in Northwestern University.

But Mr. MacChesney is also the General Counsel for the National Association of Real Estate Boards, an association consisting of some 27,000 active members representing over 650 state and local real estate boards, and in whose interest chiefly the propaganda manufactured by Prof. Ely's privately-financed "research" Institute in Northwestern is sent out.

You can readily see from this the futility of expecting the directors of Northwestern University to perform their duty in "preserving the integrity of research" and in "protecting research from intimidation by propagandists of special creeds."

We must, therefore, respectfully ask again that your Executive Committee reconsider its decision and that the AMERICAN COUNCIL ON EDUCATION make a full and fearless investigation of this matter. It is a matter that is pregnant with danger to the welfare of the whole population and cannot be allowed to go on.

Yours very sincerely,

MANUFACTURERS AND MERCHANTS FEDERAL TAX LEAGUE.

EMIL O. JORGENSEN,

Director, Bureau of Information.

September 30, 1926

Dean Virginia C. Gildersleeve,  
Chairman, American Council on Education,  
Barnard College, Columbia University,  
New York City.

Dear Dean Gildersleeve:

We enclose herewith a copy of our letter just written to Dr. Mann regarding the investigation of Prof. Richard T. Ely's spurious "Institute for Research in Land Economics and Public Utilities" in Northwestern University.

In view of the seriousness of the situation will you not, as the Chairman of the AMERICAN COUNCIL ON EDUCATION, instruct Dr. Mann and the Executive Committee to do their full duty in this matter?

Yours very sincerely,

MANUFACTURERS AND MERCHANTS FEDERAL TAX LEAGUE.

EMIL O. JORGENSEN,

Director, Bureau of Information.

BOJ:E